



## Deployment Committee

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### **Meeting Date**

**November 15, 2023**



## **Deployment Committee**

**Hank Webster**

Deputy Commissioner  
Department of Energy and  
Environmental Protection

**Matt Ranelli**

Partner  
Shipman & Goodwin

**Lonnie Reed**

Board Chair

**Erick Russell – Designee, Bettina**

**Bronisz**  
Treasurer  
State of Connecticut

**Robert Hotaling**

Deputy Commissioner  
DECD

**Dominick Grant**

Dirt Partners

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



November 8, 2023

Dear Deployment Committee Members:

We have a regular meeting of the Deployment Committee scheduled for **Wednesday, November 15, 2023 from 2:00-3:00 p.m.**

Please take note, that for those who want to meet in person, we have reserved the Colonel Albert Pope Board Room. Otherwise, please join us online.

For the agenda, we have the following:

- **Consent Agenda** – we have one item on the consent agenda, including:
  - Meeting Minutes for September 20, 2023
- **Environmental Infrastructure Programs Updates and Recommendations** – including recommendation to move forward on Phases 1, 1a, and 2 of Smart-E Loan.
- **Under \$500,000 and No More in Aggregate than \$1,000,000 Staff Transaction Approval** – recommendation to modify staff transaction approval policy from \$1,000,000 in total to \$1,000,000 each for the Incentive Programs and Financing Programs.
- **Other Business** – if there is time left and other business to raise, we have included this time on the agenda.

Please note, those items **underlined, italicized, and highlighted** above, are materials coming by the close of business on Friday, November 10, 2023.

Have a great rest of the week and weekend ahead.

Sincerely,

A handwritten signature in black ink, appearing to be "Bryan Garcia", written over a light blue horizontal line.

Bryan Garcia  
President and CEO



## **AGENDA**

Deployment Committee of the  
Connecticut Green Bank  
75 Charter Oak Avenue  
Hartford, CT 06106

Wednesday, November 15, 2023  
2:00-3:00 p.m.

Dial [+1 860-924-7736,,487175099#](tel:+18609247736487175099)

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

1. Call to order
2. Public Comments – 5 minutes
3. Consent Agenda – 5 minutes
4. Environmental Infrastructure Programs Updates and Recommendations – 25 minutes
  - a. Smart-E Loan – Rollout of Environment Infrastructure Measures: Climate Adaptation and Resilience
5. Under \$500,000 and No More in Aggregate than \$1,000,000 Staff Transaction Approvals – 20 minutes
6. Other Business – 5 minutes
7. Adjourn

## Microsoft Teams meeting

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[Click here to join the meeting](#)

Meeting ID: 261 554 275 702

Passcode: VrwGDc

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**Or call in (audio only)**

[+1 860-924-7736,,487175099#](tel:+18609247736487175099) United States, Hartford

Phone Conference ID: 487 175 099#

***Next Regular Meeting: Wednesday, February 21, 2024 from 2:00-3:00 p.m.  
Colonel Albert Pope Board Room at the  
Connecticut Green Bank, 75 Charter Oak Avenue, Hartford***



## **RESOLUTIONS**

Deployment Committee of the  
Connecticut Green Bank  
75 Charter Oak Avenue  
Hartford, CT 06106

Wednesday, November 15, 2023  
2:00-3:00 p.m.

Dial [+1 860-924-7736](tel:+18609247736), [487175099#](tel:+1487175099)

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

1. Call to order
2. Public Comments – 5 minutes
3. Consent Agenda – 5 minutes

### **Resolution #1**

Motion to approve the meeting minutes of the Deployment Committee for September 20, 2023

4. Environmental Infrastructure Programs Updates and Recommendations – 25 minutes
  - a. Smart-E Loan – Rollout of Environment Infrastructure Measures: Climate Adaptation and Resilience

### **Resolution #2**

**Whereas**, Connecticut Public Act 21-115 expanded the scope of the Green Bank beyond “clean energy” to include “environmental infrastructure”;

**Whereas**, the Deployment Committee of the Connecticut Green Bank Board of Directors has reviewed and approved the aforementioned measures in November 2022 and May 2023;

**Whereas**, the Deployment Committee instructed staff to formulate a plan for the rollout and implementation of the new measures prior to their launch;

**Now Therefore,**

**Resolved**, the Deployment Committee approves of this implementation plan and instructs staff to implement the new Smart-E measures for Phases 1 and 2, and to provide the committee with updates as implementation progresses.

