



**BOARD OF DIRECTORS OF THE
CONNECTICUT GREEN BANK**
Regular Meeting Minutes

Friday, October 21, 2022
9:00 a.m. – 11:00 a.m.

A regular meeting of the Board of Directors of the **Connecticut Green Bank (the “Green Bank”)** was held on October 21, 2022.

Due to COVID-19, all participants joined via the conference call.

Board Members Present: Binu Chandy, Thomas Flynn, Dominick Grant, Victoria Hackett, John Harrity, Adrienne Houël, Matthew Ranelli, Lonnie Reed, Sarah Sanders, Joanna Wozniak-Brown, and Brenda Watson

Board Members Absent: Laura Hoydick,

Staff Attending: David Beech, Shawne Cartelli, Louise Della Pesca, Mackey Dykes, Brian Farnen, Bryan Garcia, Sara Harari, Bert Hunter, Alex Kovtunenکو, Ed Kranich, Cheryl Lumpkin, Jane Murphy, Sara Pyne, Ariel Schneider, Eric Shrago, Dan Smith, Marianna Trief

Others present: Claire Sickinger, Giulia Bambara, Mike King

1. Call to Order

- Lonnie Reed called the meeting to order at 9:06 a.m.

2. Public Comments

- No public comments.

3. Consent Agenda

a. Meeting Minutes of July 22, 2022 and July 28, 2022

Resolution #1

Motion to approve the meeting minutes of the Board of Directors for July 22, 2022 and July 28, 2022.

b. Transactions Under \$500,000 and No More in Aggregate of \$1,000,000

Resolution #2

WHEREAS, on January 18, 2013, the Connecticut Green Bank (the “Green Bank”) Board of Directors (the “Board”) authorized the Green Bank staff to evaluate and approve funding requests less than \$300,000 which are pursuant to an established formal approval process requiring the signature of a Green Bank officer, consistent with the Green Bank Comprehensive Plan, approved within Green Bank’s fiscal budget and in an aggregate amount not to exceed \$500,000 from the date of the last Deployment Committee meeting, on July 18, 2014 the Board increased the aggregate not to exceed limit to \$1,000,000 (“Staff Approval Policy for Projects Under \$300,000”), on October 20, 2017 the Board increased the finding requests to less than \$500,000 (“Staff Approval Policy for Projects Under \$500,000”); and

WHEREAS, Green Bank staff seeks Board review and approval of the funding requests listed in the Memo to the Board dated October 21, 2022 which were approved by Green Bank staff since the last Deployment Committee meeting and which are consistent with the Staff Approval Policy for Projects Under \$500,000;

NOW, therefore be it:

RESOLVED, that the Board approves the funding requests listed in the Memo to the Board dated October 21, 2022 which were approved by Green Bank staff since the last Deployment Committee meeting. The Board authorizes Green Bank staff to approve funding requests in accordance with the Staff Approval Policy for Projects Under \$500,000 in an aggregate amount to exceed \$1,000,000 from the date of this Board meeting until the next Deployment Committee meeting.

c. FY22 Progress to Targets

Resolution #3

WHEREAS, in July of 2011, the Connecticut General Assembly passed Public Act 11-80 (the Act), “AN ACT CONCERNING THE ESTABLISHMENT OF THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION AND PLANNING FOR CONNECTICUT’S ENERGY FUTURE,” which created the Connecticut Green Bank (the “Green Bank”) to develop programs to finance and otherwise support clean energy investment per the definition of clean energy in Connecticut General Statutes Section 16-245n(a);

WHEREAS, the Act directs the Green Bank to develop a comprehensive plan to foster the growth, development and commercialization of clean energy sources, related enterprises and stimulate demand clean energy and deployment of clean energy sources that serve end use customers in this state;

WHEREAS, on July 18, 2019, the Board of Directors of the Connecticut Green Bank approved a Comprehensive Plan for FY 2020 and Beyond called Green Bonds US, including an annual budget and targets for FY 2022, which were approved on June 25, 2021 and July 23, 2021;

WHEREAS, on July 22, 2022, the Board of Directors of the Connecticut Green Bank approved of the draft Program Performance towards Targets for FY 2022 memos for the

Incentive Programs, Financing Programs, and Investments.

