CONNECTICUT GREEN BANK

Board of Directors

Meeting Date

October 21, 2022

Board of Directors

75 Charter Oak Avenue, Suite 1 - 103, Hartford, CT 06106
T 860.563.0015
ctgreenbank.com

October 14, 2022

Dear Connecticut Green Bank Board of Directors:

We have a regular meeting of the Board of Directors scheduled for **Friday, October 21, from 9:00-11:00 a.m.**

Please take note that this will be an online meeting.

For the agenda, we have the following:

- **Consent Agenda** – we have several items on the consent agenda, including a few items requiring resolutions, including:

  - Meeting Minutes for July 22, 2022, and July 28, 2022
  - Under $500,000 and No More in Aggregate than $1,000,000 in Staff Transaction Approvals
  - Incentive Programs – Progress to Targets FY 2022 (Final)
  - Financing Programs – Progress to Targets FY 2022 (Final)
  - Investments – Progress to Targets FY 2022 (Final)
  - Board of Directors and Committees Regular Meeting Schedules for CY23

  And, I have also included several report outs including Green Bank Progress to Target Report for Q4 of FY22, Inclusive Prosperity Capital's ("IPC") Quarterly Report through Q4 of FY22, and Green Bank Progress to Target Report for Q1 of FY23.

- **Committee Recommendations and Updates** – recommendation from the Audit, Compliance, and Governance Committee ("ACG Committee") of the approval of the FY22 Annual Comprehensive Financial Report ("ACFR") and social impact methodology updates for jobs and tax revenues.

- **Investment Updates and Recommendations** – report out on Q1 of FY23 progress to targets, including a number of investment recommendations, including:

  - Groton Fuel Cell – extension request
  - PosiGen – investment modification
  - Capital for Change and Amalgamated Bank – investment modification [Materials – COB, Tuesday, October 18, 2022]
  - Budderfly and Berkshire Bank – Capital Solutions request [Materials – COB, Tuesday, October 18, 2022]
  - Canton Hydro Project – investment modification
  - Historic Cargill Falls – project update

- **Financing Programs Updates and Recommendations** – report out on Q1 of FY23 progress to targets, including an update on and approval of changes to the C-PACE Program Guidelines with the inclusion of EV chargers.

- **Incentive Programs Updates and Recommendations** – report out on Q1 of FY23 progress to targets, and an update on the SHREC ABS 1 matter we raised in July and its subsequent resolution.

- **Environmental Infrastructure Programs Updates and Recommendations** – report out on Q1 of FY23 progress to targets, and final "environmental infrastructure" primers for "environmental markets," "land conservation," "parks and recreation," and "agriculture – check them out!

- **Other Business** – we will provide an update on some of our recent filings into various federal public comment solicitations, and the recently passed Greenhouse Gas Reduction Fund within the Inflation Reduction Act.

Until next Friday, enjoy the weekend ahead.

Sincerely,

Bryan Garcia
President and CEO

AGENDA

Board of Directors of the
Connecticut Green Bank
75 Charter Oak Avenue
Hartford, CT 06106

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

Dial (571) 317-3112
Access Code: 736-343-517

Staff Invited: Sergio Carrillo, Mackey Dykes, Brian Farnen, Bryan Garcia, Bert Hunter, Jane Murphy, and Eric Shrago

1. Call to order

2. Public Comments – 5 minutes

3. Consent Agenda – 5 minutes

4. Committee Recommendations and Updates – 15 minutes

    a. Audit, Compliance, and Governance Committee – 15 minutes

        i. Annual Comprehensive Financial Report
        ii. Impact Methodology Updates* - 5 minutes

5. Investment Updates and Recommendations – 45 minutes

    a. Q1 Progress to Targets Update
    b. Extension Request – Groton Fuel Cell Project
    c. Investment Modification Request – PosiGen (Generac ESS Program)
    d. Investment Modification Request – C4C (Co-Investment w/Amalgamated Bank)
    e. Capital Solutions Request – Budderfly (Co-Investment w/Berkshire Bank)
    f. Investment Modification – Canton Hydro Project
    g. Project Update – Historic Cargill Falls Mill

6. Financing Programs Updates and Recommendations – 15 minutes

    a. Q1 Progress to Targets Update
    b. C-PACE Program Guidelines Updates for EV Chargers

7. Incentive Programs Updates and Recommendations – 15 minutes

a. Q1 Progress to Target Update
b. Asset Backed Securities (ABS) – Bond Matters

8. Environmental Infrastructure Programs Updates and Recommendations – 5 minutes

9. Other Business – 10 minutes

10. Adjourn

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Next Regular Meeting: Friday, December 16, 2022 from 9:00-11:00 a.m.
Colonel Albert Pope Room at the
Connecticut Green Bank, 75 Charter Oak Avenue, Hartford

RESOLUTIONS

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Resolution #1

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

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.

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.

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.

4. Committee Recommendations and Updates – 15 minutes

    a. Audit, Compliance, and Governance Committee – 15 minutes

        i. Annual Comprehensive Financial Report

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.

ii. Impact Methodology Updates* - 5 minutes

Resolution #6

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

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.

5. Investment Updates and Recommendations – 45 minutes

   a. Q1 Progress to Targets Update
   b. Extension Request – Groton Fuel Cell Project

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 effect the Term Loan and participation as set forth in the Memorandum.

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

<u>Resolution #8</u>

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 effect the above-mentioned legal instruments.

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

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 effect 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 effect the above-mentioned legal instrument.

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

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.

f. Investment Modification – Canton Hydro Project

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.

g. Project Update – Historic Cargill Falls Mill

6. Financing Programs Updates and Recommendations – 15 minutes

    a. Q1 Progress to Targets Update
    b. C-PACE Program Guidelines Updates for EV Chargers

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 effect the above-mentioned Program Guidelines.

7. Incentive Programs Updates and Recommendations – 15 minutes

    a. Q1 Progress to Target Update
    b. Asset Backed Securities (ABS) – Bond Matters

8. Environmental Infrastructure Programs Updates and Recommendations – 5 minutes

9. Other Business – 10 minutes

10. Adjourn

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CONNECTICUT GREEN BANK

Board of Directors

Meeting Date

October 21, 2022

Board of Directors

Lonnie Reed Chair	**Vickie Hackett** Vice Chair Connecticut Department of Energy and Environmental Protection (DEEP)
Matthew Ranelli Secretary Partner Shipman & Goodwin	**Sarah Sanders** State Treasurers Office State of Connecticut
Thomas Flynn Managing Member Coral Drive Partners	**Binu** Chandy Deputy Director DECD
Adrienne Farrar Houel President and CEO Greater Bridgeport Community Enterprises, Inc.	**Dominick Grant** Director of Investments Dirt Capital Partners
John Harrity Chair CT Roundtable on Climate and Jobs	**Brenda Watson** Executive Director Operation Fuel
Joanne Wozniak-Brown Office of Policy and Management (OPM)	**Laura Hoydick** Mayor of Stratford

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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 effect the Term Loan and participation as set forth in the Memorandum.

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

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 effect the above-mentioned legal instruments.

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

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 effect 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 effect the above-mentioned legal instrument.

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

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.

f. Investment Modification – Canton Hydro Project

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.

g. Project Update – Historic Cargill Falls Mill

6. Financing Programs Updates and Recommendations – 15 minutes

    a. Q1 Progress to Targets Update
    b. C-PACE Program Guidelines Updates for EV Chargers

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 effect the above-mentioned Program Guidelines.

7. Incentive Programs Updates and Recommendations – 15 minutes

    a. Q1 Progress to Target Update
    b. Asset Backed Securities (ABS) – Bond Matters

8. Environmental Infrastructure Programs Updates and Recommendations – 5 minutes

9. Other Business – 10 minutes

10. Adjourn

Join the meeting online at
https://global.gotomeeting.com/join/736343517
Or call in using your telephone:
Dial (571) 317-3112
Access Code: 736-343-517

Next Regular Meeting: Friday, December 16, 2022 from 9:00-11:00 a.m.
Colonel Albert Pope Room at the
Connecticut Green Bank, 75 Charter Oak Avenue, Hartford

BOARD OF DIRECTORS OF THE
CONNECTICUT GREEN BANK
Regular Meeting Minutes

Friday, July 22, 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 July 22, 2022.

Board Members Present: Bettina Bronisz for Sarah Sanders, Binu Chandy, Matthew Dayton, Thomas Flynn, Victoria Hackett, Adrienne Farrar Houël, Laura Hoydick, Matthew Ranelli, Lonnie Reed

Board Members Absent: Dominick Grant, John Harrity, Brenda Watson

Staff Attending: Emily Basham, Sergio Carrillo, Shawne Cartelli, Catherine Duncan, Mackey Dykes, Brian Farnen, Bryan Garcia, Sara Harari, Bert Hunter, Alex Kovtunenko, Cheryl Lumpkin, Ariel Schneider, Eric Shrago, Dan Smith

Others present: Claire Sickinger, Giulia Bambara

1. Call to Order

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

2. Public Comments

- No public comments.

Bryan Garcia proposed changes to the Agenda to move item 8a up to before item 5, and then to add item 5b for Asset Backed Securities (ABS) – Bond Matters.

Upon a motion made by Laura Hoydick and seconded by Adrienne Houël, the Board of Directors voted to approve the amendment to the meeting Agenda. None opposed or abstained. Motion approved unanimously.

3. Consent Agenda
a. Meeting Minutes of June 24, 2022

<u>Resolution #1</u>

Motion to approve the meeting minutes of the Board of Directors for June 24, 2022.

b. FY22 Progress to Targets

Resolution #2

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, the Board of Directors of the Connecticut Green Bank approved a Comprehensive Plan for FY 20212 including approving annual budgets and targets for FY 2022.

NOW, therefore be it:

RESOLVED, that Board has reviewed and approved the Program Performance towards Targets for FY 2022 memos dated July 22, 2022, which provide an overview of the performance of the Incentive Programs, Financing Programs, and Investments with respect to their FY 2022 targets.

c. Governance Compliance Reporting

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") and vests the power in a Board of Directors comprised of eleven voting and one non-voting member; and

WHEREAS, the structure of the Board of Directors is governed by the bylaws of the Connecticut Green Bank, including, but not limited to, its powers, meetings, committees, and other matters.

NOW, therefore be it:

RESOLVED, that Board has reviewed and approved the Overview of Compliance Reporting and the Board of Directors and Committees for FY 2022 memo dated July 15, 2022 prepared by staff, which provides a summary report of the FY 2022 governance of the Board of Directors and its Committees of the Connecticut Green Bank.

d. Energy Storage Solutions

Resolution #4

WHEREAS, the Connecticut Green Bank (Green Bank) proposes to administer the upfront incentive payments through (i) the issuance of a Reservation of Funds (ROF) letter, and (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, residential projects with an estimated upfront incentive payment not equal to or greater than $500,000 shall be approved by Green Bank staff and upon approval be issued a ROF letter; and, for projects with an estimated upfront incentive payment greater than or equal to $500,000, the Green Bank shall prepare a proposal to the Board for approval, per the bylaws of the Green Bank;

WHEREAS proposals for projects with an estimated upfront incentive payment equal to or greater than $500,000 shall include a Tear Sheet outlining customer, project, and site information; priority customer eligibility criteria, Battery Energy Storage System (BESS) characteristics, ratepayer and societal benefits generated by the program as represented by benefit-cost analysis ratios, and information related to the estimated upfront incentive payment;

WHEREAS, within the existing Board and Deployment Committee regular meeting schedule, the Green Bank staff shall seek Board approval of non-residential projects with estimated upfront incentive payments equal to or greater than $500,000 via consent agenda, and, upon approval by the Board, Green Bank staff shall issue ROF letters to the project developer and customer;

WHEREAS, after projects are fully operational, Green Bank staff shall notify the Board of their intent to issue COF letters, and, and as necessary, provide an analysis and explanation for any material difference between an approved estimated upfront incentive payment and the final incentive amount.

WHEREAS, in its June 22, 2002 meeting the Board approved that upfront incentive payments under $500,000, as estimated by the Green Bank in fulfillment of its responsibilities set forth in the Program, be issued a ROF letter upon approval by internal Green Bank.

WHEREAS, in its June 22, 2002 meeting the Board 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 payment greater than $500,000; and

WHEREAS, in its June 22, 2002 meeting the Board approved that, as part of the Procedure, the Green Bank staff shall obtain Board approval of such estimated upfront incentive payments via consent agenda utilizing the Tear Sheet process described in the memorandum to the Board dated June 24, 2022;

NOW, therefore be it:

RESOLVED, that the Board hereby approves the estimated upfront incentives sought by 13 non-residential projects totaling $16,513,170 consistent with the memorandum provided to the Board dated July 15, 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 July 15, 2022.

Upon a motion made by Thomas Flynn and seconded by Bettina Bronisz, the Board of Directors voted to approve the Consent Agenda which includes Resolutions 1 – 4. None opposed or abstained. Motion approved unanimously.

4. Committee Recommendations and Updates

a. Audit, Compliance, and Governance Committee

i. Ad Hoc Committee – Recommendation of Kevin Walsh

- Brian Farnen summarized the proposal of Kevin Walsh to be added to the Ad Hoc Committee as well as the nature of the Ad Hoc Committee and the Ad Hoc Ethical Conduct Policy.
  - Matthew Dayton asked about the requirement to complete the SFI (Statement of Financial Interest). Brian Farnen answered that he talked to the Office of Ethics, and they stated it would not apply to the Ad Hoc Committee as they are non-voting and advisory in nature. Brian Farnen then asked the Office of Ethics if the members could be asked to apply for it anyway, and the Office of Ethics answered that they could submit a SFI filing to Ethics though it is not typical. Brian Farnen stated doing the SFI may deter some of them to become involved however, and recommends against it, instead suggesting the adoption of an Ad Hoc Ethics Policy. Matthew Dayton clarified his reason for wanting the SFI, and Brian Farnen agreed that it should be okay to not involve them in those types of matters.
  - Victoria Hackett stated she would abstain as she has not had time to review it with DEEP legal counsel. Brian Farnen suggested it be moved to the next meeting in order to give DEEP the necessary time to review. Victoria Hackett agreed and thanked him.

Resolution #5 was tabled until the next Board of Directors meeting.

<u>**Resolution #5**</u>

WHEREAS, the Board unanimously affirmed a motion to establish the Ad Hoc Advisory Committee comprised of members without voting authority for the sole purpose of soliciting expert advice to advance the mission of the organization at its meeting on October 22, 2021;

WHEREAS, the Green Bank is committed to ethical conduct and transparency and seeks to provide guidance to non-voting Directors on proper compliance with relevant statutes, rules, and regulations;

WHEREAS, the Audit, Compliance and Governance Committee recommended to the Board of Directors Kevin Walsh serve as Board Member Emeritus at its May 17, 2022, Committee Meeting;

NOW, therefore be it:

RESOLVED, that the Board of Directors approves the Ad Hoc Advisory Ethical Conduct Policy.

RESOLVED, that the Board of Directors approves the recommendation of Kevin Walsh to serve on the Ad Hoc Advisory Committee as a Board Member Emeritus.

Upon a motion made by Laura Hoydick and seconded by Victoria Hackett, the Board of Directors voted to table Resolution 5 until the next Board of Directors meeting. None opposed or abstained. Motion approved unanimously.

The next Agenda item discussed was 8a.

5. Incentive Programs Updates and Recommendations

a. FY 2022 Report Out – Incentive Programs

- Sergio Carrillo summarized the FY22 performance of the Incentive Programs. Overall, the project goals were met, capital deployed was at 98% met, and capacity was 86% met, but he noted that RSIP, RSIP-E, and Solar for All performed very well. Smart-E capacity was under-target for capacity because many of the projects were home performance and HVAC which do not have a megawatt capacity associated with the project.
- Sergio Carrillo summarized the current statuses of the RSIP and RSIP-E projects.
  - Bryan Garcia commented that the initial Public Act 11-80 established a target of 30 MW by the end of 2022, which was increased to 300 MW in 2015, then 350 MW in 2019. It shows how successful the program has been and he noted the final report will be submitted in January 2023 as the program ends on December 31, 2022.
- Sergio Carrillo continued with a summary of the Battery Storage program status, which has been a bit slow while the infrastructure needed to manage the program is being built. Many aspects of that portion of the program is being built from scratch.
  - Lonnie Reed commented that the battery storage program was asked to be managed by PURA, and she thanked the staff for their hard work.
  - Adrienne Houël asked how many projects the current Battery Storage program represents. Sergio Carrillo answered for Residential, which comprises 185 kW, there are 125 projects and 39 of them have been approved. For Non-Residential, which comprises 2.9 MW, there are 45 projects.

Binu Chandy left the meeting at 9:35 am.

b. Asset Backed Securities (ABS) – Bond Matters

- Sergio Carrillo summarized the background of the RGM upgrade from using 3G meters, including the adoption of the Ken Gillingham methodology to estimate production for meters affected by the shutdown, and though some production was lost, much of it has been recovered thanks to that developed methodology.
- Bert Hunter explained the impact of the meter upgrades as well as 2 hurricanes which impaired production and the need to amend the ABS documents. He noted that bond payments are not in jeopardy but that payments to the holder of “B Notes” were ceased with all payments going to the “A Notes.” Kroll placed the ABS bonds on “Watch Developing” status in March, though it is not affecting the Green Liberty Notes. The issue is that the ABS Bonds are in jeopardy of a ratings downgrade and the proposed solution is to work with the bondholder to amend the documents to permit the Green Bank the option to cure revenue shortfalls for

matters related to interruptions of reporting or production that the Green Bank considered temporary. He also stated there is no foreseen material adverse economic impact to the Green Bank.

- o Bettina Bronisz asked how many bond holders there are, and Bert Hunter said one, though he could not publicly disclose their name but did state they are an insurance company. Bettina Bronisz asked what the coverage ratio that was tested and tripped and Bert Hunter responded there were two, one is an Early Amortization Event and the second is a Sequential Interest Amortization Event. He then explained what the tests require and the recent testing results.
- o Bettina Bronisz asked which law firm drafted the Resolution and Brian Farnen responded that Pullman & Comley, though Shipman and Goodwin is typically used, but Pullman & Comley was this time because of their renewable energy and regulatory expertise.
- o Bettina Bronisz asked if the bond holder has already been contacted and Bert Hunter said yes, there is an upcoming meeting with them.
- o Bettina Bronisz asked about the Kroll Rating and Bert Hunter said he would look up the details and get back to her.
- o Thomas Flynn asked about the Resolution for clarifications about the "A Note" and "B Note" holders. Bert Hunter answered that the one company is the holder for both, but the way they are being paid has changed. Thomas Flynn asked for clarification about the details of those payments, the covenants broken, and how long this issue is expected to last. Bert Hunter answered that it may continue for a few quarters until the reporting issue is resolved.
- o Thomas Flynn asked for clarification about the three issues that caused the covenant to be tripped and for more information regarding the RGM meter upgrade process, specifically why it is considered out of the control of the Green Bank. Bert Hunter responded that part of the meter upgrade issues are related to supply chain shortages, which has impacted progress. Sergio Carrillo added that there is no set estimated date for the meter upgrades to be complete.
- o Thomas Flynn asked about the economic cost of paying the bonds out compared to other solutions. Bert Hunter answered that when he discussed the resolution with the investment bank, they did not believe it would be a material cost. Thomas Flynn was dissatisfied with that answer, but Bert Hunter estimated he believed it would cost less than $25,000 and the investment bank is not charging the Green Bank. As well, he believes the bondholder would be interested in cooperating based on what the rating downgrade could do.
- o Thomas Flynn expressed his concern about the meters not reporting and the requirement to report the production. Bert Hunter explained more about the Ken Gillingham methodology and other aspects of the solution to the reporting issue. The group discussed the potential future timeline of implementing the solutions and being free of the covenant trip.
- o Bettina Bronisz asked for a recap of the Resolution text and Brian Farnen summarized it.

<u>Resolution #11</u>

WHEREAS, a special purpose Delaware limited liability company that is a wholly-owned subsidiary of the Connecticut Green Bank, SHREC ABS 1 LLC (the "Issuer"), entered into a certain Base Indenture between the Issuer and The Bank of New York Mellon Trust Company, N.A., as Trustee, dated as of April 2, 2019 (the "Base Indenture"), allowing the Green Bank to issue one or more series of notes pursuant to one or more series indenture supplements thereto, with the obligations under each separate series of notes secured by the accounts receivable (the “SHREC Receivables”) generated by the sale of a specific type of Renewable Energy Credit (“REC”) called a “solar home renewable energy credit” and the related environmental attributes (collectively, a “SHREC”) from the homeowners and third-party system owners (“TPOs”) receiving Connecticut’s Residential Solar Incentive Program (“RSIP”) incentives, to each of The Connecticut Light and Power Company d/b/a Eversource Energy (“Eversource”) and The United Illuminating Company (“United Illuminating” and together with Eversource, each, a “Utility” and together, the “Utilities”), pursuant to two 15-year contracts dated as of February 7, 2017 and amended as of July 30, 2018 (each, a “Master Purchase Agreement” and together, the “Master Purchase Agreements”); and

WHEREAS, the Green Bank sold two classes of Series 2019-1 Notes as follows: (i) approximately $36,800,000 of Class A Notes (the “Series 2019-1 Class A Notes”) and (ii) approximately $1,800,000 of Series 2019-1 of Class B Notes (the “Series 2019-1 Class B Notes”, and together with the Series 2019-1 Class A Notes, the “Series 2019-1 Notes”), in offerings intended to be exempt from registration under the Securities Act of 1933, as amended (the “Offering”), pursuant to the terms of the Base Indenture and the series indenture supplement thereto with respect to the Series 2019-1 Notes (the “Series 2019-1 Indenture Supplement”), between the Issuer and the Trustee (the “Indenture”), and a certain Management Agreement between the Green Bank and the Issuer, a certain Sale and Contribution Agreement between the Green Bank and the Issuer, and related documents (collectively, the “Collateral Documents”); and

WHEREAS, two hurricanes that occurred in Connecticut in August and September of 2021 led to lower irradiance and temporary power grid inoperability, resulting in temporarily lower than expected generation of SHREC Receivables and breaches of certain covenants in the Collateral Documents, causing the holders of the Series 2019-1 Class B Notes to miss a payment and accelerating the amortization schedule of the Series 2019-1 of Class A Notes; and

WHEREAS, the 3G network that was initially metering a high percentage of the SHRECs is being shut down, resulting in a temporary inability of the Green Bank to collect the data necessary to bill the Utilities under the Master Purchase Agreements for the SHRECs being generated, resulting in a temporary shortfall in the value of the SHREC Receivables securing the Series 2019-1 Notes; and

WHEREAS, the Board of Directors of the Green Bank has determined that it is in the best interest of the Green Bank to enter into amendments to the Series 2019-1 Notes and Collateral Documents for the purpose of allowing the Green Bank to elect to provide funds to the Issuer, in the Green Bank’s discretion, in amounts sufficient to allow the Issuer to restore compliance with, and to remain in compliance with, the terms of the Series 2019-1 Notes and the Collateral Agreements ;

NOW, therefor be it:

RESOLVED, that the form, terms and provisions of an amendment to the terms of the Collateral Agreements permitting the Green Bank, in its discretion, to provide funds to the Issuer in amounts sufficient to allow the Issuer to restore compliance with, and to remain in compliance with, the terms of the Series 2019-1 Notes and the Collateral Agreements (the “Amendment”) be, and they hereby are, approved; and further

RESOLVED, that in connection with the Amendment, the President and any other officer of the Green Bank (each, a “Proper Officer”) be, and each of them acting individually hereby is, authorized and directed in the name and on behalf of the Green Bank, in its own capacity and as member and manager of SHREC ABS 1 LLC, to prepare and deliver, or cause to be prepared and delivered, each of the Amendment to the Series 2019-1 Notes and the Collateral Agreements, with such modifications, amendments or changes therein as the Proper Officer executing the same may approve, such approval and the approval thereof by such Proper Officer to be conclusively established by such execution and delivery; and to execute and deliver any and all instruments, certificates, receipts, undertakings, commitments, consents, representations, financing statements, control agreements and other ancillary documents contemplated by any of the foregoing agreements; and to take or cause to be taken all such action and to execute and deliver or cause to be executed and delivered, and, if appropriate, file or record, or cause to be filed and recorded, all such applications, agreements, contracts, undertakings, commitments, consents, certificates, reports, affidavits, statements, and other documents, instruments or papers as such officer deems necessary, and to make such payments desirable or appropriate to carry out and consummate the intent and purposes of the foregoing resolutions and/or all of the transactions contemplated therein or thereby, the authorization therefor to be conclusively evidenced by the taking of such action or the execution and delivery of such agreements, amendments to agreements, certificates, instruments, agreements or documents; and further

RESOLVED, that to the extent that any act, action, filing, undertaking, execution or delivery authorized or contemplated by these resolutions has been previously accomplished, all of the same is hereby ratified, confirmed, accepted, approved and adopted by the Board of Directors as if such actions had been presented to the Board of Directors for its approval before any such action’s being taken, agreement being executed and delivered, or filing being effected.

Upon a motion made by Victoria Hackett and seconded by Thomas Flynn, the Board of Directors voted to approve Resolution 11. None opposed or abstained. Motion approved unanimously.

6. Financing Programs Updates and Recommendations

a. FY 2022 Report Out – Financing Programs

- Mackey Dykes summarized the performance of the Financing Programs, which overall did well aside from poor performance of the Commercial Solar PPA program. He reviewed the details of the C-PACE performance, noting that most lenders are focused on large, new construction and repositioning projects, which caused the project goal to fall short as less projects are being initiated, though they are larger sized which reflects in the capital deployed which exceeded the target. For Commercial Solar PPA, there were significant solar disruptions that caused it to be severely under-target, which impacted not onto Connecticut but national numbers. Mackey Dykes reviewed several of the issues that took place and explained there is a pipeline to meet the goals, but issues outside of the Green Bank’s control, such as supply chain shortages and equipment tariffs, lead to the delays. Work is being done with the installers to navigate the issues and minimize the impact on customers.
    - Thomas Flynn recognized the supply chain shortages and asked if the increased cost to complete the projects makes them still viable to continue with, and Mackey Dykes responded that that exact question is what is being asked to installers, and work is being done to help them determine each project’s viability. The initial analysis is that the projects should still deliver savings to customers. Thomas Flynn cautioned going slowly when proceeding due to the current market fluctuations.

- o Thomas Flynn asked if discussions have been had to extend the incentives while the market is unstable and Mackey Dykes answered that a request to PURA was submitted and granted to extend the termination dates, however PURA has not expressed interest in extending the contract term, so they are still locked into 15-year periods.
- o Thomas Flynn asked if future projects are paused or how they are being managed. Mackey Dykes responded that yes, the Solar MAP program has been slowed for these reasons and some others.

b. C-PACE Program Guidelines – Recharging Infrastructure

- Mackey Dykes began summarizing the background of the two C-PACE statute changes. Catherine Duncan summarized the proposed edits to the C-PACE program guidelines to implement the statutory changes as well as the future timeline to getting them accepted. Mackey Dykes explained there is no Resolution but the team wanted to keep the Board up to date as there will be in the future and to give them an opportunity to provide feedback before Public Comment.

c. Sustainable CT

- Emily Basham summarized the background of Sustainable CT, their accomplishments, and reviewed the proposal to renew the $125,000 grant to continue to support them.

Resolution #6

WHEREAS, the Comprehensive Plan and FY 2023 budget identify Sustainable CT as a partner of the Connecticut Green Bank ("Green Bank"), including an allocation of $125,000 from the FY 2023 Marketing budget;

WHEREAS, Connecticut Green Bank ("Green Bank") staff has submitted to the Green Bank Board of Directors (the "Board") a proposal for Green Bank to enter into a grant agreement with Sustainable CT for $125,000 for programmatic purposes in order to increase our impact by applying the green bank model through Sustainable CT's programs as explained in a memorandum to the Board dated July 15, 2022;

WHEREAS, Sustainable CT satisfies all criteria of the Strategic Selection and Award process of Green Bank operating procedures, namely: (1) special capabilities, (2) uniqueness, (3) strategic selection, (4) multiphase, follow-on investment and (5) urgency and timeliness;

WHEREAS, Green Bank staff recommends that the Board approve a grant between the Green Bank and Sustainable CT, generally in accordance with memorandum summarizing the grant to the Board in a memorandum dated July 15, 2022; and,

WHEREAS, Green Bank would benefit from Sustainable CT's public awareness and engagement program to increase participation in and development of Green Bank's incentive and financing programs. Through the partnership, Green Bank and Sustainable CT are driving investment in projects in communities throughout the state.

NOW, therefore be it:

RESOLVED, that the Board approves Green Bank to enter into a Grant Agreement with Sustainable CT as a strategic selection;

RESOLVED, that the President, Chief Investment Officer and General Counsel of Green Bank, and any other duly authorized officer of Green Bank, is authorized to execute and deliver on behalf of Green Bank any of the definitive agreements related to the Sustainable CT grant agreement and any other agreement, contract, legal instrument or document as he or she shall deem necessary or appropriate and in the interests of Green Bank and the ratepayers in order to carry out the intent and accomplish the purpose of the foregoing resolutions.

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

Upon a motion made by Laura Hoydick and seconded by Matthew Ranelli, the Board of Directors voted to approve Resolution 6. None opposed or abstained. Motion approved unanimously.

d. Municipal Assistance Program(s)

- Emily Basham summarized the background of the Solar MAP program and the challenges faced by municipalities which this program aims to relieve. Mackey Dykes explained some criticism that was recently received and wanted to be sure the Board of Directors was aware of it as well as provide additional information related to it. As for the raised transparency concern, the group that raised the concerns was contacted and efforts are being made to increase the transparency of the program such as posting more data points publicly. As for the competition and lack of clarity to acceptable targets, Mackey Dykes explained the goal of the program is to make projects happen that would not have otherwise happened. Several towns and installers were also met with to survey them for feedback about the program. Emily Basham summarized that the towns surveyed expressed that without the Solar MAP program, they would not have the staff, time, or other resources to pursue clean energy projects. They also have difficulty getting approval from their Boards, even when proposed internally, and so the Solar MAP program gave them the additional support needed to identify the most effective project options and get their Boards' approval. Other installers surveyed confirmed that the projects discussed would not have been pursued or able to gain on their own.
- Mackey Dykes summarized that the team still wanted to take the claims seriously and confirm that the program is achieving what it set out to do.
  - Lonnie Reed commented that she agrees that the Solar MAP program is reaching underserved customers and the efforts are noticed. She stated she is glad that contact is being made to smaller communities. Matthew Ranelli agreed with Lonnie Reed that although it is always important to listen to market concerns, the demand was present, and the Green Bank is filling that role since that portion of the market wasn't being served. As well, he stated the Solar MAP program has created a good template and is providing a model for getting municipal approvals, which in his experience those customers may have been unaware of how to proceed.
  - Laura Hoydick pointed out that the volume-buying and bulk purchasing aspects of the program is something many towns are pursuing themselves through the COGs. She questioned whether there should be a population limit on towns that the Green Bank is reaching out to for the program.

Resolution #7

WHEREAS, the state legislature provides statutory guidance to the Green Bank to support municipalities in clean energy deployment pursuant to CGS 16-245n;

WHEREAS, Green Bank's Solar MAP was modelled after and developed based on Lead By Example, which supports solar on state facilities, and other programs to provide municipal assistance to address market barriers and to take advantage of the savings offered by solar;

WHEREAS, Green Bank received concerns from a subgroup of contractors regarding the absence of clarity on the program's mission and target audience, the Green Bank's role developing opportunities for municipalities, and request for more transparency in the status of the program;

WHEREAS, Green Bank was compelled to assess Solar MAP by seeking feedback from municipalities that have engaged in the program as well as contractors who we seek to continue to provide opportunities;

NOW, therefore be it:

RESOLVED, that the Board recognizes the importance of balancing the deployment of clean energy, supporting municipalities and not competing with the private sector; and

RESOLVED, that the Board recognizing that Solar MAP is creating more opportunities for the market and assistance to towns who seek assistance; and

RESOLVED, that the Board support for continuing Solar MAP and other municipal assistance programs to lower their energy costs and confront climate change; and

RESOLVED, that the Board approves of the program and the inclusion of Solar MAP in the Comprehensive Plan; and

RESOLVED, the Board directs staff to develop marketing materials that clearly communicate the intentions of the program.

Upon a motion made by Laura Hoydick and seconded by Matthew Ranelli, the Board of Directors voted to approve Resolution 7. None opposed or abstained. Motion approved unanimously.

7. Investment Updates and Recommendations

a. FY 2022 Report Out – Investments

Agenda item 7a was bypassed for time and because a memo was also submitted recently in relation to it.

b. Extension Request – Groton Fuel Cell Project

- Bert Hunter reviewed another update and delay to the Groton Fuel Cell project and a proposed extension. The commissioning of it, to be accepted by the US Navy, is currently anticipated to be complete by the first week of August 2022. The transaction documentation is underway though it is slow and the banks are currently refreshing the credit approvals, as they went stale during the project pause.

<u>**Resolution #8**</u>

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 June 2022 to July 31, 2022; and,

WHEREAS, Green Bank staff has further advised the Board that the closing for the Credit Facility is expected to close in early August 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 590 days from the original date of authorization by the Board (i.e., not later than July 31, 2022) to not later than 682 days from the date of authorization by the Board (i.e., not later than October 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 682 days from the original date of authorization by the Board (i.e., not later than October 31, 2022);

RESOLVED, that the President of the Green Bank and any other duly authorized officer is authorized to take appropriate actions to provide the Credit Facility to FCE (or a special purpose entity wholly-owned by FCE) in an amount not to exceed $8,000,000 with terms and conditions consistent with the memorandum submitted to the Board dated December 18, 2020 (the "Memorandum"), and as he or she shall deem to be in the interests of the Green Bank and the ratepayers; 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 Bettina Bronisz and seconded by Adrienne Houël, the Board of Directors voted to approve Resolution 8. None opposed and Matthew Ranelli abstained. Motion approved.

