



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

Friday, July 21, 2023
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 21, 2023.

Board Members Present: Bettina Bronisz, John Harrity, Robert Hotaling, Adrienne Houël, Matthew Ranelli, Lonnie Reed, Brenda Watson, Hank Webster, Joanna Wozniak-Brown

Board Members Absent: Thomas Flynn, Dominick Grant

Staff Attending: David Beech, Priyank Bhakta, Larry Campana, Sergio Carrillo, Shawne Cartelli, Louise Della Pesca, James Desantos, Catherine Duncan, Mackey Dykes, Brian Farnen, Bryan Garcia, Sara Harari, Bert Hunter, Edward Kranich, Alex Kovtunencko, Cheryl Lumpkin, Daniel McGill, Kevin Moss, Jane Murphy, Ariel Schneider, Eric Shrago, Dan Smith

Others present: Darren Hammell and Rob Windle from CPower, Connecticut Network

<https://ct-n.com/ctnplayer.asp?odID=21988>

1. Call to Order

- Lonnie Reed called the meeting to order at 9:04 am.

2. Public Comments

- No public comments.

3. Consent Agenda

a. Meeting Minutes of June 23, 2023

Resolution #1

Motion to approve the meeting minutes of the Board of Directors for June 23, 2023.

Resolution #2

Subject to Changes and Deletions

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, in July 2021, Governor Ned Lamont signed "An Act Concerning Climate Change Adaptation" into law, which expanded the scope of the Green Bank beyond "clean energy" to include "environmental infrastructure;"

WHEREAS, environmental infrastructure is defined to include Water, Waste and Recycling, Climate Adaptation and Resiliency, Agriculture, Land Conservation, Parks and Recreation, and Environmental Markets (ex. Carbon Offsets and Ecosystem Services);

WHEREAS, the Board of Directors of the Connecticut Green Bank approved a Comprehensive Plan for FY 2023 including approving annual budgets and targets for FY 2023.

NOW, therefore be it:

RESOLVED, that Board has reviewed and approved the Program Performance towards Targets for FY 2023 memos dated July 21, 2023, which provide an overview of the performance of the Incentive Programs, Financing Programs, and Investments with respect to their FY 2023 targets.

Resolution #3

WHEREAS, in July of 2011, the Connecticut General Assembly passed Public Act 11-80 (the Act), "AN ACT CONCERNING THE ESTABLISHMENT OF THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION AND PLANNING FOR CONNECTICUT'S ENERGY FUTURE," which created the Connecticut Green Bank (the "Green Bank") and vests the power in a Board of Directors comprised of twelve 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 2023 memo dated July 14, 2023 prepared by staff, which provides a summary report of the FY 2023 governance of the Board of Directors and its Committees of the Connecticut Green Bank.

Upon a motion made by John Harrity and seconded by Brenda Watson, the Board of Directors voted to approve the Consent Agenda consisting of Resolutions 1 - 3. None opposed or abstained. Motion approved unanimously.

4. Comprehensive Plan Recommendations and Updates

Subject to Changes and Deletions

- Bryan Garcia reviewed the FY24 revisions to the Comprehensive Plan including the basic edits and changes to each section.
 - John Harry asked about the water quality issues along the shoreline and if the Green Bank has any influence on that under the new expanded role. Bryan Garcia responded that the pollution may be related to the changing climate which is the main driver of the Green Bank's mission, so there may be infrastructure opportunities to partner with our state agency partners to improve the situation, but it requires more due diligence to be sure and what opportunities could be leveraged. Lonnie Reed added that the issue is due to sewage treatment plant runoff, so the Green Bank's mission may be applicable. Bettina Bronisz and Hank Webster added that DEEP is also looking into the issue.
 - Johanna Wozniak Brown recommended having the CIRCA office present on the statewide Climate Change Vulnerability Index which Bryan Garcia agreed with.

Resolution #4

WHEREAS, per Connecticut General Statutes 16-245n, 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 revisions to the Comprehensive Plan presented to the Board on July 21, 2023.

Upon a motion made by John Harry and seconded by Bettina Bronisz, the Board of Directors voted to approve Resolution 4. None opposed or abstained. Motion approved unanimously.

Bert Hunter introduced Priyank Bhakta, the new Senior Manager of Underwriting for the Investments team. Priyank Bhakta summarized some upcoming changes to the underwriting memo.

