



Audit, Compliance and Governance Committee

Meeting Date

June 14, 2021





Audit, Compliance, & Governance Committee Members

Matthew Ranelli, Chairman

Partner, Shipman & Goodwin LLP

Lonnie Reed

Board Chair

Thomas M. Flynn

Managing Member, Coral Drive Partners,
LLC

Michael Li

Connecticut Department of Energy and
Environmental Protection (DEEP)

845 Brook Street, Rocky Hill, CT 06067
T 860.563.0015
ctgreenbank.com



June 7, 2021

Dear Audit, Compliance and Governance (ACG) Committee Members,

We look forward to our meeting on Monday, June 14th via GoToMeeting, <https://global.gotomeeting.com/join/195878213> from 8:30 a.m. to 9:00 a.m. We will be discussing the following agenda items:

1. Proposed Update to Tuition Reimbursement Benefit
2. Proposed Methodology to Assess Customer Savings

As always, please let me know if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Brian Farn". The signature is written in a cursive style and is followed by a long horizontal line.

Brian Farn
General Counsel & Chief Legal Officer



AGENDA

Audit, Compliance and Governance Committee of the
Connecticut Green Bank
75 Charter Oak Avenue, Suite 1-103
Hartford, CT 06106

Monday, June 14, 2021
8:30 – 9:00 a.m.

Staff Invited: Jane Murphy, Brian Farnen, Bryan Garcia, Bert Hunter, and Eric Shrago

Others invites:

1. Call to order
2. Public Comments
3. Approve Meeting Minutes for May 18, 2021* – 5 minutes
4. Proposed Update to Tuition Reimbursement Benefit** – 15 minutes
5. Proposed Methodology to Assess Customer Savings due to Solar Methodology ** – 10 minutes
6. Adjourn

*Denotes item requiring Committee action

** Denotes item requiring Committee action and recommendation to the Board for approval

Join the meeting online at
<https://global.gotomeeting.com/join/804937901>

Or call in using your telephone:
Dial +1 (571) 317-3122
- One-touch: <tel:+15713173122,804937901#>
Access Code: 804-937-901

Next Regular Meeting: Monday, October 12, 2021
Connecticut Green Bank, 75 Charter Oak Ave., Suite 1-103, Hartford, CT



RESOLUTIONS

Audit, Compliance and Governance Committee of the
Connecticut Green Bank
75 Charter Oak Avenue, Suite 1-103
Hartford, CT 06106

Monday, June 14, 2021
8:30 – 9:00 a.m.

Staff Invited: Jane Murphy, Brian Farnen, Bryan Garcia, Bert Hunter, and Eric Shrago

Others invites:

1. Call to order
2. Public Comments
3. Approve Meeting Minutes for May 18, 2021* – 5 minutes

Resolution #1

Motion to approve the minutes of the Audit, Compliance and Governance Committee meeting for May 18, 2021. Second. Discussion. Vote.

4. Proposed Update to Tuition Reimbursement Benefit** - 15 minutes – Eric Shrago

Resolution #2

WHEREAS, pursuant to Section 5.2.2 of the Connecticut Green Bank (Green Bank) Bylaws, the Audit, Compliance and Governance (ACG) Committee is charged with the review and approval of, and in its discretion recommendations to the Board of Directors (Board) regarding employee policies and oversight of the administrative functions of the organization; and

WHEREAS, the Budget, Operations, and Compensation (BOC) Committee is reviewing this recommendation for recommendation of approval to the Board at its May 12, 2021 meeting;

NOW, therefore be it:

RESOLVED, that the ACG Committee hereby recommends the Board of Directors of the Green Bank approval of the revisions to the Tuition Reimbursement Policy in the Green Bank Employee Handbook presented on June 14, 2021.
Second. Discussion. Vote

5. Proposed Methodology to Assess Customer Savings (Solar) ** – 10 minutes – Eric Shrago

Resolution #3

WHEREAS, the Connecticut Green Bank (Green Bank) has long sought to gauge and assess the reach of its programs in terms of their financial impact for their customers; and

WHEREAS, the Green Bank has implemented a generation monitoring platform that provides real-time and historical insight into solar system performance; and

WHEREAS, the Green Bank has established internal and external controls to ensure the accuracy of the generation; and

WHEREAS, the Green Bank created a database of electricity rates used to estimate customer expenses; and

WHEREAS, the Green Bank sought input from the Connecticut Department of Energy and Environmental Protection and the Public Utility Regulatory Authority; and

WHEREAS, pursuant to Section 5.2.1 of the Green Bank Bylaws, the Audit, Compliance, & Governance (ACG) Committee is charged with the review and approval of, and in its discretion recommendations to the Board of Directors (Board) regarding organizational policies and procedures;

NOW, therefore be it:

RESOLVED, that the ACG Committee hereby recommends the Board of the Green Bank approval of the above methodology for assessing the equity and inclusion of the organization's Incentive and Financing Programs including, but not limited to, the number of projects, investment, and deployment in vulnerable communities.
Second. Discussion. Vote

6. Adjourn

*Denotes item requiring Committee action

** Denotes item requiring Committee action and recommendation to the Board for approval

Join the meeting online at
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Or call in using your telephone:
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Access Code: 804-937-901

Next Regular Meeting: Monday, October 12, 2021
Connecticut Green Bank, 75 Charter Oak Ave., Suite 1-103, Hartford, CT

ANNOUNCEMENTS

- **Mute Microphone and turn on Video**– in order to prevent background noise that disturbs the meeting, if you aren't talking, please mute your microphone or phone.
- **Chat Box** – if you aren't being heard, please use the chat box to raise your hand and ask a question.
- **Recording Meeting** – per Executive Order 7B (i.e., suspension of in-person open meeting requirements), we need to record and post this board meeting.
- **State Your Name** – for those talking, please state your name for the record if you cannot be on video.



