



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

Friday, December 16, 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 December 16, 2022.

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

Board Members Present: Binu Chandy, Dominick Grant, John Harrity, Adrienne Houël, Laura Hoydick, Matthew Ranelli, Lonnie Reed, Sarah Sanders, Brenda Watson, Becca Trietch as designee for Victoria Hackett

Board Members Absent: Thomas Flynn, Joanna Wozniak-Brown

Staff Attending: David Beech, Larry Campana, Sergio Carrillo, Louise Della Pesca, James Desantos, Catherine Duncan, Mackey Dykes, Brian Farnen, Bryan Garcia, Sara Harari, Bert Hunter, Alex Kovtunencko, Alysse Lembo-Buzzeli, Cheryl Lumpkin, Jane Murphy, Ariel Schneider, Eric Shrago, Dan Smith, Marianna Trief

1. Call to Order

- Lonnie Reed called the meeting to order at 9:03 am.

2. Public Comments

- No public comments.

Bryan Garcia noted Agenda item 5b is being removed and 5e is being moved to immediately following 5c and asked for a motion to approve.

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

3. Consent Agenda
a. Meeting Minutes of October 21, 2022

Resolution #1

Motion to approve the meeting minutes of the Board of Directors for October 21, 2022.

b. Energy Storage Solutions

Resolution #2

WHEREAS, in its June 24, 2022 meeting the Board of Directors approved the implementation of an Upfront Incentive Project Approval procedure (“Procedure”) involving of the issuance of a proposal for non-residential projects under consideration by the Green Bank in fulfillment of its responsibilities set forth in the Program with an estimated upfront incentive payments;

NOW, therefore be it:

RESOLVED, that the Board hereby approves the estimated upfront incentives sought by two (2) non-residential projects totaling \$706,550 consistent with the memorandum provided to the Board dated December 9, 2022.

RESOLVED, that the proper Green Bank officers are authorized and empowered to do all other acts and execute and deliver all any documents and regulatory filings as they shall deem necessary and desirable to affect the above-mentioned incentives consistent with the Procedure and the memorandum provided to the Board dated December 9, 2022.

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

Resolution #3

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 December 16, 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 December 16, 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.

d. Managing Director of Incentive Programs Position Description

Resolution #4

Motion to approve the position description for the Managing Director of Incentive Programs.

Upon a motion made by Adrienne Houël 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.

4. Finance Programs Updates and Recommendations

a. C-PACE Project – Mystic, CT

- Mackey Dykes summarized the project terms, conditions, and key metrics for a project at 62 Maritime Drive, Mystic, CT for ENKO Chemical which includes lighting, insulation, HVAC, and controls for a construction loan just under \$3 million at 5% and a term loan set at a fixed 5.60% over 17 years. Mackey Dykes explained that the project would be split across two or three CPACE assessments or transactions but that staff was requesting approval for the full amount. David Beech summarized the project's underwriting.
- Lonnie Reed asked for clarification about Monsanto, one of the listed associated companies who had unsafe agricultural practices previously, and David Beech responded that Monsanto is not an investor, but that the CEO of ENKO Chemical had a leadership position there before starting ENKO Chemical.

Resolution #5

WHEREAS, pursuant to Connecticut General Statute Section 16a-40g (the "Statute"), the Connecticut Green Bank ("Green Bank") is directed to establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE");

WHEREAS, the Green Bank Board of Directors (the "Board") has approved a \$40,000,000 C-PACE construction and term loan program;

WHEREAS, the Green Bank seeks to provide a \$2,958,385 term loan under the C-PACE program to Enko Realty, LLC., the building owner of 62 Maritime Dr., Mystic, Connecticut (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan.