Adrienne Houël left the meeting at 11:05 am.

c. Investment Modification Request – Cargill Falls

- Bert Hunter summarized the background to the Cargill Falls project and the proposal to a financial restructuring due to a delay on of the hydroelectric side of the project which has caused a revenue shortfall to make the C-PACE payment. This restructuring would roll the principal that would be due on July 1 (to be received by August 1) to one of the benefit assessment liens that is on a shorter term (10 years). About $255,000 would be moved to the second, shorter benefit assessment lien.
  - Matthew Ranelli asked about alternatives to moving that money into the shorter lien, if there is a way to create a different structure in order to get the $255,000 on a first-out basis, and whether that kind of change would make a difference. Bert Hunter answered that yes, the Green Bank is setup currently to receive any excess cash flow to pay down the note. However, there is a shorter term note with the contractor, who has invested millions of his own company money into the project, is getting repaid first.
  - Matthew Ranelli asked why there has not been more capital interest in the private sector, considering there has been such high demand. Bert Hunter responded that he believes the project needs to reach a point where everything is stabilized, and that means getting the hydroelectric portion complete which will allow the development to start to build a history from a completely functioning point of view.
  - Bettina Bronisz asked if the July 1 payment was missed. Bert Hunter clarified that the project is paying the interest portion to the Green Bank, not that the Green Bank is making a payment. The principal is being deferred – no additional cash is being advanced.

<u>Resolution #9</u>

WHEREAS, pursuant to Conn. Gen. Stat. 16a-40g, the Connecticut Green Bank ("Green Bank") has established a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE");

WHEREAS, the Board of Directors ("Board") of the Green Bank previously approved a construction and term loan, secured by a C-PACE benefit assessment, not-to-exceed amount of $8,100,000 (the "Current Loan") to Historic Cargill Falls Mill, LLC ("HCFM"), the property owner of 52 and 58 Pomfret Street, Putnam, Connecticut, to finance the construction of specified clean energy measures (the "Project") in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan;

WHEREAS, the Project includes numerous energy conservation measures that align with the goals and priorities of the Green Bank's multifamily housing program; and,

WHEREAS, the Green Bank now seeks approval to amend the Current Loan to HCFM to provide up to $275,000 in additional funding (the "Loan Amendment") for the Project, inclusive of finalizing the existing Project work.

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 Amendment in a total amount not to exceed the sum of (i) the Current Loan being secured by a C-PACE benefit assessment, plus any and all interest accrued, plus (ii) $260,000, with terms and conditions consistent with the memorandum submitted to the Board dated July 15, 2022, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 180 days from July 22, 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 above-mentioned legal instrument.

Resolution 9 was not voted on as quorum was lost. A meeting was scheduled for a future date to discuss further and vote.

8. Environmental Infrastructure Updates and Recommendations

a. Comprehensive Plan

Agenda item 8a was moved to earlier in the meeting before Agenda item 5.

- Sara Harari summarized the themes that came from the Strategic Retreat and its effect on Environmental Infrastructure. Lonnie Reed added that one of the key takeaways from the retreat was how eager stakeholders are to work with the Green Bank, that the Green Bank has the ability to determine who the effective stakeholders are, and which partnerships should be encouraged.
- Bryan Garcia summarized the Comprehensive Plan timeline, deliverables, stakeholder engagement cycle, and the current state of the Plan's draft. He reviewed the table of contents, areas of focus, and the formatting which effectively communicates to different audiences. He reviewed the revision to the mission statement and focus points for FY 2023.

<u>**Resolution #10**</u>

WHEREAS, on June 23, 2021, the Connecticut General Assembly passed Public Act 21-115 ("the Act"), "AN ACT CONCERNING CLIMATE CHANGE ADAPTATION," and on July 6, 2021, the Governor signed the Act into law expanding the scope of the Connecticut Green Bank ("Green Bank") to include environmental infrastructure.

WHEREAS, on July 23, 2021, the President and CEO presented a process to develop a comprehensive plan which provides an over of the process to be undertaken in FY22 to incorporate environmental infrastructure within its comprehensive plan which was approved by the Board.

WHEREAS, the President and CEO, with the assistance of a community engagement consultant, initiated a nine (9) month outreach effort with stakeholders from the public, private, nonprofit, and academic sectors, with guidance from the Department of Energy and Environmental Protection ("DEEP"), to introduce the Green Bank, discuss the Act, understand relevant public policies and targets, identifying funding opportunities, market potential, investment requirements, financing models, and metrics for environmental infrastructure that resulted in the production of several primers including environmental markets, parks and recreation, land conservation, and agriculture.

WHEREAS, on October 22, 2021, the General Counsel and Chief Legal Officer, with the guidance of the Audit, Compliance, and Governance Committee, sought and received approval from the Board of Directors ("the Board") to modify various governance documents including the Resolution of Purpose, Bylaws, Operating Procedures, Ethics Statement, and Ethical Conduct Policies of the Board of Directors and Staff.

WHEREAS, on October 22, 2021, the Executive Vice President and Chief Investment Officer provided the Board with an overview of the Act's improvements on the Green Bank's new bonding capabilities including expansion to include environmental infrastructure, increase in the Special Capital Reserve Fund to $250 million, and extending bond terms for up to fifty years for environmental infrastructure.

WHEREAS, on March 25, 2022, the Board approved amending the Smart-E Loan eligible improvements category to include environmental infrastructure improvements and authorizes the Deployment Committee to determine, in consultation with DEEP, the specific measures to be supported by the Smart-E Loan.

WHEREAS, from April 27-28, 2022, there was an offsite strategic retreat called "Confronting Climate Change in the Constitution State through Investment in Environmental Infrastructure" to engage members of the Board, staff, and key stakeholders to envision how the Green Bank would change, adapt, and grow to incorporate environmental infrastructure, including identifying specific skills required for a director to lead such programs.

WHEREAS, on May 10, 2022, the Governor signed Public Act 22-6, An Act Concerning the Commercial Property Assessed Clean Energy Program ("C-PACE") into law expanding the ability of C-PACE to include resilience.

WHEREAS, on June 24, 2022, the Board of Directors ("Board") of the Green Bank ("Green Bank") approved of the annual budgets, targets, and investments for FY 2023.

WHEREAS, per Connecticut General Statutes 16-1245n, the Green Bank must (a) 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, and (b) develop a comprehensive plan to foster the growth, development, commercialization and, where applicable, preservation of environmental infrastructure and related enterprises.

NOW, therefore be it:

RESOLVED, that Board has reviewed and approved the position description for the Director of Environmental Infrastructure.

RESOLVED, that Board has reviewed and approved the Comprehensive Plan presented to the Board on July 22, 2022.

Upon a motion made by Adrienne Houël and seconded by Laura Hoydick, the Board of Directors voted to approve Resolution 10. None opposed and Victoria Hackett abstained. Motion approved.

The next Agenda item discussed was 5a.

9. Other Business

- Bryan Garcia gave an update to the Hydrogen Study Task Force. The first meeting was held on Tuesday, July 12, 2022. The next meeting is August 8, 2022. He reviewed the current members and consultants, though members are still being appointed and onboarded.
- Bryan Garcia noted there is a site tour of Quantum Biopower scheduled for July 27, 2022 at 10:00 am.
- Lonnie Reed congratulated the Accounting Department of the Green Bank for receiving a Certificate of Achievement for Excellence in Reporting from the GFOA for the FY21 ACFR. She thanked the staff for their hard work.

10. Adjourn

Upon a motion made Lonnie Reed, the Board of Directors Meeting adjourned at 11:15 am.

Respectfully submitted,

____
Lonnie Reed, Chairperson

Subject to Changes and Deletions

BOARD OF DIRECTORS OF THE
CONNECTICUT GREEN BANK
Special Meeting Minutes

Thursday, July 28, 2022
8:00 a.m. – 8:30 a.m.

A special meeting of the Board of Directors of the **Connecticut Green Bank (the "Green Bank")** was held on July 28, 2022.

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

Board Members Present: Binu Chandy, Matthew Dayton, Dominick Grant Victoria Hackett, John Harrity, Adrienne Farrar Houël, Matthew Ranelli, Lonnie Reed, Sarah Sanders, Brenda Watson

Board Members Absent: Thomas Flynn, Laura Hoydick

Staff Attending: Sergio Carrillo, Brian Farnen, Bryan Garcia, Bert Hunter, Cheryl Lumpkin, Ariel Schneider, Eric Shrago

Others present: Claire Sickinger

1. Call to Order

- Lonnie Reed called the meeting to order at 8:01 am.

2. Public Comments

- No public comments.

3. Investment Updates and Recommendations
a. Investment Modification Request – Cargill Falls

- Bert Hunter summarized the background to the Cargill Falls project, including a real estate update which is thriving, and the proposal to a financial restructuring due to a delay on of the hydroelectric side of the project which has caused a revenue shortfall. This restructuring would roll the principal that would be due on July 1 (to be received by August 1) to one of the benefit assessment liens that is on a shorter term. About $255,000 would be moved. He clarified there is no additional cash being advanced and that the Green Bank is set to receive excess cash first once the project is complete, not the developer.
  - John Harrity commented that he just wanted to make sure there was signage showing the Green Bank's contribution and involvement in the project, which Lonnie Reed agreed would be important. Bert Hunter answered that yes, it was written into the financing

agreement to include signage.

- Matthew Dayton asked if a loan was made at the same term, if the interest rate would be comparable to current market rates. Bert Hunter responded that the loan details would be similar in terms of interest rate, 5.0% vs 5.9%, and that there is a sweep in place to get the yield higher as part of the overall arrangement, which would bring it up to 5.95%.

Resolution #1

WHEREAS, pursuant to Conn. Gen. Stat. 16a-40g, the Connecticut Green Bank ("Green Bank") has established a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE");

WHEREAS, the Board of Directors ("Board") of the Green Bank previously approved a construction and term loan, secured by a C-PACE benefit assessment, not-to-exceed amount of $8,100,000 (the "Current Loan") to Historic Cargill Falls Mill, LLC ("HCFM"), the property owner of 52 and 58 Pomfret Street, Putnam, Connecticut, to finance the construction of specified clean energy measures (the "Project") in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan;

WHEREAS, the Project includes numerous energy conservation measures that align with the goals and priorities of the Green Bank's multifamily housing program; and,

WHEREAS, the Green Bank now seeks approval to amend the Current Loan to HCFM to provide up to $275,000 in additional funding (the "Loan Amendment") for the Project, inclusive of finalizing the existing Project work.

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 Amendment in a total amount not to exceed the sum of (i) the Current Loan being secured by a C-PACE benefit assessment, plus any and all interest accrued, plus (ii) $260,000, with no additional cash being advanced and terms and conditions consistent with the memorandum submitted to the Board dated July 15, 2022, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 180 days from July 22, 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 above-mentioned legal instrument.

Upon a motion made by John Harrity and seconded by Victoria Hackett, the Board of Directors voted to approve Resolution 1. None opposed or abstained. Motion approved unanimously.

4. Adjourn

Lonnie Reed adjourned the Board of Directors Meeting at 8:14 am.

Respectfully submitted,

____

Subject to Changes and Deletions

Lonnie Reed, Chairperson

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CONNECTICUT
GREEN BANK

Memo

To: Board of Directors of the Connecticut Green Bank – Deployment Committee of the Connecticut Green Bank

From: Bryan Garcia (President and CEO)

CC:

Date: October 21, 2022

Re: Approval of Funding Requests below $500,000 and No More in Aggregate than $1,000,000 – Update

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At the October 20, 2017 Board of Directors (BOD) meeting of the Connecticut Green Bank ("Green Bank") it was resolved that the BOD approves the authorization of Green Bank staff to evaluate and approve funding requests less than $500,000 which are pursuant to an established formal approval process requiring the signature of a Green Bank officer, consistent with the Comprehensive Plan, approved within Green Bank's fiscal budget and in an aggregate amount not to exceed $1,000,000 from the date of the last Deployment Committee meeting. This memo provides an update on funding requests below $500,000 that were evaluated and approved. During this period, 2 projects were evaluated and approved for funding in an aggregate amount of approximately $384,912. If members of the board or committee would be interested in the internal documentation of the review and approval process Green Bank staff and officers go through, then please request it.

Address	2303-2315 Berlin Turnpike, Newington, CT 06111	
Owner	JCJ Associates, LLC	
Proposed Assessment	$59,355	
Term (*years*)	15	
Term Remaining (*months*)	Pending construction completion	
Annual Interest Rate	5.00%	
Annual C-PACE Assessment	$5,672	
Savings-to-Investment Ratio	1.01	
Average DSCR over Term	23.1x	
Lien-to-Value	3.8%	
Loan-to-Value	3.8%	
Projected Energy Savings (mmBTU)	Year 1	36
	Over 15 Year EUL	540
Estimated Cost Savings (incl. ZRECs and tax benefits)	Year 1	$4,622
	Over 15 Year EUL	$85,907
Objective Function	9.1 kBTU / ratepayer dollar at risk	
Location	Newington, CT	
Type of Building	Retail	
Year of Build	1971	
Building Size (*sf*)	10,400	
Year Acquired by Owner	1996	
As-Complete Appraised Value	$1,572,973	
Mortgage Outstanding	No Mortgage	
Mortgage Lender Consent	N/A	
Proposed Project Description	Replacement of 5 HVAC roof top units with new energy efficient units	
Est. Date of Construction Completion	Pending closing	
Current Status	Awaiting Staff Approval	
Energy Contractor	FF Hitchcock Co.	

Address	44a Shelter Rock Road, Danbury, CT 06708		
Owner	Shelter Rock Road LLC		
Proposed Assessment	$325,557		
Term (*years*)	20		
Term Remaining (*months*)	Pending construction completion		
Annual Interest Rate[1]	5.25%		
Annual C-PACE Assessment	$26,680		
Savings-to-Investment Ratio	1.73		
Average DSCR	4.80x		
Lien-to-Value	19.8%		
Loan-to-Value	28.60%		
Projected Energy Savings (mmBTU)			Total
	Per year		587
	Over EUL		11,192
Estimated Cost Savings (incl. ZRECs and tax benefits)	Per year		$21,360
	Over EUL		$557,090
Objective Function	34.38 kBTU / ratepayer dollar at risk		
Location	Danbury CT		
Type of Building	School		
Year of Build	1982		
Building Size (*sf*)	21,237		
Year Acquired by Owner	2004		
As-Complete Appraised Value[2]	$1,645,538		
Mortgage	$145,566.19		
Proposed Project Description	134.5 kW Solar PV		
Est. Date of Construction Completion	Pending Closing		
Energy Contractor	AEC Solar, LLC		

[1] Nominal rate unadjusted for actual/360 calculation
[2] 2021 Private appraisal of $1,487,500 plus 50% of the C-PACE costs

Resolution

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.

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CONNECTICUT GREEN BANK

Memo

To: Board of Directors of the Connecticut Green Bank

From: Lucy Charpentier, Bryan Garcia, Sergio Carrillo, and Eric Shrago

Cc Mackey Dykes, Brian Farnen, and Bert Hunter

Date: ~~July 15~~October 21, 2022

Re: Incentive Programs – Program Performance towards Targets for FY 2022 – ~~Preliminary~~Final

Overview

FY 2022 Incentive Program targets and performance are focused on the Residential Solar Investment Program (RSIP), Smart-E and Solar for All. These programs are grant or subsidy program(s) (including credit enhancements – interest rate buydowns and loan loss reserves) that deploy clean energy, while at the same time cost recovering the expenses associated with these programs within the business unit – including, but not limited to, incentives, administrative expenses, and financing expenses, as well as loan loss reserves on the balance sheet. In addition, this memo will report on RSIP-E, the extension to RSIP approved by the Connecticut Green Bank Board of Directors, and progress in the development of Energy Storage Solutions (ESS) Programs, the battery storage incentive program launched in January 2022.

Performance Targets and Progress

With respect to the Comprehensive Plan approved by the Board of Directors of the Green Bank on June 25, 2021 and revised on January 21, 2022 the following are the performance targets for FY 2022 and progress made to targets for the Incentive Programs (see Table 1) as of June 30, 2022.

Table 1. Program Performance Targets and Progress Made to the Comprehensive Plan for FY 2022[1]

Key Metrics	Program Performance Revised Targets	Program Progress[2]	% of Goal
Capital Deployed[3]	$79,969,713	$78,690,243	98%

[1] Performance data includes RSIP-E projects which accounted for 13.7 kW or 1392 projects, accounting for $3,431,826 in Connecticut Green Bank investment and $52.873.408 of total investment.

[2] Includes only closed transactions

[3] Capital Deployed is used to measure Investment actuals to targets and it includes fees related to financing costs and adjustments for which are not included in the Gross System Cost. It represents: the Amount Financed or Gross System Cost (whichever is greater) for CPACE, the Amount Financed for Residential financing products and the Gross System Cost for all other programs.

Key Metrics	Program Performance Revised Targets	Program Progress[2]	% of Goal
Investment at Risk[4]		$5,320,893[5]	
Private Capital[6]		$75,148,651	
Deployed (MW)	20.1	17.2	86%
# of Loans/Projects	2,734	2,730	100%
Leverage Ratio		15.1	

In summary, for Incentive Programs in FY 2022, there were 2,730 projects (achieving 100% of the goal) requiring $78.6M of investment (achieving 98% of the goal) that led to the deployment of 17.2 MW of clean energy (achieving 86% of the goal), that delivered a leverage ratio of 15.1 for private to public funds invested.

Executive Summary for the Incentive Programs

Residential Solar Investment Program (RSIP) and RSIP Extension (RSIP-E)

- During the first half of FY22, the Green Bank team supported the transition from RSIP plus net metering to the new tariff structure, which concluded with the official end of RSIP on 12/31/2021, and the launching of the Residential Renewable Energy Solutions (RRES) Program by Eversource and United Illuminating. After this date RSIP did not accept additional incentive applications.
- Despite the effects of COVID still impacting the local solar market, in FY22 we completed a total of 34.3 MW of projects, with 15.5 MW of these projects being approved in that same period. The majority of these projects occurred in the first half of the fiscal year caused mainly by supply chain issues, a nationwide shortage of meter sockets, and a lack of public understating of the newly launched program, which almost brought the market to a halt.
- Overall RSIP (plus RSIP-E) milestones as of the end of FY22 are:
    - 380 MW or 46,657 projects have been approved through RSIP and RSIP-E since FY12, with over 376 MW or 46,148 projects completed. RSIP is fully subscribed at 350 MW with respect to project approvals.
    - Approved projects since FY12 to date are approximately 28% EPBB and 72% PBI.
    - Total investment in RSIP has reached $1.4 billion, with Green Bank leveraging nearly $1.3 billion in private capital by investing $157.1 million, a leverage ratio of 9.1 for the program through FY22.
- Public Act 21-53, An Act Concerning Energy Storage, passed by the Connecticut General Assembly in the 2021 legislative session and signed into law by Governor Lamont on June 16, 2021, set energy storage deployment targets of 300 MW by 2024, 650 MW by 2027, and 1000 MW by 2030. Shortly after, PURA issued a Proposed Final Decision in Docket No. 17-12-03RE03 on July 1, 2021, establishing a battery storage program for the state aimed at deploying 580 MW of battery storage by 2030.

[4] Includes funds from the Clean Energy Fund, RGGI allowance revenue, and other resources that are managed by the Connecticut Green Bank that are committed and invested in subsidies, credit enhancements, and loans and leases
[5] Interest rate buydowns of $1,173,242 and loan loss reserve of $1,864,996 are not included.
[6] Private Investment is based on the Gross System Cost and includes adjustments related to financing costs.

- Green Bank staff have been engaged with Eversource and United illuminating, as program administrators, conceptualizing and designing the program that launched January 1, and is called Energy Storage Solutions (ESS) Program. Over the first six months of ESS, Green Bank staff efforts have been focused on building the infrastructure required to run the program, including a project incentive application portal that went live on 12/31/2021, developing resources for, vetting, and onboarding contractors; reviewing and approving new technologies, and providing educational resources for stakeholders to learn about the program, and how to participate.
- As of July 13, ESS has received 117 residential applications totaling 1.5 MW of storage capacity, and 40 non-residential applications totaling 70.2 MW of capacity.
  - The average size of a residential system is 10.2 KW of power rating and 23.7 kWh of energy capacity
  - The average size of a non-residential system is 1.76 MW of power rating and 4.957 kWh of energy capacity
- The federal Department of Energy (DOE) grant, "Bringing LMI Solar Financing Models to Scale", led by CESA, began in FY20 and provides funding for three years to help accelerate widespread adoption of a residential rooftop solar PV deployment model among LMI single-family homes, based on the Green Bank's Solar for All program with PosiGen, throughout the country.The Green Bank in partnership with Inclusive Prosperity Capital (IPC) provides advisory support on this project assisting states in evaluating and launching LMI solar programs.

Energize CT Smart-E Loan

- **Volume:** Knowing that the clean energy industry remained active despite COVID-19 impacts in FY 2021, Smart-E targets were increased for FY 2022 to 800 loans (up from 740). As a result of spill over from the 'Spring Special Offer' that concluded at the end of FY 2021 (an interest rate buy down to 0% and 1.99% for certain qualifying technologies) plus consistent volume throughout the year, Smart-E exceeded it's targets with 907 loans (113%) for $14,8 million (exceeding the $11.2 million target by 132%). However, due to numerous competing solar financing options, the final total MW capacity reached 0.2 MW of the 0.8 MW target. The program team will be adjusting the MW target for upcoming FY 2023 as a result of the new market conditions.
- **Deployment of ARRA-SEP Funds:** The interest rate buydown special offers that took place during FY 2021 resulted in a total disbursement of $1.5 million paid in FY 2022 for 705 closed loans across the nine participating Smart-E lenders.
- **Contractor Outreach:** The Smart-E program team prioritize contractor outreach in FY 2022 to ensure continued engagement with the program after the conclusion of the special offer. Conversations were held with several contractors familiar with the LMI customer segment to discuss their experience with the program and to solicit feedback how the program can better serve their customers. Broader outreach to the larger contractor base is scheduled for FY 2023.

PosiGen Solar for All

- The PosiGen Solar for All partnership closed out with the end of the RSIP program. The partnership hosted two Solar for All campaigns in Norwalk and Branford to help maintain sales volume through the changing business climate. The Norwalk Solar for All campaign reached 62 families and closed 38 solar leases. The Branford Solar for All campaign reached 74 families and closed 32 leases. The program's message resonated with families feeling the pandemic's pressures despite the increased challenges in reaching people with fewer outreach tactics available. Overall, the campaigns were quite successful demonstrating the traction of solar and the program offering. As the RSIP deadline neared, the partnership worked to bring in as many new projects as possible to secure incentives before transitioning projects to the successor incentive program, RRES.

The following are brief descriptions of the progress made under the last comprehensive plan for the Incentive Programs:

Residential Solar Investment Program (RSIP) and RSIP Extension Program (RSIP-E)
$3.7 million in subsidies[7] from the Green Bank has attracted $54.2 million of funds from other sources.

Table 2. RSIP and RSIP-E Overview for FY 2022[8]

Program Data	Submitted but not Closed[9]	Closed[10]	Total
Projects	0	1,592	1,592
Installed Capacity (MW)	0.0	15.5	15.5
Lifetime Clean Energy Produced (MWh)	0	440,123	440,123
Annual Combined Energy Generated & Saved (MMBtu)	0	60,068	60,068
Subsidies ($'s)	$0	$3,764,231	$3,764,231
Credit Enhancement ($'s)	$0	$0	$0
Loans or Leases ($'s)	$0	$0	$0
Total Green Bank Investment ($'s)	$0	$3,764,231	$3,764,231
Private Capital ($'s)	$0	$54,220,850	$54,220,850
Direct Job Years	0	0	0
Indirect & Induced Job Years	0	0	0
Lifetime Tons of CO2 Emissions	0	243,269	243,269

Figure 1 provides historical perspective on projects incentivized through RSIP and RSIP-E from FY 2012 through FY 2022. The average RSIP incentive was reduced steeply as shown by the lower/green portion of the bars in the chart, roughly 90% from $1.75/W in FY 2012 to $0.17/W in FY 2022, while the average net cost to the customer shown in the upper/black portion of the bars has stayed roughly stable, from $3.37/W to $3.46/W (with some fluctuations) over the same time period. Average installed costs have decreased 29% from $5.13/W in FY 2012 to $3.63 in FY 2022 while deployment has increased 2400% from nearly 2 MW in FY 2012 to 50 MW in FY 2022. Over the last few years, installed costs in Connecticut have not decreased as anticipated due to various factors including federal import tariffs, pandemic impacts, supply chain constraints and increasing equipment and raw material costs, rising customer acquisition costs, and increasing costs of doing business, despite ongoing solar PV soft cost reduction efforts at the federal and state levels.

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[7] Note the distribution of EPBB and PBI and the 6-year payout of the PBI.

[8] Program data includes RSIP-E projects which accounted for 13.7 kW or 1392 projects, accounting for $3,431,826 in Connecticut Green Bank investment and $52.873.408 of total investment.

[9] This represents projects that are currently approved but not closed. It does not include projects that were approved but have since closed.

[10] Approximately 85% of projects approved result in project completions.

Figure 1. RSIP and RSIP-E Historical Installed Costs, Incentives, Net Customer Cost, Installed Capacity, FY 2012-2022

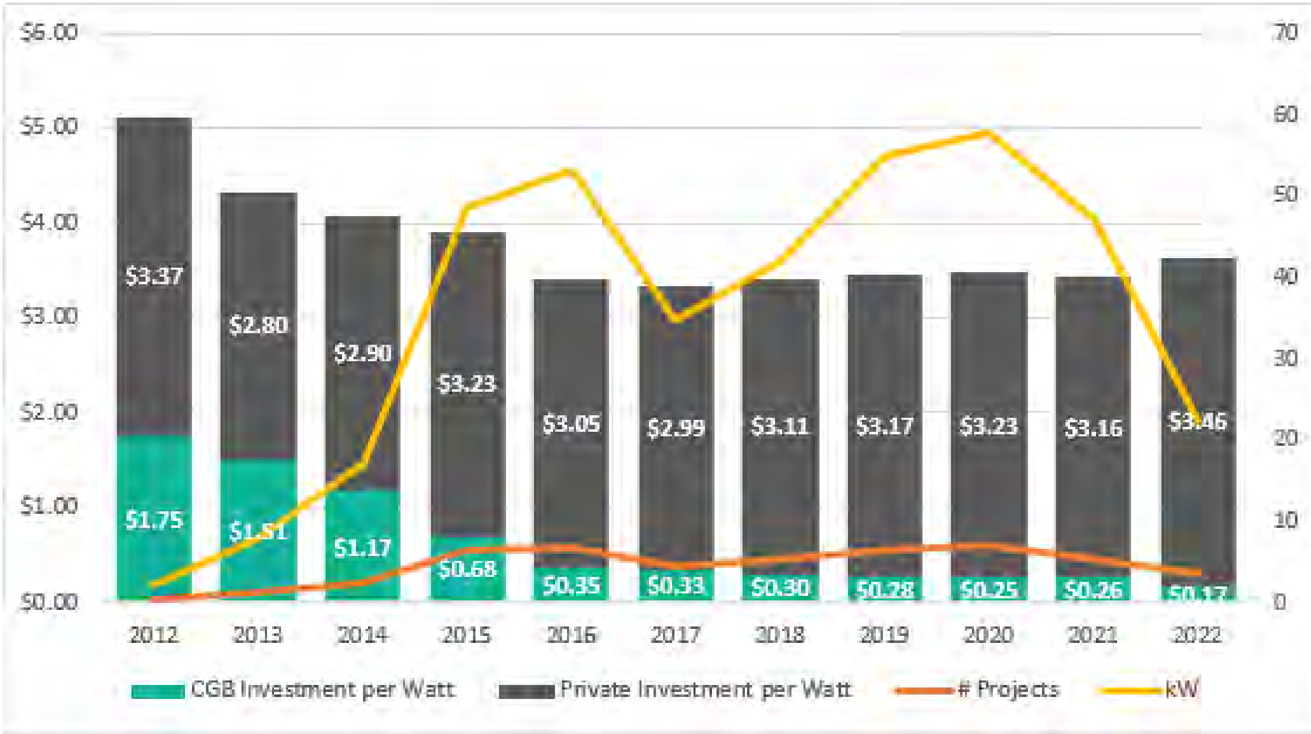


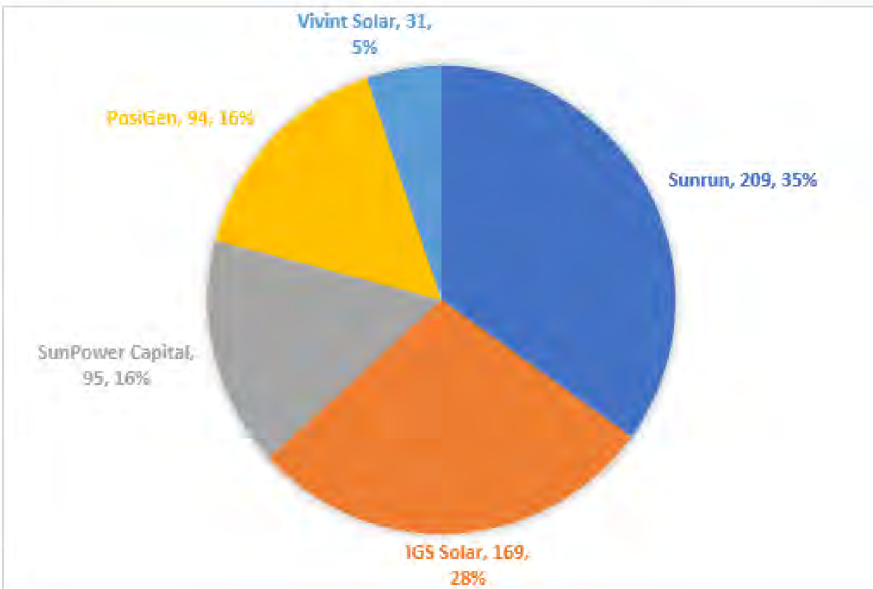
Table 3. RSIP and RSIP-E Historical Installed Costs, Incentives, Net Customer Cost, Installed Capacity, FY 2012-2022

Fiscal Year	# Projects	Installed Capacity (kW)	Average Installed Capacity (kW)	Average Incentive Amount	Total Average Investment	Average Incentive ($/W)	Average Customer Installed Cost ($/W)	Average Total Installed Cost ($/W)[11]	Incentive % of Cost	Net Cost to Customer after RSIP Incentive
2012	288	1,940.2	6.7	$11,811	$34,380	$1.75	$3.40	$5.13	34%	$22,569
2013	1,109	7,890.4	7.1	$10,744	$31,944	$1.51	$2.87	$4.31	34%	$21,200
2014	2,384	17,144.1	7.2	$8,418	$31,012	$1.17	$2.92	$4.07	27%	$22,594
2015	6,381	48,629.0	7.6	$5,189	$33,546	$0.68	$3.21	$3.91	15%	$28,357
2016	6,785	53,196.0	7.8	$2,767	$32,061	$0.35	$3.04	$3.41	9%	$29,293
2017	4,445	34,628.6	7.8	$2,599	$27,046	$0.33	$3.03	$3.33	10%	$24,446
2018	5,150	41,785.9	8.1	$2,438	$28,565	$0.30	$3.13	$3.41	9%	$26,127
2019	6,468	54,983.2	8.5	$2,343	$30,267	$0.28	$3.19	$3.45	8%	$27,924
2020	6,849	57,696.4	8.4	$2,147	$29,957	$0.25	$3.24	$3.48	7%	$27,810
2021	5,206	47,087.5	9.0	$2,339	$31,957	$0.26	$3.17	$3.42	7%	$29,618
2022	1,592	15,459.2	9.7	$2,364	$36,423	$0.24	$3.39	$3.63	6%	$34,058
Total	**46,657**	**380,440.7**	**8.2**	**$3,369**	**$30,938**	**$0.41**	**$3.15**	**$3.53**	**11%**	**$27,569**

[11] Average Installed Cost per Watt figures include reported installed costs without including those projects where financing costs for some third-party ownership installers are included as part of the installed cost and projects that include battery storage costs. Total Average Investment, Incentive % of Cost and Net Cost to Customer are calculated based on Average Installed Cost.

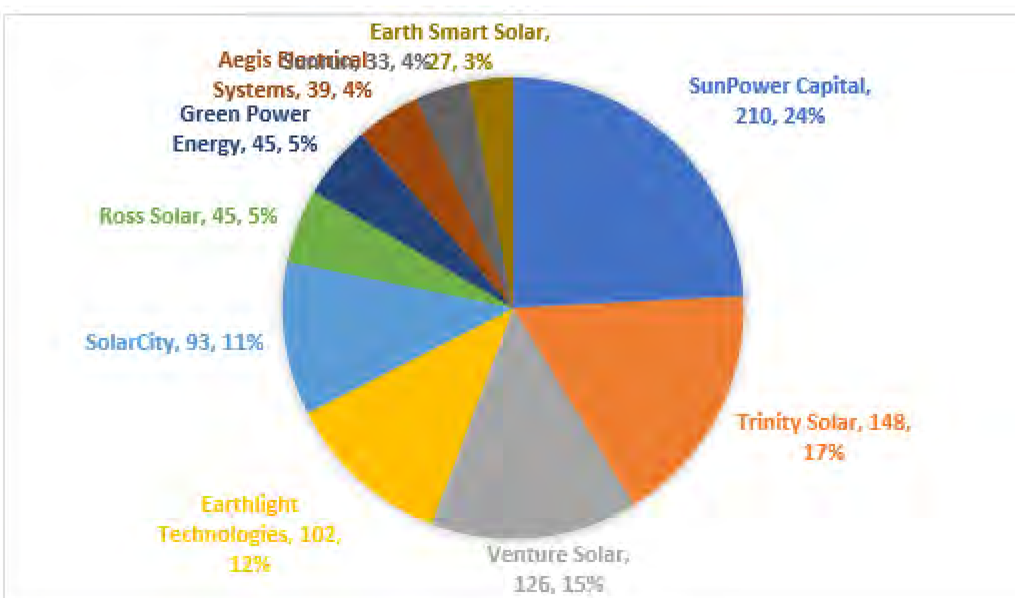
38% of FY 2022 RSIP and RSIP-E projects were third party owned (TPO). See Figure 2 for details.