CONNECTICUT
GREEN BANK SM

Audit, Compliance and Governance Committee

June 14, 2021

ACG Committee

Agenda Item #1

Call to Order

ACG Committee

Agenda Item #2

Public Comments

ACG Committee

Agenda Item #3

Approve Meeting Minutes for May 18, 2021

ACG Committee

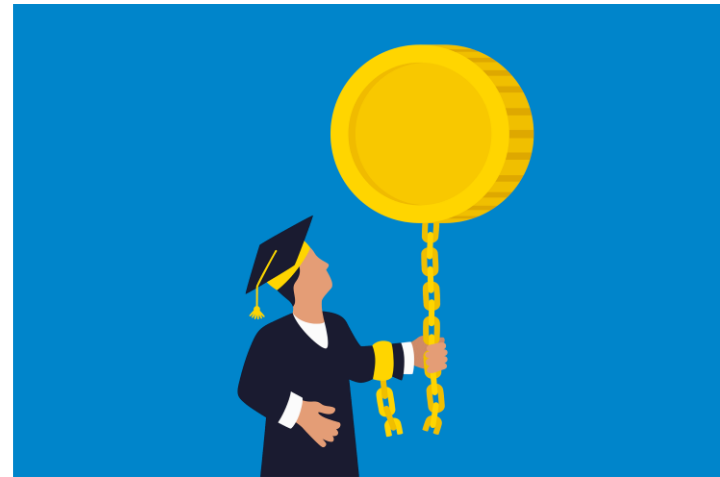
Agenda Item #4

Proposed Update to Tuition Reimbursement
Benefit

Educational Assistance



- Green Bank has an existing program for tuition reimbursement
- Proposing expanding the program to take advantage of the CARES Act provisions (bipartisan federal legislation signed by former President Trump) that allow employers to pay a portion of an employee's student debt without tax implications
- Inclusion in the CARES Act was advocated for by SHRM (considered the Industry org for HR)
- The expanded program would allow employees to both pursue new degrees while paying off the debt on old ones
- Use of this Federal Policy makes Green Bank compensation dollars go further
- Increases employee retention



Educational Assistance



Overview of the Current Reimbursement Policy

- **A Green Bank employee with six months or more of service and a minimum of “meets expectations” on their most recent performance review is eligible**
 - Full-time employees compensated 100% of tuition and fees
 - Up to \$400/credit for undergraduate courses and \$750/credit for graduate courses, with a maximum of \$10,000 assistance per employee per fiscal year
 - Part-time employees with at least 20 hours per week are eligible for pro-rated assistance based on the amount of hours the employee works.
- **Must be approved by the employee’s department head and the President**
 - The relevance and anticipated promotional path taken into consideration for approval
 - The employee:
 - Must maintain a C average for undergraduate courses
 - Must maintain B average for graduate courses
 - Must have an overall rating of “meets expectations” on their annual reviews to maintain eligibility

Educational Assistance

Turnover Rates at the Green Bank and Expectations in the Job Market Moving Forward

FY	Turnover Rate
2017	6%
2018	13% ^[1]
2019	11% ^[2]
2020	5%
2021	0%
2022	7%
Average	7%

On exit interviews, a cited reason for leaving is employees’ desire/need for increased compensation.

Educational Assistance

Length of Time to Hire Employees



- How long it takes to hire employee is dependent on the position
 - More Skilled/Senior takes significantly longer
 - On Avg., time is approx. three months
- Green Bank faced challenges in hiring
 - Unable to hire summer Interns for the Clean Energy Finance Team
 - Usually a competitive internship with a large number of applicants
 - Those offered positions turned them down for positions in the Private Sector
- Support for student loan payments helps attract and retain potential employees
 - 5-year federal program
 - Provides longer ramp for retention

Educational Assistance

Historic Use of the tuition reimbursement policy?

Since 2016, we have had 15 members of our staff take advantage of the policy.

Staff have pursued MBA's, MPA's, Master of Architecture degrees and Certificates in Leadership and in Clean Energy Finance and Deployment.

The continuing education assistance offered to these staff members supported their professional development in subject matter that is consistent with their duties and needs of the organization.

Educational Assistance

Whether Staff Can Have the Choice Between A
Salary Increase or Non-Taxable Tuition
Reimbursement

Per Internal Revenue Code, Employers cannot give employees a choice between taking a salary increase or the non-taxable tuition reimbursement

Educational Assistance

Equity for Individuals Who Do Not Qualify



- Open to all staff
- Feedback thus far, while anecdotal, has been positive
- Those without eligible education debt can take advantage of the education reimbursement policy by pursuing **a new educational opportunity**



Educational Assistance



Other Quasi-Public, State Agencies and Private Industry

- The Department of Administrative Services said this could be reviewed as part of ongoing SEBAC negotiations
- Others are currently reviewing this assistance
- Connecticut Innovations considering same changes
- In terms of private sector employers, the National Law Review found few employers providing this as a benefit however they expected this to sharply increase (this was predicted even before the incentive was offered by the CARES Act and the IRS).