NOW, therefore be it:

RESOLVED, that the President of the Green Bank and any other duly authorized officer of the Green Bank is authorized to execute and deliver the Loan in an amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the

memorandum submitted to the Green Bank Board of Directors (the "Board") dated December 9, 2022, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from the date of authorization by the Board;

RESOLVED, that before executing the Loan, the President of the Green Bank and any other duly authorized officer of the Green Bank shall receive confirmation that the C-PACE transaction meets the statutory obligations of the Statute, including but not limited to the savings to investment ratio and lender consent requirements; and

RESOLVED, that the proper the 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 Binu Chandy and seconded by John Harrity, the Board of Directors voted to approve Resolution 5. None opposed or abstained. Motion approved unanimously.

b. C-PACE Project – Redding, CT

- Mackey Dykes reviewed the financial metrics, terms, conditions, and other key metrics for a project at 100 Redding Rd, Redding, CT for Meadow Ridge Assisted Living which includes rooftop and carport solar PV, roof repairs, and EV charging infrastructure for a loan of \$3.2 million at 5% and a term loan set at a fixed 5.75% over 20 years. Louise Della-Pesca summarized the project's underwriting.

Resolution #6

WHEREAS, pursuant to Connecticut General Statute Section 16a-40g (the "Statute"), the Connecticut Green Bank (Green Bank) is directed to, amongst other things, establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE");

WHEREAS, the Green Bank Board of Directors (the "Board") has approved a \$40,000,000 C-PACE construction and term loan program;

WHEREAS, the Green Bank seeks to provide a \$3,213,498 construction and (potentially) term loan under the C-PACE program to Redding Life Care, LLC, the building owner of 100 Redding Road, Redding, Connecticut (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan; and

NOW, therefore be it:

RESOLVED, that the President of the Green Bank and any other duly authorized officer of the Green Bank is authorized to execute and deliver the Loan in an amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Committee dated December 9, 2022, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from the date of authorization by the Board of Directors;

RESOLVED, that before executing the Loan, the President of the Green Bank and any other duly authorized officer of the Green Bank shall receive confirmation that the C-PACE transaction meets the statutory obligations of the Statute, including but not limited to the savings to investment ratio and lender consent requirements; and

RESOLVED, that the proper the 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 Brenda Watson and seconded by Binu Chandy, the Board of Directors voted to approve Resolution 6. None opposed or abstained. Motion approved unanimously.

c. C-PACE New Construction project (Co-Investment with Nuveen) – Hartford, CT

- Mackey Dykes reviewed the financial metrics, terms, conditions, and other key metrics for a project at 237 Hamilton St, Hartford, CT for a real estate developer which includes the rehabilitation of a former factory to a mixed-use commercial and residential complex for a \$26.4 million loan but only in principle and to approve support of the project at this time. Once terms are formally negotiated, staff would return to the Board of Directors for formal approval to invest.
- Brenda Watson asked about the developer for the project and the equity return for the community for the project, as in how many residential units will be affordable, will there be an emphasis placed on diversity, and other measures. Mackey Dykes responded that he hasn't gotten to negotiating any of those points yet then elaborated on the points that had been discussed which included high-level terms for any C-PACE transaction.
- Matthew Ranelli asked about the environmental impact of and environmental diligence done for the project. He also mentioned the possibility of getting environmental insurance for projects like this going forward to protect the Green Bank's collateral. Brian Farnen responded that the due diligence items Matthew Ranelli asked about will be addressed up during the next steps and the due diligence process. Brenda Watson also added to look into housing equity and environmental issues which may be connected to this development.
- Binu Chandy supplied the DECDDC Affordable Housing Policy in the discussion.
- John Harrity asked if the developers have confidence that they can fill the spaces. Mackey Dykes responded that it will be part of the due diligence but there was a market study done which shows there is a demand.

Resolution #7

RESOLVED, that the Connecticut Green Bank ("Green Bank") is authorized in principle to enter into negotiations and documentation for co-investment in up to \$26,395,850 in C-PACE financing for 237 Hamilton Street, Hartford, CT as more fully explained in the memorandum to the Green Bank Board of Directors (the "Board") dated December 9, 2022; provided such negotiation and documentation shall include detailed information regarding the environmental conditions existing at the property and any equitable housing component of the proposed project, 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 Matthew Ranelli and seconded by John Harrity, the Board of Directors voted to approve Resolution 7 modified to include a provision to have the Board direct staff to present out for any final approval the environmental due diligence that was done and any housing equity or affordable housing components of this project in greater detail. None opposed or abstained. Motion approved with the amendment unanimously.

5. Investment Updates and Recommendations
a. Extension Request – Groton Fuel Cell Project

- Bert Hunter summarized the extension request to March 31, 2023 for the Groton Fuel Cell Project, which has been operating continuously since September 2022, except for scheduled downtime. The operating issues brought forward in October are causing a lower output and will require operating the fuel cells at 6 MW instead of 7.4 MW until full repairs can be made later in 2023.