5. Financing Programs Updates and Recommendations **a. FY 2023 Report out – Financing Programs**

- Mackey Dykes summarized the FY2023 performance to targets for PPA programs, which includes an overall success for number of projects, capital deployed, and capacity installed. No Multifamily projects were closed but due to program development delays, it wasn't possible, but there is progress to close them in FY 2024 instead and exceeding targets in other programs compensated overall. The team met 100% of the projects closed target, 166% of the capital deployed target, and 138% of the capacity installed target.
 - Robert Hotaling asked in the chat if the lack of PPA Multifamily projects is due to marketing, regulatory, insufficient incentives, or another reason.
 - Matthew Ranelli complimented the team on their successes but stated he believes there is more that can be done. He also commented on the importance of the

Subject to Changes and Deletions

Green Bank's role in the market for setting standards that others may follow. He expressed his concern around the buy-all option for the NRES and tax treatment of those facilities and supported the Green Bank's role in helping the issue get resolved. He suggested an area to look at is more battery storage projects to help facilitate information. Mackey Dykes responded to the Buy-All Sell-All issue which has not yet been resolved and elaborated more on the situation.

- Mackey Dykes summarized the FY2023 progress for CPACE projects both from CGB funded and private lenders. The number of projects closed was overall 65% and for capital deployed was overall 67% of the target met. He reviewed the performance to targets for the rest of the Financing Programs such as commercial lease, CPACE, SBEA, Multifamily Health and Safety, and Multifamily Term which was 96% to projects closed, 97% of capital deployed, and 165% of capacity installed. Lastly for the Vulnerable Community Capital Deployed, the Green Bank of what was deployed, 53% went to those communities, thereby exceeding the 40% goal.

b. C-PACE Transaction – East Lyme

- Mackey Dykes summarized the details of the project needing \$564,311 for a 172kW Solar PV system and roof replacement with a SIR of 1.01. Louise Della Pesca summarized the underwriting for the project which included a DSCR greater than 2.88x.

Resolution #5

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

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

WHEREAS, the Green Bank seeks to provide a **\$564,311** construction and (potentially) term loan under the C-PACE program to Ledge Light Capital LLC, the building owner of 36 Industrial Park Road, East Lyme, Connecticut (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan; and

NOW, therefore be it:

RESOLVED, that the President of the Green Bank and any other duly authorized officer of the Green Bank is authorized to execute and deliver the Loan in an amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Committee dated July 14, 2023, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from the date of authorization by the Board of Directors;

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

Subject to Changes and Deletions

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

Upon a motion made by Robert Hotaling and seconded by Adrienne Houël, the Board of Directors voted to approve Resolution 5. None opposed or abstained. Motion approved unanimously.

c. C-PACE Transaction – Bridgeport

- Catherine Duncan summarized the details of the project needing \$1,111,001 for a 334kW DC Solar PV system and roof improvements with a SIR of 1.08. It and the next 2 transactions are owned by the same holding company. Louise Della Pesca summarized the underwriting for the project which includes a DSCR greater than 1.28x.

Resolution #6

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

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

WHEREAS, the Green Bank seeks to provide a **\$1,111,001** construction and (potentially) term loan under the C-PACE program to WR CT Avenue, LLC, the building owner of 1069 Connecticut Avenue, Bridgeport, Connecticut (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan; and

NOW, therefore be it:

RESOLVED, that the President of the Green Bank and any other duly authorized officer of the Green Bank is authorized to execute and deliver the Loan in an amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Committee dated July 18, 2023, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from the date of authorization by the Board of Directors;

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

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

Upon a motion made by Robert Hotaling and seconded by John Harrity, the Board of

Directors voted to approve Resolution 6. None opposed or abstained. Motion approved unanimously.

d. C-PACE Transaction – Bridgeport

- Catherine Duncan summarized the details of the project needing \$2,041,992 for a 563kW solar array and roof improvements with an SIR of 1.01. Louise Della Pesca summarized the underwriting for the project which includes a DSCR greater than 1.30x.