*As a new tax incentive under the CARES Act, there is limited data at this time

Educational Assistance

Other Quasi-Public, State Agencies and Private Industry



The Society for Human Resource Management (the leading advocate for HR best practices) has been a strong proponent of this type of benefit as a way to attract and retain staff

With unemployment numbers down and the economy heating up, this new incentive offering will help the Green Bank attract and retain top talent that are interested in the clean energy sector but have more lucrative options.

State and quasi-government employment is not traditionally the first-place top talent job seekers pursue employment unless there is a compelling story or opportunity. As the first in the nation green bank with a track record of success, we have been able to attract and retain top talent, but this is becoming increasingly difficult as new and more lucrative opportunities are emerging in the clean energy sector.

Educational Assistance



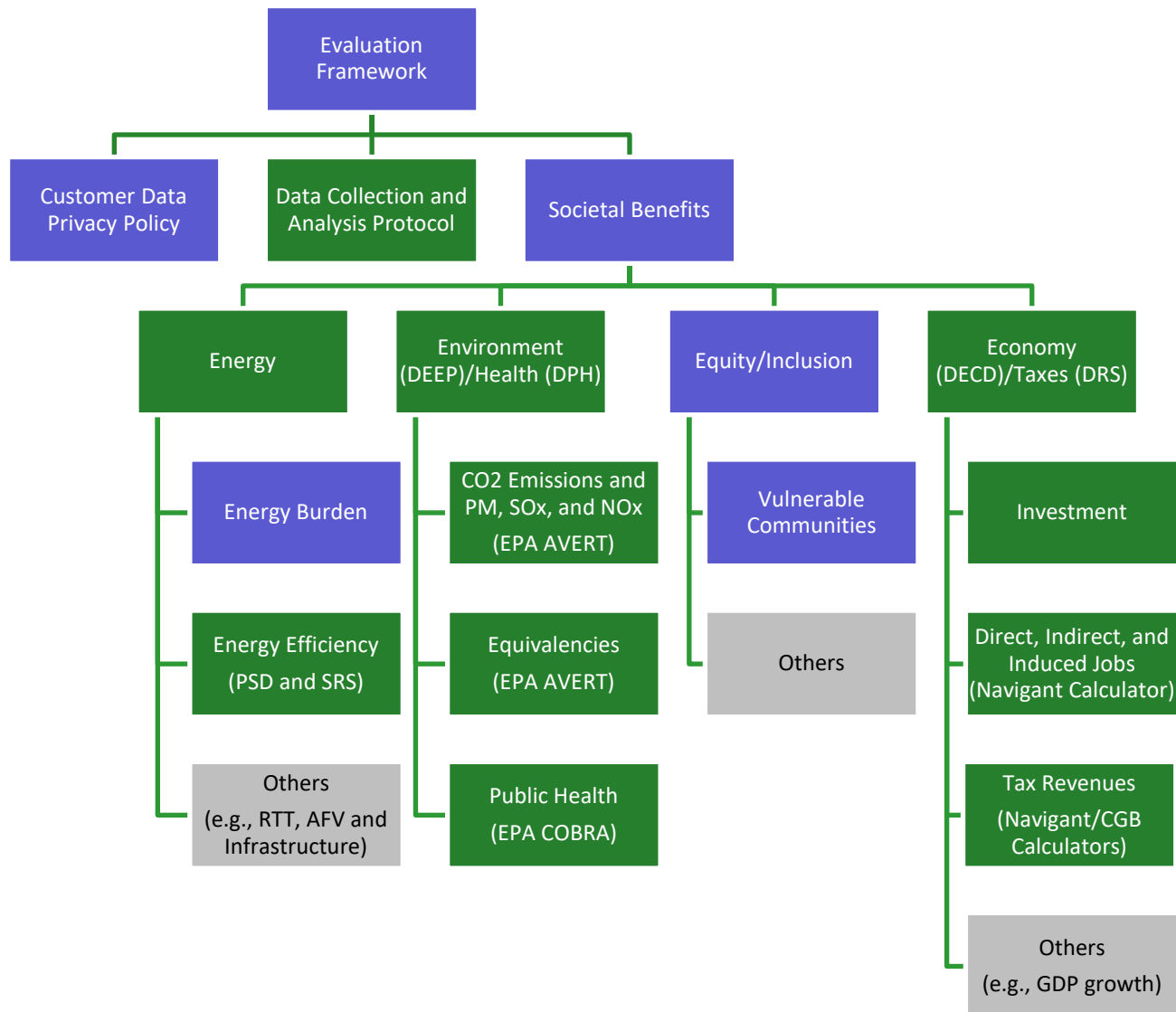
- **Overall:**
 - State and quasi-government employment is not traditionally the first-place top talent job seekers pursue employment **unless there is a compelling story or opportunity**
 - Green Bank has a track record of success attracting and retaining top talent
 - But it is becoming increasingly difficult
 - Even more difficult as new and more lucrative opportunities emerge in the clean energy sector
 - The new incentive passed will help attract and retain top talent

ACG Committee

Agenda Item #5

Proposed Methodology to Assess Customer Savings and Energy Burden Reduction

Evaluation Framework



General Approach – What is the value of energy reduction



Depending on the program, we have different levels of insight into energy usage and energy production.

Program	Access to Usage Data	Access to Production Data
RSIP		X
Solar for All		X
Smart-E		X
Multifamily	X	
CPACE	X	*
Residential Lease		X
Residential Loan		X
Commercial PPA		X

The methodology only applies to solar customers in programs where the Green Bank has insight to both generation and financing costs (Posigen, Resi Solar Lease, PPA, Residential Solar Loan). In the future we may evaluate its use elsewhere.