Resolution #8

WHEREAS, FuelCell Energy, Inc., of Danbury, Connecticut (“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 March 31, 2023 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 October 31, 2022 to not later than March 31, 2023;

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 March 31, 2023); 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 Brenda Watson and seconded by Adrienne Houël, the Board of Directors voted to approve Resolution 8. None opposed and Matthew Ranelli abstained. Motion approved.

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

Resolution #9

- This agenda item and Resolution were deferred.

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

- Bert Hunter summarized the request made for the C4C Loan Facility which is to extend the loan by 90 days to March 31, 2023.

Resolution #10

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;

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; 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 Brenda Watson and seconded by Sarah Sanders, the Board of Directors voted to approve Resolution 10. None opposed or abstained. Motion approved unanimously.

d. Investment Modification Request – PosiGen (Co-Investment with Forbright Bank)

- Bert Hunter summarized the PosiGen Senior Facility transaction with Forbright Bank and the proposed change to increase the Green Bank’s maximum exposure under the facility’s accordion option from \$6.4 million to \$9.3 million. He reviewed the risk assessment, but the portfolio remains strong and the lease structure is aligned with the bill savings benefits. As well, the Green Bank’s overall facility exposure would be nominally increased, from \$24.4 million to \$30.8 million and explained where the sources of those increases are coming from.

Resolution #11

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 (including battery storage) and energy efficiency financing offering to LMI households in Connecticut;

WHEREAS, the Green Bank Board of Directors (“Board) previously authorized and later amended the Green Bank’s participation in a back leverage credit facility (the “BL Facility”) collateralized by all of PosiGen’s solar PV system and energy efficiency leases in the United States as part of PosiGen’s strategic growth plan, as well as a facility to finance performance based incentives earned by PosiGen on its solar PV portfolio in Connecticut;

WHEREAS, PosiGen is now in the process of upsizing its BL Facility, as explained in the memorandum to the Board dated December 9, 2022 (the “Board Memo”);

WHEREAS, PosiGen repayment performance is satisfactory;

NOW, therefore be it:

RESOLVED, that the Board authorizes the Green Bank to amend its existing 2nd lien facility to allow for an upsized Green Bank position, as set forth in the Board Memo;

RESOLVED, that the Green Bank may advance up to \$9.3 million in 2nd lien financing associated with the BL Facility, in addition to serving as an agent for third-party participation to increase those participations to reduce Green Bank’s exposure as explained in the Board Memo;

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 Matthew Ranelli and seconded by John Harrity, the Board of Directors voted to approve Resolution 11. None opposed or abstained. Motion approved unanimously.

e. Investment Modification Request – Energy Resources USA LLC

This item was addressed after 5c.

- Bert Hunter summarized the Energy Resources USA transaction with the proposed change to allow the borrower to pay down the facility and redraw within the 2-year availability period to fund several SBEA projects for the State of CT secured by repayment from Eversource.
- Sarah Sanders asked for clarification about the hold on SBEA projects. Mackey Dykes responded that he has a limited understanding, but the Attorney General's office flagged an issue in the agreement and so any further use of the SBEA financing requires a statutory change, which is in the works. He stated he is happy to share more once he can get that information.

Resolution #12

WHEREAS, the Connecticut Green Bank ("Green Bank") has significant experience in the development and financing of commercial energy efficiency projects in Connecticut;

WHEREAS, the Green Bank continually seeks new ways to facilitate the deployment of energy efficiency and renewable energy in the State; and

WHEREAS, the Green Bank has established the Capital Solutions Open RFP Program (the "Capital Solutions Program") to accommodate clean energy and environment infrastructure capital needs not met by other existing Green Bank programs; and

WHEREAS, Energy Resources USA LLC ("Energy Resources") has applied to the Capital Solutions Program and staff is recommending approval of Energy Resources' application for a revolving construction loan facility (the "Construction Loan"), substantially on the terms and conditions explained in a memorandum to the Green Bank Board of Directors (the "Board") dated December 9, 2022 (the "Board Memo");

NOW, therefore be it:

