



Board of Directors of the
Connecticut Green Bank
Regular Meeting Minutes

Friday, December 20, 2019
9:00-11:00 a.m.

A regular meeting of the Board of Directors of the **Connecticut Green Bank (the “Green Bank”)** was held on December 20, 2019 at the office of the Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT, in the Colonel Albert Pope Board Room.

Board Members Present: Bettina Bronisz, Eric Brown (phone), Binu Chandry (phone), Betsy Crum (phone), Thomas Flynn (phone), John Harrity, Michael Li, Matt Ranelli (phone), Lonnie Reed

Board Members Absent: Kevin Walsh

Staff Attending: Emily Basham, Mackey Dykes, Brian Farnen, Bryan Garcia, Bert Hunter, Jane Murphy, Selya Price, Eric Shrago (phone), Rudy Sturk, Michael Yu (phone), Nicholas Zuba (phone)

Others present: Bruce Chudwick (Shipman & Goodwin), Brad Friedman (Ramirez & Co, phone), Alfredo Quintero (Ramirez & Co, phone), Bob Lamb (Lamont Financial, phone), and Guy West.

1. Call to Order

- Lonnie Reed called the meeting to order at 9:09 am.

2. Public Comments

- No public comments.

3. Consent Agenda

- a. Meeting Minutes from November 20, 2019

Resolution #1

Motion to approve the meeting minutes of the Board of Directors for November 20, 2019

Upon a motion made by Bettina Bronisz and seconded by Betsy Crum, the Board voted

to approve Resolution 1. None opposed or abstained. Motion approved unanimously.

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

- Bryan Garcia summarized the resolution to allow the Board of Directors to approve projects under \$500,000 but no more than \$1,000,000 which are typically reviewed by the Deployment Committee meeting.
- Bryan Garcia explained the Board Meeting date revision of March 25, 2020. That date was scheduled for a Deployment Committee Meeting but has become rescheduled as a full Board Meeting in order to review the Green Bonds US bond indenture and get approvals.

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 December 20, 2019 which were approved by Green Bank staff since the last Deployment Committee meeting and which are consistent with the Staff Approval Policy for Projects Under \$500,000;

NOW, therefore be it:

RESOLVED, that the Board approves the funding requests listed in the Memo to the Board dated December 20, 2019 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

Motion to approve the Revised Regular Meeting Schedule for 2020 for the Board of Directors.

Upon a motion made by John Harrity and seconded by Bettina Bronisz, the Board voted to approve Resolutions 2 and 3. None opposed or abstained. Motions approved unanimously.

4. Financing Programs Recommendations and Updates

a. C-PACE Transaction – Brookfield

- Mackey presented the project at 1106 Federal Rd, Brookfield for approval. It is for \$549,472 for a 144kw roof mounted system and lighting upgrade that also incorporates an SBEA loan. He noted the loan to value (LTV) ratio is slightly higher than typical requirements, but the project meets CGB's underwriting exception criteria.
- The projected savings are 12,493 MMBtu.
 - Bettina Bronisz asked what kind of business the location is. Mackey answered that It's a tile and marble importer and fabricator for kitchens, homes, etc. He noted the project is fairly straightforward aside from higher loan to value due to their mortgage.
 - Matt Ranelli asked if the Green Bank is named as an additional insured. Mackey clarified yes, as part of the closing process the Green Bank collects insurance certificates that name the Green Bank, and that there are insurance requirements in the financing agreement.

Resolution #4

WHEREAS, pursuant to Section 157 of Public Act No. 12-2 of the June 12, 2012 Special Session of the Connecticut General Assembly and as amended (the "Act"), 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 **\$549,472** construction and (potentially) term loan under the C-PACE program to 1106 Federal Road, LLC., the building owner of 1106 Federal Road, Brookfield, 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

WHEREAS, the Green Bank may also provide a short-term unsecured loan (the "Feasibility Study Loan") from a portion of the Loan amount, to finance the feasibility study or energy audit required by the C-PACE authorizing statute, and such Feasibility Study Loan would become part of the Loan and be repaid to the Green Bank upon the execution of the Loan documents.