Figure 2. RSIP and RSIP-E Market Share by Third Party System Owner and by Contractor by Project Volume for FY 2022



The highest volume Contractors of homeowner-owned projects collectively deployed 62% of RSIP and RSIP-E volume in FY 2022, with the top 10 deploying nearly 87% of homeowner-owned projects as illustrated in Figure 3.

Figure 3. RSIP and RSIP-E Top 10 Contractor Market Share by Homeowner Owned Project Volume for FY 2022



During the fall 2020 Special Session, the Connecticut General Assembly passed Public Act 20-5 to address emergency response by the state's electric utilities during recent storms. Within the resiliency aspects of the bill, a definition for "vulnerable communities" was included:

"Vulnerable communities" means populations that may be disproportionately impacted by the effects of climate change, including, but not limited to, low and moderate income communities, environmental justice communities pursuant to section 22a-20a, communities eligible for community reinvestment pursuant to section 36a-30 and the Community Reinvestment Act of 1977, 12 USC 2901 et seq., as amended from time to time, populations with increased risk and limited means to adapt to the effects of climate change, or as further defined by the Department of Energy and Environmental Protection in consultation with community representatives".

The Community Reinvestment Act was enacted by Congress in 1977 to encourage depository institutions to lend in low-to-moderate-income communities. These lending institutions are rated by regulators as to the volume of their lending to projects in these communities by regulators. Projects are potentially compliant with CRA requirements if they are below 80% of a Metropolitan Statistical Area's (MSA) Adjusted Median Income (AMI) level.

Connecticut Environmental Justice (EJ) Communities as defined by section 22a-20a of the Connecticut General Statutes includes distressed municipalities as defined by the CT Department of Economic and Community Development (DECD) as well as census block groups that are not in distressed municipalities in which 30% or more of the population lives below 200% of the federal poverty level (FPL).

For a breakdown of RSIP and RSIP-E project volume and investment, see Table 4 for Vulnerable Communities, Table 5 for Above/Below 100% LMI, Table 6 for Above/Below 80% and Table 7 for Environmental Justice Communities as designated by DECD and DEEP. It should be noted that RSIP is not an income targeted program.

Table 4. RSIP and RSIP-E Closed Activity in Vulnerable Communities for FY 2022

Designation	# of Project Units	% Project Unit Distribution	Installed Capacity (MW)	% MW Distribution	Total Investment	% Investment Distribution
Vulnerable	736	46%	6.2	40%	$23,733,512	41%
Not Vulnerable	856	54%	9.2	60%	$34,251,569	59%
Total	**1,592**	**100%**	**15.5**	**100%**	**$57,985,080**	**100%**

Table 5. RSIP and RSIP-E Closed Activity in Metropolitan Statistical Area (MSA) Area Median Income (AMI) Bands Above or Below 100% LMI for FY 2022

LMI Designation	# of Project Units	% Project Unit Distribution	Installed Capacity (MW)	% MW Distribution	Total Investment	% Investment Distribution
Below 100% AMI	639	40%	5.4	35%	$20,685,649	36%
Above 100% AMI	953	60%	10.1	65%	$37,299,432	64%
Total	**1,592**	**100%**	**15.5**	**100%**	**$57,985,080**	**100%**

Table 6. RSIP and RSIP-E Closed Activity in Metropolitan Statistical Area (MSA) Area Median Income (AMI) Bands Above or Below 80% CRA for FY 2022

CRA Designation	# of Project Units	% Project Unit Distribution	Installed Capacity (MW)	% MW Distribution	Total Investment	% Investment Distribution
Below 80% AMI	361	23%	2.7	18%	$10,459,462	18%
Above 80% AMI	1,231	77%	12.7	82%	$47,525,619	82%
Total	**1,592**	**100%**	**15.5**	**100%**	**$57,985,080**	**100%**

Table 7. RSIP and RSIP-E Closed Activity in Environmental Justice Communities for FY 2022

EJ Designation	# of Project Units	% Project Unit Distribution	Installed Capacity (MW)	% MW Distribution	Total Investment	% Investment Distribution
EJ Community	82	5%	0.7	5%	$2,675,586	5%
Not EJ Community	1,510	95%	14.7	95%	$55,309,495	95%
Total	**1,592**	**100%**	**15.5**	**100%**	**$57,985,080**	**100%**

An emerging market is residential battery storage installed with solar PV. Nearly 450 RSIP (plus RSIP-E) projects have included battery storage (without an additional incentive for the battery storage) through FY22. Approximately 80% of projects use Tesla PowerWall battery storage equipment; other battery technology equipment submitted through RSIP includes Sonnen, Generac, Enphase, SunPower, and SolarEdge.

As a requirement to receive the RSIP incentive, all residential solar PV customers must have an energy audit performed on their home to encourage adoption of energy efficiency measures along with solar PV, preferably the utility-administered Home Energy Solutions (HES) audit, but with other options if needed.[12] RSIP-wide, an estimated 87% of audits performed were either HES audits or DOE Home Energy Scores (HES). In FY 2020, 95% of audits were either HES or DOE HES. In FY 2021 and FY 2022, the COVID pandemic resulted in a shutdown of HES services for several months; allowance was provided in RSIP for customers to sign a form that would allow them to have the energy audit performed within six months of HES resuming services. A lag in the timing of HES audits continued throughout FY 2022 due to high demand and scheduling backlogs. For energy audits that have completed in FY 2022 thus far, 84% were HES audits, 4% were DOE, 2% were RESNET HERS, and 5% were other Building Performance Institute (BPI) rated audits.

An area of ongoing importance is increasing the access and inclusivity of clean energy. The Green Bank continues to be active in initiatives that expand solar PV access in underserved communities through the DOE grant, "Bringing LMI Solar Financing Models to Scale. " Under the current grant, the Green Bank supports a public-sector learning network in replicating the Solar for All program in additional LMI markets. The model will accelerate the adoption of solar and energy efficiency solutions for single-family LMI homes by providing financing templates, market insights, and development guidance. As part of the grant, Lawrence Berkeley National

[12] Non-HES audits may be performed by Building Performance Institute (BPI) certified auditors, Home Energy Rating System (HERS) raters, other certified energy managers or were exempt due to being new construction or having a health and safety exemption.

Laboratory analyzed the financial performance of the program and determined that it has successfully reached underserved customers and has reasonable repayment rates given participants' credit characteristics.

In addition, the Green Bank continues to actively participate in PURA docket 19-07-01 ("Statewide Share Clean Energy Facility Program") to develop a strong, statewide shared solar program to expand access. Although the program is in its third year, PURA continues to open opportunities to shape each year's procurement, where the Green Bank can continue to support preference for projects that serve distressed communities and promote resiliency.

Energize CT Smart-E Loan

A credit enhancement program that uses a loan loss reserve to attract private capital from local credit unions and community banks. The product provides low interest (i.e. 4.49-6.99%) unsecured loans at flexible terms (i.e. between 5 to 20 years) for technologies that are consistent with the goals of the Comprehensive Energy Strategy. Occasionally, the Smart-E program offers special financing rates to promote certain technologies using ARRA funds for interest rate buydowns.

Table 8. Energize CT Smart-E Loan Overview for FY 2022[13]

Program Data	Approved[14]	Closed	Total
Projects	550	909	1,459
Installed Capacity (MW)	0.1	0.2	0.3
Lifetime Clean Energy Produced (MWh)	2,791	68,979	71,770
Annual Combined Energy Generated & Saved (MMBtu)	9,527	11,441	20,968
Subsidies ($'s)	$0	$0	$0
Credit Enhancement ($'s)	$0	$0[15]	
Loans or Leases ($'s)	$0	$0	$0
Total Green Bank Investment ($'s)	$0	$0	$0
Private Capital ($'s)	$8,613,662	$16,488,177	$25,101,839
Direct Job Years	3	95	98
Indirect & Induced Job Years	4	124	128
Lifetime Tons of CO2 Emissions	458	23,013	23,471

Table 9. Energize CT Smart-E Loans by Channel for FY 2022

Smart-E Loan Channel	Closed	% of All Loans
EV	0	0%
Health And Safety	1	0%
Home Performance	85	9%
HVAC	791	87%
Solar	22	2%
Unknown[16]	10	1%
Total	**909**	**100%**

[13] All lender data is as of 6/30/2022.

[14] This represents projects that are currently approved but not closed. It does not include projects that were approved but have since closed.

[15] Interest rate buydowns of $1,173,242 and loan loss reserve of $1,864,996 are not included.

[16] Channel not known due to trailing documentation/timing of data pull.

Table 10. Energize CT Smart-E Credit Scores for FY 2022

Credit Ranges									
-579	**580-599**	**600-639**	**640-679**	**680-699**	**700-719**	**720-739**	**740-779**	**780+**	**Grand Total**
1	3	27	102	96	129	103	235	213	909

For a breakdown of Smart-E loan volume and investment, see Table 11 for Vulnerable Communities, Table 12 for Above/Below 100% LMI, Table 13 for Above/Below 80% and Table 14 for Environmental Justice Communities as designated by DECD and DEEP. It should be noted that Smart-E is not an income targeted program and only in the second half of FY18 began offering the expanded credit-challenged version of the program, opening new opportunities to partner with mission-oriented lenders focused on reaching consumers in underserved lower income markets.

Table 11. Energize CT Smart-E Closed Activity in Vulnerable Communities for FY 2022

Designation	# of Project Units	% Project Unit Distribution	Installed Capacity (MW)	% MW Distribution	Total Investment	% Investment Distribution
Vulnerable	380	42%	0.0	10%	$6,300,246	38%
Not Vulnerable	529	58%	0.2	90%	$10,187,931	62%
Total	**909**	**100%**	**0.2**	**100%**	**$16,488,177**	**100%**

Table 12. Energize CT Smart-E Closed Activity in Metropolitan Statistical Area (MSA) Area Median Income (AMI) Bands Above or Below 100% LMI for FY 2022

LMI Designation	# of Project Units	% Project Unit Distribution	Installed Capacity (MW)	% MW Distribution	Total Investment	% Investment Distribution
Below 100% AMI	335	37%	0.0	10%	$5,614,180	34%
Above 100% AMI	568	63%	0.2	90%	$10,776,420	66%
Total	**903**	**100%**	**0.2**	**100%**	**$16,390,600**	**100%**

Table 13. Energize CT Smart-E Closed Activity in Metropolitan Statistical Area (MSA) Area Median Income (AMI) Bands Above or Below 80% CRA for FY 2022

CRA Designation	# of Project Units	% Project Unit Distribution	Installed Capacity (MW)	% MW Distribution	Total Investment	% Investment Distribution
Below 80% AMI	157	17%	0.0	0%	$2,731,632	17%
Above 80% AMI	746	83%	0.2	100%	$13,658,968	83%
Total	**903**	**100%**	**0.2**	**100%**	**$16,390,600**	**100%**

Table 14. Energize CT Smart-E Closed Activity in Environmental Justice Communities for FY 2022

EJ Designation	# of Project Units	% Project Unit Distribution	Installed Capacity (MW)	% MW Distribution	Total Investment	% Investment Distribution
EJ Community	208	23%	0.0	0%	$3,272,632	20%
Not EJ Community	701	77%	0.2	100%	$13,215,546	80%
Total	**909**	**100%**	**0.2**	**100%**	**$16,488,177**	**100%**

PosiGen Solar for All

A solar PV lease and energy efficiency financing program that focuses on the low to moderate income (LMI) market segment. Supported by $15 million subordinated debt investment from the Green Bank, into a total fund of $90 million to support 4,312 homes, 330 homes in FY22 , with a focus on the low-to-moderate income market segment utilizing alternative underwriting approaches that examine factors such as bill payment history and bad debt and bank databases (see Table 15). In May 2019, the program updated their offering to combine the solar lease and optional energy efficiency agreement into a single agreement that provides solar installations and energy efficiency services to all customers. With the energy efficiency services no longer optional, more customers are receiving deeper efficiency work, ensuring overall savings. The Solar for All program has been successful at reaching the LMI market segment with 54% of homes verified as low incomes.

Table 15. PosiGen Solar for All Overview for FY 2022

Program Data	Approved[17]	Closed	Total
Projects	10	330	340
Installed Capacity (MW)	0.1	2.2	2.3
Lifetime Clean Energy Produced (MWh)	2,993	100,007	103,000
Annual Combined Energy Generated & Saved (MMBtu)[18]	6,800	13,926	20,726
Subsidies ($'s)	$0	$0	$0
Credit Enhancement ($'s)	$0	$0	$0
Loans or Leases ($'s)	$50,000	$1,650,000	$1,700,000
Total Green Bank Investment ($'s)	$50,000	$1,650,000	$1,700,000
Private Capital ($'s)	$223,796	$7,729,672	$7,953,468
Direct Job Years	1	36	38
Indirect & Induced Job Years	2	48	50
Lifetime Tons of CO2 Emissions	1,654	55,271	56,925

For a breakdown of PosiGen Solar for All loan volume and investment, see Table 16 for Vulnerable Communities, Table 17 for Above/Below 100% LMI, Table 18 for Above/Below 80% and Table 19 for Environmental Justice Communities as designated by DECD and DEEP. As an income-targeted program, this table illustrates the degree to which the goal of serving consumers in lower income communities is being met.

[17] This represents projects that are currently approved but not closed. It does not include projects that were approved but have since closed.

[18] Includes an additional 15.0 MMBtu for each project for the HES audit.

Table 16. PosiGen Solar for All Activity in Vulnerable Communities for FY 2022

Designation	# of Project Units	% Project Unit Distribution	Installed Capacity (MW)	% MW Distribution	Total Investment	% Investment Distribution
Vulnerable	330	100%	2.2	100%	$9,379,672	100%
Not Vulnerable	0	0%	0.0	0%	$0	0%
Total	**330**	**100%**	**2.2**	**100%**	**$9,379,672**	**100%**

Table 17. PosiGen Solar for All Closed Activity in Metropolitan Statistical Area (MSA) Area Median Income (AMI) Bands Above or Below 100% LMI for FY 2022

LMI Designation	# of Project Units	% Project Unit Distribution	Installed Capacity (MW)	% MW Distribution	Total Investment	% Investment Distribution
Below 100% AMI	192	58%	1.2	54%	$5,083,239	54%
Above 100% AMI	138	42%	1.0	46%	$4,296,433	46%
Total	**330**	**100%**	**2.2**	**100%**	**$9,379,672**	**100%**

Table 18. PosiGen Solar for All Closed Activity in Metropolitan Statistical Area (MSA) Area Median Income (AMI) Bands Above or Below 80% CRA for FY 2022

CRA Designation	# of Project Units	% Project Unit Distribution	Installed Capacity (MW)	% MW Distribution	Total Investment	% Investment Distribution
Below 80% AMI	330	100%	2.2	100%	$9,379,672	100%
Above 80% AMI	0	0%	0.0	0%	$0	0%
Total	**330**	**100%**	**2.2**	**100%**	**$9,379,672**	**100%**

Table 19. PosiGen Solar for All Closed Activity in Environmental Justice Communities for FY 2022

EJ Designation	# of Project Units	% Project Unit Distribution	Installed Capacity (MW)	% MW Distribution	Total Investment	% Investment Distribution
EJ Community	161	49%	1.0	46%	$4,336,799	46%
Not EJ Community	169	51%	1.2	54%	$5,042,873	54%
Total	**330**	**100%**	**2.2**	**100%**	**$9,379,672**	**100%**

For a breakdown of the use of the Green Bank resources for Incentive Programs, see table 20 below.

Table 20. Distribution of Green Bank Funds Invested in Projects and Programs through Subsidies, Credit Enhancements, and Loans and Leases for FY 2022

Program	Subsidies		Credit Enhancements		Loans and Leases		Total[19]
RSIP and RSIP-E	$3,764,231	100%	$0	0%	$0	0%	$3,764,231
Smart-E Loan		0%	$0[20]	0%		0%	$0
PosiGen	$0	0%	$0	0%	$0	0%	$0
Total	$0	0%	$0	0%	$1,650,000	100%	$1,650,000

Of these programs, the following is a breakdown of their contributions made thus far towards the performance target and the human resources required to implement them (see Table 21):

Table 21. Program Progress Made in FY 2022[21]

Key Metrics	RSIP and RSIP-E	Smart-E	PosiGen	Total Program Progress[22]
Date of Program Approval	Feb-2012	Nov 2012	Jun 2015	
Date of Program Launch	Mar-2012	Nov 2013	Jul 2015	
Ratepayer Capital at Risk	$3,764,231	$0[23]	$1,650,000	$5,320,893
Private Capital	$54,220,850	$16,488,177	$7,729,672	$75,148,651
Deployed (MW)	15.5	0.2	2.2	17.2
# of Loans/Installations	1,592	909	330	2,730
Lifetime Production (MWh)	440,123	68,979	100,007	587,581
Annual Combined Energy Generated & Saved (MMBtu)	60,068	11,441	13,926	82,497

"Top 5" Headlines
The following are the "Top 5" headlines for the Incentive Programs:

Residential Solar Investment Program (RSIP), Smart-E, PosiGen Solar for All, and Battery Storage

1. **PURA establishes new energy storage program**
   Hartford Business Journal, July 28, 2021
   The ruling establishes upfront and annual performance-based incentive structures to reduce the cost of buying and installing a storage system for customers of Eversource and UI.

[19] Totals are adjusted to remove projects that overlap programs.
[20] Interest rate buydowns of $1,173,242 and loan loss reserve of $1,864,996 are not included.
[21] Includes only closed transactions
[22] Totals are adjusted to remove projects that overlap programs.
[23] Interest rate buydowns of $1,173,242 and loan loss reserve of $1,864,996 are not included.

2. **Connecticut details incentives, equity goals for energy storage program**
   Utility Dive, July 29, 2021
   PURA outlined proposals by the Connecticut Green Bank to offer incentives for up to a total 50 MW of residential storage, with incentives depending on system size and whether customers have a low-to-moderate income status, with a maximum project incentive of $7,500.

3. **Go Solar: Branford's 'Solar For All' Program Deadline Extended**
   Patch Community Corner November 18, 2021
   The town announced its "Solar for All" program is being extended for residents. There has been high interest with over 30 Branford homeowners reached and over a dozen in process of going solar!
4. **4 things to know about Connecticut's new energy storage incentive program**
   Energy News Network, Feb. 4, 2022
   Connecticut regulators are offering upfront money to help pay for the installation of an in-home or business battery system, and customers can earn more money by allowing utilities to tap into them during peak demand.

5. **Connecticut Green Bank Presents 2021 Awards**
   North American Clean Energy, March 28, 2022
   The 2021 awards recognize 27 contractors who are offering Green Bank's Home Solutions (Smart-E) or Building Solutions programs and are performing at a high level and developing outstanding projects, as well as recognizing other Green Bank partners.

Customer Reviews
The following is a sampling of customer reviews provided by homeowners who participated in the EnergizeCT Smart-E Loan program in FY22:

- *"The process is extremely easy and provides much better rates than any other lending options we researched."* - Stephen, Clinton
  - Project: Ductless Mini split heat pumps

- "Such a great program. Great support from back office to service providers." – Joe, Trumbull
  - Project: Solar and Windows

- "The process for the Smart-E loan was very smooth. I am pleased with my experience." -Dawn, Bloomfield
  - Project: Air source heat pumps and furnace

- Smart-E process is easy as can be. Work with a local bank in conjunction with Smart-E's team. Was a breeze." – Patrick - Middletown
  - Project: Attic Insulation and windows

- "It was extremely easy and all digital." – Katie, Manchester
  - Project: Windows

Lessons Learned

Based on the implementation of the Incentive Programs thus far, the following are the key lessons learned:

Residential Solar Investment Program (RSIP), RSIP-E, and Battery Storage

- **Working closely with regulators, electric distribution companies, contractors, manufacturers, trade associations and technology providers is invaluable in the development of new programs in the state.** The recently launched Energy Storage Solutions (ESS) Program is an example of the synergies that we can achieve when all stakeholders work together to develop a new program in the state.
- **Supply chain disruptions can abruptly impact a well-established program like RSIP.** During the fiscal year, supply chain issues, adverse market conditions and the implementation of new programs threatened to bring the entire solar market to a halt. This included a nationwide shortage of meter sockets, an investigation by the Department of Commerce to determine if imports of solar cells and modules from Asian countries helped China circumvent tariffs on solar imports, and a lack of public understating of the newly launched RRES program caused a significant slowdown in the number of PV systems that were installed in the second half of FY22.
- **Collaboration among different Green Bank teams will be determinant for the success of the organization.** This is particularly evident in the creation and monetization of RECs and SHRECs and the Energy Storage Solutions Program where synergies between incentives, marketing, finance, legal, accounting, and others allow the Green Bank to achieve the Program objectives.
- **Staff development and cross-training will be a determinant factor in the Green Bank continuing its successful track record.** As the organization proceeds to wind down the RSIP Program and the Incentive Team ramps up its asset management duties while at the same time managing the nascent ESS Program, training and the development of new skills sets will require the support from senior leadership.

Energize CT Smart-E Loan

- **Heat pump market is growing.**
  - Heat pump awareness is growing amongst consumers, resulting in steady heat pump volume (especially air source) during FY 2022 even without a Smart-E special offer being available. Due to increase cost of fossil fuel-based heating, customers sought renewable heating and cooling alternatives. However, financing and contractor education remains crucial for continued deployment of heat pumps.
- **Contractor engagement remains critical for continue growth and sustainability of Smart-E.**
  - During the FY 2022, it became evident that contractors need consistent engagement as it relates to Smart-E program processes, due to staff turnover, other financing options available, etc. The program team held a series of successful one on one contractor conversations to discuss what contractors felt were opportunities and challenges with Smart-E. As a result, FY 2023 will focus on additional sourcing of contractor feedback and implementation of those conversations.
- **The end of RSIP provided unique challenges.**
  - Following the conclusion of RSIP, several new solar contractors that were unfamiliar to the CT Green Bank expressed interest in offering Smart-E financing.

As a result, new Smart-E processes and contractor vetting procedures were developed to ensure future solar systems are installed with the same level of professionalism as the RSIP program provided in the past.

PosiGen Solar for All

- **While PosiGen's message kept hitting home, prolonged industry delays piled up.** Increased interest in solar over the last two years has led to record sales numbers for PosiGen. During this time, the industry continued to experience a number of operational challenges, from equipment delivery delays and shortages to permitting stopgaps with office closures. These prolonged challenges stress the standard operating procedures, making it tough to meet customer demand and expectations.

Incentive Programs FY 2023 Targets

Of programs being implemented in the Incentive Programs, the following is a breakdown of the key targets:

Table 22. Number of Projects, Capital Deployed, and Clean Energy Deployed (MW)

Program	# of Projects	Capital Deployed	Clean Energy Deployed (MW)	Ann. GHG Emissions Avoided (TCO2)
Energy Storage Solutions (C&I)	-	-	-	-
Energy Storage Solutions (Residential)	500	$20,000,000	7.6	-
EnergizeCT Smart-E Loan	960	$14,994,623	0.2	17,203
Total	**1,460**	**$34,994,623**	**7.8**	**17,203**

For the Incentive Programs, there are 20.12 full time equivalent staff members supporting five (5) different products and programs.

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CONNECTICUT GREEN BANK

Memo

To: Board of Directors of the Connecticut Green Bank

From: Lucy Charpentier, Mackey Dykes, Bryan Garcia, and Eric Shrago

Cc Brian Farnen and Bert Hunter

Date: ~~July 15~~October 21, 2022

Re: Financing Programs – Program Performance towards Targets for FY 2022 – ~~Preliminary~~Final

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Overview

The Green Bank's core business is financing clean energy projects. The Green Bank's focus is to leverage limited public funds to attract and mobilize multiples of private capital investment to finance these projects. In other words, the use of resources by the Green Bank (e.g., public revenues including the Clean Energy Fund ("CEF") and RGGI allowance proceeds) are to be invested with the expectation of principal and interest being paid back over time (i.e., earned revenues). For example, the Green Bank administers the Commercial Property Assessed Clean Energy ("C-PACE") program. Through C-PACE, the Green Bank provides capital to building owners to make clean energy improvements on their properties that is paid back over time from a benefit assessment on the building. The interest earned from these types of investments, over time, is expected to cover the operational expenses and a return for the Financing Programs business unit.

The Green Bank has a number of clean energy financing products, including:

- **C-PACE**[1] – enables building owners to pay for clean energy improvements over time through a voluntary benefit assessment on their property tax bills. This process makes it easier for building owners to secure low-interest capital for up to 25 years to fund energy improvements and is structured so that energy savings more than offset the benefit assessment.
- **Green Bank Solar PPA** – third-party ownership structure to deploy solar PV systems for commercial scale end-use customers (e.g., businesses, nonprofits, municipal and state governments, affordable multifamily properties, etc.) that uses a multi-year PPA to finance projects while reducing energy costs for the host customer.
- **Small Business Energy Advantage ("SBEA")** – Eversource Energy administered on-bill commercial energy efficiency loan program for small businesses, in partnership with low-cost capital provided by Amalgamated Bank with a credit enhancement from the Green Bank (i.e., subordinated debt) and the Connecticut Energy Efficiency Fund (i.e., loan loss guaranty and interest rate buydown).

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[1] CGS 16a-40g

- **Multifamily Products** – defined as buildings with 5 or more units, the Green Bank provides a suite of financing options through IPC and Capital for Change (a Community Development Financial Institution or "CDFI") that support property owners to assess, design, fund, and monitor high impact clean energy and health & safety improvements for their properties.
- **Special Projects** – as opportunities present themselves, the Green Bank from time-to-time invests as part of a capital structure in various projects (e.g., fuel cell, hydropower, food waste to energy, state "Lead by Example" energy service agreements, etc.). These projects are selected based on the opportunity to expand the organization's experience with specific technologies, advance economic development in a specific locale, or to drive adoption of clean energy that would otherwise not occur, while also earning a rate of return.

Performance Targets and Progress

With respect to the Comprehensive Plan approved by the Board of Directors of the Green Bank on June 25, 2021 and revised on January 21, 2022, the following are the performance targets for FY 2022 and progress made to targets for the Financing Programs (see Table 1) as of June 30, 2022.

Table 1. Program Performance Targets and Progress Made to the Comprehensive Plan for FY 2022

Key Metrics	Program Performance Revised Targets	Program Progress[2]	% of Goal
Capital Deployed[3]	$48,951,480	$39,643,388	81%
Investment at Risk[4]		$7,960,090	
Private Capital[5]		$31,683,298	
Deployed (MW)	16.5	5.0	30%
# of Loans/Projects	679	688	101%
Leverage Ratio		5.0	

In summary, for Financing Programs in FY 2022, there were 688 projects (achieving 101% of the goal) requiring $39.6M of investment (achieving 81% of the goal) that led to the deployment of 5.0 MW of clean energy (achieving 30% of the goal), that delivered a leverage ratio of 5.1 for private to public funds invested.

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[2] Includes only closed transactions

[3] Capital Deployed is used to measure Investment actuals to targets and it includes fees related to financing costs which are not included in the Gross System Cost. It represents: the Amount Financed or Gross System Cost (whichever is greater) for CPACE, the Amount Financed for Residential financing products and the Gross System Cost for all other programs.

[4] Includes funds from the Clean Energy Fund, RGGI allowance revenue, repurposed ARRA-SEP funds, and other resources that are managed by the Connecticut Green Bank that are committed and invested in subsidies, credit enhancements, and loans and leases.

[5] Private Investment is based on the Gross System Cost and includes adjustments related to financing costs.

Executive Summary for the Financing Programs

C-PACE and C-PACE-backed Commercial Solar PPA

- The national C-PACE market continues to grow as C-PACE becomes more of an established asset, with over $2 billion in investment around the country. Our program reflects this interest, and we continue to attract more third-party capital providers to the CT market.
- The C-PACE New Construction pilot was updated and transitioned into a permanent program, with excellent feedback on the new program structure from Third Party Capital Providers and other external stakeholders.
- The CT legislature expanded the C-PACE enabling statute to include resilience and electric vehicle (EV) refueling infrastructure, exempting both from the savings-to-investment ratio (SIR) requirement.
- CGB C-PACE and C-PACE backed PPA closed projects totaled $6MM, 3% over capital deployed target. Numbers of projects reached 65% of target, suggesting a reversal in the trend towards smaller average project size. The lower project count is likely a direct outcome of the new Non-Residential Solar Renewable Energy Solutions (NRES) program delays in awarding tariffs. Without the NRES awards, project economics could not be finalized. As contracts were awarded in mid-June, C-PACE financing applications for solar projects have increased.

Commercial Solar PPA

- In total, closed 15 commercial solar PPA deals that are 2.3 MW in size with a value of $2.3M.
- Expanded the commercial solar lending facility with Skyview Ventures in CT by deploying a further $1M against 6 PPA projects
- Closed on a financing with Inclusive Prosperity Capital to set up an on-going, sustainable platform to develop commercial solar PPA projects in Connecticut that will see IPC as the long term asset owner and CGB as lender. This transaction allows for the deployment of $5M in construction financing and $5M in term financing.
- The IPC Connecticut solar PPA pipeline, which CGB will finance, consists of 18 projects that are 3.9 MW in size , and $7.5M in construction costs.
  CGB has continued to make progress in FY22 on the Lead by Example program to develop on-site solar for state entities:
  - The first 12 projects (round 1 of state solar projects) have continued to advance through the design and permitting phase. They have faced delays due to wetlands identified during the survey process, which required re-designs and two projects had to be terminated as they were impacted by the wetlands.
  - Green Bank's finalists that were selected as potential owners of the round 1 projects are aware of the delays associated with permitting. All have continued to show interest in becoming long term owners of the portfolio and value Green Bank's continued involvement through the permitting and development phase.
  - Building on the precedential processes established in round 1, a further 8.2MW (AC) worth of Renewable Energy Credit contracts were secured for Round 2 projects. A competitive process was launched in FY 2022 to select both an installation partner and a potential long-term owner. Green Bank continues to work with the state agencies and contractor to finalize costs and PPA pricing given the uncertainty associated with EPC costs (as further explained in Lessons Learned section)
- With the success of the initial year of the Solar Municipal Assistance Program (SolarMAP), CGB continued with a second round to support more CT municipalities.

- In FY22, PPAs were signed with 2 towns as part of SolarMAP, to build 3 projects, comprising 724 kW capacity, with a construction cost of $1.28M.
- Under Round 2 of SolarMAP, CGB is in PPA negotiations with another 5 towns for FY23, for a further 2.24 MW worth of solar across a total of 13 PPAs with an indicative construction cost of $3.85 M.

Small Business Energy Advantage (SBEA)

- Exceeded program goals for the fiscal year
- Extended the partnership with Eversource and Amalgamated Bank for another years while also increasing customer access to capital by increasing loan limits
- Doubled CGB's participation in loan purchases from 10% to 20%

Multifamily Affordable Housing

- Three (3) term loans were funded including 1 CPACE loan, 1 LIME Loan, and 1 Solar PPA
- Two (2) additional ECT H&S loans were approved in FY'22, in the amount of approximately $1.3MM. These loans are anticipated to close in FY'23. Once funded, it is expected that the ECT Health & Safety Loan funds will have been fully deployed. As dollars revolve back in, these will be used to fund future health and safety projects.
- The small number(1) of solar PPAs closed in FY'22 was due, in part, to a transition in state policy to a specific affordable multifamily housing incentive, the guidance for which has yet to be finalized by PURA.
- Zero (0) pre-development loans were funded in FY'22.

The following are brief descriptions of the progress made under the last comprehensive plan for the Financing Programs:

C-PACE and C-PACE-backed Commercial Solar PPA

Commercial Property Assessed Clean Energy (C-PACE) is an innovative financing program that is helping commercial, industrial and multi-family property owners access affordable, long-term financing for smart energy upgrades to their buildings.

Table 2. C-PACE and C-PACE-backed Commercial Solar PPA Overview for FY 2022

Program Data	Approved[6]	Closed	Total
Projects	5	23	28
Installed Capacity (MW)	1.5	3.2	4.7
Lifetime Clean Energy Produced (MWh)	41,739	163,109	204,848
Annual Combined Energy Generated & Saved (MMBtu)	52,050	7,438	59,488
Subsidies ($'s)	$0	$0	$0
Credit Enhancement ($'s)	$0	$0	$0
Loans or Leases ($'s)	$581,625	$5,004,220	$5,585,845
Total Green Bank Investment ($'s)	$581,625	$5,004,220	$5,585,845
Private Capital ($'s)	$6,323,520	$19,157,987	$25,481,507
Direct Job Years	29	124	153
Indirect & Induced Job Years	37	165	202
Lifetime Tons of CO2 Emissions	23,071	86,993	110,064

[6] This represents projects that are currently approved but not closed. It does not include projects that were approved but have since closed.