RESOLVED, that the Green Bank approves the Capital Solutions application of Energy Resources and the establishment of a revolving construction line of credit for funding its obligations under contracts for energy efficiency retrofits for state projects pursuant to the Eversource Small Business Energy Advantage program in an amount not to exceed \$2.5 million on terms substantially similar to those described in the Board 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 Matthew Ranelli and seconded by Adrienne Houël, the Board of Directors voted to approve Resolution 12. None opposed or abstained. Motion approved unanimously.

f. Capital Solutions Request – PosiGen (ITC Bridge Facility)

- Bert Hunter summarized the PosiGen transaction with M&T Bank with new IRA “adders” which require Treasury Department guidance which will delay some advances on tax equity, and so there is a request for a \$6 million 2-year senior secured facility to bridge payments from that tax equity and tax credit “adders.” It would be a revolving facility with a limitation on exposure overall. He reviewed the proposal score for the transaction which includes a bonus point for LMI or Underserved Communities resulting in a score of 25 out of 24 points.
- Matthew Ranelli asked for clarification about the financial bridge, asking if there is a high comfort level or backup plan if PosiGen doesn’t meet what the guidance is. Bert Hunter responded that the advances will be subject to the Green Bank’s discretion, and diligence will be done to make sure their application will go through. Bryan Garcia added that as the Low Income Adder was being debated at the national level, PosiGen was actively involved in the discussions and worked to involve the CT Congressional Delegation in those discussions. As well, under the 1.8 GW allocation, the US Government reached out to the Connecticut Green Bank for assistance on how to make the process easier, given the Green Bank’s results which speaks to the excellent work of the team to demonstrate results.

Resolution #13

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 (including battery storage) and energy efficiency financing offering to LMI households in Connecticut;

WHEREAS, the Green Bank Board of Directors (“Board) previously authorized and later amended the Green Bank’s participation in a back leverage credit facility (the “BL Facility”) collateralized by all of PosiGen’s solar PV system and energy efficiency leases in the United States as part of the company’s strategic growth plan, as well as a facility to finance performance based incentives earned by PosiGen on its solar PV portfolio in Connecticut;

WHEREAS, PosiGen repayment performance is satisfactory;

WHEREAS, the passage of the federal Inflation Reduction Act of 2022 (the “IRA”) creates a variety of new tax credit value streams that are available in early 2023 but likely to be delayed in terms of monetizable cash flow as explained in the memorandum to the Board dated December 9, 2022 (the “Board Memo”);

WHEREAS, PosiGen is currently documenting a new tax equity facility that will incorporate that additional value from IRA and has applied under the Capital Solutions Open RFP program for a revolving loan facility to bridge this value to be derived from the IRA provisions being included in the Internal Revenue Code, as further explained in the Board Memo; and

NOW, therefore be it:

RESOLVED, that the Green Bank may advance up to \$6 million in 1st lien financing associated with tax equity cash flows under a revolving loan facility as further explained in the Board 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 Matthew Ranelli and seconded by Brenda Watson, the Board of Directors voted to approve Resolution 13. None opposed or abstained. Motion approved unanimously.

g. Investment Modification Request (Collateral & Guaranty) – Canton Hydro Project

- Marianna Trief summarized the Canton Hydro project which has final completion delayed and with IPC coming in to take over from the planned SBA loan, there is a request from Provident Bank to trigger the Green Bank Guaranty when IPC Participation is finalized instead of at Final Completion. The staff is requesting 50% of the Guaranty by December 30, 2022 with the remaining 50% to unlock upon IPC's full refinancing. At that point, the Green Bank would receive a perfected security interest in all project assets, subordinate only to the senior lenders. As well, there is a proposed increase in Loan by 1% to unlock the first 50% of the Guaranty.
- Matthew Ranelli asked about the nature of the delay. Marianna Trief answered the EPC contractor is a foreign company and the dispute is working to be resolved then explained more about the process surrounding the delay. Alex Kovtunenکو added the unlocking to 50% Guaranty requirement is a request from the Senior Lender who has been working in good faith by not enforcing their senior position and dealing with delays on their side as well.