Resolution #7

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

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

WHEREAS, the Green Bank seeks to provide a **\$2,041,992** construction and (potentially) term loan under the C-PACE program to WR CT Avenue, LLC, the building owner of 1085 Connecticut Avenue, Bridgeport, Connecticut (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan; and

NOW, therefore be it:

RESOLVED, that the President of the Green Bank and any other duly authorized officer of the Green Bank is authorized to execute and deliver the Loan in an amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Committee dated July 18, 2023, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from the date of authorization by the Board of Directors;

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

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

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

e. C-PACE Transaction – Danbury

Subject to Changes and Deletions

- Catherine Duncan summarized the details of the project needing \$2,424,500 for a 730kW solar array and roof improvements with a SIR of 1.01. Louise Della Pesca summarized the underwriting for the project which includes a DSCR greater than 1.28x.

Resolution #8

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

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

WHEREAS, the Green Bank seeks to provide a **\$2,424,500** construction and (potentially) term loan under the C-PACE program to 36 Kenosia Avenue Realty LLC, the building owner of 36 Kenosia Avenue, Danbury, Connecticut (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan; and

NOW, therefore be it:

RESOLVED, that the President of the Green Bank and any other duly authorized officer of the Green Bank is authorized to execute and deliver the Loan in an amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Committee dated July 18, 2023, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from the date of authorization by the Board of Directors;

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

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

Upon a motion made by Bettina Bronisz and seconded by Adrienne Houël, the Board of Directors voted to approve Resolution 8. None opposed or abstained. Motion approved unanimously.

f. C-PACE Transaction – Stamford

- Catherine Duncan summarized the details of the project needing \$568,546 for a 215.3kW DC Solar PV system with a SIR of 1.39. Priyank Bhakta summarized the underwriting for the project which includes a DSCR greater than 1.28x.
 - Matthew Ranelli asked if there were any environmental checks for potential contamination issues on the property given the industrial components present. Catherine Duncan responded that there is always a standard environmental summary pulled as

Subject to Changes and Deletions

part of the pre-screen step of the process, indicating that a low risk. If it had an elevated risk, there would be other steps taken, but none was needed.

Resolution #9

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

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

WHEREAS, the Green Bank seeks to provide a **\$568,546** construction and (potentially) term loan under the C-PACE program to Benjamin Properties LLC, the building owner of 397 West Avenue, Stamford, Connecticut (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan; and

NOW, therefore be it:

RESOLVED, that the President of the Green Bank and any other duly authorized officer of the Green Bank is authorized to execute and deliver the Loan in an amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Committee dated July 14, 2023, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from the date of authorization by the Board of Directors;

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

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

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

g. C-PACE Transaction – New Britain

- Catherine Duncan summarized the details of the project needing \$680,572 for a 227kW DC Solar PV system and roof improvements with a SIR of 2.02. Louise Della Pesca summarized the underwriting for the project which includes a DSCR greater than 4.30x.

Resolution #10

Subject to Changes and Deletions

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

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

WHEREAS, the Green Bank seeks to provide a **\$680,572** construction and (potentially) term loan under the C-PACE program to E.R. Hitchcock Co Inc., the building owner of 191 John Downey Drive, New Britain, Connecticut (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan; and

NOW, therefore be it:

RESOLVED, that the President of the Green Bank and any other duly authorized officer of the Green Bank is authorized to execute and deliver the Loan in an amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Committee dated July 14, 2023, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from the date of authorization by the Board of Directors;

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

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

Upon a motion made by Bettina Bronisz and seconded by Matthew Ranelli, the Board of Directors voted to approve Resolution 10. None opposed or abstained. Motion approved unanimously.

6. Incentive Updates and Recommendations **a. FY 2023 Report Out – Incentive Programs**

- Sergio Carrillo summarized the performance to targets for Incentive Programs, all of which were exceeded overall with 120% to target for projects closed, 104% for capital deployed, and 103% for capacity installed. The ESS Residential program fell a bit short but Smart-E performed very well. He commented on the unanticipated success of the ESS Commercial program which continues to be in high demand. Of the capital deployed, 38% was applied to vulnerable communities, just 2% short of the 40% goal.

- John Harry expressed his concerns with the process to solve the interconnectivity issues and high costs. Sergio Carrillo sympathized with his concern but stated that the Green Bank is working with the utilities to develop solutions.