During the fall 2020 Special Session, the Connecticut General Assembly passed Public Act 20-5 to address emergency response by the state's electric utilities during recent storms. Within the resiliency aspects of the bill, a definition for "vulnerable communities" was included:

"Vulnerable communities" means populations that may be disproportionately impacted by the effects of climate change, including, but not limited to, low and moderate income communities, environmental justice communities pursuant to section 22a-20a, communities eligible for community reinvestment pursuant to section 36a-30 and the Community Reinvestment Act of 1977, 12 USC 2901 et seq., as amended from time to time, populations with increased risk and limited means to adapt to the effects of climate change, or as further defined by the Department of Energy and Environmental Protection in consultation with community representatives".

The Community Reinvestment Act was enacted by Congress in 1977 to encourage depository institutions to lend in low-to-moderate-income communities. These lending institutions are rated by regulators as to the volume of their lending to projects in these communities by regulators. Projects are potentially compliant with CRA requirements if they are below 80% of a Metropolitan Statistical Area's (MSA) Adjusted Median Income (AMI) level.

Connecticut Environmental Justice (EJ) Communities as defined by section 22a-20a of the Connecticut General Statutes includes distressed municipalities as defined by the CT Department of Economic and Community Development (DECD) as well as census block groups that are not in distressed municipalities in which 30% or more of the population lives below 200% of the federal poverty level (FPL).

C-PACE has been used to fund projects in economically diverse locations across the state as reflected by Table 3 for Vulnerable Communities, Table 4 for Above/Below 100% LMI, Table 5 for Above/Below 80% and Table 6 for Environmental Justice Communities as designated by DECD and DEEP. It should be noted that C-PACE is not an income targeted program.

Table 3. C-PACE and C-PACE-backed Commercial Solar PPA Closed Activity in Vulnerable Communities for FY 2022

Designation	# of Project Units	% Project Unit Distribution	Installed Capacity (MW)	% MW Distribution	Total Investment	% Investment Distribution
Vulnerable	13	57%	1.7	52%	$19,940,650	83%
Not Vulnerable	10	43%	1.5	48%	$4,221,557	17%
Total	**23**	**100%**	**3.2**	**100%**	**$24,162,207**	**100%**

Table 4. C-PACE and C-PACE-backed Commercial Solar PPA Closed Activity in Metropolitan Statistical Area (MSA) Area Median Income (AMI) Bands Above or Below 100% LMI for FY 2022

LMI Designation	# of Project Units	% Project Unit Distribution	Installed Capacity (MW)	% MW Distribution	Total Investment	% Investment Distribution
Below 100% AMI	11	58%	0.8	26%	$15,943,650	68%
Above 100% AMI	8	42%	2.3	74%	$7,389,273	32%
Total	**19**	**100%**	**3.1**	**100%**	**$23,332,923**	**100%**

Table 5. C-PACE and C-PACE-backed Commercial Solar PPA Closed Activity in Metropolitan Statistical Area (MSA) Area Median Income (AMI) Bands Above or Below 80% CRA for FY 2022

CRA Designation	# of Project Units	% Project Unit Distribution	Installed Capacity (MW)	% MW Distribution	Total Investment	% Investment Distribution
Below 80% AMI	5	26%	0.3	9%	$6,437,452	28%
Above 80% AMI	14	74%	2.8	91%	$16,895,471	72%
Total	**19**	**100%**	**3.1**	**100%**	**$23,332,923**	**100%**

Table 6. C-PACE and C-PACE-backed Commercial Solar PPA Closed Activity in Environmental Justice Communities for FY 2022

EJ Designation	# of Project Units	% Project Unit Distribution	Installed Capacity (MW)	% MW Distribution	Total Investment	% Investment Distribution
EJ Community	8	35%	1.1	33%	$9,655,334	40%
Not EJ Community	15	65%	2.2	67%	$14,506,873	60%
Total	**23**	**100%**	**3.2**	**100%**	**$24,162,207**	**100%**

Commercial Solar PPA

A third-party ownership offering that combines public and private funding through the Connecticut Green Bank Solar PPA to provide Power Purchase Agreements (PPAs) for solar PV to creditworthy commercial and industrial, as well as nonprofit, municipal, and multifamily housing, end-users of electricity. This program supports solar PV projects between 50 kW – 2 MW in size – with an average size of 200 kW. Following a strategic decision not to enter into a new tax equity funding structure after the CT Solar Lease 3 fund closed in September 2018, Green Bank has continued to serve the market with our PPA product through Inclusive Prosperity Capital. As further described in the Lessons Learned section, deployment for this program has been affected by the new tariff program and supply chain challenges affecting the solar industry.

The Green Bank also provides debt financing to other third-party owners and these projects are included here.

Table 7. Commercial Solar PPA Overview for FY 2022

Program Data	Approved[7]	Closed	Total
Projects	0	15	15
Installed Capacity (MW)	0.0	2.5	2.5
Lifetime Clean Energy Produced (MWh)	0	71,266	71,266
Annual Combined Energy Generated & Saved (MMBtu)	0	7,436	7,436
Subsidies ($'s)	$0	$0	$0
Credit Enhancement ($'s)	$0	$0	$0
PPAs ($'s)	$0	$2,259,023	$2,259,023
Total Green Bank Investment ($'s)	$0	$2,259,023	$2,259,023

[7] This represents projects that are currently approved but not closed. It does not include projects that were approved but have since closed.

Program Data	Approved[7]	Closed	Total
Private Capital ($'s)	$0	$2,923,576	$2,923,576
Direct Job Years	0	12	12
Indirect & Induced Job Years	0	16	16
Lifetime Tons of CO2 Emissions	0	39,438	39,438

The Commercial Solar PPA program has been used to fund projects in economically diverse locations across the state as reflected by Table 8 for Vulnerable Communities, Table 9 for Above/Below 100% LMI, Table 10 for Above/Below 80% and Table 11 for Environmental Justice Communities as designated by DECD and DEEP. It should be noted that Commercial Solar PPA is not an income targeted program.

Table 8. Commercial Solar PPA Closed Activity in Vulnerable Communities for FY 2022

Designation	# of Project Units	% Project Unit Distribution	Installed Capacity (MW)	% MW Distribution	Total Investment	% Investment Distribution
Vulnerable	6	40%	0.7	29%	$1,553,125	30%
Not Vulnerable	9	60%	1.8	71%	$3,629,474	70%
Total	**15**	**100%**	**2.5**	**100%**	**$5,182,599**	**100%**

Table 9. Commercial Solar PPA Closed Activity in Metropolitan Statistical Area (MSA) Area Median Income (AMI) Bands Above or Below 100% LMI for FY 2022

LMI Designation	# of Project Units	% Project Unit Distribution	Installed Capacity (MW)	% MW Distribution	Total Investment	% Investment Distribution
Below 100% AMI	6	43%	0.7	30%	$1,553,125	30%
Above 100% AMI	8	57%	1.7	70%	$3,563,684	70%
Total	**14**	**100%**	**2.5**	**100%**	**$5,116,809**	**100%**

Table 10. Commercial Solar PPA Closed Activity in Metropolitan Statistical Area (MSA) Area Median Income (AMI) Bands Above or Below 80% CRA for FY 2022

CRA Designation	# of Project Units	% Project Unit Distribution	Installed Capacity (MW)	% MW Distribution	Total Investment	% Investment Distribution
Below 80% AMI	2	14%	0.2	7%	$462,428	9%
Above 80% AMI	12	86%	2.3	93%	$4,654,381	91%
Total	**14**	**100%**	**2.5**	**100%**	**$5,116,809**	**100%**

Table 11. Commercial Solar PPA Closed Activity in Environmental Justice Communities for FY 2022

EJ Designation	# of Project Units	% Project Unit Distribution	Installed Capacity (MW)	% MW Distribution	Total Investment	% Investment Distribution
EJ Community	2	13%	0.2	7%	$462,428	9%

EJ Designation	# of Project Units	% Project Unit Distribution	Installed Capacity (MW)	% MW Distribution	Total Investment	% Investment Distribution
Not EJ Community	13	87%	2.3	93%	$4,720,171	91%
Total	**15**	**100%**	**2.5**	**100%**	**$5,182,599**	**100%**

Small Business Energy Advantage (SBEA)

The Green Bank has partnered with Eversource to provide capital for their lending through their SBEA program. SBEA provides audits, incentives and financing for energy efficiency projects at small businesses and municipal and state buildings. The customers get up to 4 year (7 in the case of the state) loans at 0% and they are repaid on their electricity bill.

Table 8. SBEA Overview for FY 2022

Program Data	Approved	Closed	Total
Projects	0	652	652
Installed Capacity (MW)	0.0	0.0	0.0
Lifetime Clean Energy Produced (MWh)	0	219,523	219,523
Annual Combined Energy Generated & Saved (MMBtu)	0	0	0
Subsidies ($'s)	$0	$0	$0
Credit Enhancement ($'s)	$0	$0	$0
Loans or Leases ($'s)	$0	$1,461,453	$1,461,453
Total Green Bank Investment ($'s)	$0	$1,461,453	$1,461,453
Private Capital ($'s)[8]	$0	$10,431,452	$10,431,452
Direct Job Years	0	63	63
Indirect & Induced Job Years	0	81	81
Lifetime Tons of CO2 Emissions	0	119,015	119,015

Multifamily

Offerings for both the affordable and market rate multifamily segments include pre-development and term loan programs that enable property owners to assess, design, fund and implement energy measures and remediate related health and safety measures. Pre-development loan programs were funded by the $5 million program-related investment from the MacArthur Foundation through the Housing Development Fund (HDF), backed by a Green Bank repayment guaranty. Term loan programs include the Loans Improving Multifamily Energy (LIME) loan, Solar PPA program, and the ECT Health & Safety Revolving Loan program (ECT H&S RLF). LIME is offered by Capital for Change and supported by a FY'20 capital commitment of $3,000,000 from CGB as well as previous $3,500,000 of seed capital and $625,000 of ARRA-SEP and Green Bank funds for a loss reserve. Solar PPA options leverage the C&I sector programs. The ECT H&S RLF is supported by a $1.5MM grant from DEEP. During FY19 the DEEP H&S funds were transferred from Green Bank to IPC where this program is now administered. Limited Catalyst Loan Funds for flexible gap financing to support term loans using MacArthur Foundation funds, administered by Housing Development Fund are also available.

Table 9. Multifamily Term Financing Overview for FY 2022

Program Data	Approved[9]	Closed	Total

[8] This number includes energy and health and safety capital deployed.

[9] This represents projects that are currently approved but not closed. It does not include projects that were approved but have since closed.

Projects	7	3	10
Installed Capacity (MW)	0.1	0.9	1.1
Lifetime Clean Energy Produced (MWh)	3,473	97,706	101,180
Annual Combined Energy Generated & Saved (MMBtu)	9,125	4,609	13,734
Subsidies ($'s)	$0	$0	$0
Credit Enhancement ($'s)	$0	$0	$0
Loans or Leases ($'s)	$0	$1,959,400	$1,959,400
Total Green Bank Investment ($'s)	$0	$1,959,400	$1,959,400
Private Capital ($'s)[10]	$1,678,256	$100,600	$1,778,856
Direct Job Years	9	18	27
Indirect & Induced Job Years	11	29	40
Lifetime Tons of CO2 Emissions	1,920	50,796	52,716

Table 10. Multifamily Pre-Development Financing Overview for FY 2022

Program Data	Approved	Closed	Total
Projects	0	0	0
Installed Capacity (MW)	0.0	0.0	0.0
Lifetime Clean Energy Produced (MWh)	0	0	0
Annual Combined Energy Generated & Saved (MMBtu)	0	0	0
Subsidies ($'s)	$0	$0	$0
Credit Enhancement ($'s)	$0	$0	$0
Loans or Leases ($'s)	$0	$0	$0
Total Green Bank Investment ($'s)	$0	$0	$0
Private Capital ($'s)	$0	$0	$0
Direct Job Years	0	0	0
Indirect & Induced Job Years	0	0	0
Lifetime Tons of CO2 Emissions	0	0	0

Table 11. Multifamily Number of Units

	Approved[11]	Closed	Total
Affordable	273	102	375
Market Rate	0	82	82
Total # of Units	273	184	457

The CT Green Bank's Multifamily Program is predominantly focused on properties that serve low-to-moderate income (LMI) residents. The program is equally focused on multifamily properties serving low-and moderate-income residents in the more affluent communities of opportunity as it is on multifamily properties in lower income census tracts. This is aligned with the State of Connecticut's goals to encourage and support housing opportunities for low- and-moderate-income residents in communities of opportunity. (Connecticut is the most geographically segregated state in the nation, with most LMI and people of color concentrated in low-income urban communities.)

Strategic Investments

[10] This number includes energy and health and safety capital deployed.

[11] This represents projects that are currently approved but not closed. It does not include projects that were approved but have since closed.

Table 12. Strategic Investment Financing Overview for FY 2022

Program Data	Approved[12]	Closed	Total
Projects	1	0	1
Installed Capacity (MW)	3.7	0.0	3.7
Lifetime Clean Energy Produced (MWh)	291,708	0	291,708
Annual Combined Energy Generated & Saved (MMBtu)	99,531	0	99,531
Subsidies ($'s)	$0	$0	$0
Credit Enhancement ($'s)	$0	$0	$0
Loans or Leases ($'s)	$3,200,000	$0	$3,200,000
Total Green Bank Investment ($'s)	$3,200,000	$0	$3,200,000
Private Capital ($'s)[13]	$0	$0	$0
Direct Job Years	28	0	28
Indirect & Induced Job Years	36	0	36
Lifetime Tons of CO2 Emissions	19,690	0	19,690

For a breakdown of the use of the Green Bank resources for Commercial, Industrial and Institutional Programs, see table 13 below.

Table 13. Distribution of Green Bank Funds Invested in Projects and Programs through Subsidies, Credit Enhancements, and Loans and Leases for FY 2022

Program	Subsidies		Credit Enhancements		Loans and Leases		Total[14]
Commercial Lease	$0	0%	$0	0%	$2,259,023	100%	$2,259,023
CPACE	$0	0%	$0	0%	$5,004,220	100%	$5,004,220
SBEA	$0	0%	$0	0%	$1,461,453	100%	$1,461,453
Multi-Family Health & Safety		0%		0%		0%	$0
Multi-Family Pre-Dev	$0	0%	$0	0%	$0	0%	$0
Multi-Family Term	$0	0%	$0	0%	$1,959,400	100%	$1,959,400
Strategic Investments	$0	0%	$0	0%	$0	0%	$0
Total	$0	0%	$0	0%	$7,960,090	100%	$7,960,090

Of these programs, the following is a breakdown of their contributions made thus far towards the performance target and the human resources required to implement them (see Table 14):

[12] This represents projects that are currently approved but not closed. It does not include projects that were approved but have since closed.
[13] This number includes energy and health and safety capital deployed.
[14] Totals are adjusted to remove projects that overlap programs.

Table 14. Program Progress Made in FY 2022[15]

Key Metrics	C-PACE	Commercial Lease	SBEA	Multifamily Pre-Dev[16]	Multifamily Term	Strategic	Total Program Progress[17]
Date of Program Approval	Sep-2012	Jun-2013	-	Oct 2013 – Jan 2017	Oct 2013 – Oct 2015		
Date of Program Launch	Jan-2013	Sep-2013	-	Oct 2013 – Jan 2017	Oct 2013 – Oct 2015		
Ratepayer Capital at Risk	$5,004,220	$2,259,023	$1,461,453	$0	$1,959,400	$0	$7,960,090
Private Capital	$19,157,987	$2,923,576	$10,431,452	$0	$100,600	$0	$31,683,298
Deployed (MW)	3.2	2.5	0.0	0.0	0.9	0.0	5.0
# of Loans/Installations	23	15	652	0	3	0	688
Lifetime Production (MWh)	163,109	71,266	219,523	0	97,706	0	431,798
Annual Combined Energy Generated & Saved (MMBtu)	7,438	7,436	0	0	4,609	0	14,191

"Top 5" Headlines

The following are the "Top 5" headlines for the Financing Programs:

1. **Green Bank makes changes to C-PACE financing program aimed at developers**

Hartford Business Journal, April 19, 2022

New changes to the state's Commercial Property Assessed Clean Energy program will make it easier for developers and borrowers to access financing for their projects, officials from the Connecticut Green Bank said. The Connecticut Green Bank Board of Directors last month approved a slew of changes to the C-PACE program, which offers financing to companies, developers and others pursuing clean energy projects. Among the changes, developers and borrowers can now access up to 35% of the total eligible construction costs in C-PACE financing based on their building's designed energy performance.

2. **Connecticut Green Bank Awards 2021 celebrate resilience and innovation**

Clean Technica, March 29, 2022

Award recipients for 2021 included outstanding projects for C-PACE (One Park Road, West Hartford, for $13.7 million C-PACE financing from CastleGreen Finance) and outstanding PPA for the Ridgefield High School project.

3. **New solar systems installed at East Windsor apartments**

Hartford Business Journal, Oct. 14, 2021

A new solar power systems installed at the Park Hill housing complex in East Windsor is expected to save the town's housing authority over $100,000 over the life of the project.

[15] Includes only closed transactions
[16] Multifamily is a collection of individual programs, each with their own approval and launch dates.
[17] Totals are adjusted to remove projects that overlap programs.

4. Connecticut's Westville Seafood adds solar PV system to roof via C-PACE program

Solar Builder Mag, Sept. 28, 2021

"With our peak busy season being in the summer, we use a significant amount of energy to power the restaurant, which results in higher energy costs," said David Austin, owner of Westville Seafood. "Going solar helped offset the cost of electricity, it's more environmentally friendly, and our customers love it. We're thankful for the help we received from the Connecticut Green Bank, who made the process easy."

5. Connecticut Governor's Report: Leading From The Front

Business Facilities, Aug. 16, 2021

"Our state is currently ranked the lowest state contributor to climate change and a top-10 most energy efficient state," Lamont continued. "We are home to the nation's first Green Bank and are a national leader in offshore wind energy and hydrogen fuel-cell technologies. Many state-led initiatives like the Zero Emission Vehicle program, commercial Property Assessed Clean Energy (PACE) financing and the Regional Greenhouse Gas Initiative (RGGI) also are helping us further our goal of a zero carbon Connecticut."

Lessons Learned

Based on the implementation of the Financing Programs thus far, the following are the key lessons learned:

C-PACE and C-PACE-backed Commercial Solar PPA

- With nearly 75% of the FY22 projects including solar PV, solar continues to be the driver of the program's success. FY22 has been challenging for solar in Connecticut due to the transition from the LREC/ZREC program to the Non-Residential Renewable Energy Solutions Program ("NRES"). The NRES program began in 2022 with only one auction scheduled for 2022. Developers and financiers like Green Bank have seen a slowdown in C-PACE and commercial PPA project applications and pricing requests as the new program has taken off. In addition, in part because of COVID, solar has faced issues associated with product shortages, delays in equipment delivery and increased equipment costs. Further, an anti-circumvention investigation into solar module imports has further affected the supply and cost of solar modules.
- C-PACE New Construction is driving exponential growth in the national C-PACE market. Connecticut launched a pilot program in 2018 to explore how offering a financing solution to the Connecticut market for new construction, repositioning, and gut rehabilitation could promote more energy efficient building design. After successfully closing 6 projects, the pilot was transitioned into a permanent program, offering multiple improvements and additions based on market feedback and lessons learned. One of the main objectives was to simplify the implementation of the program. Initial feedback from developers, capital providers and borrowers has been very positive. As this market continues to evolve and mature, CGB will need to make sure its program stays attractive to lenders and developers while still preserving the program's public policy as intended by the C-PACE enabling legislation.
- Connecticut's open market platform continued to attract capital providers to Connecticut and enable private capital investment. With 79% of the investment private versus 6% "public" through CGB-funded projects, CGB is balancing separate goals of leveraging private capital (and not crowding it out) and investing its dollars to build its balance

sheet. CGB should continue to grow the CPACE market and create new opportunities that the private lenders are not focused on.

Commercial Solar PPA

- Operations and maintenance (O&M) continues to be a key tenet of the asset management program for CGB's 19.5MW of owned commercial solar projects. Staff has been pleased with CTEC's quality of work, which became the commercial solar O&M provider in May 2021. While under contract with CTEC, the Green Bank's commercial solar portfolio's performance has improved: Q1 2022 commercial solar sites performed at 96% of expectation, vs. 92% in Q1 2021 (prior to CTEC).
- Using the findings of the O&M program, CGB continues to hone the risk protection aspects of the engineering, procurement and construction 'form contract'.
- CGB has continued to secure competitive construction costs for state and municipal solar PPA projects, despite the challenges with solar costs that have been previously mentioned. The development and construction of these projects has emphasized the importance for Green Bank and its independent engineer partner to remain involved to ensure the projects are flowing smoothly and challenges along the way are resolved.

Small Business Energy Advantage (SBEA)

- The partnership with Green Bank and Amalgamated to provide capital for SBEA loans continues to be a success in delivering savings for the SBEA program and expanding access to capital. With the new 3 year Conservation and Load Management Plan's focus on deeper savings, the Green Bank will work with Eversource to identify changes to the program to support this.
- Green Bank is working with Eversource to expand the SBEA financing model to battery storage and EV chargers

Multifamily Affordable Housing

- **Multifamily Programs Focused on Solar-PPA Program Development in FY22**
CTGB Multifamily Programs are now primarily focused on solar PPA's, as this product is anticipated to deliver the required financial returns to CT Green Bank. Green Bank staff have been actively working with DEEP, DOH, CHFA and other stakeholders to review and provide public comments to PURA on the new multifamily solar incentive. This program will actively reopen once guidance for the new multifamily solar incentive is finalized by PURA. Capital for Change has continued to take full ownership of the Loans Improving Multifamily Energy (LIME) loan program, including marketing and outreach, which has been limited. LIME is primarily focused on funding energy efficiency improvements for mid-cycle multifamily properties.

- **Deployment of EnergizeCT Health & Safety Loan Funds was a priority in FY22.**
IPC is responsible for deploying these funds, with $1.5MM originating as a grant from DEEP to CT Green Bank, and then subsequently transferred from CTGB to IPC in 2019. In FY22 IPC approved H&S funds in the amount of approximately $1.3MM for two distressed coops in New Haven, Seabury Coop and Antillean Manor, which are anticipated to close in FY23. These projects now fully commit the remaining Health & Safety funds. In order to ensure funds remain available for these projects, IPC requested, and DEEP approved, a one-year term extension of this funding to June 30, 2023.

Financing Programs FY 2023 Targets

Of programs being implemented in the Financing Programs, the following is a breakdown of the key targets:

Table 15. Number of Projects, Capital Deployed, and Clean Energy Deployed (MW)

Program	# of Projects	Capital Deployed	Clean Energy Deployed (MW)	Ann. GHG Emissions Avoided (TCO2)
Commercial PACE	23	$31,000,000	-	
Green Bank Solar PPA	19	$13,710,000	7.5	12,336
Small Business Energy Advantage	839	$18,600,000	-	114,477
Multifamily Term Loan	6	$1,380,000	-	1,057
Multifamily Health & Safety	1	$892,500	-	-
Transportation	-	-	-	16,500
Strategic Investments	-	-	-	-
Total	**902**	**$62.0**	**19,000**	**143,312**

For the Financing Programs, there are 18.4 full time equivalent staff members supporting ten (10) different programs.

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CONNECTICUT GREEN BANK

Memo

To: Connecticut Green Bank Board of Directors

From: Eric Shrago, VP of Operations

CC: Bryan Garcia (President and CEO), Bert Hunter (EVP and CIO), Jane Murphy (EVP of Finance and Accounting), Sergio Carrillo (Director of Incentive Programs), and Mackey Dykes (VP of Financing Programs and Officer)

Date: October 19, 2022

Re: Investments – Performance towards Targets for FY 2022

The following memo outlines Connecticut Green Bank (CGB) progress to deploying our own capital in line with the organization's budget and sustainability plan.

Table 1. Budget to Actual Investment Activity[1]

			Budget			Actual				
Program	Description	Activity Type	Rate	Term	Principal	Rate	Term	Principal	Total Investment Income	PV of Interest Income
Multifamily Pgms	C4C Lime facility draws	Forecast draws on existing loan facility	4.0%	15	$ 200,000	4.0%	15	$ 200,000	$ 67,900.00	$ 57,789.00
CPACE	CGB Portfolio	New CPACE Loans	5.60%	17.5	$ 5,000,000	5.38%	18.2	$ 3,238,094	$ 1,880,521.00	$ 1,544,216.00
Solar PPA Development	PPA State	New Debt to fund supporting State Solar PPA projects	3.0%	20	$ 9,000,000	3%	20	$ 1,573,954	$ 524,846.00	$ 427,914.00
Solar PPA Development	PPA Municipality	New Debt to fund supporting Municipal Solar PPA projects	3.75%	20	$ 2,347,200	4%	20	$ 741,496	$ 339,240.00	$ 275,789.00
Solar PPA Development	PPA Developers		4.50%	20	$ 1,257,000	5%	20	$ 659,295	$ 387,482.00	$ 314,132.00
Solar PPA Development	PPA Debt to 3rd parties		4.50%	15	$ 4,100,000	5%	15	$ 1,794,111	$ 766,796.00	$ 654,787.00
SBEA/BEA	Regular Loan Purchases	3 additional tranches purchased	3.50%	4	$ 1,447,000	2.25%	5	$ 819,022	$ 49,137.00	$ 46,609.00
Multifamily Programs	PPA Multifamily	expected closing of projects in pipeline	4.25%	20	$ 270,000	0%	0	$ -		
CE Finance Prg	Strategic Investments	Debt to support the FuelCell Groton	8.0%	10	$ 3,200,000	0%	0	$ -		
Hydro Projects	Strategic Investments	Canton Hydro: Loan $1.2M loan + $.5M Guaranty	8%	15	$ 1,700,000	8%	15	$ 1,170,157	$ 859,952.00	$ 727,275.00
CE Finance Prg	Strategic Investments	Unspecified	4.0%	10	$ 5,000,000	9%	6	$ 5,014,583	$ 1,489,193.00	$ 1,397,882.00
LMI Programs	Posigen - Junior facility	Restructured Facility for Resi Solar - PBI Loan	0%	0	$ -	7.5%	6	$ 7,189,102.76	$ 1,944,355.00	$ 1,825,135.40
Solar PPA Development	Commercial Projects		0%	0	$ -	3.75%	20	$ 96,621	$ 41,152.00	$ 33,479.00
Total					**$ 33,521,200**			**$ 22,496,435**	**$ 8,350,574**	**$ 7,305,007**

For FY2022, the board approved a budget where the staff sought to disburse or commit $33.5 MM. The team was able to lend, commit, or disburse ~~$22.3 MM~~ $22.4 MM. These investments will generate a forecast of interest of more than ~~$8.2MM~~ $8.3 MM over the course of their lives. In addition, the warrants resulting from the Budderfly investment have already generated an additional

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[1] Intacct, Board Materials, & Power BI data source: https://app.powerbi.com/groups/289235dd-d77d-4043-8dae-d232a51a116a/reports/b24ec66b-a2c1-49f0-9a62-3f7443077b3f/ReportSection13c15e79a907a30b650e

$200K if income for the organization, bringing the total investment income generated from FY22 investments to ~~$8.2MM~~ $8.4 MM (which has a present value of ~~$7.1MM~~ $ 7.3 MM)[2]. The average interest rate was 6.54% for a term of 10.9 years.

While this surpasses the Green Banks established internal benchmark of 4% and 10 years, it falls short of the $9.5 million that would have been generated had the organization achieved its lending target of $33.5 million at the established internal benchmark rate and term. The Organization was on the cusp of other projects coming to fruition this year, especially for the PPA for the state and the Groton Fuel Cell, where delays were outside of our control and the projects are expected to close in FY23.

[2] Included in the actual principal figure are the principal amounts of loans, draws from borrowers on existing commitments, and new commitments. Interest income is forecast from the amount outstanding on the loans or lines of credit as of 6/30/2021 and assumes that the amounts drawn are repaid over the lives of the agreements.

BOARD OF DIRECTORS

<u>REGULAR MEETING SCHEDULE FOR 2023</u>

The following is a list of dates and times for **regular meetings** of the Connecticut Green Bank Board of Directors through 2023.

- Friday, January 20, 2023 – Regular Meeting from 9:00 to 11:00 a.m.
- Friday, March 17, 2023 – Regular Meeting from 9:00 to 11:00 a.m.
- Friday, April 21, 2023 – Regular Meeting from 9:00 to 11:00 a.m.
- Friday, June 23, 2023 – Regular Meeting from 9:00 to 11:00 a.m.
- Friday, July 21, 2023 – Regular Meeting from 9:00 to 11:00 a.m.
- Friday, October 20, 2023 – Regular Meeting from 9:00 to 11:00 a.m.
- Friday, December 15, 2023 – Regular Meeting from 9:00 to 11:00 a.m.

Should a **special meeting** need to be convened for the Connecticut Green Bank board of Directors to review staff proposals or to address other issues that arise, a meeting will be scheduled accordingly.

All regular and special meetings will take place at the:

Connecticut Green Bank
75 Charter Oak Avenue, Building #1-103
Albert Pope Board Room
Hartford, CT 06106

AUDIT, COMPLIANCE AND GOVERNANCE COMMITTEE

<u>REGULAR MEETING SCHEDULE FOR 2023</u>

The following is a list of dates and times for **regular meetings** of the Connecticut Green Bank Audit, Compliance and Governance Committee through 2023.

- Tuesday, January 17, 2023 – Regular Meeting from 8:30am – 9:30am
- Tuesday, May 16, 2023 – Regular Meeting from 8:30am - 9:30am
- Tuesday, October 10, 2023 – Regular Meeting from 8:30am - 9:30am

Should a **special meeting** need to be convened for the Connecticut Green Bank board of Directors to review staff proposals or to address other issues that arise, a meeting will be scheduled accordingly.

All regular meetings will take place at:

Connecticut Green Bank
75 Charter Oak Avenue, Building 1-103
Albert Pope Board Room
Hartford, CT 06106

BUDGET, OPERATIONS AND COMPENSATION COMMITTEE

REGULAR MEETING SCHEDULE FOR 2023

The following is a list of dates and times for **regular meetings** of the Connecticut Green Bank Budget, Operations and Compensation Committee through 2023.

- Wednesday, January 11, 2023 – Regular Meeting from 2:00 to 3:30 p.m.
- Wednesday, May 10, 2023 – Regular Meeting from 2:00 to 3:30 p.m.
- Wednesday, June 7, 2023 – Regular Meeting from 2:00 to 3:30 p.m.
- Wednesday, June 14, 2023 – Regular Meeting from 2:00 to 3:30 p.m.

Should a **special meeting** need to be convened for the Connecticut Green Bank board of Directors to review staff proposals or to address other issues that arise, a meeting will be scheduled accordingly.

All regular meetings will take place at:

Connecticut Green Bank
75 Charter Oak Avenue, Building 1-103
Albert Pope Board Room
Hartford, CT 06106

DEPLOYMENT COMMITTEE

REGULAR MEETING SCHEDULE FOR 2023

The following is a list of dates and times for **regular meetings** of the Connecticut Green Bank Deployment Committee through 2023.

- Wednesday, February 22, 2023 – Regular Meeting from 2:00pm – 3:00pm
- Wednesday, May 24, 2023 – Regular Meeting from 2:00pm – 3:00pm
- Wednesday, September 20, 2023 – Regular Meeting from 2:00pm – 3:00pm
- Wednesday, November 15, 2023 – Regular Meeting from 2:00pm – 3:00pm

Should a **special meeting** need to be convened for the Connecticut Green Bank board of Directors to review staff proposals or to address other issues that arise, a meeting will be scheduled accordingly.

All regular meetings will take place at:

Connecticut Green Bank
75 Charter Oak Avenue, Building 1-103
Albert Pope Board Room
Hartford, CT 06106

Joint Committee of the CT Energy Efficiency Board and the Connecticut Green Bank Board of Directors

REGULAR QUARTERLY MEETING SCHEDULE FOR 2023

The following is a list of dates and times for **regular meetings** of the Connecticut Green Bank and the Connecticut Energy Efficiency Board through 2023

- **March 22, 2023** – Wednesday from 1:30-3:00 p.m.
  Location: TBD
- **June 28, 2023** – Wednesday from 1:30-3:00 p.m.
  Location: TBD
- **September 20, 2023** – Wednesday from 1:30-3:00 p.m.
  Location: TBD
- **December 20, 2023** – Wednesday from 1:30-3:00 p.m.
  Location: TBD

Should a **special meeting** be needed to address other issues that arise, a meeting will be scheduled accordingly.

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CONNECTICUT GREEN BANK

Memo

To: Connecticut Green Bank Board of Directors

From: Eric Shrago

CC: Bryan Garcia, Sergio Carrillo, and Mackey Dykes

Date: ~~July 15~~October 21, 2022

Re: Fiscal Year 2022 Progress to Targets through Q4 - ~~Preliminary~~Final

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The following memo outlines Connecticut Green Bank (CGB) progress to targets for Fiscal Year (FY) 2022 as of June 30, 2022[1].