Savings formula



Savings in Dollars is calculated by subtracting the Hypothetical Avoided Utility Expense by Solar Lease or Loan Expense

(Formula 1) Savings = Hypothetical Avoided Utility Expense - Solar Expense

Solar Expense is calculated differently for customers depending on the program in which they participate.

The Hypothetical Avoided Utility Expense is calculated by multiplying the utility rate by the generation of their system



Sourcing Generation and Financing Costs



Solar Generation:

Our Solar PhotoVoltaic systems continuously upload production data to Locus Energy's web platform on a fifteen minute basis. Locus is our source of PV generation data.

Financing Costs:

- PPA rates are pulled from Salesforce (database where all project details are kept).
- Solar Loan payments are pulled from Concord (the loan servicer).
- Solar Lease payments are pulled from Resi Legacy Projects table (data warehouse).
- PosiGen lease payments are pulled from Powerclerk.

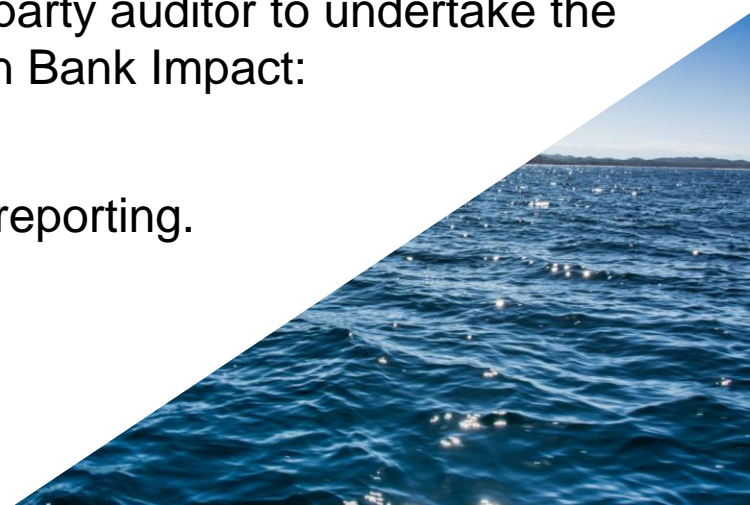


Controls



To ensure a high degree of accuracy in this estimation of savings, staff have implemented the following as controls around this and other associated processes:

- a. Estimate to Actual Production – Regular review of the estimated production (PowerClerk)
vs. the actual production;
- b. Staff Performance Review –staff responsible for programs are accountable for reviewing production in their annual reviews; and
- c. Annual Audit Requirement – independent third party auditor to undertake the following as part of the regular review of Green Bank Impact:
Review methodology for reasonableness
Assess process for data collection, analysis, and reporting.



RESOLVED, that the ACG Committee hereby recommends the Board of the Green Bank approval of the **above methodology for assessing the** savings and energy burden reductions of Green Bank customers.

ACG Committee

Agenda Item #6
Adjourn



**AUDIT, COMPLIANCE AND GOVERNANCE OF THE
CONNECTICUT GREEN BANK**

Regular Meeting Minutes

Tuesday, May 18, 2021
8:30 a.m. – 9:30 a.m.

A regular meeting of the Board of Directors of the **Connecticut Green Bank (the “Green Bank”)** was held on May 18, 2021.

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

Committee Members Present: Thomas Flynn, Michael Li, Matt Ranelli, Lonnie Reed

Committee Members Absent: None

Staff Attending: Brian Farnen, Bryan Garcia, Bert Hunter, Cheryl Samuels, Ariel Schneider, Eric Shrago

Others present: None

1. Call to Order

- Matt Ranelli called the meeting to order at 8:31 am.

2. Public Comments

- No public comments.

3. Approve Meeting Minutes for October 15, 2020

Resolution #1

Motion to approve the minutes of the Audit, Compliance, and Governance Committee meeting for October 15, 2020.

Upon a motion made by Lonnie Reed and seconded by Thomas Flynn, the ACG Committee voted to approve Resolution 1. None opposed and Thomas Flynn abstained. Motion approved.

Subject to Changes and Deletions

4. Status of the APA Audit for FY2018 & FY2019 Report Out

- Brain Farnen summarized the main findings of the FY2018 and FY2019 Report Outs. This regarded submitting quarterly financial reports, severance payments, and staff timesheet approvals. All issues have been addressed and resolved. Bryan Garcia explained more details about the severance package findings. Eric Shrago expanded on the payroll approvals.
 - Thomas Flynn asked for clarification about the severance package findings and Bryan Garcia responded. The group discussed the severance process as the auditors believed best compared to what the Green Bank believed to be best.
 - Thomas Flynn asked for clarification about the timesheet approval process. Eric Shrago responded that he sends regular reminders to supervisors so that they are approving timesheets instead of him, as the last stop approval.
 - Matthew Ranelli commented that the timely quarterly reporting being set straight is pleasant to hear.
 - Thomas Flynn asked for an update as to whether the quarterly reporting are still up to date and this info is provided to the Committee. Brian Farnen noted it is part of the ACG presentation and we will continue to do so.