NOW, therefore be it:

RESOLVED, that Board has reviewed and approved the restated Program Performance towards Targets for FY 2022 memos dated October 21, 2022, which provide an overview of the performance of the Incentive Programs, Financing Programs, and Investments with respect to their FY 2022 targets.

d. CY23 Regular Meeting Schedule

Resolution #4

Motion to approve the Regular Meeting Schedules for 2023 for the Board of Directors, ACG Committee, BOC Committee, Deployment Committee, and Joint Committee.

Upon a motion made by Matthew Ranelli and seconded by John Harrity, the Board of Directors voted to approve the Consent Agenda which includes Resolutions 1 – 4. None opposed or abstained. Motion approved unanimously.

- David Beech gave an update to the Green Liberty Notes Offering 4. It is over halfway to the \$250,000 maximum for this issuance. In total the Green Liberty Notes offerings have had investors from 30 states and have raised over \$690,000.

4. Committee Recommendations and Updates

a. Audit, Compliance, and Governance Committee

i. Annual Comprehensive Financial Report

- Jane Murphy summarized the ACFR, including communications and recommendations, which was recommended for approval by the ACG Committee. It was performed by the new auditors, PKF O'Connor Davies, and they issued an unmodified opinion on the financial statements. She reviewed the revenues, expenses, and changes in net position of the Green Bank.
 - John Harrity asked if inflation and rising interest rates are reflected in the ACFR. Jane Murphy responded that for the evaluation of the pension, it is the year before and does not reflect the interest rates, but for the interest rates swaps, they are up to date. Bert Hunter added that interest rates started increasing in March 2022 but little was reflected in what was affected through the end of June, though it will be more apparent after June 2022.
 - Thomas Flynn commented that he was feeling cautious due to entering the new inflationary period and in reflection of the one-time pickups from this year's statements. He also praised the team for their work and success through the audit.
 - John Harrity asked if there was a cost of living adjustment for the staff of the Green Bank and Eric Shrago answered yes, and it was effective as of July 1, 2022.
 - Dominick Grant asked about the Statement of Net Position, in thinking about the expanded mandate for environmental infrastructure, if the unrestricted position is available to other types of non-energy programming if the need was present. Jane Murphy answered yes with the caveat that it is not pulling from rate-payer funds. However she stated there is cash from the last 2 bond issuances which could be

used if needed.

- Jane Murphy stated for the Federal Single Audit, which was required because annual expenditures exceeded \$750,000, and an unmodified opinion on compliance was given.
- For the required communications, disclosures were deemed neutral, consistent, and clear, management representations were requested and received, and there were no material uncorrected misstatements. There were a couple passed adjustments and one recommendation to tighten up documentation of approval of non-standard journal entries, which arose from staff telecommuting more often, but measures are already being taken to improve the approval process for that.
 - Matthew Ranelli asked about the adjustments, if they are acknowledged, do they have to be accounted for with the State auditors or what happens. Jane Murphy responded the State auditors will look at the audit reports for FY22 but given the fact that the Federal Funds reporting was accurate for that time, it shouldn't be an issue. As for the deferred financing fees adjustment, it was very small and is immaterial to ending income and equity so it shouldn't be an issue. Also, it is correct for of the standalone audit where the issue occurs, and the amortization period will complete soon.
 - John Harrity commented that given the amount of innovative financing the Green Bank does, it is remarkable how successful the staff is at its recordkeeping.

Resolution #5

WHEREAS, Article V, Section 5.3.1(ii) of the Connecticut Green Bank ("Green Bank") Operating Procedures requires the Audit, Compliance, and the Governance Committee (the "Committee") to meet with the auditors to review the annual audit and formulation of an appropriate report and recommendations to the Board of Directors of the Green Bank (the "Board") with respect to the approval of the audit report;

WHEREAS, the Committee met on October 11, 2022 and recommends to the Board the approval of the proposed draft Annual Comprehensive Financial Report (ACFR) contingent upon no further adjustments to the financial statements or additional required disclosures which would materially change the financial position of the Green Bank as presented.

NOW, therefore be it:

RESOLVED, that the Board approves of the proposed draft Annual Comprehensive Financial Report (ACFR) contingent upon no further adjustments to the financial statements or additional required disclosures which would materially change the financial position of the Green Bank as presented.