Table 1. Incentive Programs FY 2022 Progress to Targets

	Projects			Capital Deployed			Capacity (MW)		
Product/Program	**Closed**	**Target**	**% to Target**	**Closed**	**Target**	**% to Target**	**Closed**	**Target**	**% to Target**
RSIP & RSIP-E	1,592	1,732	92%	$57,985,080	$62,969,713	92%	15.5	16.8	92%
Battery Storage	0	202	0%	$0	$5,800,000	0%	0.0	2.5	0%
Smart-E	909	800	114%	$14,797,947	$11,200,000	132%	0.2	0.8	31%
Solar for All	330	96	344%	$9,379,672	$2,478,528	378%	2.2	0.7	339%
Total	**2,730**	**2,734**	**100%**	**$78,690,243**	**$79,969,713**	**98%**	**17.2**	**20.1**	**86%**

Table 2. Smart-E Channels

Smart-E Loan Channels	Closed	% of Loans
EV	0	0%
Health and Safety	1	0%
Home Performance	85	9%
HVAC	791	87%
Solar	22	2%
(blank)	10	1%
Total	**909**	**100%**

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[1] Power BI data source: https://app.powerbi.com/groups/289235dd-d77d-4043-8dae-d232a51a116a/reports/b24ec66b-a2c1-49f0-9a62-3f7443077b3f/ReportSection13c15e79a907a30b650e

Table 3. Financing Programs FY 2022 Progress to Targets

	Projects			Capital Deployed			Capacity (MW)		
Product/Program	**Closed**	**Target**	**% to Target**	**Closed**	**Target**	**% to Target**	**Closed**	**Target**	**% to Target**
Commercial Solar PPA	15	37	41%	$5,182,599	$17,652,000	29%	2.5	11.0	23%
CPACE	23	30	77%	$24,162,207	$22,838,680	106%	3.2	6.3	51%
SBEA	652	614	106%	$11,892,905	$9,260,800	128%	0.0	0.0	0%
Multi-Family H&S	0	1	0%	$0	$600,000	0%	0.0	0.0	0%
Multi-Family Pre-Dev	0	0	0%	$0	$0	0%	0.0	0.0	0%
Multi-Family Term	3	2	150%	$2,060,000	$300,000	687%	0.9	0.2	470%
Strategic Investments	0	0	0%	$0	$0	0%	0.0	0.0	0%
Total	**690**	**679**	**102%**	**$40,269,468**	**$48,951,480**	**82%**	**5.3**	**16.5**	**32%**

Table 4. Multi-Family Units

MFH # of Units	**Closed**
Affordable	102
Market Rate	82
Total	**184**

Table 5. CGB Totals FY 2022 Progress to Targets

	Projects			Capital Deployed			Capacity (MW)		
Segment	**Closed**	**Target**	**% to Target**	**Closed**	**Target**	**% to Target**	**Closed**	**Target**	**% to Target**
Incentive Programs	2,730	2,734	100%	$78,690,243	$79,969,713	98%	17.2	20.1	86%
Financing Programs	690	679	102%	$40,269,468	$48,951,480	82%	5.3	16.5	32%
Total	**3,418**	**3,413**	**100%**	**$118,333,631**	**$128,921,193**	**92%**	**22.2**	**36.6**	**61%**

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INCLUSIVE PROSPERITY CAPITAL

Memo

To: Connecticut Green Bank Senior Team

From: Inclusive Prosperity Capital Staff

Date: August 16, 2022

Re: IPC Quarterly Reporting – Q4 FY22 (April 1, 2022 – June 30, 2022)

Progress to targets for Fiscal Year 2021, as of 06/30/2022 [1]

Product	Number of Projects	Projects Target	% to goal	Total Financed Amount	Financed Target	% to goal	MW Installed	MW Target	% to goal
Smart-E Loan	909	800	113.63%	$14,814,673	$11,200,000	132.27%	0.2	0.8	0.25%
Multi-Family H&S	0	1	0%	$0	$0	0%	n/a	n/a	n/a
Multi-Family Pre-Dev.	0	0	0%	$0	$0	0%	0.0	0.0	0%
Multi-Family Term	3	3	100%	$2,060,000[2]	$300,000	686.7.3%	0.94	0.20	470.0%
Solar PPA	3	23	13.0%	$1,338,753	$6,457,000	20.7%	0.7	3.4	8.8%

[1] Source: CT Green Bank PowerBI
[2] 100% of the financed amount was energy financing.

Solar For All[3]	351	96	365.6%	$9,960,894	$2,478,528	401.9%	2.4	0.7	343%

PSA 5410 – Smart-E Loan

- Volume continued to increase each month from 76 loans in April to 89 loans in May and 96 loans in June. The quarter finished with a total funded loan amount of $4,738,072. We believe this is a direct result of increased contractor outreach efforts in partnership with the CGB marketing team.
- HVAC projects continue to be the majority of volume, representing 88% of projects, followed by home performance 10%, and solar and health and safety each representing 1%.
- IPC staff worked with the CGB Accounting team and processed the remaining 41 IRB payments for $124,669.89. These are the final payments for the ARRA-SEP FY21 special offer.
- IPC staff worked closely with the CGB team preparing a special offer starting July 1, 2022 using the final ARRA-SEP funds. The special offer is in the form of an IRB to 2.99% for terms of 5, 7 and 10 years on heat pumps, EV chargers, solar thermal and battery storage- up to $25,000.
- CMEEC engaged CGB regarding providing their members a direct IRB program, highlighting heat pump technology. The target launch date is first quarter 2023.

PSA 5411 – Multifamily

- Three (3) Projects Closed in FY'22. Supporting the Green Bank, IPC staff continue to shepherd a handful of prospective LIME financing opportunities that are currently at the evaluation/underwriting stage.
- The ECT Health & Safety Revolving Loan Fund capital has been fully allocated to two distressed co-ops, both loans of which have been approved and are anticipated to close in FY'23. (See further details below.)
- IPC has actively supported design/development of solar programs that will use the new solar tariff incentive. Supporting the Green Bank, IPC staff have actively provided scenario modeling and participated in CTGB- and DEEP-led policy deliberations to inform PURA decision-making as part of PURA's affordable multifamily solar tariff rule-making docket. Once these are finalized, we will continue to collaborate with CTGB in revisiting program design for this sector, with an eye towards higher volume deployment that leverages the final form of the tariff offering.
- We continued to provide support for long-term distressed projects, Seabury Co-op in New Haven and Success Village in Bridgeport, that are being stabilized and preserved as affordable housing by funding energy and health and safety improvements.

[3] This portfolio is considered "closed" as of the conclusion of the RSIP program in Fall 2021. The data has been revised down from the previous quarter to account for cancelled projects.

Seabury is moving towards the end of its respective pre-development processes and securing term financing for project implementation. Success Village has recently undergone governance and management changes that are impacting how this project proceeds.

PSA 5412 – Solar PPA

- IPC staff responded to PPA pricing requests received by CTGB staff, particularly extensive scenarios to support the Solar MAP initiative.
- IPC staff continues to survey and monitor pricing competitiveness across installer and developer channels. General feedback is that our current pricing offering is competitive (for those projects requesting pricing).
- Formalized use of IPC Salesforce Platform to provide formatted installer/developer pricing responses via Salesforce.
- IPC continues to work with CTGB staff to fund the full suite of Solar MAP Round 1 projects in this year's CT partnership. The first set of five (5) Manchester projects are expected to be tranched in mid-August.
- IPC staff is working toward issuance of a new engineering services provider for O&M, project inspection, etc. in CT by early September.

PSA 5413 – Investment Management (LMI Solar and Green and Healthy Homes)

PosiGen Solar for All Program Management

- The CGB-IPC team has been focused on PosiGen's transition out of RSIP. With that program ended, work is focused on final issues resolution.

Green and Healthy Homes Project

- As noted in previous updates, the final report on the CT Medicaid ROI analysis and pilot design remains with the project team state agencies, including the CT Department of Public Health, for review and final sign-off. Currently waiting for the final partner sign off before releasing findings publicly. The CT Department of Public Health has been understandably focused on the pandemic and has not yet revisited the subject.

Investment Management

IPC staff supported Green Bank staff on the following financings:

- PosiGen:
  - Nothing to report

- Residential SL2 and CT Soar Loan:
  - An IPC staff member continued to assist with the management of CT Solar Lease 2 ("SL2") and CT Solar Loan tasks, though in an advisory role as many of the administrative tasks have been transitioned to a junior CGB employee.

Use of DEEP Proceeds

Energize CT Health & Safety Revolving Loan Fund

- The multifamily housing team is in process of finalizing loan documentation and closing two H&S loans to distressed co-ops: Seabury Co-op in New Haven for $892,500 (in coordination with other funders) and Antillean Manor Co-op in New Haven for $400,000 (in coordination with CHFA and HUD). Antillean Manor is very close to closing, anticipated in Sept 2022. The Seabury closing is several months out still due to recent (positive) staff and management changes.

- DEEP has agreed to extend the ECT Health & Safety Revolving Loan Fund grant for an additional year, giving us the time needed to get funds deployed into these projects.

- The two loans described above account for the remaining H&S funds available. Once deployed, we will begin funding projects with capital as it becomes available from repayments.

$5M Capital Grant

- In Q1 FY20, IPC's Board approved a $1.2M investment in Capital for Change to provide liquidity under its successful LIME Loan program offered in partnership with the Connecticut Green Bank. Although the transaction was expected to close in February 2020 under a master facility construct with CGB, in the wake of the COVID-19 outbreak, CGB funded the entirety of the LIME recapitalization in IPC's stead. IPC continues to monitor for favorable conditions for future investment and is evaluating other opportunities to invest the remaining $900K of funds under the $5M capital grant from DEEP.

General Updates

Below are updates for the fourth quarter of FY22:

- Capital raising:
    - Closed $1.5M of PRI from Sierra Club Foundation under same terms as 3 other foundations and $1M of PRI from a donor-advised fund housed at Tides Foundation.
    - Closed a $15M facility of senior debt from Amalgamated Bank against our Kresge Guarantee.

- Business/Product Development/Initiatives of interest to Connecticut:
    - Software licensing agreement for the NGEN platform
        - Colorado Energy Office has transferred the program out of the state energy office to the CO Clean Energy Fund (their green bank) for easier contracting. Discussions back on for licensing NGEN.
        - Exploring NGEN licensing with CAETFA. However, contracting will be challenging and significant custom development would be required, which CAETFA would pay for.
        - Continued work with Inclusiv (the member network of CDFI/community development credit unions) and UNH Carsey (under a DOE grant) on a potential launch of a Smart-E programs in various geographies, many led by lender interest, some by green bank or state/local government interest.
        - Working with Inclusiv on Smart-E launch in NM with AZ to follow later this year and TX in 2023 with funding provided by Wells Fargo Foundation. This is for a lender-led model, meaning no green bank or state energy office sponsoring the program, and IPC being compensated to manage the program. The partners are in the process of final diligence for a credit

enhancement for participating lenders through the Community Investment Guarantee Program.

- Received approval for a $720K 1-year grant for product development, platform development and pipeline-building for our affordable multifamily products. We will be a sub-grantee to UNH, funding provided by a major bank foundation. Contract expected by end of June.
- Continued to work with a number of green banks, local governments, etc. on leveraging IPC's products and financing strategies. Developing multifamily pipeline with Philadelphia Green Capital Corp., continuing to work with MI Saves and DC Green Bank; continue to coordinate with CGC on a variety of opportunities.
- IPC continues to participate in the following advisory councils/initiatives related to DOE grants or programs for expanded access to solar/solar financing:
  - Achieving Cooperative Community Equitable in Solar Sources (ACCESS) Stakeholder Group – National Rural Electric Cooperative Association (NRECA) is partnered with National Rural Utilities Cooperative Finance Corporation, CoBank and GRID Alternatives to make solar energy more affordable for LMI members of cooperatives. The project is engaging community and regional financial institutions.
  - NREL/NYSERDA Solar Finance Inclusion Initiative – focused on new financial products for solar energy. The financial products, described as flexible financial credit agreements (FFCAs), are focused on enabling greater participation in solar energy by LMI customers. The goal of the joint initiative is to devise ways to address persistent barriers by LMI customers solar such as income fluctuations, housing transitions or other issues.
  - Inclusive Shared Solar Initiative (ISSI) Advisory Board – the National Association of State Energy Officials (NASEO) and the National Energy Assistance Directors' Association (NEADA) seek to advance strategies that increase the scalability of LMI) community solar programs. The basis for ISSI is the NYS Solar for All program, a pilot sponsored by the NYSERDA, which improves access to community solar facilities for LMI households.
  - National Community Solar Partnership – a learning network of over 300 devoted to the expansion of community solar across the US.
- IPC was asked to join a project team led by NRDC and including CT Green Bank, NYCEEC, Inclusiv, Opportunity Finance Network, Coalition for Green Capital and Forsyth Street Advisors. The project expands on work conducted in 2019-2020 to explore whether the CDFI infrastructure/regulatory framework could be leveraged as a scaled source of low-cost, long-term capital for green banks – and now to include other CDFIs.

- Administrative:
  - IPC onboarded several new employees in April-Jun 2022:
    -
    - Kristine Musademba joined as Senior Associate, Clean Energy Transactions – based in New York City
  - Connor Finn joined as Associate, Clean Energy Transactions – based in Boston, MAIPC continues to recruit for additions to the accounting and operations team as well as a Smart-E Southwest regional program manager.

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CONNECTICUT GREEN BANK

Memo

To: Connecticut Green Bank Board of Directors

From: Eric Shrago

CC: Bryan Garcia, Sergio Carrillo, and Mackey Dykes

Date: October 21, 2022

Re: Fiscal Year 2023 Progress to Targets through Q1

The following memo outlines Connecticut Green Bank (CGB) progress to targets for Fiscal Year (FY) 2023 as of September 30, 2022[1].

Table 1. Incentive Programs FY 2023 Progress to Targets

	Projects			Capital Deployed			Capacity (MW)		
Product/Program	**Closed**	**Target**	**% to Target**	**Closed**	**Target**	**% to Target**	**Closed**	**Target**	**% to Target**
Battery Storage	3	500	1%	$147,285	$20,000,000	1%	0.0	7.6	0%
Smart-E[2]	317	960	33%	$5,920,688	$14,994,623	39%	0.0	0.2	21%
Total Incentive Programs	**320**	**1,460**	**22%**	**$6,067,973**	**$34,994,623**	**17%**	**0.1**	**7.8**	**1%**

Table 2. Smart-E Channels

Smart-E Loan Channels	Closed	% of Loans
EV	0	0%
Health and Safety	0	0%
Home Performance	19	6%
HVAC	285	90%
Solar	6	2%
(blank)	7	2%
Total	**317**	**100%**

[1] Power BI data source: https://app.powerbi.com/groups/289235dd-d77d-4043-8dae-d232a51a116a/reports/b24ec66b-a2c1-49f0-9a62-3f7443077b3f/ReportSection13c15e79a907a30b650e

[2] See Table 6 for current reporting periods for Smart-E lenders

Table 3. Financing Programs FY 2023 Progress to Targets

	Projects			Capital Deployed			Capacity (MW)		
Product/Program	**Closed**	**Target**	**% to Target**	**Closed**	**Target**	**% to Target**	**Closed**	**Target**	**% to Target**
Commercial Lease	0	19	0%	$0	$13,710,000	0%	0.0	7.6	0%
CPACE	1	23	4%	$972,415	$31,000,000	3%	0.5	0.0	0%
SBEA	0	839	0%	$0	$18,600,000	0%	0.0	0.0	0%
Multi-Family Health and Safety	0	1	0%	$0	$892,500	0%	0.0	0.0	0%
Multi-Family Term	0	6	0%	$0	$1,380,000	0%	0.0	0.6	0%
Total Financing Programs	**1**	**882**	**0%**	**$972,415**	**$64,202,500**	**2%**	**0.5**	**7.6**	**7%**

Table 4. Multi-Family Units

MFH # of Units	**Closed**
Affordable	0
Market Rate	0
Total	**0**

Table 5. CGB Totals FY 2023 Progress to Targets

	Projects			Capital Deployed			Capacity (MW)		
Segment	**Closed**	**Target**	**% to Target**	**Closed**	**Target**	**% to Target**	**Closed**	**Target**	**% to Target**
Incentive Programs	320	1,460	22%	$6,067,973	$34,994,623	17%	0.1	7.8	1%
Financing Programs	1	882	0%	$972,415	$64,202,500	2%	0.5	7.6	7%
Total	**318**	**2,342**	**14%**	**$6,893,103**	**$99,197,123**	**7%**	**0.5**	**15.4**	**4%**

Table 6. Current Reporting Periods for Smart-E Lenders

Lender	**Current Reporting Period**
Capital For Change	7/2022
CorePlus Federal Credit Union	9/2022
Eastern Connecticut Savings Bank	9/2022
Ion Bank	9/2022
Mutual Security Credit Union	8/2022
Nutmeg State Financial Credit Union	9/2022
Patriot Bank	9/2022
Thomaston Savings Bank	9/2022
Union Savings Bank	9/2022

Annual Comprehensive Financial Report

of

Connecticut Green Bank
(A Component Unit of the State of Connecticut)

For the Fiscal Year Ended June 30, 2022
(With Summarized Totals as of and for Fiscal Year Ended June 30, 2021)

Department of Finance and Administration
75 Charter Oak Avenue, Suite 1-103
Hartford, Connecticut

Connecticut Green Bank

Annual Comprehensive Financial Report
For the Year Ended June 30, 2022

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Introductory Section

75 Charter Oak Avenue, Suite 1 - 103, Hartford, CT 06106
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CONNECTICUT
GREEN BANK

October 28, 2022

To the Members of the Board of Directors, Connecticut General Assembly, Governor, and the Citizens of the State of Connecticut.

As we complete our eleventh year as the nation's first green bank, we are pleased to present the Annual Comprehensive Financial Report (ACFR) of Connecticut Green Bank (Green Bank) for the fiscal year ended June 30, 2022 accompanied by summarized totals as of and for the fiscal year ended June 30, 2021.

Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal controls that it has established for this purpose. To provide a reasonable basis for making these representations, the management of Green Bank has established a comprehensive internal control framework that is designed both to protect the entity's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of Green Bank's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh the benefits, Green Bank's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As such, management asserts that this financial report is complete and reliable in all material respects to the best of managements' knowledge and belief.

PKF O'Connor Davies, LLP has issued an unmodified opinion on Green Bank's financial statements for the fiscal year ended June 30, 2022. The independent auditors' report is presented in the financial section of this report. This letter of transmittal is designed to complement the Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. Green Bank's MD&A can be found immediately following the report of the independent auditors.

Kestrel Verifiers has issued an independent opinion that the metrics, data collection, calculation methodologies, and transparency for the social and environmental benefits supported by Green Bank are sound and represent best practice. The independent opinion is presented in the non-financial statistics section of this report.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Connecticut Green Bank for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This is the eighth consecutive year that Green Bank has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Profile of the Connecticut Green Bank

Green Bank[1] was established in a bipartisan manner by the Governor and Connecticut's General Assembly on July 1, 2011 through Public Act 11-80 as a quasi-public agency that supersedes the former Connecticut Clean Energy Fund. As the nation's first green bank, Green Bank makes clean energy and environmental infrastructure more accessible and affordable for all Connecticut citizens and businesses by creating a thriving marketplace to accelerate the growth of the green economy. We facilitate clean energy and environmental infrastructure deployment by leveraging a public-private financing model that uses limited public dollars to attract and mobilize private capital investments. By partnering with the private sector, we create solutions that result in long-term, affordable financing to increase the number of clean energy and environmental infrastructure projects statewide.

As outlined in its Comprehensive Plan: Green Bonds US,[2] Green Bank's vision is a planet protected by the love of humanity. Green Bank's mission is to confront climate change by increasing and accelerating investment into Connecticut's green economy to create more resilient, healthier, and equitable communities.

To achieve its vision and mission, Green Bank has established the following three goals:

1. To leverage limited public resources to scale-up and mobilize private capital investment in the green economy of Connecticut.

2. To strengthen Connecticut's communities, especially vulnerable communities, by making the benefits of the green economy inclusive and accessible to all individuals, families, and businesses.

3. To pursue investment strategies that advance market transformation in green investing while supporting the organization's pursuit of financial sustainability.

These goals support the implementation of Connecticut's clean energy policies be they statutory (e.g., Public Act 11-80, Public Act 13-298, Public Act 15-194, Public Act 21-115, Public Act 21-53), planning (e.g., Comprehensive Energy Strategy, Integrated Resources Plan), or regulatory (e.g., Docket No. 17-12-03(RE03)) in nature. The powers of the Green Bank are vested in and exercised by a Board of Directors that is comprised of twelve voting and one non-voting members each with knowledge and expertise in matters related to the purpose of the organization. Upon the passage of Public Act 21-115 on July 6, 2021, one additional voting member was added to the Board of Directors. Board of Directors and Staff are governed through the statute, as well as an Ethics Statement and Ethical Conduct Policy, Resolutions of Purposes, Bylaws, and Comprehensive Plan.

[1] Public Act 11-80 repurposed the Connecticut Clean Energy Fund (CCEF) administered by Connecticut Innovations, into a separate quasi-public organization called the Clean Energy Finance and Investment Authority (CEFIA). Per Public Act 14-94, CEFIA was renamed to the Connecticut Green Bank.

[2] https://www.ctgreenbank.com/wp-content/uploads/2022/08/Comprehensive-Plan_FY-2023_FINAL_080122-1.pdf

Initiatives and Results

Accelerate the Growth of and Investment in the Green Economy

Green Bank makes clean energy and environmental infrastructure more accessible and affordable for all Connecticut citizens and businesses by creating a thriving marketplace to accelerate the growth of the green economy. As a result of the efforts undertaken over the past eleven years, we are enabling more investment in the green economy of our state than ever before (see Table 1).

Table 1. Project Investments between FY 2012 through FY 2022[3]

Fiscal Year	Total Investment (MM)	Green Bank Investment (MM)	Leverage Ratio	% of Funding as Grants	Installed Capacity (MW)
2022	$ 120.1	$ 13.3	9.0	28%	22.2
2021	$ 270.7	$ 34.5	7.8	36%	66.1
2020	$ 286.2	$ 33.1	8.7	45%	74.0
2019	$ 319.6	$ 32.5	9.8	47%	64.3
2018	$ 221.8	$ 28.5	7.8	44%	56.4
2017	$ 180.5	$ 30.1	6.0	41%	50.0
2016	$ 320.4	$ 38.0	8.4	52%	65.9
2015	$ 320.6	$ 58.7	5.5	56%	62.2
2014	$ 107.1	$ 31.8	3.4	65%	23.4
2013	$ 111.1	$ 18.5	6.0	67%	23.5
2012	$ 9.9	$ 3.4	2.9	100%	1.9
Total	$ 2,268.0	$ 322.4	7.0	50%	509.8

By investing $322.4 million of Green Bank funds,[4] we have helped attract $1,945.6 million of private investment in clean energy for a total investment of nearly $2.3 billion in Connecticut's green economy. In addition, $113.6 million in estimated tax revenues have been generated from this investment. This is supporting the deployment of 509.8 MW of clean renewable energy, saving an estimated 65.6 million MMBtu of energy, producing 21.3 million MWh of clean energy, and avoiding an estimated 10.4 million tons of CO_2 emissions over the life of the projects, while creating over 26,000 job-years, and improving public health benefits by $317.1 to $717.2 million as a result of cleaner air.

Responsible Public Investment in Green Energy

Green Bank receives funding through a number of public revenue sources, including a Systems Benefit Charge (i.e., Clean Energy Fund), and allowance proceeds from the Regional Greenhouse Gas Initiative (RGGI), as well as earned revenues from renewable energy certificate (REC) sales, interest income from its loans, fees, and the federal government. Green Bank's predecessor organization's programs were primarily structured as grants, which meant the funds were spent with no expectation of return. This model put the organization at the mercy of these funding streams which, while reliable, are largely determined by activities outside of our control such as levels of state electricity use and RGGI allowance prices. With the transition to a new financing model, Green Bank is able to invest its funds in activities that earn a return and begin to build revenue streams that can be reinvested in clean energy and environmental infrastructure in Connecticut while strengthening the financial position and sustainability of the organization.

[3] Includes closed transactions approved by the Board of Directors consistent with its Comprehensive Plan and Budget.
[4] Including, but not limited to public resources such as the Clean Energy Fund and Regional Greenhouse Gas Initiative allowance proceeds, as well as earned revenues such as interest income, sales of renewable energy credits, and fees.

Acknowledgements

First and foremost, we would like to thank the staff of Connecticut Green Bank. Through their hard work, commitment and innovation, in eleven years we have eclipsed over $2.2 billion of investment into Connecticut's green economy and have built a model that is delivering results for our state and serving as a model across the country and around the world, including inspiring the $27 billion Greenhouse Gas Reduction Fund included within the Inflation Reduction Act passed by the US Congress and signed into law by President Biden.

We are grateful to our independent auditors, PKF O'Connor Davies, LLP and Kestrel Verifiers, for their assistance and advice during the course of this audit and review, and for supporting our interests in continuing to disclose not only our financial position, but also the public benefits to society resulting from increasing public and private investment and the deployment of clean energy and environmental infrastructure.

Finally, we thank the Board of Directors, Connecticut General Assembly, and the Governor for their continued leadership and guidance as we continue to prove that there is a new model for how government is able to support the growth and development of a green economy, at a faster pace, while using public resources responsibly.

Respectfully submitted,

Bryan T. Garcia
President and CEO

Jane J. Murphy
Executive Vice President - Finance

Board of Directors

Connecticut Green Bank

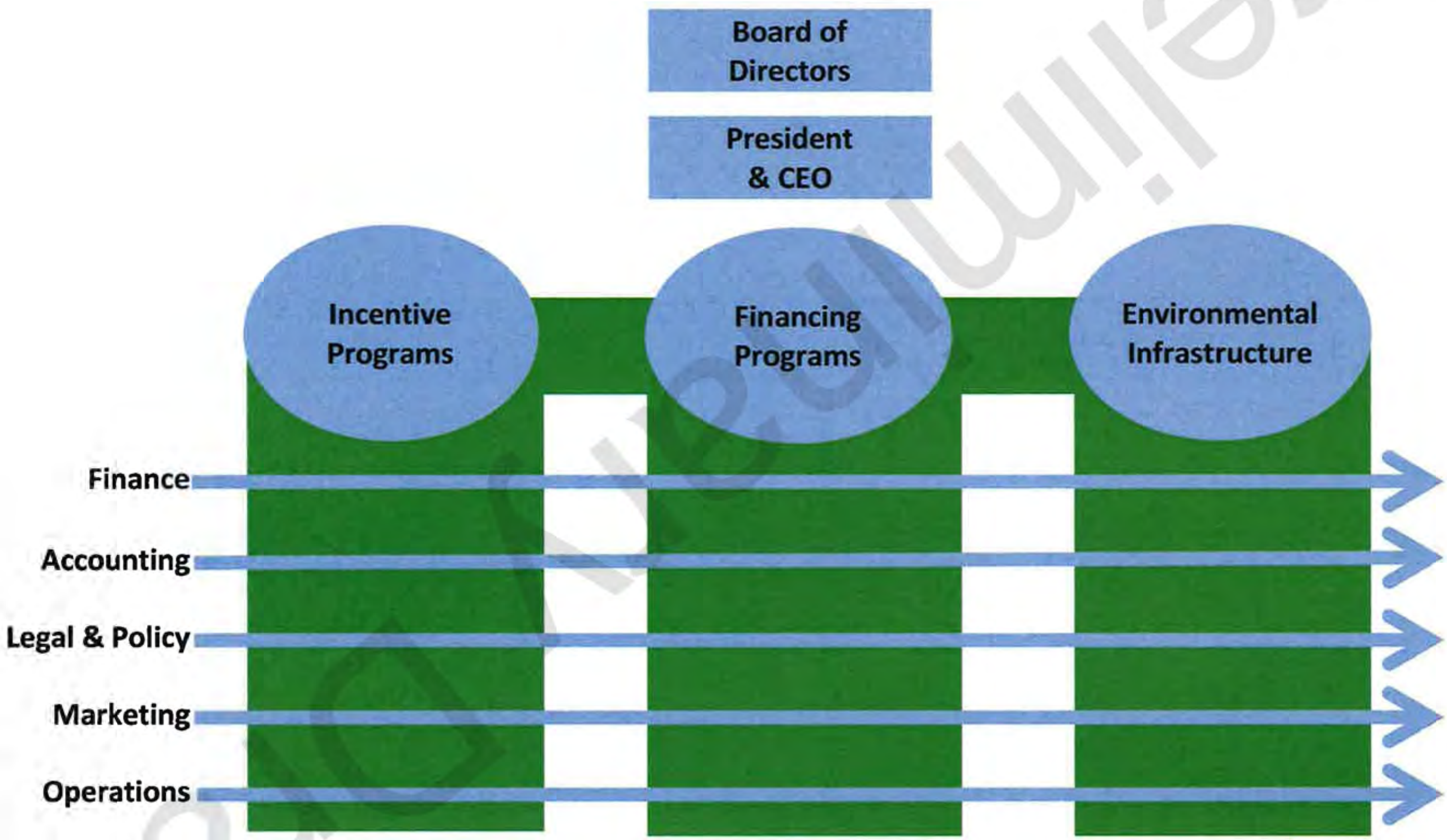
Position	Status	Voting	Name	Organization
State Treasurer (or designee)	Ex Officio	Yes	Sarah Sanders	Treasurer's Office
Commissioner of DEEP [5] (or designee)	Ex Officio	Yes	Victoria Hackett [6]	DEEP
Commissioner of DECD [7] (or designee)	Ex Officio	Yes	Binu Chandy	DECD
Secretary of the Office of Policy Management (or designee) [8]	Ex Officio	Yes	Matthew Dayton	OPM
Residential or Low-Income Group	Appointed	Yes	Brenda Watson [9]	Operation Fuel
Investment Fund Management	Appointed	Yes	Adrienne Farrar Houël	Greater Bridgeport Community Enterprises
Environmental Organization	Appointed	Yes	Matthew Ranelli [10]	Shipman & Goodwin
Finance or Deployment	Appointed	Yes	Thomas Flynn [11]	Alvarez & Marsal
Finance of Renewable Energy	Appointed	Yes	Dominick Grant	Dirt Capital Partners
Finance of Renewable Energy	Appointed	Yes	Laura Hoydick	Mayor of Stratford, CT
Labor Organization	Appointed	Yes	John Harrity [12]	IAM Connecticut
R&D or Manufacturing	Appointed	Yes	Lonnie Reed [13]	Former Chair of E&T Committee
President of the Green Bank	Ex Officio	No	Bryan Garcia	Connecticut Green Bank

Discretely Presented Component Units

Position	Name
President	Bryan Garcia
Treasurer	Jane Murphy
Secretary	Brian Farnen
Chief Investment Officer	Roberto Hunter

[5] Department of Energy and Environmental Protection
[6] Vice Chair of the Board of Directors
[7] Department of Economic and Community Development
[8] As of July 1, 2021, with the passage of Public Act 21-115, the Board of Directors was expanded by an additional member, including the Secretary of the Office of Policy Management (or their designee).
[9] Chairperson of the joint committee of the EEB and CGB
[10] Secretary of the Board of Directors
[11] Chairperson of the Audit, Compliance and Governance Committee
[12] Chairperson of the Budget, Operations, and Compensation Committee
[13] Appointed by Governor Lamont and designated as Chair on 10/10/19

Organizational Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Connecticut Green Bank

For its Annual Comprehensive Financial Report
For the Fiscal Year Ended

June 30, 2021

Financial Section

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

Board of Directors
Connecticut Green Bank

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities, discretely presented component units and the reporting entity totals of Connecticut Green Bank (a component unit of the State of Connecticut), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Connecticut Green Bank's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, discretely presented component units and the reporting entity totals of Connecticut Green Bank, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Connecticut Green Bank, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Connecticut Green Bank's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Connecticut Green Bank's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Connecticut Green Bank's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Prior Year Summarized Comparative Information

The financial statements of Connecticut Green Bank as of June 30, 2021, before restatement, were audited by other auditors whose report dated October 31, 2021 expressed an unmodified opinion on those statements, from which the prior year summarized financial information included in the basic financial statements and footnotes was derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, and the pension and other post-employment benefit schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory, financial statistical and other statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October xx, 2022 on our consideration of the Connecticut Green Bank's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Connecticut Green Bank's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Connecticut Green Bank's internal control over financial reporting and compliance.

Wethersfield, Connecticut
October xx, 2022

The following Management's Discussion and Analysis (MD&A) provides an overview of the financial performance of Connecticut Green Bank (Green Bank), formerly known as the Clean Energy Finance and Investment Authority, (a component unit of the State of Connecticut) for the fiscal year ended June 30, 2022. The information contained in this MD&A should be considered in conjunction with the information contained in the financial statements and notes to the financial statements included in the "Basic Financial Statements" section of this report.

Green Bank as a reporting entity is comprised of the primary government and three discretely presented component units as defined under generally accepted accounting principles.

This MD&A discusses financial performance of both the primary government, Green Bank, and its discretely presented component units, CT Solar Lease 2 LLC, CT Solar Lease 3 LLC and CEFIA Solar Services Inc. We are including the performance of these component units in the consolidated data tables included in this analysis because they play an integral part in assisting Green Bank in achieving its goal to deploy renewable energy in the State of Connecticut and to omit them from the analysis would not provide a complete picture of Green Bank's activities. Where possible we have distinguished activity pertaining solely to a component unit or the primary government in the discussion that follows.

Financial Statements Presented in this Report

On June 6, 2014, Public Act 14-94 of the State of Connecticut changed the name of the Clean Energy Finance and Investment Authority to Connecticut Green Bank.

Green Bank is a quasi-public agency of the State of Connecticut established on July 1, 2011 by Section 16-245n of the Connecticut General Statutes ('CGS'), created for the purposes of, but not limited to: (1) implementing the Comprehensive Plan developed by Green Bank pursuant to Section 16-245n(c) of the CGS, as amended; (2) developing programs to finance and otherwise support clean energy investment in residential, municipal, small business and larger commercial projects, and such others as Green Bank may determine; (3) supporting financing or other expenditures that promote investment in clean energy sources to foster the growth, development and commercialization of clean energy resources and related enterprises; and (4) stimulating demand for clean energy and the deployment of clean energy sources within the Sate that serve end-use customers in the State. Green Bank constitutes the successor agency to Connecticut Innovations for the purposes of administering the Connecticut Clean Energy Fund in accordance with section 4-38d of the CGS and therefore the net position of such fund was transferred to the newly created Green Bank as of July 1, 2011.