5. Proposed Update to Tuition Reimbursement Benefit

- Eric Shrago summarized the proposed change from a Tuition Reimbursement program to a more encompassing Education Assistance program, allowing for student loan assistance as allowed in the CARES Act.
 - Matthew Ranelli asked how the BOC Committee responded, and Eric Shrago answered that they did meet and did recommend the Resolution.
 - Thomas Flynn asked about the turnover rate at the Green Bank in recent years. Eric Shrago answered he did not have an exact answer but believed it was under 10% turnover. Thomas Flynn asked about employee tuition reimbursement use, and Eric Shrago answered that in the last 2 years, those enrolled finished their degrees.
 - Thomas Flynn asked if this expanded the amount issued per person or kept the \$10,000 limit per year and Eric Shrago stated the limit remains the same.
 - Thomas Flynn asked if the degree that the loan was taken for has to be approved or related to the degree that is used in their job function, and Eric Shrago responded that the tuition reimbursement loan does have to be approved. Thomas Flynn asked who does the approvals and Eric Shrago stated it was himself, but Thomas Flynn stated that the verbiage seemed too vague as to what qualifies for approval.
 - Thomas Flynn stated he would not be against paying off some student debt but is hesitant due to the possibility of someone being hired, having debt paid off, and then leaving the organization. Matthew Ranelli stated he agrees with Thomas Flynn and that they do not believe it solves a problem that the Green Bank currently has. The group further discussed the benefits and detriments of education versus experience in terms of salary, equity, and other topics.
 - Michael Li brought up some points about hiring within State guidelines and an alternative option of offering the loan repayment instead of salary increase through the annual review process, though Eric Shrago stated the CARES Act may prohibit the alternative. However, he also stated that if a company has a

retention problem, resolving that is a bigger issue and avoiding it in the first place may be better.

- Lonnie Reed recommended tabling the Resolution until a future ACG Meeting can be held to discuss instead of bringing it to the Board without recommendation especially since the BOC Committee did recommend it.

Resolution #2

WHEREAS, pursuant to Section 5.2.2 of the Connecticut Green Bank (Green Bank) Bylaws, the Audit, Compliance and Governance (ACG) Committee is charged with the review and approval of, and in its discretion recommendations to the Board of Directors (Board) regarding employee policies and oversight of the administrative functions of the organization; and

WHEREAS, the Budget, Operations, and Compensation (BOC) Committee is reviewing this recommendation for recommendation of approval to the Board at its May 12, 2021 meeting;

NOW, therefore be it:

RESOLVED, that the ACG Committee hereby recommends the Board of Directors of the Green Bank approval of the revisions to the Tuition Reimbursement Policy in the Green Bank Employee Handbook presented on May 18, 2021.

No vote was made on Resolution 2 so more information could be gathered and rediscussed.

6. Proposed Methodology to Assess Equity Impact and Reach to Vulnerable Communities

- Eric Shrago summarized the framework used to evaluate equity and how it is framed within State guidelines and the newly defined Vulnerable Communities. He explained what Vulnerable Communities covers and explained the Green Bank's goal to be able to further define how it impacts those communities.
 - Matthew Ranelli commented that the definition may need to be modified to remove the "as further defined by DEEP" due to legislative delegation, and asked that in using the census track numbers, if the Green Bank keep track of the auditing of the census tracks to see if the data lines up. Eric Shrago noted that it is an interesting concern and said it may be possible in the future. Michael Li noted that he had similar concerns but found that the census tracks are generally homogenous. He also stated there was a study done that evaluated the census tracks, it found that the data was good, and he offered to locate the study again for the group.

Resolution #3

WHEREAS, the Connecticut Green Bank has long sought to gauge and assess the reach of its programs in terms of their equity and inclusion; and

WHEREAS, the State of Connecticut has adopted the definition set forth in Public Act 20-05 of Vulnerable Community; and

WHEREAS, the Green Bank established Incentive and Financing Program goals for investment and benefits in these Vulnerable Communities by 2025; and

WHEREAS, pursuant to Section 5.2.1 of the Connecticut Green Bank (Green Bank) Bylaws, the Audit, Compliance, & Governance (ACG) Committee is charged with the review and approval of, and in its discretion recommendations to the Board of Directors (Board) regarding organizational policies and procedures;

NOW, therefore be it:

RESOLVED, that the ACG Committee hereby recommends the Board of Directors of the Green Bank approval of the above methodology for assessing the equity and inclusion of the organization's Incentive and Financing Programs including, but not limited to, the number of projects, investment, and deployment in Vulnerable Communities.

Upon a motion made by Lonnie Reed and seconded by Thomas Flynn, the ACG Committee voted to approve Resolution 3. None opposed or abstained. Motion approved unanimously.

7. Legislative and Regulatory Policy Update

- Brian Farnen gave the legislative update and discussed several bills being presented and included in the current session. He also gave an update to the regulatory activity.
 - Lonnie Reed asked about bill 6441 and if there are any backup legislative vehicles in place for the Green Bank's portion of it in case that bill does not move forward. Brian Farnen stated there was not but that he will be talking to Matt Macunas later today about it.

8. Update on Statutory Report Status

- Brian Farnen gave a brief update to the statutory reports in that they have all been made submitted on time.

9. BOD Membership Status Update

- Brian Farnen summarized the Board Membership status and noted that Eric Brown and Matthew Ranelli will likely leave this year after successful multiple terms on the Board. New recommendations are being discussed, and the transitions should be smooth.

10. Adjourn

Upon a motion made by Thomas Flynn and seconded by Lonnie Reed, the Audit, Compliance and Governance Committee Meeting adjourned at 9:33 am.