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 and, if applicable, a Feasibility Study Loan in an amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Committee dated December 17, 2019, 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 Act, including but not limited to the savings to investment ratio and lender consent requirements; and

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

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

Resolution #5

No Resolution was presented or motioned on the CPACE Simsbury transaction as it was removed from the agenda.

- Bettina Bronisz asked why Resolution 5 was pulled. Mackey Dykes clarified that it is a complicated project involving submetering and more time is needed, but it will be brought forth soon.

- Mackey Dykes explained the Green Bank still has funds remaining from the Manufacturing Innovation Fund (MIF) and that Nick Zuba did a great job leading the push to get an extension for the project. The Green Bank now has until the end of December 2020 to use the remaining funds, about \$200,000 of \$800,000.
- Bryan Garcia further explained the MIF was issued by DECD. When considering the incentive for manufacturing, Colin Cooper who was the CEO of Whitcraft, worked with Beverly Dacey on the MIF Board. They both felt that by making clean energy improvements, manufacturers can lower their operating expenses and doing so sets them up for success for retention. It was also noted that Colin Cooper is now the Manufacturing Czar for Governor Lamont.

b. PosiGen Transaction

- Bert Hunter explained the request for modification to the maturity date for the PosiGen transaction. At the November 20th Board Meeting, the Board approved the replacement of LibreMax Capital with Ares Capital. The change is expected to close within the next few business days, or due to the holidays in early January. The maturity date is for 3 years after the closing date, but it wasn't indicated to the Board that the maturity date will adjust. Depending on the closing date, the Green Bank will extend its maturity date under the LibreMax facility by about one year, from December 2021 (existing) to either December 2022 or January 2023 (proposed), to match the Ares Capital maturity date. All other conditions would remain as approved.
 - Bettina Bronisz asked if it will change interest rate. Bert Hunter clarified no, it just moves the maturity date to be in sync with the maturity date for the Ares Capital facility.

c. Lead by Example – State Solar PPA RFP Update

- Mackey Dykes presented a list of projects and stated the Board had approved moving forward with the RFPs and that the list is a group of pilot projects for State facilities. The Green Bank completed the EPC RFP process and selected just 1 candidate, the clear front runner. Negotiations are open and the hope is to have a selection by the end of the year. There have been no deal killers identified so far. Mackey Dykes clarified he doesn't want to disclose the information in open session (since negotiations are ongoing and a final selection has yet to be made, but can do so privately. He continued to explain that the pricing was good and given the complexity, pricing was a concern, but the preliminary results of the negotiations have been good..
- Mackey Dykes continued that on the financing side, an RFI was done to gauge interest and review the period for qualification. The Green Bank heard from 16 financiers and all are reputable and qualified. The Green Bank ran a short comment period to collect feedback on the PPA. The hope is to have the EPC selected by December 31. Regarding capturing the 2019 ITC, the IRS has allowances to get the 2019 ITC if certain procedures are completed and several of the prequalified financiers can take those steps to secure the 2019 rate.
 - Michael Li asked what happens if the Green Bank doesn't get the 2019 ITC rate. Mackey clarified the PPA price will be higher. He believes it is still a good savings, just not as good.
- Mackey Dykes stated the Green Bank submitted the interconnection applications for a subset of the projects on a constrained portion of the grid. Some were approved but some require an impact study .That process will start in January 2020. He clarified there will be additional cost to innerconnect some of the projects, and the impact study will identify those.
 - John Harrity asked if there is currently an estimate to inner connect. Mackey Dykes answered it is \$200,000 to \$500,000 which is a significant cost, but the overall construction cost is \$21 million. The Green Bank will use an estimate on the high side for the PPA RFP to make sure everything is accounted for and so everyone can bid on a worst-case scenario. When the study is completed, the Green Bank will know for sure.
 - Lonnie Reed asked if the Green Bank maintains the project or does the owner when the project is done. Mackey Dykes clarified that on the meter side, the owner, not the Green Bank, will provide the O&M to keep it running. Part of the owner selection decision is the owner's ability to maintain it for the next 20 years, as the Green Bank wants someone with experience to do so.
 - Michael Li asked if the interconnection agreement will be 3-party or just between the Utility and Vendor. Mackey stated it will likely be with the Utility, State agency, and the Green Bank. The agreement was just received from the 2 projects which were approved, but he is not sure if it is the correct one as State may have its own. In the end, if it will be a 3-party agreement, then just the Green Bank thru CEFIA Holdings, then passed to the ultimate owner (per the RFP). But the State will be a counterparty as well.