On July 6, 2021, Public Act No. 21-115 extended the green bank model beyond clean energy and increased the scope of Green Bank's mission to now include environmental infrastructure (structures, facilities, systems, services, and improvement projects related to water, waste and recycling, climate adaptation and resiliency, agriculture, land conservation, parks and recreation, and environmental markets such as carbon offsets and ecosystem services).

The basic financial statements include: Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. The Statement of Net Position provides a measure of Green Bank's economic resources. The Statement of Revenues, Expenses and Changes in Net Position measures the transactions for the periods presented and the impact of those transactions on the resources of Green Bank. The Statement of Cash Flows reconciles the changes in cash and cash equivalents with the activities of Green Bank for the period presented. The activities are classified as to operating, noncapital financing, capital and related financing, and investing activities.

Notes to the basic financial statements provide additional detailed information to supplement the basis for reporting and nature of key assets and liabilities.

Financial highlights for the fiscal year 2022

Net position

Green Bank's net position, which is reflective of the reporting entity's overall financial position, increased year over year. Net position as of June 30, 2022 and 2021 was $111.1 million and $89.5 million, respectively, an increase of $21.6 million. Unrestricted net position increased to $31.0 million as of June 30, 2022 as compared to $4.6 million as of June 30, 2021, an increase of $26.4 million. Contributing to this increase was a $16.9 million increase in Connecticut Green Bank (CGB)'s net position due to a $5.1 million increase in RGGI revenues, a $2.9 million increase in REC revenues, as well as the release of $3.2 million in loan loss reserves no longer needed for the related loan portfolios leading to a $2.4 million overall decrease in operating expenses. Nonexpendable restricted net position decreased to $57.7 million as of June 30, 2022 as compared to $62.7 million as of June 30, 2021, a decrease of $4.9 million. Net position restricted for energy programs remained consistent at $16.9 million as of both June 30, 2022 and 2021. Note II. F Restricted Net Position provides additional details of cash balances restricted by program.

Green Bank assets increased $6.2 million in fiscal year 2022 to $284.5 million. As of June 30, 2021, assets totaled $278.3 million. Program loans decreased by $0.1 million. Note II.B.2 Program Loans provides additional details on program loans by project type.

Unrestricted cash and cash equivalents increased $9.4 million to $52.3 million as of June 30, 2022 compared to $42.9 million as of June 30, 2021 and restricted cash and cash equivalents decreased $0.3 million to $21.6 million as of June 30, 2022 from $21.9 million as of June 30, 2021. The net increase in unrestricted cash was primarily the result of the positive operations for fiscal year 2022. The Statement of Cash Flows provides additional details on changes in cash balances in the current year.

Capital assets net of depreciation decreased $3.5 million to $76.2 million as of June 30, 2022 from $79.7 million as of June 30, 2021. This decrease was due primarily to depreciation expense for the total reporting entity of $3.5 million. Note II.C Capital Assets provides further details on capital assets by type and reporting unit.

Green Bank liabilities decreased by $15.3 million in fiscal year 2022 to $155.1 million as of June 30, 2022 from $170.4 million as of June 30, 2021. Current liabilities, comprised of current maturities of long-term debt, accounts payable, accrued payroll and related liabilities, accrued expenses, short-term notes payable, warranty management, line of credit and performance bonds increased $10.7 million to $29.9 million as of June 30, 2022 compared to $19.2 million as of June 30, 2021. This increase is primarily due to current maturities of long-term debt increasing by $11.5 million from the prior year due primarily to a prepayment of the SHREC ABS 1 bonds in fiscal year 2023 that was $9.3 million more than originally scheduled under the agreement.

Green Bank's allocation of the State of Connecticut State Employee Retirement System net pension liability increased $1.0 million to $21.3 million as of June 30, 2022 compared to $20.3 million as of June 30, 2021. The related deferred outflows of resources, which represents timing differences in plan earnings, assumptions and Green Bank pension contributions increased $1.8 million to $6.4 million as of June 30, 2022 compared to $4.6 million as of June 30, 2021. Deferred inflows of resources related to the pension liability, which represent timing of changes in proportion and differences between employer contributions and proportionate share of contributions increased $0.3 million to $5.4 million as of June 30, 2022 compared to $5.1 million as of June 30, 2021. Note IV.A provides further detail regarding the pension plan. Green Bank, the primary government is responsible for the net pension liability.

Green Bank's allocation of the State of Connecticut State Employee Retirement System net other post-employment benefit (OPEB) liability decreased \$3.2 million to \$20.5 million as of June 30, 2022 compared to \$23.7 million as of June 30, 2021. The related deferred outflows of resources, which represents timing differences in plan earnings, assumptions, and Green Bank OPEB contributions remained consistent at \$5.2 million as of June 30, 2022 and June 30, 2021. Deferred inflows of resources related to the OPEB liability, which represent timing of changes in proportion and differences between employer contributions and proportionate share of contributions and other actuarial assumptions, increased \$2.5 million to \$9.7 million at June 30, 2022 compared to \$7.2 million at June 30, 2021. Note IV.B provides further detail regarding the OPEB plan. Green Bank, the primary government is responsible for this net OPEB liability.

Long term debt decreased \$23.3 million to \$79.3 million as of June 30, 2022 as compared to \$102.6 million as of June 30, 2021. The decrease is due partially to the aforementioned increase in current maturities as well as \$11.5 million in principal payments made on outstanding debt in fiscal year 2022. The Green Bank made principal payments of \$2.5 million against the SHREC Collateralized Note, principal payments \$1.6 million against Green Liberty Bonds, and principal payments of \$0.7 million on the Meriden Hydro and CSCU Clean Renewable Energy Bonds ('CREBs'). An additional \$6.7 million decrease resulted from repayments of principal by CT Solar Lease 2 LLC of funds borrowed under its credit facility. Note II.D Long Term Debt provides a breakout by dollar amount of the types of long term debt including changes during fiscal year 2022.

As of June 30, 2022, the Green Bank's unfunded contingent grant and loan commitments the majority of which represent Performance Based Incentive ('PBI') payments to third party owners of solar facilities as well as loan commitments for Solar PPA, SBEA and Multifamily/LMI loan programs as described in Note III.B, totaled \$81.5 million. These grant and loan commitments are expected to be funded over the next one to six years from current and future unrestricted cash balances.

The following table summarizes the net position of the reporting entity at June 30, 2022 and 2021:

Summary Statement of Net Position
June 30
(Thousands)

	Primary Government	Discretely Presented Component Units	Eliminations	2022	Primary Government	Discretely Presented Component Units	Eliminations	2021	Primary Government	Discretely Presented Component Units	Eliminations	Total Increase (Decrease)
Cash and cash equivalents	$ 49,111	$ 3,166	$ -	$ 52,277	$ 40,056	$ 2,805	$ -	$ 42,861	$ 9,055	$ 361	$ -	$ 9,416
Restricted cash and cash equivalents	18,134	3,511	-	21,645	18,390	3,510	-	21,900	(256)	1	-	(255)
Investments	912	-	-	912	1,232	-	-	1,232	(320)	-	-	(320)
Other assets	60,882	62,233	(86,862)	36,253	51,764	62,604	(79,538)	34,830	9,118	(371)	(7,325)	1,423
Receivables:												
Program loans	91,835	-	-	91,835	91,937	-	-	91,937	(102)	-	-	(102)
Solar lease notes	3,004	-	-	3,004	3,960	-	-	3,960	(956)	-	-	(956)
SBEA promissory notes	2,405	-	-	2,405	1,877	-	-	1,877	528	-	-	528
Capital assets, net	16,028	60,137	-	76,165	16,864	62,829	-	79,693	(836)	(2,692)	-	(3,528)
Total assets	242,311	129,047	(86,862)	284,496	226,080	131,748	(79,538)	278,290	16,231	(2,701)	(7,325)	6,206
Deferred outflows of resources	11,612	2,317	-	13,929	9,789	2,488	-	12,277	1,823	(171)	-	1,652
Current liabilities	26,903	3,004	-	29,907	15,550	3,683	(58)	19,175	11,353	(679)	58	10,732
Other long term liabilities	120	59,597	(55,598)	4,119	279	51,955	(48,216)	4,018	(159)	7,642	(7,383)	101
Long-term debt, less current maturities	68,643	10,653	-	79,296	84,281	18,270	-	102,551	(15,638)	(7,617)	-	(23,255)
Fair value of interest rate swap	-	-	-	-	-	699	-	699	-	(699)	-	(699)
Net pension liability	21,273	-	-	21,273	20,269	-	-	20,269	1,004	-	-	1,004
Net OPEB liability	20,517	-	-	20,517	23,689	-	-	23,689	(3,172)	-	-	(3,172)
Total liabilities	137,456	73,254	(55,598)	155,112	144,068	74,607	(48,274)	170,401	(6,612)	(1,353)	(7,325)	(15,289)
Deferred inflows of resources	15,119	17,056	-	32,175	12,299	18,373	-	30,672	2,820	(1,317)	-	1,503
Net position:												
Net investment in capital assets	3,534	1,981	-	5,515	3,613	1,715	-	5,328	(79)	266	-	187
Restricted net position:												
Nonexpendable	-	57,730	-	57,730	-	62,674		62,674	-	(4,944)	-	(4,944)
Restricted for energy programs	16,748	117	-	16,865	16,764	117	-	16,881	(16)	-	-	(16)
Unrestricted	81,066	(18,774)	(31,264)	31,028	59,125	(23,250)	(31,264)	4,611	21,941	4,476	-	26,417
Total net position	$ 101,348	$ 41,054	$ (31,264)	$ 111,138	$ 79,502	$ 41,256	$ (31,264)	$ 89,494	$ 21,846	$ (202)	$ -	$ 21,644

CHANGES IN NET POSITION

Operating revenues increased by $4.8 million to $60.7 million as of June 30, 2022 as compared to $55.9 million as of June 30, 2021. Remittances to Green Bank from utility companies representing the one mil per kilowatt hour charge to each end use customer of electric services in the State of Connecticut increased $0.1 million to $25.3 million for the fiscal year ended June 30, 2022 as compared to $25.2 million for the fiscal year ending June 30, 2021. Interest earned on promissory notes decreased by $0.7 million in to $6.1 million as compared to $6.8 million in fiscal 2021 as a result of $0.5 million decreased program loans interest earned in fiscal year 2022 compared to fiscal year 2021. Interest, however, is expected to increase in future years, as the Green Bank expands its investment portfolio. Sales of energy systems decreased $0.2 million to $0.5 million in 2022 compared to $0.7 million in 2021. The decrease is due to fewer sales of commercial Power Purchase Agreements ('PPA') projects to third-party renewable energy companies than in the prior year. Sales of Renewable Energy Credits (RECs) increased $0.9 million to $13.1 million in 2022 compared to $12.2 million in 2021 primarily as a result of the inclusion of sales of RECs for Tranche 5 systems to the two public utility companies in Connecticut. Fiscal year 2021 only included sales of RECs for Tranche 1, 2, 3 and 4 systems. Proceeds received by the primary government from quarterly Regional Greenhouse Gas Initiative (RGGI) auctions increased $5.1 million year over year with proceeds of $11.6 million in fiscal year 2022 compared to proceeds of $6.5 million in fiscal year 2021. The increase in proceeds is due to the price per allowance increasing substantially throughout fiscal year 2022 compared to fiscal year 2021.

Provision for loan losses decreased $3.8 million to ($3.6 million) in fiscal 2022 from $0.2 million in fiscal 2021. The decrease is from higher reserves being provided in the prior year due to anticipated loan payment deferrals as a result of COVID-19. As Green Bank did not see many negative affects in payments received as a result of COVID-19, the reserves were decreased as of June 30, 2022 as they were no longer deemed necessary, thus decreasing the provision for loan losses during fiscal year 2022.

Total payments of grants and incentives to commercial, not for profit, municipal and residential owners by the primary government to install either solar PV systems or energy efficiency measures increased $0.1 million to $16.0 million in fiscal year 2022 compared to $15.9 million for the fiscal year 2021. The decrease is primarily due to slightly lower PBI solar PV payments under the Residential Solar Investment Program offset by an increase in interest-rate buydowns paid out in 2022. PBI payments comprised the largest component of incentives paid in both these fiscal years.

Program administration expenses increased $2.2 million to $19.7 million in fiscal 2022 from $17.5 million in fiscal 2021, a 12.5% increase. General and administrative costs decreased by $0.8 million to $3.2 million in fiscal year 2022 from $4.0 million in fiscal year 2021, a 20% decrease. Included in general and administrative costs for 2022 and 2021 is ($1.2 million) and $0.6 million respectively for the non-cash GASB 68 pension expense and GASB 75 OPEB expense allocated to Green Bank by the State of Connecticut which is not an expense that is controllable by Green Bank management. General and administrative expense excluding these non-cash charges for 2021 and 2020 were $4.4 million and $3.4 million, respectively.

Interest expense increased $0.2 million to $3.5 million from $3.3 million due to an increase related to the first full year of Green Liberty Bonds Series 2021 interest expense. Debt issuance costs decreased $1.0 million due to the issuance of Series 2020-1 and 2021-1 Green Liberty Bonds in fiscal year 2021.

The following table summarizes the changes in net position between June 30, 2022 and 2021:

Summary Statement of Changes in Net Position
For the Years Ended June 30
(Thousands)

	Primary Government	Discretely Presented Component Units	Eliminating Entries	2022	Primary Government	Discretely Presented Component Units	Eliminating Entries	2021	Primary Government	Discretely Presented Component Units	Eliminatin Entries	Total Increase (Decrease)
Operating revenues:												
Utility remittances	$ 25,279	$ -	$ -	$ 25,279	$ 25,144	$ -	$ -	$ 25,144	$ 135	$ -	$ -	$ 135
Interest income - promissory notes	6,143	-	-	6,143	6,845	-	-	6,845	(702)	-	-	(702)
RGGI auction proceeds	11,569	-	-	11,569	6,500	-	-	6,500	5,069	-	-	5,069
Energy system sales	451	-	-	451	747	-	-	747	(296)	-	-	(296)
Renewable energy credits/certificate sales	12,013	1,053	-	13,066	10,844	1,346	-	12,190	1,169	(293)	-	876
Other	794	4,051	(638)	4,207	1,173	4,373	(1,051)	4,495	(379)	(322)	413	(288)
Total operating revenues	56,249	5,104	(638)	60,715	51,253	5,719	(1,051)	55,921	4,996	(615)	413	4,794
Operating expenses:												
Cost of goods sold - energy systems	451	-	-	451	747	-	-	747	(296)	-	-	(296)
Provision for loan losses	(3,561)	-	-	(3,561)	239	-	-	239	(3,800)	-	-	(3,800)
Grants and incentive programs	16,488	-	(491)	15,997	16,788	-	(908)	15,880	(300)	-	417	117
Programs administration	15,579	4,139	-	19,718	13,399	4,170	-	17,569	2,180	(31)	-	2,149
General and administrative	3,006	355	(147)	3,214	3,748	348	(143)	3,953	(742)	7	(4)	(739)
Total operating expenses	31,963	4,494	(638)	35,819	34,921	4,518	(1,051)	38,388	(2,958)	(24)	413	(2,569)
Operating income	24,286	610	-	24,896	16,332	1,201	-	17,533	7,954	(591)	-	7,363
Nonoperating revenues (expenses):												
Interest income	208	56	(121)	143	84	53	(118)	19	124	3	(3)	124
Interest expense	(2,740)	(907)	121	(3,526)	(2,481)	(986)	118	(3,349)	(259)	79	3	(177)
Debt issuance costs	(13)	-	-	(13)	(1,001)	-	-	(1,001)	988	-	-	988
Distributions to member	-	(601)	-	(601)	-	(527)	-	(527)	-	(74)	-	(74)
Net change in fair value of investments	105	(152)	-	(47)	(75)	(313)	-	(388)	180	161	-	341
Unrealized gain (loss) on interest rate swap	-	792	-	792	-	465	-	465	-	327	-	327
Total nonoperating revenues (expenses)	(2,440)	(812)	-	(3,252)	(3,473)	(1,308)	-	(4,781)	1,033	496	-	1,529
Change in net position	21,846	(202)	-	21,644	12,859	(107)	-	12,752	8,987	(95)	-	8,892
Total net position - July 1 (as restated)	79,502	41,256	(31,264)	89,494	66,643	41,363	(31,264)	76,742	12,859	(107)	-	12,752
Total net position - June 30	$ 101,348	$ 41,054	$ (31,264)	$ 111,138	$ 79,502	$ 41,256	$ (31,264)	$ 89,494	$ 21,846	$ (202)	$ -	$ 21,644

Financial highlights for the fiscal 2021

Net position

Green Bank's net position, which is reflective of the reporting entity's overall financial position, increased year over year. Net position as of June 30, 2021 and 2020 was $89.5 million and $76.7 million, respectively, an increase of $12.8 million. Unrestricted net position increased to $4.6 million as of June 30, 2021 as compared to $(2.8) million as of June 30, 2020, an increase of $7.3 million. Contributing to this increase was a $3.2 million increase in SHREC ABS 1 LLC's net position due to lower bond obligations of $2.2 million and a $1.0 million increase in unrestricted cash from residual funds received after quarterly bond payments were satisfied. Nonexpendable restricted net position decreased to $62.7 million as of June 30, 2021 as compared to $64.4 million as of June 30, 2020, a decrease of $1.7 million. Net position restricted for energy programs increased to $16.9 million as of June 30, 2021 as compared to $10.6 million as of June 30, 2020, an increase of $6.3 million. Contributing to this increase was an increase of $7.0 million in the Green Bank's restricted cash, of which $5.2 million is restricted cash related to the closing and issuance of both the 2020-1 and 2021-1 series of Green Liberty Bonds in Fiscal 2021. Note II.F Restricted Net Position provides additional details on cash balances restricted by program.

Green Bank assets increased $65.0 million in fiscal year 2021 to $278.3 million. As of June 30, 2020, assets totaled $213.3 million. Program loans increased by $6.3 million due to an increase in CPACE program benefit assessment financing of $7.9 million offset by a decrease in CPACE lending facilities of $2.0 million. Note II.B.2 Program Loans provides additional details on program loans by project type.

Unrestricted cash and cash equivalents increased $34.6 million to $42.9 million as of June 30, 2021 compared to $8.2 million as of June 30, 2020 and restricted cash and cash equivalents increased $7.0 million to $21.9 million as of June 30, 2021 from $14.9 million as of June 30, 2020. The net increase in both unrestricted cash and restricted cash was primarily the result of the closing of the 2020-1 series and 2021-1 series Green Liberty Bonds in fiscal 2021.

Capital assets net of depreciation decreased $0.3 million to $79.7 million as of June 30, 2021 from $80.0 million as of June 30, 2020. This decrease was due to depreciation expense for the total reporting entity of $3.5 million, partially offset by an increase to capital assets of $3.4 million due to capital expenditures related to relocating Green Bank offices in fiscal year 2021. Note II.C Capital Assets provides further details on capital assets by type and reporting unit.

Green Bank liabilities increased by $23.4 million in fiscal year 2021 to $170.4 million as of June 30, 2021 from $147.0 million as of June 30, 2020. Current liabilities, comprised of current maturities of long-term debt, accounts payable and accrued expenses, line of credit and performance bonds liabilities decreased $3.4 million to $19.2 million as of June 30, 2021 compared to $22.6 million as of June 30, 2020. Lines of credit decreased by $6.0 million due to full repayment on the SHREC Warehouse 1 LLC Line of Credit with Webster Bank and Liberty Bank in fiscal year 2021. This decrease was offset by increases in accounts payable and accrued expenses of $1.8 million and current maturities of long-term debt of $1.8 million.

Green Bank's allocation of the State of Connecticut State Employee Retirement System net pension liability decreased $4.9 million to $20.3 million as of June 30, 2021 compared to $25.2 million as of June 30, 2020. The related deferred outflows of resources, which represents timing differences in plan earnings, assumptions and Green Bank pension contributions decreased $1.7 million to $4.6 million as of June 30, 2021 compared to $6.3 million as of June 30, 2020. Deferred inflows of resources related to the pension liability, which represent timing of changes in proportion and differences between employer contributions and proportionate share of contributions increased $3.7 million to $5.1 million as of June 30, 2021 compared to $1.4 million as of June 30, 2020. Note IV A provides further detail regarding the pension plan. Green Bank, the primary government is responsible for this net pension liability.

Green Bank's allocation of the State of Connecticut State Employee Retirement System net other post-employment benefit (OPEB) liability 75 decreased $4.8 million to $23.7 million as of June 30, 2021 compared to $28.5 million as of June 30, 2020. The related deferred outflows of resources, which represents timing differences in plan earnings, assumptions, and Green Bank OPEB contributions remained consistent at $5.2 million as of June 30, 2021 and June 30, 2020. Deferred inflows of resources related to the OPEB liability, which represent timing of changes in proportion and differences between employer contributions and proportionate share of contributions and other actuarial assumptions, increased $4.9 million to $7.2 million at June 30, 2021 compared to $2.3 million at June 30, 2020. Note IV.A provides further detail regarding the OPEB plan. Green Bank, the primary government is responsible for this net OPEB liability.

Long term debt increased $37.1 million to $102.6 million as of June 30, 2021 as compared to $65.4 million as of June 30, 2020. The increase is due to the issuance of the 2020-1 and 2021-1 series Green Liberty Bonds in fiscal year 2021, totaling $16.8 million and $24.8 million respectively. Offsetting these, the Green Bank made principal payments of $2.3 million against the SHREC Collateralized Note and principal payments of $0.7 million on the Meriden Hydro and CSCU Clean Renewable Energy Bonds ('CREBs'). An additional $2.4 million decrease resulted from repayments of principal by CT Solar Lease 2 LLC of funds borrowed under its credit facility. Note II.D Long Term Debt provides additional details on the types of long term debt including changes during fiscal year 2021.

As of June 30, 2021, the Green Bank's unfunded contingent grant and loan commitments the majority of which represent Performance Based Incentive ('PBI') payments to third party owners of solar facilities as described in Note III.B, totaled $66.6 million. These grant and loan commitments are expected to be funded over the next one to six years from current and future unrestricted cash balances.

The following table summarizes the net position of the reporting entity at June 30, 2021 and 2020:

Summary Statement of Net Position
June 30
(Thousands)

	Primary Government	Discretely Presented Component Units	Eliminating Entries	2021	Primary Government	Discretely Presented Component Units	Eliminating Entries	2020	Primary Government	Discretely Presented Compone Units	Eliminating Entries	Total Increase (Decrease)
Cash and cash equivalents	$ 40,056	$ 2,805	$ -	$ 42,861	$ 5,473	$ 2,683	$ -	$ 8,156	$ 34,583	$ 122	$ -	$ 34,705
Restricted cash and cash equivalents	18,390	3,510	-	21,900	10,857	4,053	-	14,910	7,533	(543)	-	6,990
Investments	1,232	-	-	1,232	3,031	-	-	3,031	(1,799)	-	-	(1,799)
Other assets	51,764	62,604	(79,538)	34,830	48,780	44,643	(79,342)	14,081	2,984	17,961	(196)	20,749
Receivables:												
Program loans	91,937	-	-	91,937	85,682	-	-	85,682	6,255	-	-	6,255
Solar lease notes	3,960	-	-	3,960	4,948	-	-	4,948	(988)	-	-	(988)
SBEA promissory notes	1,877	-	-	1,877	2,518	-	-	2,518	(641)	-	-	(641)
Capital assets, net	16,864	62,829	-	79,693	14,169	65,803	-	79,972	2,695	(2,974)	-	(279)
Total assets	226,080	131,748	(79,538)	278,290	175,458	117,182	(79,342)	213,298	50,622	14,566	(196)	64,992
Deferred outflows of resources	9,789	2,488	-	12,277	11,455	2,658	-	14,113	(1,666)	(170)	-	(1,836)
Current liabilities	15,550	3,683	(58)	19,175	17,902	4,715	-	22,617	(2,352)	(1,032)	(58)	(3,442)
Other long term liabilities	279	51,955	(48,216)	4,018	303	51,883	(48,078)	4,108	(24)	72	(138)	(90)
Long-term debt, less current maturities	84,281	18,270	-	102,551	44,689	20,716	-	65,405	39,592	(2,446)	-	37,146
Fair value of interest rate swap	-	699	-	699	-	1,164	-	1,164	-	(465)	-	(465)
Net pension liability	20,269	-	-	20,269	25,174	-	-	25,174	(4,905)	-	-	(4,905)
Net OPEB liability	23,689	-	-	23,689	28,485	-	-	28,485	(4,796)	-	-	(4,796)
Total liabilities	144,068	74,607	(48,274)	170,401	116,553	78,478	(48,078)	146,953	27,515	(3,871)	(196)	23,448
Deferred inflows of resources	12,299	18,373	-	30,672	3,716	-	-	3,716	8,583	18,373	-	26,956
Net position:												
Investment in capital assets	3,613	1,715	-	5,328	2,894	1,635	-	4,529	719	80	-	799
Restricted net position:												
Nonexpendable	-	62,674		62,674	-	64,388	-	64,388	-	(1,714)	-	(1,714)
Restricted for energy programs	16,764	117	-	16,881	10,462	123	-	10,585	6,302	(6)	-	6,296
Unrestricted	59,125	(23,250)	(31,264)	4,611	53,288	(24,784)	(31,264)	(2,760)	5,837	1,534	-	7,371
Total net position	$ 79,502	$ 41,256	$ (31,264)	$ 89,494	$ 66,644	$ 41,362	$ (31,264)	$ 76,742	$ 12,858	$ (106)	$ -	$ 12,752

Changes in net position

Operating revenues increased by $2.6 million to $55.9 million as of June 30, 2021 as compared to $53.3 million as of June 30, 2020. Remittances to the primary government from utility companies representing the one mil per kilowatt hour charge to each end use customer of electric services in the State of Connecticut increased $0.2 million to $25.1 million for the fiscal year ended June 30, 2021 as compared to $24.9 million for the fiscal year ending June 30, 2020. Interest earned on promissory notes increased by $0.7 million in 2021 to $6.8 million as compared to $6.1 million in fiscal 2020 as a result of increased program and CPACE loans originated in Green Bank's investment portfolio. Interest as a revenue source is expected to continue to increase in future years as Green Bank expands its investment portfolio. Sales of energy systems decreased $3.3 million to $0.7 million in 2021 compared to $4.0 million in 2020. The decrease is due to fewer sales of commercial Power Purchase Agreements ('PPA') projects to third-party renewable energy companies than in the prior year. Sales of Renewable Energy Credits (RECs) increased $2.9 million to $12.2 million in 2021 compared to $9.2 million in 2020 primarily as a result of the inclusion of sales of RECs for Tranche 4 systems to the two public utility companies in Connecticut. Fiscal year 2020 only included sales of RECs for Tranche 1, 2, and 3 systems. Proceeds received by the primary government from quarterly Regional Greenhouse Gas Initiative (RGGI) auctions increased $1.9 million year over year with proceeds of $6.5 million in fiscal year 2021 compared to proceeds of $4.6 million in fiscal year 2020. The increase in proceeds is due to the price per allowance increasing substantially throughout fiscal year 2021 compared to fiscal year 2020.

Provision for loan losses decreased $4.9 million to $0.2 million in fiscal 2021 from $5.0 million in fiscal 2020. The decrease is from higher reserves being provided in the prior year due to anticipated loan payment deferrals as a result of COVID-19. Due to the ongoing uncertainty of COVID-19 in fiscal 2021, these reserves remained in place, thus decreasing the provision for loan losses during fiscal year 2021.

Total payments of grants and incentives to commercial, not for profit, municipal and residential owners by the primary government to install either solar PV systems or energy efficiency measures decreased $0.4 million to $15.9 million in fiscal year 2021 compared to $16.3 million for the fiscal year 2020. The decrease is primarily due to slightly lower PBI and Expected Performance-Based Buydown ('EPBB') solar PV payments under the Residential Solar Investment Program. PBI payments comprised the largest component of incentives paid in both these fiscal years.

Program administration expenses increased $1.1 million to $17.6 million in fiscal 2021 from $16.5 million in fiscal 2020, a 7% increase. General and administrative costs decreased by $2.9 million to $4.0 million in fiscal year 2020 from $6.9 million in fiscal year 2020, a 42% decrease. Included in general and administrative costs for 2021 and 2020 is $0.6 million and $3.6 million respectively for the noncash GASB 68 pension expense and GASB 75 OPEB expense allocated to the Green Bank by the State of Connecticut which is not an expense that is controllable by Green Bank management. General and administrative expense excluding these non-cash charges for 2021 and 2020 were $3.4 million and $3.3 million, respectively.

Interest expense decreased $0.1 million to $3.3 million from $3.4 million due to a slight decrease in interest on the SHREC Collateralized Notes. Debt issuance costs increased $1.0 million due to the issuance of Series 2020-1 and 2021-1 Green Liberty Bonds in fiscal year 2021. Capital contributions decreased to zero from $0.5 million due to final true-up contributions for the Solar Lease 3 program occurring in fiscal 2020.

The following table summarizes the changes in net position between June 30, 2021 and 2020:

Summary Statement of Changes in Net Position
For the Years Ended June 30
(Thousands)

	Primary Government	Discretely Presented Component Units	Eliminating Entries	2021	Primary Government	Discretely Presented Component Units	Eliminating Entries	2020	Primary Government	Discretely Presented Component Units	Eliminating Entries	Total Increase (Decrease)
Operating revenues:												
Utility remittances	$ 25,144	$ -	$ -	$ 25,144	$ 24,854	$ -	$ -	$ 24,854	$ 290	$ -	$ -	$ 290
Interest income - promissory notes	6,845	-	-	6,845	6,106	-	-	6,106	739	-	-	739
RGGI auction proceeds	6,500	-	-	6,500	4,600	-	-	4,600	1,900	-	-	1,900
Energy system sales	747	-	-	747	4,373	-	(367)	4,006	(3,626)	-	367	(3,259)
Renewable energy credits/certificate sales	10,844	1,346	-	12,190	7,975	1,281	-	9,256	2,869	65	-	2,934
Other	1,173	4,373	(1,051)	4,495	1,668	3,943	(1,109)	4,502	(495)	430	58	(7)
Total operating revenues	51,253	5,719	(1,051)	55,921	49,576	5,224	(1,476)	53,324	1,677	495	425	2,597
Operating expenses:												
Cost of goods sold - energy systems	747	-	-	747	4,371	-	(365)	4,006	(3,624)	-	365	(3,259)
Provision for loan losses	239	-	-	239	4,962	-	-	4,962	(4,723)	-	-	(4,723)
Grants and incentive programs	16,788	-	(908)	15,880	17,314	-	(970)	16,344	(526)	-	62	(464)
Programs administration	13,399	4,170	-	17,569	12,334	4,129	(2)	16,461	1,065	41	2	1,108
General and administrative	3,748	348	(143)	3,953	6,702	374	(139)	6,937	(2,954)	(26)	(4)	(2,984)
Total operating expenses	34,921	4,518	(1,051)	38,388	45,683	4,503	(1,476)	48,710	(10,762)	15	425	(10,322)
Operating income	16,332	1,201	-	17,533	3,893	721	-	4,614	12,439	480	-	12,919
Nonoperating revenues (expenses):												
Interest income	84	53	(118)	19	227	54	(116)	165	(143)	(1)	(2)	(146)
Interest expense	(2,481)	(986)	118	(3,349)	(2,327)	(1,184)	116	(3,395)	(154)	198	2	46
Debt issuance costs	(1,001)	-	-	(1,001)	(19)	-	-	(19)	(982)	-	-	(982)
Distributions to member	-	(527)	-	(527)	-	(597)	-	(597)	-	70	-	70
Net change in fair value of investments	(75)	(313)	-	(388)	(107)	(13)	-	(120)	32	(300)	-	(268)
Unrealized gain (loss) on interest rate swap	-	465	-	465	-	(641)	-	(641)	-	1,106	-	1,106
Total nonoperating revenues (expenses)	(3,473)	(1,308)	-	(4,781)	(2,226)	(2,381)	-	(4,607)	(1,247)	1,073	-	(174)
Change in net position	12,859	(107)	-	12,752	1,667	(1,660)	-	7	11,192	1,553	-	12,745
Capital contribution	-	-	-	-	-	453	-	453	-	(453)	-	(453)
Total net position - July 1 (as restated)	66,643	41,363	(31,264)	76,742	64,977	42,569	(31,264)	76,282	1,666	(1,206)	-	460
Total net position - June 30	$ 79,502	$ 41,256	$ (31,264)	$ 89,494	$ 66,644	$ 41,362	$ (31,264)	$ 76,742	$ 12,858	$ (106)	$ -	$ 12,752

Basic Financial Statements

Connecticut Green Bank

Statement of Net Position
June 30, 2022

(With Summarized Totals as of June 30, 2021)

	Primary Government	Discretely Presented Component Units: CT Solar Lease 2 LLC	CEFIA Solar Services, Inc.	CT Solar Lease 3 LLC	Eliminating Entries	2022 Total Reporting Entity	2021 Total Reporting Entity
Assets							
Current assets:							
Cash and cash equivalents	$ 49,111,482	$ 455,596	$ 373,463	$ 2,336,679	$ -	$ 52,277,220	$ 42,861,047
Receivables:							
Accounts	4,072,650	94,030	2,049	41,358	-	4,210,087	3,892,590
Program loans	9,547,825	-	-	-	-	9,547,825	9,038,575
Utility remittance	2,041,786	-	-	-	-	2,041,786	2,044,619
Solar lease notes	1,016,267	-	-	-	-	1,016,267	990,505
SBEA promissory notes	1,129,900	-	-	-	-	1,129,900	1,185,782
Leases	-	984,926	2,550	-	-	987,476	1,058,634
Interest	1,162,737	-	-	-	-	1,162,737	1,171,584
Other	276,185	736,610	752,815	320,324	-	2,085,934	111,123
Prepaid expenses and other assets	1,172,376	345,611	-	36,590	-	1,554,577	2,264,815
Prepaid warranty management	-	261,131	-	-	-	261,131	259,148
Total current assets	69,531,208	2,877,904	1,130,877	2,734,951	-	76,274,940	64,878,422
Noncurrent assets:							
Restricted cash and cash equivalents	18,134,449	3,421,563	89,383	-	-	21,645,395	21,900,295
Investments	912,217	-	-	-	-	912,217	1,231,792
Receivables:							
Program loans	82,287,432	-	-	-	-	82,287,432	82,898,451
Solar lease notes	1,987,394	-	-	-	-	1,987,394	2,969,206
Renewable energy credits	229,019	-	-	-	-	229,019	348,716
SBEA promissory notes	1,275,487	-	-	-	-	1,275,487	690,752
Leases	-	16,215,051	66,269	-	-	16,281,320	17,049,036
Other	4,122,609	-	-	-	-	4,122,609	3,163,239
Due from component units	47,803,091	120,000	6,308,584	225	(54,231,900)	-	-
Advances to component units	-	-	1,366,560	-	(1,366,560)	-	-
Prepaid warranty management	-	3,221,310	-	-	-	3,221,310	3,466,587
Fair value of interest rate swap	-	93,107	-	-	-	93,107	-
Contribution to subsidiaries	100	-	31,264,299	-	(31,264,399)	-	-
Capital assets, net	16,028,070	49,848,375	403,648	9,884,803	-	76,164,896	79,694,398
Total noncurrent assets	172,779,868	72,919,406	39,498,743	9,885,028	(86,862,859)	208,220,186	213,412,472
Total assets	242,311,076	75,797,310	40,629,620	12,619,979	(86,862,859)	284,495,126	278,290,894
Deferred Outflows of Resources							
Pension related	6,439,478	-	-	-	-	6,439,478	4,550,879
OPEB related	5,172,871	-	-	-	-	5,172,871	5,238,343
Asset retirement obligations	-	1,833,461	-	483,943	-	2,317,404	2,487,824
Total deferred outflows of resources	11,612,349	1,833,461	-	483,943	-	13,929,753	12,277,046

(Continued)

The notes to the financial statements are an integral part of this statement.