Resolution #14

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 (the "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 new funding or a new loan from Inclusive Prosperity Capital ("IPC Loan") and are seeking Green Bank's approval to trigger the benefit of 50% of the Guaranty before final completion of the Project and to extend the Project's completion of construction date until June 30, 2023, as more fully explained in a memorandum to the Board dated December 13, 2022 (the "Board Memo");

WHEREAS, to accommodate the Project Developers' and senior lenders requests, Green Bank would increase the interest rate on the Loan by 1% until it receives a restructured security package for the Loan as described in the Board Memo

NOW, therefore be it:

RESOLVED, that the Green Bank Board of Directors hereby authorize staff to execute an amendment of the Loan agreement and Guaranty materially based on the terms and conditions set forth in the Board Memo;

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 Binu Chandy and seconded by Brenda Watson, the Board of Directors voted to approve Resolution 14. None opposed or abstained. Motion approved unanimously.

6. Incentive Programs Updates and Recommendations

a. Energy Storage Solutions: Approval Process

- Sergio Carrillo summarized the ESS Incentive Approval Process and a proposed amendment to include the Deployment Committee as an approver to approve incentives above \$500,000 but under the Deployment Committee's threshold of \$2.5 million, and to include multi-family affordable housing in the approval process in response to a recent decision by PURA in the RRES Program, which approved the treatment of multi-family affordable housing as residential customers. Multi-family projects would be up to the \$7500 maximum multiplied by the number of units in the building, which could push those upfront incentive requests into Board approval values over \$500,000.
- Becca Trietch asked who comprises the Deployment Committee. Bryan Garcia answered that it is comprised of Board members and is not a committee of outside participants.

Resolution #15

WHEREAS, the Connecticut Green Bank ("Green Bank") was appointed Co-Administrator to the Energy Storage Solutions (ESS) Program ("Program") by PURA pursuant its Final Decision, within Docket No. 17-12-03RE0 (PURA Investigation into Distribution System Planning of the Electric Distribution Companies – Electric Storage) on July 28, 2021 (the "Final Decision");

WHEREAS, the Program responsibilities of the Green Bank established by the Final Decision, include customer enrollment, upfront incentive administration, communication and promotion of the Program, and data aggregation and publication;

WHEREAS, at the June 24, 2022 meeting the Board of Directors (the "Board") approved the implementation of a process to approve and issue Program incentives, Green Bank staff seeks to clarify and amend the approval process, as set forth below;

WHEREAS, the Green Bank proposes to administer the upfront incentive payments as through (i) the issuance of a Reservation of Funds (ROF) letter, provided to the project developer and customer upon verification that the Battery Energy Storage System (BESS) meets the minimum technical requirements necessary to participate in the Program, including equipment roundtrip efficiency and warranty, ability to comply with passive and active dispatch modes, and demonstrated ability to communicate with the dispatch platforms; (ii) the issuance of a Confirmation of Funds (COF) letter upon the completed installment of all equipment, the procurement of required utility permits, and the verification of connectivity with dispatch platforms;

WHEREAS, incentives for residential customers will be administrated and issued by Green Bank staff similar to how Green Bank administrated the Residential Solar Investment Program (RSIP). Green Bank staff will issue ROFs, COFs, and incentive payments to residential customers in accordance with the ESS program rules and this Memo. Green Bank staff will periodically report out to the Board on the progress to targets and incentives issued to such residential customers;

WHEREAS, incentives below \$500k for multi-family affordable housing and non-residential customers will be approved by Green Bank staff, and will be issued a ROF letter upon approval. Projects which were approved and issued an ROF letter will be reflected in the “under \$500k” memo to the Board or DC, as may be applicable. Projects will receive COF letters and incentives pursuant to the staff approvals; and

WHEREAS, incentives equal to or greater than \$500k for multi-family affordable housing and non-residential customer projects shall be presented in accordance with this Memo to the Board or DC, subject to applicable limitations, for approval on the consent agenda. Once approved by the Board or DC, Green Bank staff will issue ROF letters. The subsequent COF letters and incentives will be issued in accordance with such Board or DC approval. Green Bank staff will periodically report out to the Board the actual incentives issued.