Respectfully submitted,

Matthew Ranelli, Chairperson

Memo

To: Audit, Compliance, & Governance Committee of the Connecticut Green Bank Board of Directors
From: Eric Shrago (Managing Director of Operations)
Date: May 11, 2021
Re: Proposed updates to Tuition Reimbursement Policy

Since the inception of the Green Bank, one of the keys to the organization's success has been our high performing staff. We are focused on attracting and retaining the staff that we need for our organization to continue to be a success. Recognizing that our organization does not have the ability to compensate employees at rates that are always competitive with similar roles the private sector we are keen to find ways that allow us to make up for some of those differences.

One such benefit offered by the organization of which staff have taken advantage is our tuition assistance. Under the existing policy, the Green Bank will reimburse up to \$10,000 per year of tuition for the current pursuit of education. Since 2018, 11 members of our organization have availed themselves of this. These staff have used this to pursue undergraduate and graduate degrees, advanced certificates, and skill building programs, all of which have increased their value to the organization while allowing them to advance their personal goals.

In a recent review of regulatory changes, senior staff noticed that there is a temporary change to the Internal Revenue Code due to the Section 2206 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) that allows the employers to pay or reimburse staff for payment of student loans up to \$5250 per year. These payments would not be taxable income for the employee. This is a temporary regulation in place through January 1, 2026. The program started in the year 2020; consequently, there are 5 years remaining under the program.

A recent survey of staff shows that 25% of Green Bank staff have outstanding student loans. These loans were most often incurred pursuing degrees that made these employees attractive candidates to the Green Bank. They learned skills from which the organization is benefiting.

We recommend that the Board of Directors take advantage of this federal tax incentive program¹ to expand the tuition reimbursement policy to allow for the employees to be reimbursed for payments of their student debt. This new provision benefits both the employee and the Green Bank as the employer. The employee is able to retire student loan indebtedness at a faster rate than otherwise possible (Green Bank would make student loan payments made on their behalf – non-taxable to the employee), while the Green Bank gets a payroll tax exclusion (i.e., no social security tax) on these payments.

This will make the entire policy more inclusive, allowing employees who are presently pursuing education to participate as well as those who did so at an earlier point in their careers. This added benefit is something often offered by private sector employers and will make up for the Green Bank not being able to compensate our staff at levels commensurate with the private sector. In this way, the program promotes staff retention as eligible employees will know that they are able to avail themselves of the benefit for each year they stay in the employ of the Green Bank. The combined policy will now be called the Educational Assistance policy.

Proposed new policy: Educational Assistance

Any employee who has satisfactorily completed six months of service (and receives a rating of “meets expectations” or higher as a result of their six month review) and is either continuing his/her education in a job related area, in an area that will assist the employee in upward mobility or promotional opportunities; or is making principal and/or interest payments on qualifying debt incurred in the pursuit of such an educational opportunity shall be eligible to receive tuition assistance as follows:

- **Part A:** For credit courses at accredited institutions of higher education, full-time employees will be reimbursed 100% of the cost of tuition and laboratory fees up to a maximum of \$400 per credit taken for undergraduate courses and \$750 per credit for graduate courses. There will be a maximum dollar limit of \$10,000 for Part A tuition assistance per employee per fiscal year.
- **Part B:** Employees may also be reimbursed for their payment of their student debt as defined by the Internal Revenue Service in chapter 11 of Pub. 970. Employees will be reimbursed for actual payments of principal and interest on these loans up to \$5250 per calendar year, through December 31, 2025.
- The maximum aggregate dollar limit of Part A and Part B tuition assistance per employee per fiscal year is \$10,000.

Part-time employees who work at least 20 hours per week will be eligible for Part A and Part B educational assistance on a pro-rated basis based on their work schedule. The employee

¹ Section 2206 of the CARES Act.

must maintain an overall rating of “meets expectations” during the annual review process in order to continue to be eligible for assistance under this program.

Requests for Part A tuition assistance must be in writing and will be reviewed and approved by the employee’s department head and the President and/or his designee based on individual merits. Management will consider the relevance of the program to the employee’s current position, job responsibilities and promotional path prior to approval of the tuition assistance request. The employee must maintain a grade point average (GPA) of C for undergraduate courses and B for graduate courses to continue receiving tuition assistance under this program. If an employee’s GPA falls below these minimums, further eligibility for tuition assistance will be suspended until the required GPA is achieved.

Employees interested in applying for tuition assistance under this program should complete a tuition assistance form on SharePoint and follow the steps below to assure prompt tuition assistance.

1. Complete the Educational Assistance Form and submit it.
2. The request will be reviewed and if appropriate, approved by your department head and the President/Designee.
3. Once approved and subsequent to enrollment in the program, submit a copy of course registrations, invoices, proof of loan payments, and any other related documents to the director of operations for review and payment approval through a payment request on SharePoint. Part B reimbursements will only be made to the extent the employee submits evidence of loan payments at least in the amount requested (not to exceed statutory maximums and overall Part A and Part B program limits).
4. Upon completion of the semester, the director of operations will require a copy of all grades. Failure to do so may render you ineligible for tuition assistance for future course. Employees are financially responsible to reimburse CGB for payments made on their behalf under this program if they resign from their employment with CGB within (6) months of the signed date on the most recent consent authorization section of the Educational Assistance Form.
5. Employee Tax Liability: CGB follows the current IRS guidelines pertaining to annual reporting of employee educational benefits. Employees should consult with their tax advisor regarding this matter.