Upon a motion made by Thomas Flynn and seconded by Matthew Ranelli, the Board of Directors voted to approve Resolution 5. None opposed or abstained. Motion approved unanimously.

ii. Impact Methodology Update

- Eric Shrago summarized the update to the Jobs and Impact Revenue methodologies which has been expanded to include technologies previously left out, update the rates such as the indirect and induced job multiplier, and other metrics such as property tax generation and sales and use tax estimates, but the methodology itself is unchanged. The ACG Committee has recommended the updates at their recent meeting.

Resolution #6

WHEREAS, the Audit, Compliance and Governance Committee has reviewed and recommended the approval of these updated methodologies;

NOW, therefore be it:

RESOLVED, that the Connecticut Green Bank Board of Directors approves of the proposed Jobs Study and Tax Calculator for the Evaluation and Measurement of the jobs created and tax revenue generated by Green Bank supported projects.

Upon a motion made by John Harrity and seconded by Thomas Flynn, the Board of Directors voted to approve Resolution 6. None opposed or abstained. Motion approved unanimously.

5. Investment Updates and Recommendations

a. Q1 Progress to Targets Update

- Bert Hunter summarized the investment updates to funding for solar, battery storage, and the rolling Capital Solutions RFP. Funding for solar is going well and discussion around battery storage are progressing, being stoked by the ESS incentive program and key changes in the Inflation Reduction Act which give benefits to standalone battery storage. He discussed several of the Capital Solutions RFP projects.
 - Lonnie Reed asked if battery storage projects will be vulnerable to property taxes and Brian Farnen responded that property tax cases with the various towns have been settled and resolved in a positive way for the Green Bank as it relates to commercial and residential solar. Lonnie Reed asked if the settlement includes battery storage going forward. Brian Farnen stated the towns would be hard pressed to say that the battery storage attached to a solar PV system is not included within the exemption, but if it's a standalone system it may be a different argument.
 - Matthew Ranelli asked if with the new NRES model if the argument will be made about where the energy is used. Brian Farnen answered that he would like to think that it would not be pursued again at least at the residential level due to the amount of legal fees it would require, as it is municipal tax dollars being used. Mackey Dykes commented that he has heard it cropping up in some cases and one that should be watched closely. Joanna Wozniak-Brown added some information about Public Act 22-14 as it applies due to the confusion in tax code and rapid changes to the systems which occurred and there is a working group formed of town assessors, towns, and the solar industry. Matthew Ranelli asked if the Green Bank could get into the group, but Joanna Wozniak-Brown responded it's an informal group that is unlikely to propose any legislation, though she is happy to bring any feedback or information to the group.
 - Victoria Hackett asked how the Green Bank is looking at the cost-benefit test at PURA and the amount of the incentive that is collected from rate-payers due to the Inflation Reduction Act incentive increase. Bryan Garcia answered that there are a number of different adders in the Inflation Reduction Act for clean energy and the team is currently involved in dissecting 25 or more pieces of the tax code to figure out how they apply to Connecticut and provide comments into Treasury about how

they should consider looking at the various elements of it. It is likely the results of those discussions will be a while out. As for the benefit-cost analysis at PURA, the Green Bank did develop a model to run sensitivities around the adders to see how the Participant Cost test is affected. He stated the Green Bank would focus on the low income and disadvantaged community element for the ESS program in order to bring more federal benefits in. Victoria Hackett asked when the tax credits go into place and Bert Hunter responded that the standalone credits come into effect January 1, 2023. Victoria Hackett expressed concern given the high cost of electricity, more should be done with the PURA docket to avoid free ridership. She made suggestions as to a course of action and the group discussed the issue further.

b. Extension Request – Groton Fuel Cell Project

- Bert Hunter reviewed the history of the Groton Fuel Cell Project and request for an extension on the loan package due to issues identified, which have been publicly disclosed by Fuel Cell Energy (“FCE”) in filings to the Securities and Exchange Commission, and the Green Bank is working with the FCE to identify any future changes necessary to the loan package, which is expected to be finished by the end of the year. The prior extension expires October 31 and the requested extension would be valid through December 31, 2022.