No motion or resolution was needed for Agenda Item 4c. It was only an update.

d. Open Request for Proposals ("RFP") Framework

- Bert Hunter stated he followed up from discussions from Board with the staff. The consensus is that the Green Bank may not be hearing from enough developers. One of

the suggestions from the CEO was an introduction for an ongoing proposal program, which is used by the NY Green Bank (“NYGB”) and the Australia Green Bank (the “Clean Energy Finance Corporation” or “CEFC”). Bert Hunter stated he has had conversations with NYGB and CEFC to discuss how their RFPs are structured, their successes, and the Green Bank decided based on that and the Board’s request to create a more of an open funnel to our platform to proceed with an Open RFP program.

- Bert Hunter stated this is in support of the Green Bank’s comprehensive plan to accelerate the impact of our model. The idea is since we don’t know how much demand will be available for funding, the Green Bank can use our own resources from various revenues (the system benefit charge and RGGI funds), funds from existing investments and the Green Bond market for investment in selected projects. The process is to receive proposals on an open and rolling basis with no closure date. The Green Bank will evaluate proposals based on criteria, which will be developed, then the Deployment Committee or Board will have to approve every transaction. As well, until the criteria for evaluation is finalized, even proposals that are at staff approval level will be reviewed by the Deployment Committee or the Board. After the criteria are finalized, staff will be able to approve projects less than \$500,000. Bert Hunter stated the Green Bank wants to establish a framework for new proposals to be reviewed and wants to make the market aware that our funding is available. As examples, Mackey Dykes and Bert Hunter are talking to a developer of a CHP heating loop for the state, and another developer came forward with an idea for an electric ferry for organic food between Connecticut and the north shore of Long Island NY. The Green Bank doesn’t currently have a program to fit like these into a funding program, but this less restrictive plan will allow staff to evaluate those ideas for consideration and potential approval.
 - Bettina Bronisz commented that usually RFPs are used for a specific service, but this seems very nebulous. She asked if the Green Bank is actively looking for projects to invest in. Bert Hunter stated yes. Bettina Bronisz continued to ask if we are going to funnel and filter every idea that comes in. Mackey stated yes, the Green Bank has that already in place, but we are hoping to have actual criteria to evaluate them now. Bert Hunter clarified that some proposals may be worthwhile but currently staff has been unable to address them. Previously, those types of proposals had to be dismissed because the Green Bank didn’t have a program for them. Brian Farnen clarified that this is just a more open RFP, but it still will be given to the Board to approve so they are made fully aware.
- Lonnie asked how word about the new initiative will be publicized. Bert Hunter stated he is working with the marketing team to let people know online, on social media, etc. Bryan Garcia noted it is a constant beat to push and that even in the early days of the Green Bank it was a constant push to get RFPs.
- John Harrity asked about the Green Bank’s obligation to proposals. Bert Hunter clarified that there is none. Once we receive ideas, they are heard out, evaluated, and presented to the Deployment Committee, they can still be turned down for various reasons.
- Bettina Bronisz asked if there a maximum or minimum dollar threshold cap Bert Hunter stated that it will be part of criteria to establish. He is planning on speaking with the Deployment Committee and Treasurer’s office to get ideas on size and exposure.
- Matt Ranelli asked if this a programmatic selection or a strategic selection, and where it all would fit in the operating procedures. Brian Farnen stated that proposals under \$500,000 could be at staff level, but since the nature of the RFP is so broad, anything at or above \$500,000 would go to the Deployment Committee.
 - Matt Ranelli asked if there aren’t any one set of underwriting principles. Brian Farnen suggested the Board could request that proposals even under \$500,000