Connecticut Green Bank

Statement of Net Position
June 30, 2022

(With Summarized Totals as of June 30, 2021)

	Primary Government	Discretely Presented Component Units: CT Solar Lease 2 LLC	Discretely Presented Component Units: CEFIA Solar Services, Inc.	Discretely Presented Component Units: CT Solar Lease 3 LLC	Eliminating Entries	2022 Total Reporting Entity	2021 Total Reporting Entity
Liabilities							
Current liabilities:							
Accounts payable	$ 898,136	$ -	$ 26,244	$ -	$ -	$ 924,380	$ 1,854,763
Accrued payroll and related liabilities	1,296,862	-	-	-	-	1,296,862	1,139,857
Accrued expenses	7,819,560	370,488	27,904	32,061	-	8,250,013	6,627,759
Short-term notes payable	304,735	-	-	-	-	304,735	-
Warranty management	-	-	-	-	-	-	1,358,476
Line of credit	-	-	-	-	-	-	100,000
Long-term debt	15,450,938	2,422,088	94,788	-	-	17,967,814	6,416,721
Performance bonds	1,132,393	-	6,383	-	-	1,138,776	1,626,346
Unearned revenue	-	-	-	24,130	-	24,130	51,414
Total current liabilities	26,902,624	2,792,576	155,319	56,191	-	29,906,710	19,175,336
Noncurrent liabilities:							
Due to component units	120,225	15,576,608	38,535,067	-	(54,231,900)	-	-
Advances from component units	-	1,366,560	-	-	(1,366,560)	-	-
Asset retirement obligation	-	3,408,428	-	709,908	-	4,118,336	4,018,011
Long-term debt	68,643,067	9,381,681	1,271,772	-	-	79,296,520	102,551,139
Fair value of interest rate swap	-	-	-	-	-	-	699,023
Net pension liability	21,273,373	-	-	-	-	21,273,373	20,268,725
Net OPEB liability	20,516,564	-	-	-	-	20,516,564	23,688,513
Total noncurrent liabilities	110,553,229	29,733,277	39,806,839	709,908	(55,598,460)	125,204,793	151,225,411
Total liabilities	137,455,853	32,525,853	39,962,158	766,099	(55,598,460)	155,111,503	170,400,747
Deferred Inflows of Resources							
Pension related	5,424,891	-	-	-	-	5,424,891	5,071,624
OPEB related	9,694,281	-	-	-	-	9,694,281	7,227,544
Lease related	-	16,987,116	68,819	-	-	17,055,935	18,372,780
Total deferred inflows of resources	15,119,172	16,987,116	68,819	-	-	32,175,107	30,671,948
Net Position							
Net investment in capital assets	3,534,455	1,478,978	403,648	98,848	-	5,515,929	5,327,187
Restricted net position:							
Nonexpendable	-	44,186,949	-	13,542,708	-	57,729,657	62,673,746
Energy programs	16,747,999	34,216	83,000	-	-	16,865,215	16,881,312
Unrestricted	81,065,946	(17,582,341)	111,995	(1,303,733)	(31,264,399)	31,027,468	4,613,000
Total net position	$ 101,348,400	$ 28,117,802	$ 598,643	$ 12,337,823	$ (31,264,399)	$ 111,138,269	$ 89,495,245

(Concluded)

The notes to the financial statements are an integral part of this statement.

Connecticut Green Bank

Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2022

(With Summarized Totals for the Year Ended June 30, 2021)

	Primary Government	Discretely Presented Component Units: CT Solar Lease 2 LLC	CEFIA Solar Services, Inc.	CT Solar Lease 3 LLC	Eliminating Entries	2022 Total Reporting Entity	2021 Total Reporting Entity
Operating revenues:							
Utility remittances	$ 25,279,305	$ -	$ -	$ -	$ -	$ 25,279,305	$ 25,144,416
Interest income - promissory notes	6,142,849	-	-	-	-	6,142,849	6,844,741
RGGI auction proceeds	11,568,905	-	-	-	-	11,568,905	6,452,886
Energy system sales	451,092	-	-	-	-	451,092	746,515
Renewable energy credits/certificate sales	12,013,272	649,060	15,397	388,148	-	13,065,877	12,189,916
Leases	-	1,934,519	-	-	-	1,934,519	1,916,347
Other	794,196	1,280,194	420,039	415,983	(637,582)	2,272,830	2,626,604
Total operating revenues	56,249,619	3,863,773	435,436	804,131	(637,582)	60,715,377	55,921,425
Operating expenses:							
Cost of goods sold - energy systems	451,092	-	-	-	-	451,092	746,515
Provision for loan losses	(3,560,588)	-	-	-	-	(3,560,588)	238,942
Grants and incentive programs	16,488,395	-	-	-	(491,374)	15,997,021	15,879,966
Program administration	15,578,628	3,191,357	422,207	525,282	-	19,717,474	17,569,299
General and administrative	3,005,772	323,080	5,003	26,775	(146,208)	3,214,422	3,953,481
Total operating expenses	31,963,299	3,514,437	427,210	552,057	(637,582)	35,819,421	38,388,203
Operating income (loss)	24,286,320	349,336	8,226	252,074	-	24,895,956	17,533,222
Nonoperating revenues (expenses):							
Interest income - deposits	138,506	1,112	1	2,331	-	141,950	18,861
Interest income - component units	69,475	-	51,833	-	(121,308)	-	-
Interest expense	(2,739,598)	(750,898)	(35,250)	-	-	(3,525,746)	(3,348,684)
Interest expense - component units	-	(121,308)	-	-	121,308	-	-
Debt issuance costs	(13,500)	-	-	-	-	(13,500)	(1,001,139)
Distributions to member	-	(510,142)	-	(90,462)	-	(600,604)	(526,754)
Net change in fair value of investments	104,782	(151,944)	-	-	-	(47,162)	(387,299)
Unrealized gain (loss) on interest rate swap	-	792,130	-	-	-	792,130	465,334
Net nonoperating revenues (expenses)	(2,440,335)	(741,050)	16,584	(88,131)	-	(3,252,932)	(4,779,681)
Change in net position	21,845,985	(391,714)	24,810	163,943	-	21,643,024	12,753,541
Total net position - July 1 (as restated)	79,502,415	28,509,516	573,833	12,173,880	(31,264,399)	89,495,245	76,741,704
Total net position - June 30	$ 101,348,400	$ 28,117,802	$ 598,643	$ 12,337,823	$ (31,264,399)	$ 111,138,269	$ 89,495,245

The notes to the financial statements are an integral part of this statement.

Connecticut Green Bank

Statement of Cash Flows
For the Year Ended June 30, 2022

(With Summarized Totals for the Year Ended June 30, 2021)

	Primary Government	Discretely Presented Component Units: CT Solar Lease 2 LLC	CEFIA Solar Services, Inc.	CT Solar Lease 3 LLC	Eliminating Entries	2022 Total Reporting Entity	2021 Total Reporting Entity
Cash flows from (used in) operating activities:							
Sales of energy systems	$ 451,092	$ -	$ -	$ -	$ -	$ 451,092	$ 746,515
Sales of renewable energy credits/certificates	13,317,482	671,435	14,414	406,992	-	14,410,323	11,527,020
Utility company remittances	25,282,138	-	-	-	-	25,282,138	25,314,572
RGGI auction proceeds	10,283,837	-	-	-	-	10,283,837	5,772,073
Other	817,305	1,378,679	418,832	392,860	(637,582)	2,370,094	2,744,296
Lease payments received	-	1,327,281	-	-	-	1,327,281	1,309,068
Interest income on promissory notes	5,831,860	-	-	-	-	5,831,860	5,406,013
Program administrative expenses	(16,076,288)	(1,705,374)	(401,639)	(80,772)	-	(18,264,073)	(13,819,420)
Grants, incentives and credit enhancements	(15,607,125)	159,000	-	-	491,374	(14,956,751)	(15,080,761)
Purchases of energy equipment	(451,092)	-	-	-	-	(451,092)	(746,515)
General and administrative expenditures	(3,018,647)	(772,462)	(5,000)	(32,525)	146,208	(3,682,426)	(3,053,420)
Net cash from (used in) operating activities	20,830,562	1,058,559	26,607	686,555	-	22,602,283	20,119,441
Cash flows from (used in) noncapital financing activities:							
Advances to component units	(7,571,037)	(212,142)	(3,564)	(10,726)	7,797,469	-	-
Advances for development of solar projects	(1,737,970)	-	(741,495)	-	-	(2,479,465)	(2,313,058)
Payments from component units	126,432	6,462,120	1,202,217	6,700	(7,797,469)	-	-
Net cash from (used in) noncapital financing activities	(9,182,575)	6,249,978	457,158	(4,026)	-	(2,479,465)	(2,313,058)
Cash flows from (used in) capital and related financing activities:							
Purchase of capital assets	(80,450)	-	-	-	-	(80,450)	(707,296)
Sale of capital assets	-	64,023	-	-	-	64,023	94,953
Proceeds from short-term debt	304,735	-	-	-	-	304,735	-
Repayment of short-term debt	(100,000)	-	-	-	-	(100,000)	(6,000,000)
Proceeds from long-term debt	-	-	-	-	-	-	41,629,000
Repayment of long-term debt	(4,761,810)	(6,700,072)	(94,790)	-	-	(11,556,672)	(5,221,106)
Reoayment of right to use leases	(152,035)	-	-	-	-	(152,035)	-
Debt issuance costs	(26,211)	-	-	-	-	(26,211)	(988,427)
Interest expense	(2,753,815)	(818,578)	(35,449)	-	-	(3,607,842)	(3,179,266)
Return of capital to developer	-	(510,142)	-	(90,463)	-	(600,605)	(526,755)
Net cash from (used in) capital and related financing activities	(7,569,586)	(7,964,769)	(130,239)	(90,463)	-	(15,755,057)	25,101,103

(Continued)

The notes to the financial statements are an integral part of this statement.

Connecticut Green Bank

Statement of Cash Flows
For the Year Ended June 30, 2022

(With Summarized Totals for the Year Ended June 30, 2021)

	Primary Government	Discretely Presented Component Units: CT Solar Lease 2 LLC	CEFIA Solar Services, Inc.	CT Solar Lease 3 LLC	Eliminating Entries	2022 Total Reporting Entity	2021 Total Reporting Entity
Cash flows from (used in) investing activities:							
Gains and losses on investments	$ 164,626	$ -	$ -	$ -	$ 1,932	$ 166,558	$ (190,100)
Return of principal on working capital and program loans	26,560,592	-	-	-	(8,801)	26,551,791	17,735,048
Interest on short-term investments, cash, solar lease notes and loans	160,025	70,587	2	2,331	6,869	239,814	18,855
Purchase of SBEA loan portfolios	(8,553,837)	-	-	-	-	(8,553,837)	(8,834,212)
CPACE program loan disbursements	(3,871,465)	-	-	-	-	(3,871,465)	(2,726,721)
Grid tied program loan disbursements	-	-	-	-	-	-	(618,660)
Commercial solar loan program disbursements	(757,856)	-	-	-	-	(757,856)	(4,699,700)
Residential solar loan program disbursements	(8,981,493)	-	-	-	-	(8,981,493)	-
Other program loan disbursements	-	-	-	-	-	-	(1,896,255)
Net cash from (used in) investing activities	4,720,592	70,587	2	2,331	-	4,793,512	(1,211,745)
Net increase (decrease) in cash	8,798,993	(585,645)	353,528	594,397	-	9,161,273	41,695,741
Cash and cash equivalents (including restricted cash) - July 1	58,446,938	4,462,804	109,318	1,742,282	-	64,761,342	23,065,601
Cash - and cash equivalents (including restricted cash) - June 30	$ 67,245,931	$ 3,877,159	$ 462,846	$ 2,336,679	$ -	$ 73,922,615	$ 64,761,342
Reconciliation of operating income (loss) to net cash from (used in) operating activities:							
Operating income (loss)	$24,286,320	$ 349,336	$ 8,226	$ 252,074	$ -	$ 24,895,956	$ 17,533,222
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:							
Depreciation and amortization	915,664	2,150,382	12,413	390,220	-	3,468,679	3,650,904
Accretion	-	138,994	-	48,532	-	187,526	-
Provision for loan losses	(3,589,800)	-	-	-	-	(3,589,800)	238,942
Deferred lease revenue	-	-	-	(27,285)	-	(27,285)	(79,960)
Pension expense	(1,170,424)	-	-	-	-	(1,170,424)	546,416
Changes in operating assets and liabilities:							
(Increase) decrease in operating assets	4,004	1,204,042	(76,885)	24,719	(216,601)	939,279	(2,950,198)
(Decrease) increase in operating liabilities	384,798	(2,784,195)	82,853	(1,705)	216,601	(2,101,648)	1,180,115
Net cash from (used in) operating activities	$ 20,830,562	$ 1,058,559	$ 26,607	$ 686,555	$ -	$ 22,602,283	$ 20,119,441

Schedule of non-cash capital and related financing activities:

A lease asset and lease liability were recorded for $2,652,294.

(Concluded)

The notes to the financial statements are an integral part of this statement.

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

I. Nature of operations and significant accounting policies

Connecticut Green Bank (Green Bank) was established in July 2011 under Title 16, Sec. 16-245n of the General Statutes of the State of Connecticut as the successor entity of the Connecticut Clean Energy Fund. Green Bank, a component unit of the State of Connecticut, was created to promote energy efficiency and investment in renewable energy sources in accordance with a comprehensive plan developed by it to foster the growth, development and commercialization of renewable energy sources and related enterprises and stimulate demand for renewable energy and deployment of renewable energy sources which serve end-use customers in the State. Green Bank constitutes the successor agency to Connecticut Innovations Incorporated (CI), a quasi-public agency of the State of Connecticut, for the purposes of administering the Clean Energy Fund in accordance with section 4-38d of the Connecticut General Statutes and therefore the net position of such fund was transferred to the newly created Green Bank as of July 1, 2011.

On June 6, 2014, Public Act 14-94 of the State of Connecticut changed the name of the Clean Energy Finance and Investment Authority to Connecticut Green Bank.

On July 6, 2021, Public Act No. 21-115 extended Green Bank model beyond clean energy and increased the scope of Green Bank's mission to now include environmental infrastructure (structures, facilities, systems, services, and improvement projects related to water, waste and recycling, climate adaptation and resiliency, agriculture, land conservation, parks and recreation, and environmental markets such as carbon offsets and ecosystem services).

Prior period summarized financial information

The basic financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Green Bank's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Principal revenue sources

The Public Utility Regulatory Authority (PURA) assesses a charge per kilowatt-hour to each end-use customer of electric services provided by utility companies (excluding municipally owned entities) in the state, which is paid to Green Bank and is the principal source of Green Bank's revenue. Green Bank may deploy the funds for loans, direct or equity investments, contracts, grants or other actions that support energy efficiency projects and research, development, manufacture, commercialization, deployment and installation of renewable energy technologies.

Green Bank also receives a portion, currently 23%, of proceeds the State of Connecticut receives from quarterly Regional Greenhouse Gas Initiative (RGGI) auctions. These proceeds finance Class I renewable energy projects through Green Bank's CPACE program. Green Bank also earns both interest income and revenue from the sale of Renewable Energy Credits (RECs) and Solar Home Renewable Energy Credits (SHREC's) generated by facilities it has financed. See Note II.G for more information on RECs and SHRECs.

I. Nature of operations and significant accounting policies (continued)

Reporting entity

Green Bank, as the primary government, follows the reporting requirements of Governmental Accounting Standards Board (GASB) Statement No. 61 (*The Financial Reporting Entity Omnibus - an Amendment of GASB Statements No. 14 and No. 34*) (the Statement) regarding presentation of component units. The Statement modifies certain requirements for including component units in the reporting entity, either by blending (recording their amounts as part of the primary government), or discretely presenting them (showing their amounts separately in the reporting entity's financial statements). To qualify as a blended component unit, the unit must meet one of the following criteria: 1) have substantively the same governing body as that of the primary government, and either (A) a financial benefit or burden relationship exists between the unit and the primary government, or (B) management of the primary government (below the level of the governing body) has operational responsibility of the unit; 2) the unit provides services or benefits exclusively or almost exclusively to the primary government; or 3) the unit's total debt outstanding, including leases, is expected to be repaid by resources of the primary government. A unit which fails to meet the substantively the same governing requirement may still be included as a discretely presented component unit, if the primary government has appointed the voting majority of the component unit's governance or met other criteria specified in the Statement such as whether or not it would be misleading were the entity to be excluded.

Green Bank has established 11 legally separate for-profit entities whose collective purpose is to administer Green Bank's clean energy programs. Green Bank believes to exclude any of the entities from these financial statements would be misleading. Each entity is listed below, along with whether it is included as a blended component unit (blended) or qualifies as a discretely presented component unit (discrete) within these financial statements based on the criteria previously described.

CEFIA Holdings LLC (blended)

A Connecticut limited liability company (LLC), wholly owned by Green Bank, established to acquire and develop a portfolio of commercial and residential solar facilities and, through its CT Solar Lease 2 and CT Solar Lease 3 programs, to enable investment in solar photovoltaic equipment for the benefit of Connecticut homeowners, businesses, not-for-profits and municipalities (the End Users). CEFIA Holdings LLC acquired the initial title to the solar assets and contracts with independent solar installers to complete the installation of the solar assets and arrange for the leasing of the solar assets (or sale of energy under power purchase agreements) to the End Users. CEFIA Holdings LLC is also responsible for procuring insurance for the solar assets, operation and maintenance services as well as warranty management services for the ultimate owner of the solar assets, CT Solar Lease 2 LLC or CT Solar Lease 3 LLC, to which CEFIA Holdings LLC sold the residential and commercial projects before the projects are placed in service. As noted below, CT Solar Lease 2 completed its acquisition of residential and commercial solar projects on June 30, 2017, and CT Solar Lease 3 completed its acquisition on December 17, 2019. Subsequent to these dates, CEFIA Holdings has entered into investments as program loans for development of various solar projects.

Green Bank's Board of Directors acts as the governing authority of CEFIA Holdings LLC. Green Bank appoints its employees to manage the operations of CEFIA Holdings LLC. Green Bank is also financially responsible (benefit/burden) for CEFIA Holdings LLC's activities.

I. Nature of operations and significant accounting policies (continued)

CT Solar Loan I LLC (blended)

A limited liability company, wholly owned by CEFIA Holdings LLC, CT Solar Loan I LLC was established to make loans to residential property owners for the purpose of purchasing and installing solar photovoltaic equipment. Green Bank's Board of Directors acts as the governing authority of CT Solar Loan I LLC. Green Bank appoints its employees to manage the operations of CT Solar Loan I LLC. Green Bank is also financially responsible (benefit/burden) for CT Solar Loan I LLC's activities.

CEFIA Solar Services, Inc. (discrete – major component unit)

A Connecticut corporation, 100% owned by CEFIA Holdings LLC, established to share in the ownership risks and benefits derived from the leasing of solar photovoltaic and the sale of energy under power purchase agreements as managing member of CT Solar Lease 2 LLC and CT Solar Lease 3 LLC. CEFIA Solar Services, Inc. (Solar Services) has a one percent ownership interest in CT Solar Lease 2 LLC and CT Solar Lease 3 and is its managing member. Solar Services is responsible for performing all management and operational functions pursuant to the operating agreement of CT Solar Lease 2 LLC and of CT Solar Lease 3 LLC. Additionally, Solar Services has entered into transactions related to development of various clean energy projects.

Green Bank, through CEFIA Holdings LLC, directly appoints the Board of Directors of Solar Services. The Board of Directors is comprised exclusively of Green Bank employees. The primary government's intent for owning a controlling interest in Solar Services is to enhance its ability to offer financing options to commercial entities and residents of Connecticut wishing to install renewable energy equipment. Green Bank believes that to exclude Solar Services from these financial statements would be misleading.

CT Solar Lease 2 LLC (discrete – major component unit)

A Connecticut limited liability company, CT Solar Lease 2 LLC acquires title to the residential and commercial solar projects from the developer, CEFIA Holdings LLC, using capital from its members along with non-recourse funding from participating banks. Repayment to participating banks is predicated upon the property owners' payment to CT Solar Lease 2 LLC of their obligations under leases and power purchase agreements, as well as revenue earned from production-based incentives. CT Solar Lease 2 LLC is owned ninety-nine percent (99%) by Firstar Development, LLC, a Delaware limited liability company, as the Investor Member and one percent (1%) by CEFIA Solar Services, Inc., as the Managing Member. The primary government's intent to provide management services through Solar Services is to directly enhance its ability to provide financing options to commercial entities and residents of Connecticut wishing to install renewable energy equipment. Although Green Bank has a minority membership interest in CT Solar Lease 2 LLC, Green Bank believes that to exclude it from these financial statements would be misleading.

As of June 30, 2017, CT Solar Lease 2 LLC has completed its acquisition of residential and commercial solar projects from the developer. All projects have been placed in service and are generating revenue. CT Solar Lease 2 LLC has also received all capital contributions required under its operating agreement from its members. CT Solar Lease 2 issues separate financial statements.

I. Nature of operations and significant accounting policies (continued)

CT Solar Lease 3 LLC (discrete – nonmajor component unit)

A Connecticut limited liability company, CT Solar Lease 3 LLC acquires title to commercial solar projects from the developer, CEFIA Holdings LLC, using capital from its members. CT Solar Lease 3 LLC's primary sources of revenue are from the sale of electricity generated by its solar PV facilities to property owners through power purchase agreements and the sale of RECs generated from facility electrical production to third parties. CT Solar Lease 3 LLC is owned ninety-nine percent (99%) by a Delaware limited liability company, as the investor member and one percent (1%) by CEFIA Solar Services Inc., as the Managing Member. The primary government's intent to provide management services through Solar Services is to directly enhance its ability to provide financing options to commercial entities and residents of Connecticut wishing to install renewable energy equipment. Although Green Bank has a minority membership interest in CT Solar Lease 3 LLC, Green Bank believes that to exclude it from these financial statements would be misleading.

As of December 17, 2019, CT Solar Lease 3 LLC has completed its acquisition of commercial solar projects from the developer. All projects have been placed in service and are generating revenue. CT Solar Lease 3 LLC has also received all capital contributions required under its operating agreement from its members. CT Solar Lease 3 issues separate financial statements.

CGB Meriden Hydro LLC (blended)

On August 31, 2017, Green Bank, through its wholly owned component unit, CGB Meriden Hydro LLC (CGB Meriden), purchased a 195 kW hydroelectric facility located in Meriden, Connecticut, from the facility's developer, pursuant to an agreement dated January 1, 2017. Green Bank utilized the proceeds of the Clean Energy Renewable Bond (CREB to finance a portion of the total purchase price.

The developer remits to CGB Meriden a monthly payment equal to the monthly payment made by the City of Meriden to the developer for the purchase of electricity generated by the hydroelectric facility under a power purchase agreement dated August 14, 2014, as amended. This lease commenced on the date commercial operations began and terminates on the 30th anniversary of said date. Commercial operations began on March 7, 2017. In addition to revenues earned through its lease with the developer, CGB Meriden also receives revenues from the sale of renewable energy credits generated by the facility and sold to the local utility company under a sale and purchase contract dated July 31, 2014 which was assigned to CGB Meriden on September 18, 2017. These revenues are recorded directly by Green Bank.

SHREC ABS 1 LLC (blended)

A Delaware corporation, single member LLC 100% owned by Connecticut Green Bank, established on February 19, 2019 as issuer of $38,600,000 of SHREC Collateralized Notes, Series 2019-1 ($36,800,000 Class A notes and $1,800,000 Class B notes. The SHREC notes were sold to a single investor on April 2, 2019. The proceeds were used to retire Green Bank short-term debt, as well as to support Green Bank investment and operational activities. Quarterly payments of scheduled principal and interest for a period of 14 years are funded by billings to two Connecticut utilities for SHREC revenues generated by approximately 14,000 solar PV systems on residential rooftops. Advances between Green Bank and SHREC ABS 1 LLC were involved in the establishment of the note, retirement of Green Bank short-term debt, as well as to pay certain organizational costs. Advances were eliminated in preparing the combining and reporting entity financial statements.

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

I. Nature of operations and significant accounting policies (continued)

SHREC Warehouse 1 LLC (blended)

A Connecticut corporation, single member LLC 100% owned by Connecticut Green Bank, established on April 23, 2019 to collect payments due from Eversource and United Illuminating (UI) pursuant to the master purchase agreement dated July 30, 2018 as amended for the purchase and sale of Solar Home Renewable Energy Credits (SHRECs). SHREC Warehouse 1 LLC acts as the sole borrower under a revolving loan facility provided by local banks. Payments due from Eversource and UI are pledged as security for the loans. Loans drawn by SHREC Warehouse 1 LLC are advanced to CGB to be used for investment and operational activities. Advances are eliminated in preparing the combining and reporting entity financial statements.

CT Solar Lease 1 LLC (blended)

A Connecticut corporation, single member LLC 100% owned by Green Bank, established on April 23, 2019 to hold collateral that supports a $3,500,000 guaranty on a line of credit. On May 21, 2019 Green Bank assigned its solar lease promissory note portfolio to CT Solar Lease 1 LLC. Solar Lease 1 LLC receives note payments and maintains a loan loss reserve for the portfolio. Advances between Green Bank and Solar Lease 1 LLC were involved in the transfer of assets and loan loss reserves. Advances are eliminated in preparing the combining and reporting entity financial statements.

CGB C-PACE LLC (blended)

A Connecticut corporation, single member LLC 100% owned by Connecticut Green Bank, established on August 7, 2017. The entity did not have activity until it started to originate and warehouse new C-PACE projects under construction beginning October 2021. Advances between Green Bank and CGB C-PACE LLC were involved to help fund disbursements made for development of new C-PACE construction projects. Advances are eliminated in preparing the combining and reporting entity financial statements.

CGB Green Liberty Notes LLC (blended)

A Connecticut corporation, 100% owned by CEFIA Holdings LLC, established on October 15, 2021. The entity was formed to offer low and moderate income investors greater access to green investment by issuing "Green Liberty Notes", and to support the repayment of those notes with revenues from small business, municipal, and state energy efficiency loans in Connecticut through one of Green Bank's partner programs. The notes are issued to eligible investors in reliance of the exemption under Section 4(a)(6) of the Securities Act of 1933. The exemption limits the amount of securities issued during the 12-month period preceding the date of such offer or sale, including the securities offered in such transaction, to $5,000,000. Advances between Green Bank and CGB Green Liberty Notes LLC were involved to help fund the participation in the small business, municipal, and state energy efficiency loan program. Advances are eliminated in preparing the combining and reporting entity financial statements. CGB Green Liberty Notes LLC issues separate financial statements.

Advances between the primary government (Green Bank) and its component units, or between the component units themselves, involved establishment of funds to provide for loan loss reserves as well as pay certain organizational costs. Advances are eliminated in preparing the combining and reporting entity financial statements.