Resolution:

WHEREAS, pursuant to Section 5.2.1 of the Connecticut Green Bank (Green Bank) Bylaws, the Audit, Compliance, & Governance (ACG) Committee is charged with the review and approval of, and in its discretion recommendations to the Board of Directors (Board) regarding employee policies and oversight of the administrative functions of the organization;

WHEREAS, the Budget, Operations, and Compensation (BOC) Committee is reviewing this recommendation for recommendation of approval to the Board at its May 12, 2021 meeting;

NOW, therefore be it:

RESOLVED, that the ACG Committee hereby recommends the Board of Directors of the Green Bank approval of the revisions to the Tuition Reimbursement Policy in the Green Bank Employee Handbook presented on May 18, 2021.

Second. Discussion. Vote



Memo

To: Audit, Compliance and Governance Committee
From: Karl Johnson (Senior Associate of Asset Management and Compliance), and Eric Shrago (Managing Director of Operations)
Date: June 7, 2021
Re: Solar Energy Burden Reduction Methodology

I. Background

Describing the contributions of the projects supported by the Connecticut Green Bank to the green economy helps illustrate the how the continued deployment of clean energy and thus the Green Bank helps society. Through its evaluation efforts in general, and specifically its “Evaluation Framework: Assessing, Monitoring, and Reporting of Program Impacts and Processes,” the Green Bank has assembled the following materials:

- Evaluation Framework: Societal Perspective (Combined Energy Burden Reduction – Solar PV) – Draft Fact Sheet by the Green Bank

The Green Bank seeks to reasonably estimate the economic benefits to end-use customers of clean energy – or what we call the energy burden reduction. Providing end-use customers with estimates of the energy burden reduction resulting from clean energy deployment, will increase other end-use customer interests in pursuing similar benefits. The Energy Burden Reduction methodology has been reviewed by the Public Utilities Regulatory Authority (PURA) and the Department of Energy and Environmental Protection (DEEP), and both have found this to be an acceptable and reasonable methodology for estimating actual Savings in Dollars for residential and commercial end-use customers of solar PV.

The below methodology only applies to solar customers in programs where the Green Bank has insight to both generation and financing costs (Posigen, Resi Solar Lease, PPA, Residential Solar Loan). In the future we may evaluate its use elsewhere.

II. Green Bank Methodology for Energy Burden Reduction

This methodology estimates the Energy Burden Reduction for residential and commercial solar customers participating in Green Bank Programs in Dollars. Generally, Savings in Dollars is calculated by subtracting the Hypothetical Avoided Utility Expense by Solar Lease or Loan Expense, shown below in Formula 1.

$$(Formula 1) Savings = Hypothetical Avoided Utility Expense - Solar Expense$$

The Solar Expense is calculated differently for customers depending on the program in which they participate. For Residential customers, savings is calculated by subtracting the Solar Expense (Solar Lease or Loan Payment) from the Hypothetical Avoided Utility Expense

(Hypothetical Avoided Utility expense is calculated by multiplying the utility rate by the generation of their system) shown in Formula 2.

$$\begin{aligned} \text{(Formula 2) Posigen/SL1/SL2 Savings} \\ = (\text{Utility Rate} * \text{Solar PV Generation}) - \text{Solar Expense} \end{aligned}$$

For commercial PPA customers, savings is strictly the difference between the utility rate and a customer's contractual PPA rate all multiplied by the Solar PV Generation, shown in Formula 3.

$$\text{(Formula 3) Commercial Savings} = (\text{Utility Rate} - \text{PPA Rate}) * \text{Solar PV Generation}$$

The utility rate calculation is the same for UI and Eversource customers, but the various charges differ by rate class and date shown in Formula 4.

$$\begin{aligned} \text{(Formula 4) Utility Rate} = & (\text{Generation Charge} + \text{Policy and Other Delivery} \\ & \text{Charges} + \text{Transmission Charge} + \text{Distribution Charge} + \text{Demand Charge} + \\ & \text{Combined Public Benefits Charges}) \end{aligned}$$

We only consider kWh charges for solar PV because residential electric rates don't have demand charges.

Escalating Lease Price: Residential customers with escalating lease prices have a predetermined lease price/ kWh that increases at a compounding escalator rate every year on the anniversary of the energize date. The report calculates the number of anniversaries since the energize date to adjust for an escalating solar expense.

Escalating PPA Rate: Customers with an escalating PPA rate see their PPA rates increase by a compounding escalator rate every year on the anniversary of the commercial operation date. The report calculates the number of anniversaries since the commercial operation date then calculates the Adjusted PPA price.

PPA rates are pulled from SalesForce (database where all project details are kept). Solar Loan payments are pulled from Concord (the loan servicer). Solar Lease payments are pulled from Resi Legacy Projects table (data warehouse). PosiGen lease payments are pulled from Powerclerk.

Our Solar Photovoltaic systems continuously upload production data to Locus Energy's web platform on a fifteen-minute basis. Locus is our source of PV generation data.

Utility providers differentiate their prices depending on what time-of-day the energy is consumed. Research shows that peak hour prices are always more expensive than, or equal to, off peak hour prices. Therefore, in an effort to be conservative in the estimate of savings, only use off peak charges in the Hypothetical Avoided Utility Expense calculation.

III. Controls

Per the organization's best practice in building methodologies to assess impact, The Green Bank engaged those considered to be knowledgeable on the subject. Staff sought feedback from Public Utilities Regulatory Authority (PURA) and Department of Energy and Environmental Protection (DEEP) specifically on this methodology

To ensure a high degree of accuracy in this estimation of savings, staff have implemented the following as controls around this and other associated processes:

- Estimate to Actual Production – Regular review of the estimated production (PowerClerk) vs. the actual production;
- Staff Performance Review –staff responsible for programs are accountable for reviewing production in their annual reviews; and
- Annual Audit Requirement – independent third-party auditor to undertake the following as part of the regular review of Green Bank Impact:
 - Review methodology for reasonableness
 - Assess process for data collection, analysis, and reporting.