should be reviewed by the Board since there are no established guidelines. Matt clarified that he wants the innovation part but is a bit confused about the operating procedures. Mackey stated until guidelines are established, everything must go to Board for strategic selection. The group discussed various possible changes to the operating procedures, bylaws, or process. Brian Farnen suggested that all projects go through the Board and that we wait 6 months before making any potential changes to governance documents, to better establish how many projects may even be presented. Bert Hunter stated he doesn't believe there will be many projects under \$500,000 and that the Board and Deployment Committee meet often enough that he doesn't believe there will be a backlog. Brian Farnen mentioned that all projects would need to go through the Board for approval as they would be considered strategic selections. A potential change to the operating procedures as it relates to strategic selections under a Board approved RFP so that they could be approved at the Deployment Committee was discussed.

- Lonnie Reed asked if there were any suggestions from the NY or Australia Green Banks. Bert Hunter clarified that NY has an approval from their credit committee but is unsure about Australia. Bryan Garcia notes that the NY Green Bank is a billion-dollar investment fund, but ours is a much smaller amount in pieces throughout the year. The only similar project was when the NYGB invested \$5 million in SEALED.
- Bert Hunter summarized the potential for activity. He stated the Green Bank can expect about \$100 million to \$125 million in proposals per year, which means the actual transactions will be about \$20 million to \$25 million per year, about 20%. These figures are based on the NY Green Bank's feedback.
 - Bettina Bronisz asked if the NY Green Bank has gotten any very atypical proposals that turned out to be successful. Bert Hunter stated he is not sure. He continued to say the NY Green Bank has gotten a variety of proposals which just required too much risk participation, but they do listen and try to work with the developers to try to adjust the proposal so that it may work better. It is not often hard rejection as it is a possible acceptance, pending changed. He clarified it can take years to make those adjustments, so many proposals don't come to fruition in the end, and because of that it is hard to know the volume until it begins.
 - Michael Li asked where the capital is coming from to fund these proposals. Bert Hunter clarified that the Green Bank can finance out of its capital allocation annually, but this year it had a capital reserve so approximately only \$2.5 million of \$7.5 million has been allocated. The other \$5 million is what will be allocated for this. He continued to say that there is one transaction which may use some of the capital reserve but if there is a sizable need for additional capital then we may go to the Green Bond market.
 - Bryan Garcia stated a conversation that hasn't been had before is how to scale up the Green Bank's funding, which is the next agenda item: the green bonds. Bert Hunter then briefly discussed the possibilities for the Green Bank's expansion of capital through other means in the future.
- John Harranty commented that he likes that this new RFP system gives people the opportunity to present their ideas but doesn't require the Green Bank to be automatically obligated to it. It really encourages people to think about it as a business project which he thinks will help sustain the Green Bank and the community.
- Bryan Garcia stated that he and Lonnie Reed were discussing the option of tabling Resolution 6 so it can be further discussed in January. This would allow the Green Bank

to establish more framework and come back with a revised Resolution. That suggestion was accepted.

Resolution 6 was tabled until the next Board Meeting on January 24, 2020.