**Resolved**, that Green Bank staff will continue to seek guidance and input from external stakeholders including but not limited to other state agencies regarding the Phase 3 measures and will provide an update as to those measures, their concurrence with state policies, regulations and objectives, and their rollout to the Committee later this fiscal year.

5. Under \$500,000 and No More in Aggregate than \$1,000,000 Staff Transaction Approvals – 20 minutes

### **Resolution #3**

**WHEREAS**, At the October 20, 2017 Board of Directors (Board) meeting of the Connecticut Green Bank (Green Bank) the Board approved a process for the Green Bank staff to evaluate and approve funding requests less than \$500,000 and in an aggregate amount not to exceed \$1,000,000 from the date of the last Deployment Committee meeting (Under \$500,000 Approval Process).

**WHEREAS**, at its June 24, 2022 meeting, the Board approved a process for the Green Bank staff to evaluate and approve upfront incentives for projects participating in the ESS Program (ESS Approval Process). The approval process for ESS incentives below \$500,000 is identical and subject to the same aggregate limit as the Under \$500,000 Approval Process

**WHEREAS**, staff recommends modification of the Under \$500,000 Approval Process and ESS Approval Process as more particularly described in that certain memorandum to the Board dated November 8, 2023 (the “Memo”).

**NOW**, therefore be it:

**RESOLVED**, that the Deployment Committee approves the staff recommended modification of the Under \$500,000 Approval Process and ESS Approval Process as more particularly described in the Memo and recommends such modifications to the Board for approval.

6. Other Business – 5 minutes

7. Adjourn

## Microsoft Teams meeting

**Join on your computer, mobile app or room device**

[Click here to join the meeting](#)

Meeting ID: 261 554 275 702

Passcode: VrwGDc

[Download Teams](#) | [Join on the web](#)

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Phone Conference ID: 487 175 099#

***Next Regular Meeting: Wednesday, February 21, 2024 from 2:00-3:00 p.m.  
Colonel Albert Pope Board Room at the  
Connecticut Green Bank, 75 Charter Oak Avenue, Hartford***



# ANNOUNCEMENTS

- **Mute Microphone** – 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** – we continue to record and post the board meetings.
- **State Your Name** – for those talking, please state your name for the record.



CONNECTICUT  
**GREEN BANK** SM

# Deployment Committee Meeting

November 15, 2023

Colonel Albert Pope Board Room

# Deployment Committee

## Agenda Item #1

### Call to Order

# Deployment Committee

## Agenda Item #2

### Public Comments

# Deployment Committee

## Agenda Item #3

### Consent Agenda

# Consent Agenda

## Resolution #1



1. **Meeting Minutes** – approve meeting minutes of September 20, 2023

# Deployment Committee

## Agenda Item #4a

### Environmental Infrastructure Programs Updates and Recommendations

### Smart-E Loan Rollout – Environmental Infrastructure (Climate Adaptation and Resilience)

# Smart-E Loan

## Single Family Unsecured Loan



**smart-e loan**



<b>Market Segment</b>	<b>Residential Single Family</b> (Credit Enhancement – IRB, LLR)
<b>Product Summary</b>	Partnership with eight (8) local community banks and credit union to provide easy access to affordable financing for comprehensive clean energy measures, including H&S. 5-20-year terms at rates ranging from 5.99-7.49% for \$500-\$50,000 of borrowing.
<b>Support Needed</b>	<ul style="list-style-type: none"> <li>Provide 2<sup>nd</sup> Loan Loss Reserve (LLR) up to 7.5% of losses Class A and 15.0% of losses Class B</li> </ul>
<b>CT Results</b>	7,545 projects for \$143.9 MM investment, 11.2 MW solar PV, over 88% projects have EE