Resolution #7

WHEREAS, in accordance with (1) the statutory mandate of the Connecticut Green Bank (“Green Bank”) to foster the growth, development, and deployment of clean energy sources that serve end-use customers in the State of Connecticut, (2) the State’s Comprehensive Energy Strategy (“CES”) and Integrated Resources Plan (“IRP”), and (3) Green Bank’s Comprehensive Plan (the “Comprehensive Plan”) in reference to the CES and IRP, Green Bank continuously aims to develop financing tools to further drive private capital investment into clean energy projects;

WHEREAS, FuelCell Energy, Inc., of Danbury, Connecticut (“FCE”) has used previously committed funding (the “Bridgeport Loan”) from Green Bank to successfully develop a 15 megawatt fuel cell facility in Bridgeport, Connecticut (the “Bridgeport Project”), and FCE has operated and maintained the Bridgeport Project without material incident, is current on payments under the Bridgeport Loan;

WHEREAS, FCE has requested financing support from the Green Bank to develop a 7.4 megawatt fuel cell project in Groton, Connecticut located on the U.S. Navy submarine base and supported by a power purchase agreement (“PPA”) with the Connecticut Municipal Electric Energy Cooperative (“CMEEC”) (the “Navy Project”);

WHEREAS, staff has considered the merits of the Navy Project and the ability of FCE to construct, operate and maintain the facility, support the obligations under the Loan throughout its 20-year term, and as set forth in the due diligence memorandum (the “Board Memo”) dated December 18, 2020, recommended this support be in the form of a term loan not to exceed \$8,000,000, secured by the developer’s equity in the project company (which controls all project assets, contracts and revenues) as well as a pledge of revenues from an unencumbered project as explained in the Board Memo (the “Credit Facility”);

WHEREAS, on the basis of that recommendation, the Green Bank Board of Directors (“Board”) approved of the Credit Facility, in an amount not to exceed \$8,000,000 with the

provision that the Credit Facility be executed no later than 315 days from the date of authorization by the Board (June 16, 2021), which was further extended by the Board on a number of occasions, including in July 2022 to October 31, 2022;

WHEREAS, Green Bank staff has further advised the Board that the closing for the Credit Facility is expected to close by December 31, 2022 and to accommodate the additional time that might be needed to execute the Credit Facility requests the permitted time to execute the credit facility be increased from not later than 682 days from the original date of authorization by the Board (i.e., not later than October 31, 2022) to not later than 743 days from the date of authorization by the Board (i.e., not later than December 31, 2022);

NOW, therefore be it:

RESOLVED, that the Green Bank Board hereby approves the extension of time for the execution of the Credit Facility to not later than 743 days from the original date of authorization by the Board (i.e., not later than December 31, 2022); and

RESOLVED, that the proper Green Bank officers are authorized and empowered to do all other acts and execute and deliver all other documents and instruments as they shall deem necessary and desirable to affect the Term Loan and participation as set forth in the Memorandum.

Upon a motion made by Adrienne Houël and seconded by John Harranty, the Board of Directors voted to approve Resolution 7. None opposed and Matthew Ranelli and Victoria Hackett abstained. Motion approved.

c. Investment Modification Request – PosiGen (Generac ESS Program)

- Bert Hunter reviewed the history and progress of the PosiGen & Generac partnership under the ESS program to bring solar and storage for all, especially LMI families. He noted the key for the Green Bank is to serve vulnerable communities which has been recently enhanced by federal policy through the Inflation Reduction Act. Bert Hunter stated the \$2 million working capital line is unchanged but under the \$6 million term loan, the interest rate for LMI and distressed communities is reduced from 4% to 2% in order to achieve a super-low lease rate of not more than \$10 per month for the battery systems.
 - Victoria Hackett commented that DEEP is focusing on comprehensive energy retrofits with the recent influx of federal funding and asked if the Green Bank could coordinate with DEEP to see if there are other things that can be leveraged. Bert Hunter responded that discussions have been started and that there are many possibilities in terms of how deployment can be enhanced within Connecticut. He agreed with the sentiment of cooperation and noted the importance of education as well for contractors, customers, and legislators. Victoria Hackett agreed and noted the importance and possibilities the new federal funding opens up.
 - Thomas Flynn asked for clarification regarding the choice to lower the interest rate since the economy is currently experiencing a rising interest rate environment. Bert Hunter responded that that the additional concession in rate is on the portion of the loan supporting LMI and distressed communities only and that PosiGen will have to disclose to Green Bank the lease pricing on those particular systems, so the Green Bank will have oversight on that. As well, the Green Bank engaged in pricing discussions with PosiGen and so by going from 4% to 2%, between the IRA and