NOW, therefore be it:

RESOLVED, that the Board hereby approves the Green Bank’s proposed changes to the process of administration of upfront Program incentive payments as set forth in the memorandum to the Board dated December 9, 2022 (the “Memorandum”);

RESOLVED, that the Board hereby approves the Green Bank staff proposed process for upfront incentive payments under \$500,000 to residential, multi-family affordable housing and non-residential customers in accordance with Memo and existing staff approval processes;

RESOLVED, that the Board hereby approves the Green Bank staff proposed process for presenting upfront incentive payments equal to or over \$500,000 to multi-family affordable housing and non-residential customers to the Board or DC for approval, on the consent agenda, in accordance with the Memo; and

RESOLVED, Green Bank staff will periodically report out to the Board on the progress to targets and incentives issued under the Program, explaining any changes between ROF estimated incentives and actual incentives issued.

Upon a motion made by Matthew Ranelli and seconded by Binu Chandy, the Board of

Directors voted to approve Resolution 15. None opposed or abstained. Motion approved unanimously.

7. Other Business

a. Inflation Reduction Act – Incentive Maze and GHG Reduction Fund

- Bryan Garcia reviewed the Inflation Reduction Act which was signed into law on August 16, 2022 and has granted many credits and adders that benefit Connecticut with the potential to reach its clean energy targets and goals, though it is a new maze to navigate and there is a desire to make that navigation as simple as possible. Alex Kovtunenکو summarized many of the federal opportunities and tax credits that the IRA allows with more expected as diligence with the IRS is done to fully understand all possibilities. Bryan Garcia added that when the bill was passed, the staff was excited to dive into it and help provide comments, explanations, and definitions to understand it.
- Bryan Garcia noted that the bill also included developing a National Climate Bank. He also commented that the Connecticut Green Bank is working hard to maximize Connecticut's receipt from the Greenhouse Gas Reduction Fund since the team have been leading the way in this field with repeated demonstrations of success then reviewed some of the most recent achievements and comments submitted.
- Bryan Garcia reviewed the Top 5 Priority Use Cases to demonstrate how to navigate the incentive maze and make it easier which includes Resiliency Hubs, Residential Home Energy Performance, Municipal Buildings, Solutions for Renters, and Non-Residential. Mackey Dykes explained the Residential Home Energy Performance piece of the opportunities available under Affordable Housing as an example of the many new possibilities under the IRA.
- Matthew Ranelli asked if the BOC Committee has thought to add staff to drive projects into the new opportunities available. Mackey Dykes responded that it is a key part of the recommendation to be brought forward, especially in the next 6 months, in order to grow and fully take advantage of the opportunities.

b. Other Business

- Bryan Garcia noted that the Green Bank has been involved in some of the public comments for the recent federal matters and recognized Commissioner Dykes and Becca Trietch for their effort to get a letter into the EPA from 12 states which will hopefully advantage them to receive funding from the Greenhouse Gas Reduction Fund.

8. Personnel Related Matters – Officer FY22 Performance Review

Resolution #16

WHEREAS, Section 3.1 of the Connecticut Green Bank (Green Bank) Bylaws provides that the Board of Directors (Board) shall be responsible for determining or approving compensation for the officers;

WHEREAS, on June 24, 2022, the Board approved a 4.0% merit pool in its FY 2023

budget for annual merit adjustments that can range from 0.0% to 5.0%;

WHEREAS, the Green Bank has completed its annual performance review process based on the Board approved annual goals and 360-degree performance reviews from the staff;

WHEREAS, the President and C.E.O. of the Green Bank recommends a 4.0% merit increase for the Officers other than himself and authorizing the Chair to determine the President and C.E.O.

NOW, therefore be it:

RESOLVED, that all Officers other than the President and C.E.O. shall receive a 4.0% merit increase for Fiscal Year 2022; and

RESOLVED, that the Board authorizes the Chair of the Green Bank to determine the merit compensation adjustment for the President and C.E.O. for FY 2022 based on the (i) feedback of the Board members, (ii) performance towards meeting the Green Bank Board approved organizational goals for Fiscal Year 2022 and (iii) his Fiscal Year 2022 360-degree performance review.

Upon a motion made by Matthew Ranelli and seconded by Adrienne Houël, the Board of Directors voted to approve Resolution 16. None opposed and Becca Trietch abstained. Motion approved.

9. Adjourn

Upon a motion made Lonnie Reed, the Board of Directors Meeting adjourned at 11:02 am.

Respectfully submitted,

Lonnie Reed, Chairperson