Condensed combining information for the primary government (Green Bank) and its 8 blended component units described above is presented on the following pages:

Exhibit D

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

I. Nature of operations and significant accounting policies (continued)

Condensed, combining information - statement of net position

Assets	Connecticut Green Bank	CBG Meriden Hydro LLC	SHREC ABS 1 LLC	SHREC Warehouse 1 LLC	CT Solar Lease I LLC	CT Solar Loan I LLC	CEFIA Holdings LLC	CGB Green Liberty Notes LLC	CGB C-PACE LLC	Eliminations	Total
Current assets:											
Cash and cash equivalents	$ 43,664,058	$ 88,438	$ 1,577,523	$ 276,176	$ -	$ 1,620,256	$ 608,892	$ 955,913	$ 320,226	$ -	$ 49,111,482
Receivables:											
Accounts	4,036,085	-	-	-	-	-	14,576	-	21,989	-	4,072,650
Program loans	8,867,528	-	-	-	-	106,614	519,200	-	54,483	-	9,547,825
Utility remittance	2,041,786	-	-	-	-	-	-	-	-	-	2,041,786
Solar lease notes	-	-	-	-	1,016,267	-	-	-	-	-	1,016,267
SBEA promissory notes	-	-	-	-	-	-	50,934	1,078,966	-	-	1,129,900
Interest	1,162,737	-	-	-	-	-	-	-	-	-	1,162,737
Other	166,949	-	-	-	82,364	-	-	26,872	-	-	276,185
Prepaid expenses and other assets	261,752	103,129	43,333	-	-	4,663	759,499	-	-	-	1,172,376
Total current assets	60,200,895	191,567	1,620,856	276,176	1,098,631	1,731,533	1,953,101	2,061,751	396,698	-	69,531,208
Noncurrent assets:											
Restricted cash and cash equivalents	13,705,808	-	1,079,262	1,889,479	-	301,834	1,158,066	-	-	-	18,134,449
Investments	912,217	-	-	-	-	-	-	-	-	-	912,217
Receivables (net):											
Program loans	72,616,703	-	-	-	-	715,495	7,520,923	-	1,434,311	-	82,287,432
Solar lease notes	-	-	-	-	1,987,394	-	-	-	-	-	1,987,394
Renewable energy credits	229,019	-	-	-	-	-	-	-	-	-	229,019
SBEA promissory notes	-	-	-	-	-	-	918	1,274,569	-	-	1,275,487
Other	-	-	-	-	-	-	4,122,609	-	-	-	4,122,609
Due from component units	66,490,039	-	35,635,945	3,784,455	-	-	7,759,126	-	-	(65,866,474)	47,803,091
Contribution to subsidiaries	100,100	-	-	-	-	-	100	-	-	(100,100)	100
Capital assets, net	12,214,413	3,813,657	-	-	-	-	-	-	-	-	16,028,070
Total noncurrent assets	166,268,299	3,813,657	36,715,207	5,673,934	1,987,394	1,017,329	20,561,742	1,274,569	1,434,311	(65,966,574)	172,779,868
Total assets	226,469,194	4,005,224	38,336,063	5,950,110	3,086,025	2,748,862	22,514,843	3,336,320	1,831,009	(65,966,574)	242,311,076
Deferred Outflows of Resources											
Pension related	6,439,478	-	-	-	-	-	-	-	-	-	6,439,478
OPEB related	5,172,871	-	-	-	-	-	-	-	-	-	5,172,871
Total deferred outflows of resources	11,612,349	-	-	-	-	-	-	-	-	-	11,612,349

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

I. Nature of operations and significant accounting policies (continued)

Condensed, combining information - statement of net position

	CGB	CBG Meriden Hydro LLC	SHREC ABS 1 LLC	SHREC Warehouse 1 LLC	CT Solar Lease I LLC	CT Solar Loan I LLC	CEFIA Holdings LLC	CGB Green Liberty Notes LLC	CGB C-PACE LLC	Eliminations	Total
Liabilities											
Current liabilities:											
Accounts payable	$ 861,530	$ 31,059	$ -	$ 4,167	$ -	$ 1,380	$ -	$ -	$ -	$ -	$ 898,136
Accrued payroll and related liabilities	1,296,862	-	-	-	-	-	-	-	-	-	1,296,862
Accrued expenses	7,697,856	-	68,376	-	-	-	52,216	1,112	-	-	7,819,560
Short-term notes payable	-	-	-	-	-	-	-	304,735	-	-	304,735
Long-term debt	3,729,849	-	11,721,089	-	-	-	-	-	-	-	15,450,938
Performance bonds	-	-	-	-	-	-	1,132,393	-	-	-	1,132,393
Total current liabilities	13,586,097	31,059	11,789,465	4,167	-	1,380	1,184,609	305,847	-	-	26,902,624
Noncurrent liabilities:											
Due to component units	39,540,625	5,709,180	-	-	3,208,385	2,432,500	10,336,952	3,024,057	1,735,000	(65,866,474)	120,225
Long-term debt	48,748,766	-	19,894,301	-	-	-	-	-	-	-	68,643,067
Net pension liability	21,273,373	-	-	-	-	-	-	-	-	-	21,273,373
Net OPEB liability	20,516,564	-	-	-	-	-	-	-	-	-	20,516,564
Total noncurrent liabilities	130,079,328	5,709,180	19,894,301	-	3,208,385	2,432,500	10,336,952	3,024,057	1,735,000	(65,866,474)	110,553,229
Total liabilities	143,665,425	5,740,239	31,683,766	4,167	3,208,385	2,433,880	11,521,561	3,329,904	1,735,000	(65,866,474)	137,455,853
Deferred Inflows of Resources											
Pension related	5,424,891	-	-	-	-	-	-	-	-	-	5,424,891
OPEB related	9,694,281	-	-	-	-	-	-	-	-	-	9,694,281
Total deferred inflows of resources	15,119,172	-	-	-	-	-	-	-	-	-	15,119,172
Net Position											
Net investment in capital assets	2,152,022	1,382,433	-	-	-	-	-	-	-	-	3,534,455
Restricted net position:											
Restricted for energy programs	13,451,751	-	1,079,262	1,889,479	-	301,834	25,673	-	-	-	16,747,999
Unrestricted	63,693,173	(3,117,448)	5,573,035	4,056,464	(122,360)	13,148	10,967,609	6,416	96,009	(100,100)	81,065,946
Total net position	$ 79,296,946	$ (1,735,015)	$ 6,652,297	$ 5,945,943	$ (122,360)	$ 314,982	$ 10,993,282	$ 6,416	$ 96,009	$ (100,100)	$ 101,348,400

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

I. Nature of operations and significant accounting policies (continued)

Condensed, combining information - statement of revenues, expenses and changes in net position

	Connecticut Green Bank	CBG Meriden Hydro LLC	SHREC ABS 1 LLC	SHREC Warehouse 1 LLC	CT Solar Lease I LLC	CT Solar Loan I LLC	CEFIA Holdings LLC	CGB Green Liberty Notes LLC	CGB C-PACE LLC	Eliminations	Total
Operating revenues:											
Utility remittances	$ 25,279,305	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 25,279,305
Interest income - promissory notes	5,307,219	-	-	-	215,814	66,261	486,413	32,594	34,548	-	6,142,849
RGGI auction proceeds	11,568,905	-	-	-	-	-	-	-	-	-	11,568,905
Energy system sales	-	-	-	-	-	-	451,092	-	-	-	451,092
Renewable energy certificate sales	5,407,099	-	4,359,558	1,980,055	-	-	266,560	-	-	-	12,013,272
Other	676,260	-	-	-	-	254	55,351	-	62,331	-	794,196
Total operating revenues	48,238,788	-	4,359,558	1,980,055	215,814	66,515	1,259,416	32,594	96,879	-	56,249,619
Operating expenses:											
Cost of goods sold - energy systems	-	-	-	-	-	-	451,092	-	-	-	451,092
Provision for loan losses	(3,211,513)	-	-	-	(40,141)	(5,645)	(303,289)	-	-	-	(3,560,588)
Grants and incentive programs	16,488,395	-	-	-	-	-	-	-	-	-	16,488,395
Programs administration	14,435,450	406,247	76,634	125,694	147,543	15,373	365,116	6,571	-	-	15,578,628
General and administrative	2,946,692	4,950	2,625	20,791	-	6,635	7,214	15,995	870	-	3,005,772
Total operating expenses	30,659,024	411,197	79,259	146,485	107,402	16,363	520,133	22,566	870	-	31,963,299
Operating income (loss)	17,579,764	(411,197)	4,280,299	1,833,570	108,412	50,152	739,283	10,028	96,009	-	24,286,320
Nonoperating revenues (expenses):											
Interest income - deposits	133,839	-	4,514	50	-	16	87	-	-	-	138,506
Interest income - component units	69,475	-	-	-	-	-	-	-	-	-	69,475
Interest expense	(1,017,278)	-	(1,721,208)	-	-	-	-	(1,112)	-	-	(2,739,598)
Debt issuance costs	(11,000)	-	-	-	-	-	-	(2,500)	-	-	(13,500)
Net change in fair value of investments	104,782	-	-	-	-	-	-	-	-	-	104,782
Net nonoperating revenues (expenses)	(720,182)	-	(1,716,694)	50	-	16	87	(3,612)	-	-	(2,440,335)
Change in net position	16,859,582	(411,197)	2,563,605	1,833,620	108,412	50,168	739,370	6,416	96,009	-	21,845,985
Total net position - July 1, 2021 (as restated)	62,437,364	(1,323,818)	4,088,692	4,112,323	(230,772)	264,814	10,253,912	-	-	(100,100)	79,502,415
Total net position - June 30, 2022	$ 79,296,946	$ (1,735,015)	$ 6,652,297	$ 5,945,943	$ (122,360)	$ 314,982	$ 10,993,282	$ 6,416	$ 96,009	$ (100,100)	$ 101,348,400

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

I. Nature of operations and significant accounting policies (continued)

Condensed, combining information - statement of cash flows

	CGB	CBG Meriden Hydro LLC	SHREC ABS 1 LLC	SHREC Warehouse 1 LLC	CT Solar Lease I LLC	CT Solar Loan I LLC	CEFIA Holdings LLC	CGB Green Liberty Notes LLC	CGB C-PACE LLC	Eliminations	Total
Cash flows from (used in) operating activities:											
Sales of energy systems	$ -	$ -	$ -	$ -	$ -	$ -	$ 451,092	$ -	$ -	$ -	$ 451,092
Sales of renewable energy credits	5,996,599	-	4,359,558	1,980,055	-	-	981,270	-	-	-	13,317,482
Utility company remittances	25,282,138	-	-	-	-	-	-	-	-	-	25,282,138
RGGI auction proceeds	10,283,837	-	-	-	-	-	-	-	-	-	10,283,837
Other	721,357	-	-	-	-	254	55,351	1	40,342	-	817,305
Lease payments received	-	-	-	-	-	-	-	-	-	-	-
Interest income on promissory notes	5,114,652	-	-	-	215,814	69,455	431,939	-	-	-	5,831,860
Program administrative expenses	(15,226,543)	(204,092)	(78,300)	(125,694)	(150,744)	(28,480)	(255,864)	(6,571)	-	-	(16,076,288)
Grants, incentives and credit enhancements	(15,607,125)	-	-	-	-	-	-	-	-	-	(15,607,125)
Purchases of energy equipment	-	-	-	-	-	-	(451,092)	-	-	-	(451,092)
General and administrative expenditures	(2,959,211)	(4,950)	(2,625)	(20,791)	-	(6,634)	(7,572)	(15,995)	(869)	-	(3,018,647)
Net cash from (used in) operating activities	13,605,704	(209,042)	4,278,633	1,833,570	65,070	34,595	1,205,124	(22,565)	39,473	-	20,830,562
Cash flows from (used in) noncapital financing activities:											
Advances to component units	(13,743,106)	-	(52,000)	(2,687,670)	(1,062,904)	-	(1,100,000)	-	-	11,074,643	(7,571,037)
Advances for development of solar projects	-	-	-	-	-	-	(1,737,970)	-	-	-	(1,737,970)
Payments from component units	3,929,006	252,779	210,233	-	-	-	2,050,000	3,024,057	1,735,000	(11,074,643)	126,432
Net cash from (used in) noncapital financing activities	(9,814,100)	252,779	158,233	(2,687,670)	(1,062,904)	-	(787,970)	3,024,057	1,735,000	-	(9,182,575)
Cash flows from (used in) capital and related financing activities:											
Purchase of capital assets	(80,450)	-	-	-	-	-	-	-	-	-	(80,450)
Proceeds from short-term debt	-	-	-	-	-	-	-	304,735	-	-	304,735
Repayment of short-term debt	(100,000)	-	-	-	-	-	-	-	-	-	(100,000)
Repayment of long-term debt	(2,306,900)	-	(2,454,910)	-	-	-	-	-	-	-	(4,761,810)
Repayment of right to use leases	(152,035)	-	-	-	-	-	-	-	-	-	(152,035)
Debt issuance costs	(23,711)	-	-	-	-	-	-	(2,500)	-	-	(26,211)
Interest expense	(1,032,496)	-	(1,721,319)	-	-	-	-	-	-	-	(2,753,815)
Net cash from (used in) capital and related financing activities	(3,695,592)	-	(4,176,229)	-	-	-	-	302,235	-	-	(7,569,586)

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

I. Nature of operations and significant accounting policies (continued)

Condensed, combining information - statement of cash flows

	Connecticut Green Bank	CBG Meriden Hydro LLC	SHREC ABS 1 LLC	SHREC Warehouse 1 LLC	CT Solar Lease I LLC	CT Solar Loan I LLC	CEFIA Holdings LLC	CGB Green Liberty Notes LLC	CGB C-PACE LLC	Eliminations	Total
Cash flows from (used in) investing activities:											
Gains and losses on investments	$ 164,626	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 164,626
Return of principal on working capital and program loans	21,000,699	-	-	-	993,360	510,833	3,379,456	676,244	-	-	26,560,592
Interest on short-term investments, cash, solar lease notes and loans	150,884	-	4,514	50	4,474	16	87	-	-	-	160,025
Purchase of SBEA loan portfolios	(5,014,583)	-	-	-	-	-	(515,196)	(3,024,058)	-	-	(8,553,837)
CPACE program loan disbursements	(2,417,218)	-	-	-	-	-	-	-	(1,454,247)	-	(3,871,465)
Commercial solar loan program disbursements	-	-	-	-	-	-	(757,856)	-	-	-	(757,856)
Residential solar Loan program disbursements	(7,589,103)	-	-	-	-	-	(1,392,390)	-	-	-	(8,981,493)
Net cash from (used in) investing activities	6,295,305	-	4,514	50	997,834	510,849	714,101	(2,347,814)	(1,454,247)	-	4,720,592
Net increase (decrease) in cash	6,391,317	43,737	265,151	(854,050)	-	545,444	1,131,255	955,913	320,226	-	8,798,993
Cash and cash equivalents (including restricted cash)- July 1, 2021	50,978,549	44,701	2,391,634	3,019,705	-	1,376,646	635,703	-	-	-	58,446,938
Cash and cash equivalents (including restricted cash)- June 30, 2022	$ 57,369,866	$ 88,438	$ 2,656,785	$ 2,165,655	$ -	$ 1,922,090	$ 1,766,958	$ 955,913	$ 320,226	$ -	$ 67,245,931
Reconciliation of operating income (loss) to net cash from (used in) operating activities:											
Operating income (loss)	$ 17,579,764	$ (411,197)	$ 4,280,299	$ 1,833,570	$ 108,412	$ 50,152	$ 739,283	$ 10,028	$ 96,009	$ -	$ 24,286,320
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:											
Depreciation and amortization	763,624	152,040	-	-	-	-	-	-	-	-	915,664
Provision for loan losses	(3,286,511)	-	-	-	-	-	(303,289)	-	-	-	(3,589,800)
Pension expense adjustment	(1,170,424)	-	-	-	-	-	-	-	-	-	(1,170,424)
Changes in operating assets and liabilities:											
(Increase) decrease in operating assets	(691,964)	29,110	(1,666)	-	(43,342)	(2,452)	803,447	(32,593)	(56,536)	-	4,004
(Decrease) increase in operating liabilities	411,215	21,005	-	-	-	(13,105)	(34,317)	-	-	-	384,798
Net cash from (used in) operating activities	$ 13,605,704	$ (209,042)	$ 4,278,633	$ 1,833,570	$ 65,070	$ 34,595	$ 1,205,124	$ (22,565)	$ 39,473	$ -	$ 20,830,562

I. Nature of operations and significant accounting policies (continued)

Measurement focus, basis of accounting and financial statement presentation

All entities are enterprise funds. Enterprise funds are used to account for governmental activities that are similar to those found in the private sector in which the determination of net income is necessary or useful to sound financial administration.

Basis of presentation

These financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when the liability is incurred, regardless of the timing of the related cash flows.

Revenue recognition

Green Bank, in addition to utility assessments and RGGI auction income, recognizes revenue from grants as expenses are incurred, as well as interest income from C-PACE and program loans as earned.

CT Solar Loan I LLC derives revenue from interest earned on residential solar loan products.

CEFIA Holdings LLC derives revenue from interest income from program loans as earned and the sale of Solar Renewable Energy Certificates (SRECs) to third parties.

CEFIA Solar Services, Inc. revenue consists of an administrative fee from CT Solar Lease 2 LLC. This amount was eliminated to arrive at the total reporting entity revenue. Additionally, CEFIA Solar Services receives revenue from participation in the Affordable Connectivity Program, a benefit program of the FCC (Federal Communications Commission) and sale of Solar Renewable Energy Certificates (SRECs).

CT Solar Lease 2 LLC derives revenue from the following sources: operating leases, energy generation, performance-based incentives (PBIs) and the sale of Solar Renewable Energy Certificates (SRECs) to third parties.

CT Solar Lease 3 LLC derives revenue from the following sources: energy generation and the sale of Solar Renewable Energy Certificates (SRECs) to third parties.

CGB Meriden Hydro derives revenue from the following sources: energy generation and the sale of Solar Renewable Energy Certificates (SRECs) to third parties.

CGB KCF LLC will have no revenue. All interest in the Kresge loan facility has been transferred to Inclusive Prosperity Capital.

SHREC ABS 1 LLC derives revenue from interest income and the sale of Solar Home Renewable Energy Certificates (SHRECs) to two Connecticut utilities for two tranches of approximately 14,000 rooftop PV systems. Proceeds are directed to trustee accounts and are used for quarterly bond payments on the SHREC ABS collateralized note.

CT Solar Lease 1 LLC derives revenue from interest income from residential solar lease promissory notes secured by specific PV equipment leases (Note II.B.1 – solar lease notes receivable).

I. Nature of operations and significant accounting policies (continued)

SHREC Warehouse 1 LLC derives revenue from interest income and the sale of SHRECs to two Connecticut utilities for a tranche of approximately 4,800 rooftop PV systems. Proceeds are retained in a restricted bank account by Webster Bank as security for the loan facility for which the revenues have been pledged.

CGB C-PACE LLC derives revenue from interest income earned on C-PACE loans.

CGB Green Liberty Notes LLC derives revenue from interest income earned on the small business, municipal, and state energy efficiency loan program.

Energy generation revenue will be recognized as electricity is generated, based on actual output and contractual prices set forth in long term Power Purchase Agreements (PPAs) associated with certain commercial scale facilities.

Revenue from the sale of SRECs and SHRECs to third parties is recognized upon the transfer of title and delivery of the SRECs to third parties and is derived from contractual prices set forth in SREC sale agreements associated with commercial scale facilities.

Operating vs. nonoperating revenue (expense)

All entities distinguish operating revenues and expenses from nonoperating items. Operating revenues consist of utility customer assessments, renewable energy credit/certificates sales, energy auction proceeds and other revenue generated in connection with investments in clean energy programs. Operating expenses consist of operating costs, including depreciation on capital assets and grants and programs. Nonoperating revenue (expense) consists of investment earnings, interest expense and other items not considered operational by management.

Use of accounting estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Use of restricted vs. unrestricted resources

When both restricted and unrestricted amounts are available for use, the policy is to use restricted resources for their intended purposes first and then unrestricted resources.

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Assets, liabilities, deferred outflows/inflows of resources and equity

1. Cash and investments

a. Cash and cash equivalents

Cash equivalents consist of cash and highly liquid short-term investments with an original term of 90 days when purchased and are recorded at cost, which approximates fair value.

State treasurer's short-term investment fund

The State Treasurer's Short-Term Investment Fund is an investment pool of high-quality, short-term money market instruments managed by the Cash Management Division of the State Treasurer's Office and operates in a manner similar to money market mutual funds. It is the investment vehicle for the operating cash of the State of Connecticut Treasury, state agencies and authorities, municipalities, and other political subdivisions of the state. The value of Green Bank's position in the pool is the same as the value of pool shares. Regulatory oversight is provided by an investment advisory council and the State Treasurer's Cash Management Board.

b. Investments

Green Bank carries investments at fair value except as described below. Fair value is defined as the price that would be received to sell an asset or paid to transfer liability by in an orderly transaction between market participants at the measurement date. For certain investments fair value is determined using United States Private Equity Valuation Guidelines promulgated by the Private Equity Investment Guidelines Group. In the absence of readily determinable market values, consideration is given to pertinent information about the companies comprising these investments, including, but not limited to, recent sales prices of the issuer's securities, sales growth, progress toward business goals and other operating data. Procedures have been applied in arriving at the estimate of the value of such securities that it believes are reasonable and appropriate. Due to the inherent uncertainty of valuation, the estimated values may differ significantly from the amounts ultimately realized from the disposition of those assets which may be materially higher or lower than the values determined if readily available market for the securities existed. Green Bank carries the investments municipal bonds and interest rate swaps at fair value.

Green Bank reports gains as realized and unrealized consistent with the practice of venture capital firms. The calculation of realized gains and losses is independent of the calculation of the net change in investment value.

Green Bank carries the investments in common stock and venture capital - energy at cost. Green Bank uses the cost method of accounting for these investments in accordance with GASB Statement No. 62. Investments that do not have readily determinable fair values and that do not meet the criteria of percentage ownership or ability to exercise significant influence over the company are unable to apply the equity method.

A. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

c. Method used to value investments

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. In determining fair value, Green Bank utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Green Bank also considers nonperformance risk in the overall assessment of fair value.

Investments are measured at fair value utilizing valuation techniques based on observable and/or unobservable inputs. Observable inputs reflect readily obtainable data from independent sources, while unobservable inputs reflect market assumptions. These inputs are classified into the following hierarchy:

Level 1

Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2

Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in markets that are not active
- Observable inputs other than quoted prices that are used in the valuation of the asset or liability (e.g., interest rate and yield curve quotes at commonly quoted intervals)
- Inputs that are derived principally from or corroborated by observed market data by correlation or other means

Level 3

Unobservable inputs for the asset or liability (supported by little or no market activity). Level 3 inputs include management's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

A. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

d. Risk policies

Interest rate risk	Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. Green Bank manages its exposure to declines in fair value by limiting the average maturity of its cash and cash equivalents to no more than one year. Green Bank does not have a formal policy relating to a specific investment related risk.
Credit risk	Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. Connecticut General Statutes authorize Green Bank to invest in obligations of the U.S. Treasury including its agencies and instrumentalities, commercial paper, banker's acceptance, repurchase agreements and the State Treasurer's Short-Term Investment Fund.
Concentration of credit risk	Concentration of credit risk is the risk attributed to the magnitude of an entity's investments in a single issuer. Green Bank's investment policy does not limit the investment in any one investment vehicle. The State Treasurer's Short-Term Investment Fund is not subject to this disclosure.
Custodial credit risk	Custodial credit risk is the risk that, in the event of the failure of the counterparty, Green Bank will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Green Bank does not have a formal policy with respect to custodial credit risk. As of June 30, 2022 and 2021, Green Bank had no investments subject to custodial credit risk.

2. Receivables and payables

a. Inter-entity balances

Activity between component units that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from component units" or "advances to/from component units". Advances are representative of notes payable issued by one entity and the related funds loaned to another for the purchase of capital assets. Any residual balances outstanding between the entities are eliminated in the reporting entity totals.

b. Solar lease notes and program loans receivable

Solar lease notes receivable and program loans receivable are shown net of a reserve for loan losses. Loan loss percentages range from 5% to 20% based on the project, product or program and are calculated based upon a historical analysis of prior year loan write-offs, if any, by program, repayment delinquencies and inquiries of program and finance staff as to current developments with borrowers that could affect future repayments.

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

c. Leases receivable

CT Solar Lease 2 is a lessor for noncancellable leases of residential and commercial solar PV systems. CEFIA Solar Services is a lessor for a noncancellable lease of a commercial solar PV system. The entities recognize a lease receivable and a deferred inflow of resources related to these leases in the Statement of Net Position.

At the commencement of a lease, the entity initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payment received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include:

Discount rate	Green Bank uses its estimated incremental borrowing rate as the discount rate used to discount the expected lease receipts to present value.
Lease term	The lease term includes the noncancellable period of the lease.
Lease payments	Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The entity monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

3. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenses when consumed rather than when purchased. Prepaid items include prepaid warranty management where CT Solar Lease 2 paid for warranty services on the solar panels for each program participant at the beginning of each program participant year for five consecutive years. The warranty is expensed over the 20 year life of the warranty.

4. Restricted assets

The restricted assets for Green Bank are restricted for performance bonds, required contractual reserves and escrows. Performance bonds are restricted until the monies are returned to the vendor after satisfactory completion of contract or Green Bank calls the bond for nonperformance. The debt or loan agreements restrict the funds for the designated purpose including loan loss reserves and debt payments.

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

5. Capital assets

Capital asset acquisitions exceeding $1,000 are capitalized at cost. Maintenance and repair expenses are charged to operations when incurred. Depreciation is computed using straight-line methods over the estimated useful lives of the assets, which range from two to thirty years. Leasehold improvements are amortized over the shorter of their useful life or the lease term.

The estimated useful lives of capital assets are as follows:

Assets	Years
Solar lease equipment	30
Hydroelectric equipment	30
Furniture and equipment	5
Leasehold improvements	5
Computer hardware and software	2-3
Leased buildings	10.5

For capital assets sold or otherwise disposed of, the cost and related accumulated depreciation and amortization are removed from the accounts, and any related gain or loss is reflected in income for the period.

All solar facilities owned by CT Solar Lease 2 LLC and CT Solar Lease 3 LLC are stated at cost and include all amounts necessary to construct them. Systems are placed in service when they are ready for use and all necessary approvals have been received from local utility companies. Additions, renewals, and betterments that significantly extend the life of an asset are capitalized. Expenditures for warranty maintenance and repairs to solar facilities are charged to expense as incurred.

6. Impairment of long-lived assets

CT Solar Lease 2 LLC (CT SL2) and CT Solar Lease 3 LLC (CT SL3) review their solar facilities for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by an asset is less than its carrying amount, management compares the carrying amount of the asset to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss was recognized by CT SL2 or CT SL3 during the fiscal year ending June 30, 2022 or 2021.

7. Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then.

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Green Bank reports deferred outflows and inflows of resources related to pensions and OPEB for differences between expected and actual experience, changes in assumptions, changes in proportion and proportionate share, net difference between projected and actual earnings on plan investments and contributions after the measurement date. The deferred outflow or inflow related to differences between expected and actual experience, changes in assumptions and changes in proportion and proportionate share will be amortized over the average remaining service life of all plan members. The deferred outflow or inflow related to the net difference between projected and actual earnings on plan investments will be amortized over a five-year period. The deferred outflow relating to contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent year.

Green Bank also reports deferred outflows of resources related to asset retirement obligations in the statement of net position, which results from a known future liability to retire certain assets.

Deferred inflows of resources include deferred inflows relating to the lease receivable. These amounts are deferred and are amortized to lease revenue in a systematic and rational manner over the term of the lease.

8. Asset retirement obligation

CT Solar Lease 2 and 3 are required to recognize their liability related to asset retirement obligations when they have the legal obligation to retire long-lived assets. Upon the expiration of solar leases or a Power Purchase Agreement's (PPA's) initial or extended terms, customers generally have the option to purchase the solar facilities at fair market value or require CT Solar Lease 2 and 3 to remove the solar facilities at their expense.

Asset retirement obligations are recorded in the period in which they are incurred and reasonably estimable, including those obligations for which the timing method of settlement are conditional on a future event that may or may not be in the control of CT Solar Lease 2 and 3. Retirement of assets may involve efforts to remove the solar facilities depending on the nature and location of the assets. In identifying asset retirement obligations, CT Solar Lease 2 and 3 consider identification of legally enforceable obligations, changes in existing law, estimates of potential settlement dates, and the calculation of an appropriate discount rate to be used in calculating the fair value of the obligations. For those assets where a range of potential settlement dates may be reasonably estimated, obligations are recorded. CT Solar Lease 2 and 3 routinely review and reassess their estimates to determine if an adjustment to the value of asset retirement obligations is required.

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

9. Long-term liabilities

Long-term debt and other long-term liabilities are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

10. Lease liability

Green Bank is a lessee for noncancellable leases of buildings. Green Bank recognizes a lease liability and an intangible right-to-use asset (lease asset) in the Statement of Net Position.

At the commencement of a lease, Green Bank initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include:

Discount rate	Green Bank uses the interest rate charged by the lessor as the discount rate to discount the expected lease payments to the present value. When the interest rate charged by the lessor is not provided, Green Bank generally uses its estimated incremental borrowing rate as the discount rate for leases.
Lease term	The lease term includes the noncancellable period of the lease.
Lease payments	Lease payments included in the measurement of the lease liability are composed of fixed payments and any purchase option price that Green Bank is reasonably certain to exercise.

Green Bank monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

11. Pension and OPEB accounting

Pension accounting

Green Bank's proportionate share of the net pension liability and expense associated with Green Bank's requirement to contribute to the Connecticut State Employees' Retirement System (SERS) have been determined on the same basis as they are reported by SERS. Contributions made to SERS after the measurement date and prior to Green Bank's fiscal year are reported as deferred outflows of resources.

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

OPEB accounting

Green Bank's proportionate share of the net OPEB liability and expense associated with Green Bank's requirement to contribute to the State of Connecticut Other Post-Employment Benefits Program have been determined on the same basis as they are reported by State of Connecticut Other Post-Employment Benefits Program. Contributions made to the State of Connecticut Other Post-Employment Benefits Program after the measurement date and prior to Green Bank's fiscal year are reported as deferred outflows of resources.

12. Net position

Net position is presented in the following three categories:

Net Investment in Capital Assets	This category presents the net position that reflects capital assets net of depreciation and net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes, and unspent bond proceeds, are excluded.
Restricted Net Position	Restricted net position represent assets whose use is restricted through external restrictions imposed by creditors, grantors, contributors and the like, or through restrictions imposed by laws or through constitutional provisions or enabling legislature, and includes equity interest within Green Bank's component units by outside entities.
Unrestricted Net Position	This category presents the net position of Green Bank which is not classified in the preceding two categories

13. Grants and programs

Expenditures for grants and programs are recorded upon the submission of invoices and other supporting documentation and approval by management. Salaries, benefits and overhead expenses are allocated to program expenses based on job functions.

14. Subsequent events

Green Bank has performed a review of events subsequent to the statement of net position date through October xx, 2022, the date of the financial statements were available to be issued. On August 5, 2022, CGB Green Liberty Notes, LLC issued $250,000 of crowdfunding Green Liberty Notes that mature in August 2023 and carry an annual interest rate of 2.50%.

15. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

II. Detailed notes

A. Cash and investments

1. Cash and cash equivalents

The following is a summary of cash and cash equivalents for the reporting entity at June 30:

	Cash and cash equivalents as of June 30, 2022				
	Primary Government	CT Solar Lease 2 LLC	CEFIA Solar Services, Inc.	CT Solar Lease 3 LLC	Total
Checking	$ 14,729,924	$ 455,378	$ 368,304	$ 382,066	$ 15,935,672
Money market	48,143	218	5,159	1,954,613	2,008,133
State treasurer's short-term investment fund	34,333,415	-	-	-	34,333,415
Unrestricted cash and cash equivalents	49,111,482	455,596	373,463	2,336,679	52,277,220
Restricted cash					
Checking	4,073,031	1,140,000	89,383	-	5,302,414
Money market	10,620,502	2,281,563	-	-	12,902,065
State treasurer's short-term investment fund	3,440,916	-	-	-	3,440,916
Restricted cash and cash equivalents	18,134,449	3,421,563	89,383	-	21,645,395
Total cash and cash equivalents	$ 67,245,931	$ 3,877,159	$ 462,846	$ 2,336,679	$ 73,922,615

	Cash and cash equivalents as of June 30, 2021				
	Primary Government	CT Solar Lease 2 LLC	CEFIA Solar Services, Inc.	CT Solar Lease 3 LLC	Total
Checking	$ 8,759,487	$ 1,042,113	$ 14,778	$ 389,999	$ 10,206,377
Money market	148,056	229	5,157	1,352,282	1,505,724
State treasurer's short-term investment fund	31,148,946	-	-	-	31,148,946
Unrestricted cash and cash equivalents	40,056,489	1,042,342	19,935	1,742,281	42,861,047
Restricted cash					
Checking	4,048,814	1,140,000	89,383	-	5,278,197
Money market	9,591,823	2,280,461	-	-	11,872,284
State treasurer's short-term investment fund	4,749,814	-	-	-	4,749,814
Restricted cash and cash equivalents	18,390,451	3,420,461	89,383	-	21,900,295
Total cash and cash equivalents	$ 58,446,940	$ 4,462,803	$ 109,318	$ 1,742,281	$ 64,761,342

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Cash and investments (continued)

2. Deposits – custodial credit risk

As of June 30, 2022 and 2021, $18,068,052 and $20,149,401 respectively, of Green Bank's bank balances were exposed to custodial credit risk. Primary government consisted of $12,338,273 and $14,790,438 as of June 30, 2022 and 2021, respectively. CT Solar Lease 2, LLC consisted of $3,380,355 and $3,852,821 as of June 30, 2022 and 2021, respectively. CEFIA Solar Services, Inc. consisted of $262,745 and $0 as of June 30, 2022 and 2021, respectively. CT Solar Lease 3 LLC consisted of $2,086,679 and $1,506,142 as of June 30, 2022 and 2021, respectively.

Funds held by banks on behalf of Green Bank, CT Solar Lease 2 LLC and CEFIA Solar Services included contractual requirements to maintain $19,924,158 in deposits with financial institutions participating in various lease and loan programs, representing loan loss and lease maintenance reserves and guaranty pledge accounts.

3. State treasurer's short-term investment fund

The state treasurer's short-term investment fund is rated AAAm by Standard & Poor's and has an average maturity of under 60 days.

4. Investments

a. Green Bank's investments (including restricted investments) consisted of the following types and maturities. Specific identification was used to determine maturities:

		Investment Maturities (In Years) as of June 30, 2022			
Type of Investment	**Fair Value**	**N/A**	**1-5 Years**	**5-10 Years**	**Over 10**
Common stock	$ 245,000	$ 245,000	$ -	$ -	$ -
Venture capital - energy	222,217	222,217	-	-	-
Municipal bonds	445,000	-	-	-	445,000
Interest rate swap	93,107	-	93,107	-	-
Total	$1,005,324	$ 467,217	$ 93,107	$ -	$ 445,000

Connecticut Green Bank

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Cash and investments (continued)

		Investment Maturities (In Years) as of June 30, 2021			
Type of Investment	Fair Value	N/A	1-5 Years	5-10 Years	Over 10
Common stock	$ 245,000	$ 245,000	$ -	$ -	$ -
Municipal bonds	986,792	-	-	-	986,792
Interest rate swap	(699,023)	-	(663,186)	(35,837)	-
Total	$ 532,769	$ 245,000	$ (663,186)	$ (35,837)	$ 986,792

b. The following tables sets forth the fair value hierarchy by level, Green Bank's fair value measurements at June 30, 2022 and June 30, 2021:

	As of June 30, 2022		
	Amount	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Investments by fair value level:			
Municipal bonds	$ 445,000	$ -	$ 445,000
Venture capital - energy	222,217	-	222,217
Investment rate swap	93,107	93,107	-
Total investments by fair value level	760,324	$ 93,107	$ 667,217
Other investments			
Common stock	245,000		
Total investments	$ 1,005,324		
Investment in derivative instruments:			
Interest rate swap	$ 93,107	$ 93,107	

A. Cash and investments (continued)

	As of June 30, 2021		
	Amount	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Investments by fair value level:			
Municipal bonds	$ 986,792	$ -	$ 986,792
Investment rate swap	(699,023)	(699,023)	-
Total investments by fair value level	287,769	$ (699,023)	$ 986,792
Other investments			
Common stock	245,000		
Total investments	$ 532,769		
Investment in derivative instruments:			
Interest rate swap	$ (699,023)	$ (699,023)	

There were no transfers between levels during the years ended June 30, 2022 and 2021.

c. Green Bank's investments subject to credit risk are municipal bonds which were unrated as of June 30, 2022 and 2021.

d. Common stock

The former Connecticut Clean Energy Fund (CCEF) invested in emerging technology companies as equity and debt investments in Operational Demonstration projects. Based on a memorandum of understanding between Green Bank and CI, CI manages these investments on behalf of Green Bank. In the year ended June 30, 2021, Green Bank received proceeds of $225,122 as a liquidation of the only equity investment held, which was previously valued at $1. The realized gain on this liquidation is included in realized and unrealized gain on investments on the Consolidating Statement of Revenues, Expenses and Changes in Net Position. In the year ended June 30, 2022, all remaining investments that CI helped to manage related to debt investments in Operational Demonstration projects that were previously valued at $0 were written off, with a $0 net effect in the Consolidating Statement of Revenues, Expenses and Changes in Net Position. The only remaining portfolio investments at June 30, 2022 are noted below.

In February 2021, Green Bank entered into a new equity investment when Green Bank was issued a stock warrant from an entity that was subsequently exercised at a valuation of $245,000.