- Robert Hotaling asked if the issue with interconnect backlog related to cost, lack of material, or lack of resources. Sergio Carrillo answered that he feels it is a combination of

Subject to Changes and Deletions

all of these factors, but lack of personnel resources and lack of understanding is certainly an issue.

- Robert Hotaling asked if the residential interconnects are the same who do commercial interconnects. Sergio Carrillo stated he believes it is different groups. Bryan Garcia added that there are many projects in the interconnection queues and asked if there are other policy objectives being met, such as On the Grid Edge, etc. Sergio Carrillo responded that his understanding of the process is a first-in, first-out approach and that both solar and ESS projects are behind other projects that may need recommendations and suggested the possibility of making a separate ESS interconnectivity queue.

- Hank Webster and Bryan Garcia discussed in the chat the validity of and concern about the shortage of personnel due to the de-emphasis of power engineering education as other forms of engineering were emphasized instead.

- b. **ESS Transaction – ESS-00309 - Suffield**
- c. **ESS Transaction – ESS-00376 - Meriden**
- d. **ESS Transaction – ESS-00377 - Meriden**
- e. **ESS Transaction – ESS-00522 - Thompson**
- f. **ESS Transaction – ESS-00525 - Milford**
- g. **ESS Transaction – ESS-00637 - Newington**

- Edward Kranich reviewed the details of each of the projects including the customer, location, system size, total cost, benefit and cost ratios, and the overall upfront incentive cost request for all 6 projects of \$6,837,402.50. Each project utilizes a Tesla Mega Pack or some configuration of multiple Tesla Mega Packs. Sergio Carrillo added that the expected performance incentives are in nominal dollars so in present value it would be about two-thirds of what is listed and that the RIM target for the portfolio is 1.4 and with these projects in total, it is well above that.

- John Harry commented that it is exciting to see manufacturers investing in non-fossil fuel power generation. Lonnie Reed also expressed her praise for how many different communities it is also affecting.

Resolution #11

WHEREAS, in its June 24, 2022 meeting the Connecticut Green Bank Board of Directors (Board) approved the implementation of an Upfront Incentive Project Approval procedures (“Procedures”) for non-residential projects under the Energy Storage Solutions Program (Program) with an estimated upfront incentive payment greater than \$500,000 and procedures for less than \$500,000;

WHEREAS, as part of the approved Procedures, Green Bank staff shall present Program projects via the consent agenda utilizing a standard form Tear Sheet process described in the memorandum to the Board dated June 24, 2022;

WHEREAS, in its December 9, 2002 meeting the Board approved updated Procedures to better align with the Program process;

WHEREAS, Green Bank Staff reviewed funding requests for projects with incentives below \$500,000, and approved them via Project Approval Forms for a total amount of \$625,000 and intends to issue Reservation of Fund letters upon Board of Directors review and authorization.

Subject to Changes and Deletions

NOW, therefore be it:

RESOLVED, that the Board hereby approves the estimated upfront incentives sought by three (3) non-residential projects above \$500,000 totaling \$5,779,813 consistent with the approved Procedures;

RESOLVED, that the Board hereby approves the estimated upfront incentives sought by three (3) non-residential projects individually under \$500,000, totaling \$1,057,500 consistent with the approved Procedures; and

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

Upon a motion made by John Harrity and seconded by Robert Hotaling, the Board of Directors voted to approve Resolution 11. None opposed or abstained. Motion approved unanimously.

7. Investment Programs Updates and Recommendations **a. FY 2023 Report Out – Investments**

- Eric Shrago summarized the performance to targets for FY2023 and the New Commitments and Cash-Out-the-Door (Previous Commitments) targets have been exceeded for the year. He stated the 40% Vulnerable Communities target is also being met.

b. SkyView Ventures – Transaction Modification

- Louise Della Pesca summarized the transaction modification request, starting with the project history. What is requested to change is that SkyView Ventures seeks to monetize federal investment tax credits in new ways since the passing of the Inflation Reduction Act which requires a new special purpose vehicle in order to allow them to sell those credits. The loan facility size, diligence process, and other aspects are not changing.
 - Bettina Bronisz asked for clarification regarding the SPV. Louise Della Pesca responded that nothing will be changing with the old SPV but this would affect the new SPV.
 - Bettina Bronisz asked how much of the \$10 million has been drawn and is leftover for the new SPV. Louise Della Pesca responded they have drawn \$6.6 million but have repaid \$800,000 and because of how it is structured, they can use \$4.2 million.
 - Bert Hunter asked if the borrowing can also be between the two facilities and Louise Della Pesca responded that yes if that was the request, but that the new SPV is what is expected to be used for solar projects.