5. Green Bonds US – Discussion on Bond Issuance and Master Bond Indenture in Development

- Bryan Garcia introduced the Green Bonds US campaign to reacquaint the Board with it and summarize its goals. Green Bonds US is a play on words – “Green” or “the environment” and “us” could mean community or USA – the environment brings us together as the hope is the campaign will eventually go national, allowing people in CT and beyond to participate. There is a website people can sign up to receive updates when bonds are ready to be issued, those people can be contacted again.
- Bryan Garcia summarized the roles and members of the Green Bond Team and Master Bond Indenture goals. This includes scaling of investment to expand project deployment, defending funds from other project revenue sources, and lowering the cost of capital for institutional investors and individual citizens. Bryan Garcia then had Bob Lamb explain the structure of the Master Bond Indenture.
- Bob Lamb stated the general idea is to show the strength of the Green Bank by putting all the transactions that are made under one master indenture. The benefit is that some programs will be part of the Green Bank’s core portfolio and will have various cash flow coverages which will benefit the Green Bank over time. There will also be other indentures which will be more disparate and need to be put together, but they will all contribute to the portfolio. The goal was also to create a mechanism to a) combine everything and provide support from a credit point of view and b) view all the programs that help fulfill the mission from a program point of view.
- Bob Lamb explained the master trust indenture Flow of Funds and related financing indentures. He stated it was a pretty typical flow but it does divert from the norm at the Deficiency Reserve Fund (DRF). The DRF is designed to look at other indentures for any weaknesses, and if there are any found to use the money in it, which flowed from the various other indentures into the master, to solve those problems. Bob Lamb stated it has been done before and received AAA ratings. He is not promising the same rating, but used it to prove that the system does work.
- Bob Lamb continued, pointing out the Excess Revenue Fund (ERF). He stated the goal is to have money flow through the Master, and if there is money not ready to be declared as surplus, it would sit in the ERF. He explained there may be time when there is a need to wait for investments, and during those times would be when to utilize the ERF so the money that is available can be held aside so that it is not consumed by other demands.
- Bob Lamb also pointed out the New Commitment Fund and Surplus Fund, both of which can rotate back into the top-level Revenue Fund. He stated the key concept to understand is that there will be several different indentures, but it can’t all be under one coverage. The hope is to have a program rating for all the bonds as they are implemented. Those ratings may not be immediate, but that is the goal.
- Bruce Chudwick from Shipman and Goodwin clarified that an indenture isn’t anything new to the Green Bank, and in its simplest form is a contract between 2 parties. The master trust indenture supports the other bonds that are in place underneath the umbrella structure of the master trust indenture. The key factor is in the revenue fund.

The concept is that the revenues of the Green Bank are going to go into the indenture and then flow through to fill up different sub-funds.

- The first is the Admin Fund, to allow the Green Bank to continue its operations. Bruce Chudwick stated it is typical to keep at least 3 months of operating expenses in the Admin Fund.
- Another key factor is the Granting Clause, which grants the trustee the right to those funds. The clause automatically creates a lien on those funds in favor of the bond holder. It's a statutory lien that is enforceable which is important for all parties to know.
- The second factor is that there is a Non-Impairment Clause. Bruce Chudwick clarified that in 2016 there was additional language introduced that says the State will not impair the bond holder's rights as they get their bonds repaid.
- Michael Li asked what if the State take away the system benefits charge. Bruce Chudwick clarified that the State can change it, but whatever is put in is there. If they try to take it away, the Non-Impairment Clause kicks in. Matt Ranelli noted that if the benefits charge is due to expire, we would then not have a requirement that it be maintained, but if it were received in the future, it would flow in, which is a limitation that the Green Bank can handle. Brian Farnen also noted that this structure will prohibit the State from sweeping funds from the Green Bank in the future but asked for clarification on how bond holders are made whole if things change. Bob Lamb stated that in the indenture is a provision that the state will not move to impair the rights of bond holders, unless they've been defeased essentially.
- The group discussed at length the situations that may cause an impairment or for a bond holder to make a claim.
 - Bob Lamb stated that the bonds would normally be redeemable after 10 years but could be done in less time, but it would cost more.
- Lonnie Reed asked how the treasurer will react. Bettina Bronisz stated they will be interested when the Green Bank comes to the Secretary and Treasurer for SCRF certificates, but it is currently seen as a good move. Lonnie Reed noted that bond can be very reactive, so it's good to consider all the possibilities before its presented.
- Bryan Garcia stated the last fund in the master trust indenture is the Surplus Fund, and that there should hopefully be \$0 in it. The hope is that money is constantly being reinvested and the overall capital is being scaling up to tackle the climate problems.
 - John Harrity asked if it could be named something else, and Lonnie Reed suggested the Transitionally Committed Fund. The staff will recommend new names for various funds in the Master Bond Indenture.
 - Bob Lamb noted that the Excess Revenue Fund is just a way to keep money in the indenture that is expected to be used later, and not to show up as surplus which could be grabbed.
 - Bettina Bronisz asked if there are set definitions for specific use or if it could be more nebulous. Bob Lamb clarified to think of it more as a rate-stabilization fund. It could be used for any purpose that is part of the corporation's purpose and the indenture's purpose.
- Bert Hunter asked if the thinking is that the indentures will be able to call upon use of the Deficiency Reserve Fund to improve their rating. Bob Lamb clarified that the other indentures would define them as related indentures which allows them to retain certain benefits, one of which is use of the DRF, which would trigger if there was ever a problem at the financing level. Bruce Chudwick further clarified that yes, the financing indentures can call on the need for the DRF.