Staff intends to use build dashboards that reflect these savings estimates and will report on them in ongoing impact reporting including in the non-financial statistics section of the CAFR.

Resolution

WHEREAS, the Connecticut Green Bank (Green Bank) has long sought to gage and assess the reach of its programs in terms of their financial impact for their customers; and

WHEREAS, the Green Bank has implemented a generation monitoring platform that provides real-time and historical insight into solar system performance; and

WHEREAS, the Green Bank has established internal and external controls to ensure the accuracy of the generation; and

WHEREAS, the Green Bank created a database of electricity rates used to estimate customer expenses; and

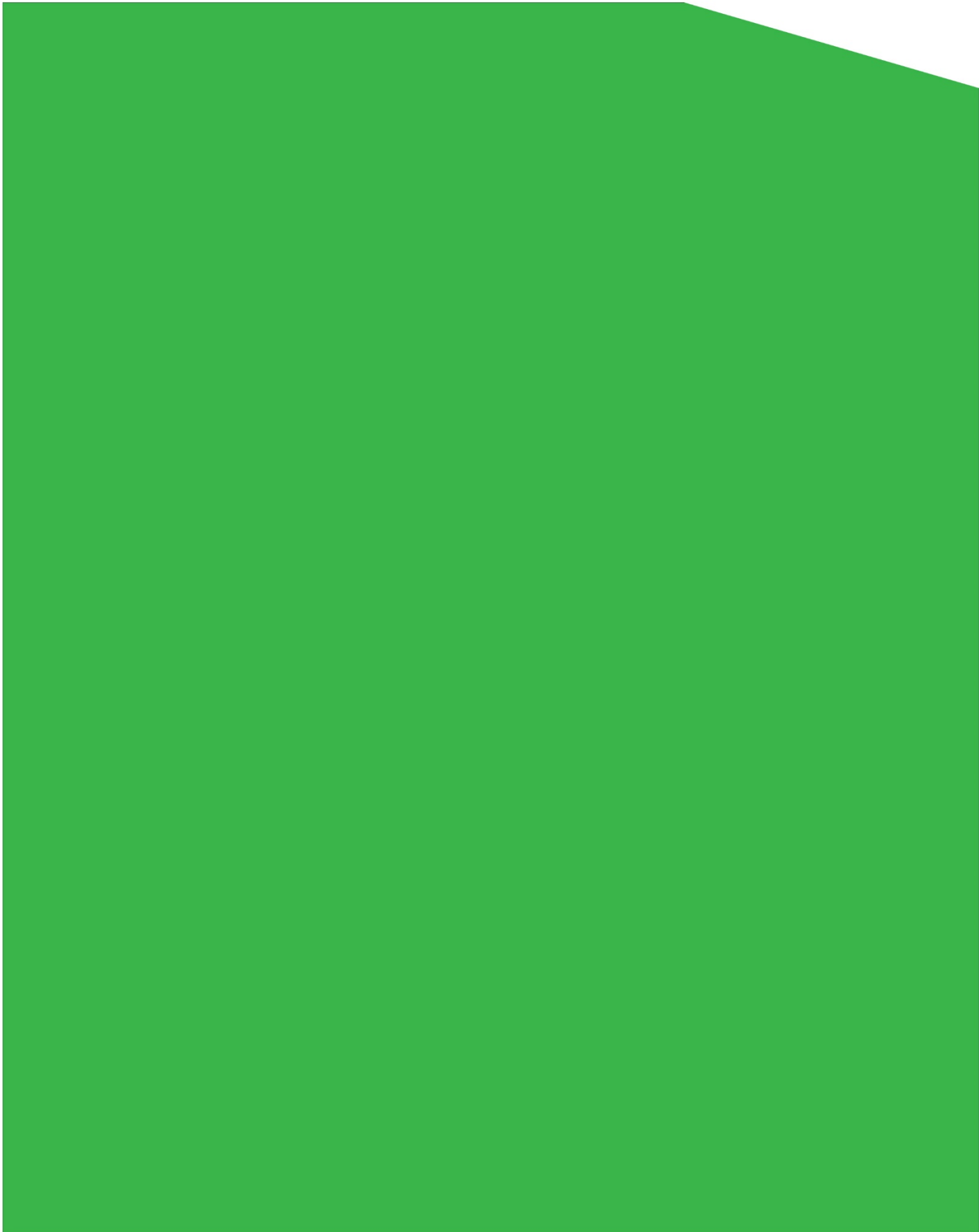
WHEREAS, the Green Bank sought input from the Connecticut Department of Energy and Environmental Protection and the Public Utility Regulatory Authority; and

WHEREAS, pursuant to Section 5.2.1 of the Green Bank Bylaws, the Audit, Compliance, & Governance (ACG) Committee is charged with the review and approval of, and in its discretion recommendations to the Board of Directors (Board) regarding organizational policies and procedures;

NOW, therefore be it:

RESOLVED, that the ACG Committee hereby recommends the Board of the Green Bank approval of the above methodology for assessing the equity and inclusion of the organization's Incentive and Financing Programs including, but not limited to, the number of projects, investment, and deployment in vulnerable communities.

Second. Discussion. Vote



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