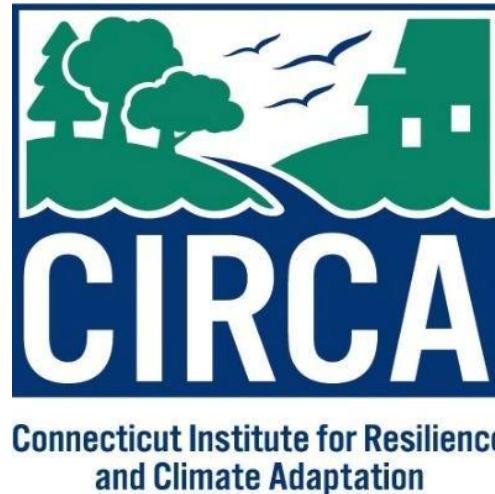
**REFERENCES**

Annual Comprehensive Financial Report FY 2023



# Collaborators

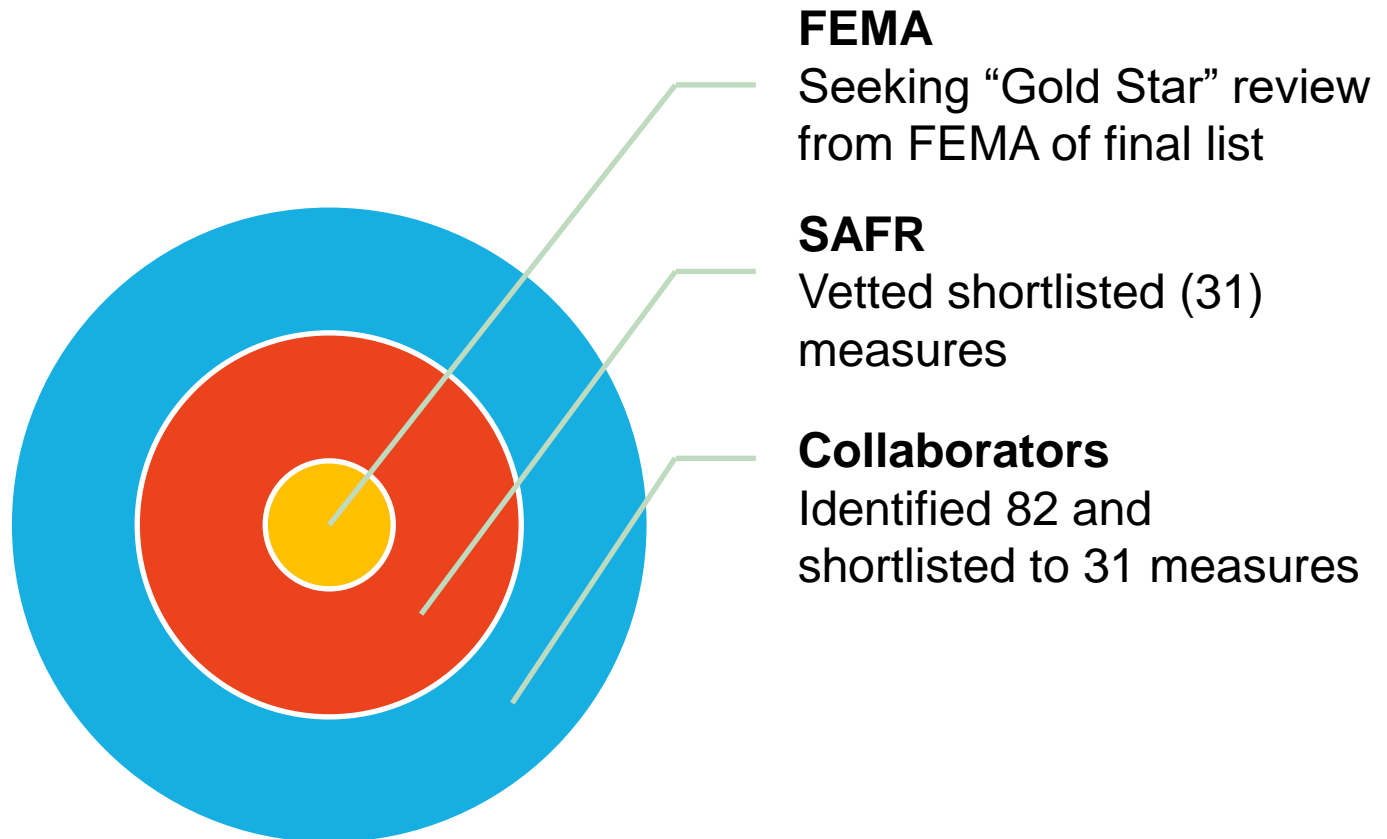
## Climate Adaptation and Resiliency



- **Collaborators** – began mutual engagement on “climate adaptation and resiliency” through a project of the United States Climate Alliance (USCA) in partnership with the European Union (EU) and support by Climate Finance Advisors (CFA) begun in 2020. Expanded project to focus on increasing resilience for single family and multifamily affordable housing in 2022, including identifying measures for Smart-E loan with respect to “climate adaptation and resilience”

# Stakeholder Feedback

## Climate Adaptation and Resiliency Measures



Towards an initial set of “climate adaptation and resiliency” measures for the Smart-E Loan

- **Climate Adaptation and Resilience Measures brought to Deployment Committee 16 November 2022**

1. **Committee Approved the following Resolution:**

**RESOLVED**, that the Deployment Committee approves of the “climate adaptation and resiliency” measures proposed by the Green Bank staff in the memo dated November 9, 2022 be included as “eligible improvements” within the Smart-E Loan.

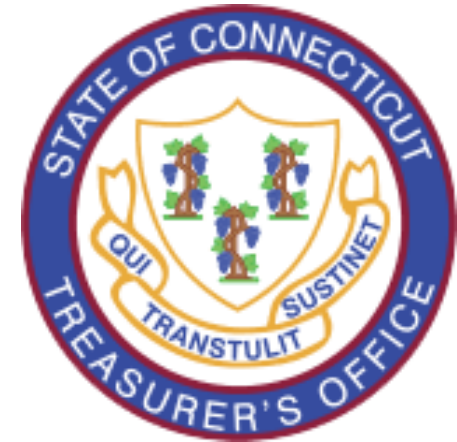
**RESOLVED**, that the Deployment Committee requests that the Collaborators seek a final review by the Federal Emergency Management Agency for how “climate adaptation and resiliency” measures may benefit insurance.

**RESOLVED**, that the Deployment Committee seeks review and approval of additional environmental infrastructure measures for consideration as “eligible improvements” within the Smart-E Loan at a future date.

**RESOLVED**, that the Deployment Committee seeks review and approval of a plan for the staff rollout of environmental infrastructure measures within the Smart-E Loan, including, but not limited to contractor participation, project inspections, loss reserve budgeting, and customer marketing and outreach.

# Stakeholders

## Water



- **Stakeholders** – began engagement on “water” with support by Quantified Ventures in 2022 to develop the priority measure list. Proposed measures were identified through research and stakeholder interviews. Recommended measures were then vetted with state agency partners (i.e., DEEP, DPH, OTT) to determine final list of priority measures for Smart-E loan with respect to “water”

# Background (Continued)



- **Water Measures brought to Deployment Committee on 24 May 2023**

1. **Committee approved the water measures with the following resolution:**

**RESOLVED**, that the Deployment Committee approves of the “water” measures proposed by the staff within its memo of May 17, 2023 be included as “eligible improvements” within the Smart-E Loan.

**RESOLVED**, that the Deployment Committee seeks review and approval of additional environmental infrastructure measures for consideration as “eligible improvements” within the Smart-E Loan at a future date.

**RESOLVED**, that the Green Bank Staff would engage members of the Board of Directors and Deployment Committee with State Agency Staff to understand linkages between measures, policies, regulations, and other relevant features.