- pushing PosiGen on their margins, the program would get to the goal of not more than \$10/month for these particular customers. PosiGen is also lowering their fees as they will get some benefits from the IRA to offset. Thomas Flynn asked what the 2% interest rate is monetarily worth and Bert Hunter answered that based on the expected portion of systems that could be deployed – being roughly 60% of PosiGen’s deployment – about \$80,000 per year fully deployed, so about \$500,000 for the overall program, which are rough estimates.
- Joanna Wozniak-Brown asked if the potential communities have been identified, and Bert Hunter responded yes, there are certain vulnerable communities that PosiGen is already in, and their strategy is to target those customers in these communities that already have solar PV systems with PosiGen.

Resolution #8

WHEREAS, the Connecticut Green Bank (“Green Bank”) has an existing partnership with PosiGen, Inc. (together with its affiliates and subsidiaries, “PosiGen”) to support PosiGen in delivering a solar lease and energy efficiency financing offering to LMI households in Connecticut;

WHEREAS, PosiGen is planning to expand its offerings to LMI households in Connecticut to include an affordable battery energy storage system (“BESS”) option that will provide the customer backup power during a power outage and will reduce peak demand on the electric distribution system, as more fully explained in a memorandum dated April 15, 2022 to the Green Bank Board of Directors (the “Board Memo”);

WHEREAS, PosiGen and Green Bank have agreed to substantially reduced lease rates to apply to low income customers in return for a concessional interest rate as more fully explained in a memorandum dated October 14, 2022 to the Green Bank Board of Directors (the “Modification Memo”);

NOW, therefore be it:

RESOLVED, that the Green Bank may permit a concessional interest rate for term loans as more fully explained in the Modification Memo to apply to advances up to \$6 million to PosiGen on terms substantially similar to those described in the Modification Memo; and

RESOLVED, that the proper Green Bank officers are authorized and empowered to do all other acts and negotiate and deliver all other documents and instruments as they shall deem necessary and desirable to affect the above-mentioned legal instruments.

Upon a motion made by Sarah Sanders and seconded by Thomas Flynn, the Board of Directors voted to approve Resolution 8. None opposed or abstained. Motion approved unanimously.

d. Investment Modification Request – C4C (Co-Investment with Amalgamated Bank)

- Bert Hunter summarized the history of the C4C Smart-E and EE Loan Funding Facility and proposal to change the facility to have a fixed 4% rate and increasing the Green Bank’s share of the facility to 40% and a maximum of \$10 million from 16.7% and \$4.5 million as well

as an extension of the maturity of the facility to December 31, 2025. He explained the nature of the co-financing of the loan facility with Amalgamated Bank and the fact that C4C is the Smart-E lender with the most funding outstanding to Connecticut households and that most of these are to families with modest incomes.

Resolution #9

WHEREAS, the Connecticut Green Bank (“Green Bank”) entered into a Smart-E Loan program financing agreement with Capital for Change (“C4C”);

WHEREAS, C4C is the largest Smart-E lender on the Green Bank Smart-E platform;

WHEREAS, C4C, Amalgamated Bank and Green Bank have substantially completed negotiations for modification to the medium term loan facility to fund C4C’s Smart-E Loan and other residential energy efficiency loan portfolio growth on revised terms as explained in the memorandum dated October 18 to the Connecticut Green Bank (“Green Bank”) Board of Directors (the “Board”) (the “Modification Memo”); and

WHEREAS, Green Bank staff recommends approval by the Board for an amended secured and subordinated medium term revolving loan facility for CEEFCo (the “Amended CEEFCo Revolving Loan”) in order to fund CEEFCo’s residential energy efficiency and Smart-E Loan portfolio in partnership with Amalgamated Bank.