- Bert Hunter stated he was satisfied with that as he wanted to make sure the DRF was not discretionary, and that there is more communication as to its use. The reason is because there have been funding raids and drops in the past, which creates uncertainty. He wanted to make sure this would insulate the indentures against a future raid against the funding. Bob Lamb notes that some entities are not comfortable starting with a \$0 balance in the DRF, and the Green Bank can put some money in it to start just in case, as a safety net. It is very flexible as to when money is funneled into it.
 - Bettina Bronisz suggested considering a raise to the coverage ratios. She stated it increases the strength of the funds overall, so that less is in the Surplus Fund. Bob Lamb stated he did not want to propose it himself because it limits the ability of the Green Bank to recapture money, but if the Board approves it, then it is possible. Bettina stated she believes it would result in a higher credit rating.
- Michael Yu summarized the Taxable Municipal Issuance for the SHREC. He stated that for Tranche 3, it was decided to use a taxable municipal bond with a retail component. He stated it couldn't be rated by Kroll anymore if the aim was to successfully include a retail component as Kroll is not as recognized in the retail space. So the decision was made to go with a SCRF credit enhancement as this would enable a rating from S&P's municipal desk (vs their asset backed securities desk) as well as a retail-friendly serial bond structure. He also noted that the Green Bank is currently working through the key diligence items in order to prove self-sufficiency for SCRF and satisfy ratings requirements. In order to use data through the year end 2019, it will take 4-6 weeks to turn that data into an independent engineer approved production analysis. He continued that once the production analysis is done, it'll turn into a cash bond model which will go through the SCRF application process. Once a SCRF designation is attained, it'll go through the rating process. Michael Yu stated the Green Bank has a pretty clear timeline to get to the Earth Day presentation in April 2020.
 - Bettina Bronisz asked if the Green Bank is getting an underlining rating in addition to the SCRF rating. Al Quintero stated that there is the option to do so but that may be a discussion to have aside. He continued that one of the great things about the structure proposed is that it is calibrated to credit strength, and if all agree, then it may not be necessary to reach out to other rating agencies. However, if getting additional ratings creates more comfort for others, it can be done.
 - Bob Lamb stated that one of the reasons for selecting S&P is because it is viewed as more valuable to retail investors than Kroll.
- John Harrity asked if there is an idea of how low the denominations will be. Bruce Chudwick stated it will be approximately \$1000. John Harrity commented that he heard there is a way to get \$500 bonds, which is much more in the realm of the average citizen. Bob Lamb clarified that the issue is to get the \$500 bonds, the Green Bank would likely end up spending the additional \$500 in servicing costs and that the lower denomination bonds are very expensive to manage in that way.
 - Bruce Chudwick clarified that the Green Bank would have to handle the issuances themselves instead of through an outside company in order to justify it.
 - Bryan Garcia stated that the Green Bonds Team is continuing to think of other ways, outside of the bond structure, to get the lower denomination participation, but are starting with the \$1000 bond.
 - Bob Lamb asked if bonds could be purchased as part of a 529 plan. Bruce Chudwick state he could not think of a reason, at the moment, why it wouldn't be possible. Bob Lamb stated that it may allow people to do it at a lower level

through the Treasurer's office, but they would get a small tax benefit by doing it through a 529 plan.