Resolution #12

WHEREAS, the Connecticut Green Bank (“Green Bank”) Board of Directors approved at its meeting held on March 25, 2020 a senior secured loan facility (“Original Term Loan”) transaction with a Skyview Ventures special purpose vehicle (“Skyview”) in an amount not to

Subject to Changes and Deletions

exceed \$2.3M as a Strategic Selection and Award pursuant to the Green Bank Operating Procedures Section XII given the special capabilities, uniqueness, strategic importance, urgency and timeliness, and multi-phase characteristics of the Original Term Loan transaction. The Original Term Loan was first expanded to \$3.5M, then to \$7M and then to \$10M with a provision for funding commercial solar project construction activities (the “Existing Loan”), as approved by the Board at its meetings on April 24 and October 23, 2020, December 17, 2021, and April 21, 2023 respectively;

WHEREAS, Skyview has drawn \$6.6M of the Existing Loan commitment as of June 30, 2023 and now seeks a new ways to monetize the federal investment tax credit (“ITC”), meaning that a new special purpose vehicle (“New SPV”) will be established for the purpose of owning any solar projects it develops in the future;

WHEREAS, given the rate of utilization of the Existing Loan by Skyview for longer term financing of commercial solar projects, and the opportunity to provide construction financing for Skyview’s pipeline, following diligence of Green Bank staff, Green Bank staff proposes providing financing to the new SPV that Skyview will establish to monetize the ITC and staff requests Board approval.

NOW, therefore be it:

RESOLVED, that the Board approves staff’s request to modify the Existing Loan transaction consistent with the memorandum to the Board dated July 14, 2023 (“Board Memo”), to provide financing to New SPV;

RESOLVED, that the President of the Green Bank; and any other duly authorized officer of the Green Bank, is authorized to execute and deliver, any contract or other legal instrument necessary to affect the modification of the Existing Loan transaction on such terms and conditions as are materially consistent with the Board Memo; and

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

Upon a motion made by Adrienne Houël and seconded by Robert Hotaling, the Board of Directors voted to approve Resolution 12. None opposed and Matthew Ranelli abstained. Motion approved.

c. Smart-E Loan – Interest Rate Change

- Bert Hunter summarized the Smart-E loan program history and issue around rising interest rates over the last year. He stated lenders have expressed concerns regarding that and the Smart-E loan maintaining their “not-to-exceed” rates which have held steady since the program’s inception and affects the lenders’ capacity. He stated there was a link-deposit program developed which was implemented on a case-by-case basis, but in recent weeks have come under pressure to provide more headroom to the rates. He reviewed the proposed new Smart-E rates, including new not-to-exceed rates, which should give enough relief.

- Matthew Ranelli asked if the rates should be adjusted to be the lower proposed option or to match the federal rate so that if in the future interest rates go down, the level they get set to today aren’t seen as excessively high. Bert Hunter responded the

Subject to Changes and Deletions

hesitation to set that in writing is because the yield curve can affect the rates in unexpected ways, and it may be better to observe the changes cautiously for now.

Resolution #13

WHEREAS, the Deployment Committee of the Board of Directors (the “Board”) of the Green Bank (then known as the “Clean Energy Finance and Investment Authority”) on November 30, 2012 approved the establishment of the Smart-E Loan product (then called “CT HELPs”, the “Smart-E Program”);

WHEREAS, since approval by the Deployment Committee, the Smart-E Loan program has been expanded by the Board in partnership with Connecticut community banks and credit unions (the “Program Lenders”);

WHEREAS, as a condition to participation in the Smart-E Program, Program Lenders enter into a financing program agreement (the “Program Agreement”) with the Green Bank concerning terms, conditions, roles and responsibilities of the Program Lenders and the Green Bank;

WHEREAS, one of the terms in the Program Agreement is the establishment of “not to exceed” loan rates (“Program Loan Interest Rates”), whereby the Program Lenders agree to not exceed the interest rates established pursuant to the Program Agreement for Smart-E Loans they provide for their customers;