NOW, therefore be it:

RESOLVED, that the Board approves the Amended CEEFCo Revolving Loan in an amount of up to \$10 million in capital from the Green Bank balance sheet in support of energy efficiency and Smart-E Loans in partnership with Amalgamated Bank generally consistent with the Modification Memo, including an extension of the maturity of the facility to December 31, 2025;

RESOLVED, that the President of the Green Bank; and any other duly authorized officer of the Green Bank, is authorized to execute and deliver, any contract or other legal instrument necessary to affect the CEEFCo Revolving Loan on such terms and conditions as are materially consistent with the Modification Memo, including an extension of the maturity of the facility to December 31, 2025; and

RESOLVED, that the proper Green Bank officers are authorized and empowered to do all other acts and execute and deliver all other documents as they shall deem necessary and desirable to affect the above-mentioned legal instrument.

Upon a motion made by John Harrity and seconded by Dominick Grant, the Board of Directors voted to approve Resolution 9. None opposed or abstained. Motion approved unanimously.

e. Capital Solutions Request – Budderfly (Co-Investment with Berkshire Bank)

- Bert Hunter reviewed the history of the Budderfly transaction including the recent update to recapitalize with new ownership, Budderfly’s business model and impact, current loan facility structure, and proposal for a longer-term financing facility. He explained that Berkshire Bank

had reached out to develop this working capital facility after seeing the success of the \$5 million facility the Green Bank closed at the end of May. He emphasized that the Resolution is a request for “in principle” approval in order to enter negotiations with confidence and that final approval would not be done without Board approval at a future meeting.

Resolution #10

RESOLVED, that the Connecticut Green Bank (“Green Bank”) is authorized in principle to enter into negotiations and documentation for co-investment in a \$20,000,000 working capital facility being considered by Berkshire Bank for Budderfly Inc. in a participation amount for Green Bank not to exceed \$5,000,000 as more fully explained in the memorandum to the Green Bank Board of Directors (the “Board”) dated October 18, 2022; provided, however, that authorization to enter into definitive documentation is pending further diligence by staff and approval by the Board at a future meeting.

Upon a motion made by Adrienne Houël and seconded by Binu Chandy, the Board of Directors voted to approve Resolution 10. None opposed and Matthew Ranelli abstained. Motion approved.

f. Investment Modification – Canton Hydro Project

- Bert Hunter summarized the history of the Canton Hydro project, the nature of the change being that IPC is taking over the SBA loan meaning that one of the senior lenders is changing. Provident Bank, the other senior lender, would remain a lender under the existing terms and conditions. The Resolution does not affect the Green Bank exposure, but just shifts the lenders to allow the current guaranteed benefits to apply to IPC as they did to the SBA loan.

Resolution #11

WHEREAS, Canton Hydro, LLC (“Developer”) was awarded exclusivity by the Town of Canton to redevelop a 1 MW hydroelectric facility located at the Upper Collinsville Dam (“Dam”), on the Farmington River, in Canton, Connecticut (the “Project”) and the Connecticut Green Bank (“Green Bank”) Board approved approve subordinate debt financing in an amount to exceed \$1,200,000 (the “Loan”) along with an unfunded guaranty, in an amount not to exceed \$500,000 to support the Project (“Guaranty”);

WHEREAS, Green Bank’s debt was leveraged by a term loan from Provident (“Provident Loan”), as well as loan supported by the US Small Business Administration (“SBA”) 504 program (“SBA Loan”).

WHEREAS, the Project Developers are seeking to replace the SBA Loan with a new loan from Inclusive Prosperity Capital (“IPC Loan”) and are seeking Green Bank’s approval to extend the Guaranty to the new IPC Loan, with such Guaranty to be on the same terms with IPC as lender as apply to the current SBA Loan as more specifically set forth in the memorandum circulated to the Board dated October 14, 2022.

WHEREAS, to complete the change in lenders the Developer is requesting to extend the Project’s completion of construction date until December 31, 2022;

NOW, therefore be it:

RESOLVED, that the Green Bank Board of Directors (the “Board”) hereby authorizes staff to execute an amendment of the Loan agreement materially based on the terms and conditions set forth in the memorandum to the Board dated October 14, 2022;

RESOLVED, that the proper Green Bank officers are authorized and empowered to do all other acts and execute and deliver all other documents and instruments as they shall deem necessary and desirable to affect the above-mentioned legal instruments.