- Bettina Bronisz asked if everything will be certified as green bonds. Bryan Garcia confirmed yes. Eric Shrago clarified that the Green Bank is working with Kestrel Verifiers to get multiple verifications.

6. Other Business

- Emily Basham summarized the recent recognition and analysis of the Residential Solar Investment Program and the Solar for All program in particular. Both programs have allowed Low-to-Moderate Income (LMI) families and communities of color to gain access to solar energy. She stated that initially RSIP programs saw heavy adoption upper income tracks. In 2013 less than 30% were in LMI tracks, so the Green Bank created higher incentives to encourage participation from LMI families. She continued that in 2017 the Green Bank reached "solar parity", meaning about 50% of the incentives are going to LMI tracks and the goal is to continue to improve. The achievement was recently recognized in CESA's Solar with Justice report which is available on the Green Bank website. The milestone of increasing solar in these communities is bucking national trends. Earlier this year, an analysis by Tufts University and UC Berkeley was released that communities of color are less likely to adopt solar power than communities with no predominant ethnic identity, and that white communities 21% more likely. Emily continued by summarizing the results of the comparison of the Green Bank's results with the national analysis.
- Emily Basham stated that the analysis starts with the national American Community Survey data based on race and ethnicity. She clarified that if 50% of a census tract identified as a single race or ethnicity, then it was categorized as that predominant race or ethnicity. A census tract is essentially a neighborhood in size. Using that, about 4 population types were identified: Majority Hispanic (7.8%), Majority Black (3.1%), Majority White (74.4%), and No Majority Race (14.7%).
- Emily explained that the information was then compared to Owner Occupied Housing (OOH). Unfortunately, a very low percent of people own their homes in communities with a Hispanic majority (3.6% home ownership) or a black majority (2.1% home ownership). However, when compared to the amount of RSIP participation overall, the distribution of RSIP projects is on par or exceeds the distribution of OOH.
- The information about RSIP project distribution and OOH was then compared to AMI Income Bands. The Green Bank considers Low Income to be anything under 80% AMI, Moderate Income as 80-100% AMI, and High Income as anything over 100% AMI. This analysis uses the same methodology as a Tufts study but uses the AMI Bands as a proxy for median income. What was found is that the distribution of RSIP projects is on par or exceeds distribution of OOH in communities of color, inclusive of income.
- The same analysis was then done but for the Solar for All program, which was designed to reach more LMI families. The analysis proves Solar for All is even more effective in reaching those communities than the RSIP Program. The distribution of Solar for All projects far exceeds the distribution of OOH in communities of color.
- Emily stated that overall the Green Bank is reaching the home owners that qualify for the programs. While 4.1% of RSIP installations are in mostly Hispanic census tracts it is about 10.2% of Solar for All installations. For mostly black census tracts, it's about 3.8% of RSIP installations but about 16.2% of Solar for All installations.
- Emily summarized the story of Melvin in Bridgeport who went solar through the Solar for

All program in 2015. He has a 20-year lease and after factoring in his monthly lease payments, he should see an estimated \$16,533.00 in savings over the 20-year lease. The evidence of the success is further noted in that since Melvin got solar panels, his neighbors have too after seeing the savings they create.

- Betsy Crum expressed her congratulations to the success of the program.
- Lonnie Reed stated that she recently attended a 3-day event at Yale and that getting solar to LMI families was one of the big issues alongside increasing home ownership and better transportation. She stated Connecticut really needs to pump up the efforts on that to improve the quality of life for everyone.

7. Adjourn

Upon a motion made by Bettina Bronisz and seconded by John Harrity, the Board Meeting adjourned at 11:07 am.

Respectfully submitted,

Lonnie Reed, Chairperson