WHEREAS, the Program Agreement establishes that such Program Loan Interest Rates can be changed by the Board of Directors of the Green Bank;

WHEREAS, after many years of low and stable interest rates, the Federal Reserve Board of the United States has materially increased interest rates for federal funds and instituted other restrictive monetary policies which have resulted in substantial increases in interest rates for loans to households and businesses as well as interest rates on deposits by which Program Lenders obtain funding for their loans, including Smart-E Loans;

WHEREAS, without an increase in Program Loan Interest Rates, Program Lenders have advised the Green Bank they will need to withdraw from the Smart-E Program or otherwise suspend or curtail their participation in the Smart-E Program;

WHEREAS, such withdrawal, suspension or curtailment would be detrimental to the Smart-E Program goals to make available funding for households seeking to undertake clean energy investments for their homes;

WHEREAS, after considerable discussion with Program Lenders, Green Bank staff has determined that it is appropriate to recommend to the Board for approval modification of the Program Loan Interest Rates as set forth in a memorandum to the Board dated July 14, 2023;

NOW, therefor be it:

RESOLVED, that the Board approves the recommendation by the staff to increase Smart-E Loan Program Loan Interest Rates as set forth in a memorandum to the Board dated July 14, 2023 (the “Board Memo”);

Subject to Changes and Deletions

RESOLVED, that the President of the Green Bank; and any other duly authorized officer of the Green Bank, is authorized to execute and deliver, any contract or other legal instrument necessary to affect the modification of the Smart-E Loan Program Loan Interest Rates materially consistent with the Board Memo; and

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

Upon a motion made by John Harrity and seconded by Robert Hotaling, the Board of Directors voted to approve Resolution 13. None opposed or abstained. Motion approved unanimously.

Brenda Watson left the meeting at 10:58 am.
Matthew Ranelli left the meeting at 11:00 am.

8. Environmental Infrastructure Programs Updates and Recommendations **a. FY 2023 Report Out – Environmental Infrastructure Programs**

- Bryan Garcia summarized the progress for the last two fiscal years including governance, bond potential, developing products, stakeholder engagement, a strategic retreat, building the team, continuing engagement, raising resources, launching new products, and conducting research and development.

b. Sustainable CT

- Bryan Garcia reviewed the progress towards community engagement through Sustainable CT and the partnership which also focuses on driving investment, harnessing capital for impact, developing a model which covers the cost of the program, and creating a measurable impact for municipalities and communities. He summarized the key outcomes and impact from the work this past year. He also reviewed the goals for the upcoming year.
 - Lonnie Reed asked if a community anaerobic digester component is possible at all. Bryan Garcia responded that for Sustainable CT and environmental infrastructure, the push is to get communities to think more about composting which then should transfer to municipalities doing more and will hopefully lead to smaller projects driving the ability to create larger infrastructure projects.

Resolution #14

WHEREAS, the Comprehensive Plan and FY 2024 budget identify Sustainable CT as a partner of the Connecticut Green Bank ("Green Bank"), including an allocation of \$150,000 from the FY 2024 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 \$150,000 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 18, 2023;

Subject to Changes and Deletions

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 18, 2023; 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, especially those in development for environmental infrastructure. 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 staff 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; and

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 John Harrity and seconded by Adrienne Houël, the Board of Directors voted to approve Resolution 14. None opposed or abstained. Motion approved unanimously.

Bettina Bronisz left the meeting at 11:11 am.

9. Other Business

a. Greenhouse Gas Reduction Fund – Federal Engagement

- Bryan Garcia stated that the Greenhouse Gas Reduction Fund is fully established and there is now an internal team as part of the Dream Bigger Strategy. The focus is now to work with the inner agency consortium on the Solar For All request and support DEEP through that.
 - John Harrity suggested that for the CPACE program, to target the marijuana growers of Connecticut for solar.

b. Other Business

Subject to Changes and Deletions

- Bryan Garcia commented there may be progress to bring Committee Meetings and Board Meetings in-person again for those who are able to.

Robert Hotaling left the meeting at 11:13 am.

10. Adjourn

Upon a motion made by John Harrity and seconded by Adrienne Houël, the Board of Directors meeting adjourned at 11:16 am.

Respectfully submitted,

Lonnie Reed, Chairperson