Upon a motion made by Matthew Ranelli and seconded by Binu Chandy, the Board of Directors voted to approve Resolution 11. None opposed and Victoria Hackett abstained. Motion approved.

g. Project Update – Historic Cargill Falls Mill

- Bert Hunter gave a brief update to the progress of the Cargill Falls project.

6. Financing Programs Updates and Recommendations

a. Q1 Progress to Targets Update

- Mackey Dykes noted the update details are in the Board package but skipped it more thoroughly for time.

b. C-PACE Program Guidelines Updates for EV Chargers

- Mackey Dykes summarized the change to the C-PACE enabling statute revised in the last legislative session, and so the program guidelines needed to be changed accordingly to bring them in line with statute. They were brought to the public for comment and none were received, so the changes are being brought to the Board for final approval.

Resolution #12

WHEREAS, Conn. Gen. Stat. Section 16a-40g (the “Authorizing Statute”) authorizes the Commercial Property Assessed Clean Energy Program (“C-PACE”) program and designates the Connecticut Green Bank (“Green Bank”) as the state-wide administrator of the program responsible for, among other things, establishing program guidelines for the C-PACE program; and

WHEREAS, the Green Bank staff have recently updated the C-PACE program guidelines (the “Program Guidelines”), which draft guidelines then went through a thirty-day public comment period in accordance with Conn. Gen. Stat. Section 1-120 et seq., during which time no comments were received.

NOW, therefore be it:

RESOLVED, the Green Bank Board of Directors (the “Board”) approves the updated Program Guidelines, substantially in the form of attached to that certain memo to the Board dated October 14, 2022 and authorizes the Green Bank staff to implement the updated Program Guidelines.

RESOLVED, that the proper Green Bank officers are authorized and empowered to do all other acts and execute and deliver all other documents and instruments as they shall deem necessary and desirable to affect the above-mentioned Program Guidelines.

Upon a motion made by Matthew Ranelli and seconded by John Harrity, the Board of Directors voted to approve Resolution 12. None opposed or abstained. Motion approved unanimously.

7. Incentive Programs Updates and Recommendations
a. Q1 Progress to Targets Updates

- Bryan Garcia notes the updates to the details are in the Board package but skipped it more thoroughly for time.

b. Asset Backed Securities (ABS) – Bond Matters

- Sara Pyne gave an update to the Production Reconciliation due to the 3G meter upgrades for Q1 and Q2 of 2022. In Q1 the production was about 91.5% of the budget with Tranches 1 and 2 affected the most given that they are older and have more 3G meters. In Q2, about 99,000 RECs have been created, with about 13,000 created by Ken Gillingham's methodology. In total, Q2 SHRECs are estimated to result in about \$4.3 million.

- Bert Hunter gave an update to the bond status and KBRA report which had previously gave a Watch Developing Status. A prepayment was made with the bond holder which did not involve a prepayment penalty, which allowed the Green Bank to enhance the DSCR in turn KBRA reaffirmed the ratings at A- and BBB- which keeps it at investment grade status.

8. Environmental Infrastructure Updates and Recommendations

- Bryan Garcia gave an update to the Environmental Infrastructure primers and progress to the program overall. The next to be worked on will be ecosystem services and carbon offsets and water. He noted that given the priority of time needing to be focused on the Greenhouse Gas Reduction Fund, that they will likely not address "waste and recycling" in FY23. He also noted that the EI team is still being built, and more work is going strong to continue engagement, raise resources, launch new projects, and conduct research.

- Sarah Sanders asked, in relation to MIRA letting go of some of its top executives, if at a future meeting how those activities are affecting the Green Bank could be discussed further with respect to waste.

9. Other Business

- Bryan Garcia noted the Green Bank has been actively involved in providing comments on different entities including the Community Reinvestment Act and Dept of Energy Battery Storage Recycling program. Bryan Garcia reviewed the creation of the Green House Gas Reduction Fund within the Inflation Reduction Act and several key components within it.

10. Adjourn

Upon a motion made Lonnie Reed, the Board of Directors Meeting adjourned at 11:06 am.

Respectfully submitted,

Lonnie Reed, Chairperson