**RESOLVED**, that the Deployment Committee seeks review and approval of a plan for the staff rollout of environmental infrastructure measures within the Smart-E Loan, including, but not limited to contractor participation, project inspections, loss reserve budgeting, and customer marketing and outreach.

# Rollout Plan

## Contractor Participation



- **Phase 1 and Phase 1a** – Measures are adjacent to existing measures and rely on the existing network
- **Phase 2** – Require recruiting and training a new network of contractors. Plans include leveraging industry organizations and approved contractors for other state programs

# Rollout Plan

## Project Inspections



- **Phase 1 and Phase 1a** – leverage existing inspector network
- **Phase 2** – Issue a Request for Proposal (RFP) for new inspectors in February to support the new areas

# Rollout Plan

## Loss Reserve Budgeting



- **Segregation of Funds** – Due to statutory limitations on use of funds, we will need to segregate funds used to support the new measures vs clean energy measures including the Loan Loss Reserve (LLR)
- **Separate Loss Reserve, Same Process** – we will designate a separate LLR but will use the same process for making contributions to it and for budgeting
- **Budgeting for FY24** – we are targeting 100 loans and a loss reserve of \$20K



# Rollout Plan



## Customer Marketing and Outreach

- **Contractor Driven** – leverage contractors to bring projects to the program. Heavy focus on contractor outreach and education as well as new marketing materials
- **Lender Outreach** – leveraging our lenders to reach homeowners
- **Homeowner Outreach** – new position developing direct homeowner engagement
- **Targeted Campaigns** – using data to identify areas/communities with specific needs and creating campaigns to reach them

# Smart-E Measures Rollout Plan

## Phases 1, 1a, and 2



### ▪ Phase 1—January 2024

- Ones that complement existing Smart-E measures. We know the contractors in the space and are familiar enough with the technology that we can easily identify the criteria needed to qualify for a loan—**9 measures implemented out of 33, 27%**

### ▪ Phase 1A—January-April 2024

- We feel confident that we can leverage existing relationships to identify eligible contractors and set criteria within the next 6 months—**1 additional measure implemented, 3%**

### ▪ Phase 2—April-June 2024

- These are areas where we have little to no contacts and need to develop contractor relationships—**19 additional measures implemented, 58%**

### ▪ Phase 3—FY 2025

- More conversation needs to happen around these measures—**4 measures implemented, 12%**

Please note—some new measures can fit into more than one category of work.

- Example: elevating and relocating all service equipment can be implemented by an HVAC contractor, a battery installer, or an electrician addressing faulty home wiring.

To address this, we put the measure in multiple categories of work, but only counted it once against the final list of approved measures.



# Resolution #2



## **Now Therefore,**

**Resolved**, the Deployment Committee approves of this implementation plan and instructs staff to implement the new Smart-E measures for Phases 1 and 2, and to provide the committee with updates as implementation progresses.

**Resolved**, that Green Bank staff will continue to seek guidance and input from external stakeholders including but not limited to other state agencies regarding the Phase 3 measures and will provide an update as to those measures, their concurrence with state policies, regulations and objectives, and their rollout to the Committee later this fiscal year.

# Deployment Committee

Agenda Item #5

Under \$500,000 and No More in Aggregate than  
\$1,000,000 Staff Transaction Approvals

# Transactions Under \$500,000 Staff Approval Process



## Current Process:

Green Bank staff to evaluate and approve funding requests less than \$500,000 which are pursuant to an established formal approval process in an aggregate amount not to exceed \$1,000,000 from the date of the last Deployment Committee meeting (Under \$500,000 Approval Process). The approval process for ESS incentives below \$500,000 is identical and subject to the same aggregate limit as the Under \$500,000 Approval Process.

**Issue:** This has been a procedural constraint for both Financing and ESS programs and has the likely potential to delay approval of standard projects as the ESS program expands. CGB has reached the aggregate limit on a few occasions which led to delays in approving certain ESS projects.

# Transactions Under \$500,000 Staff Approval Process

## Staff Recommendations:

1. That the Financing Programs and Incentive Programs each have a separate aggregate limit (\$1,000,000) which would be tracked and reported separately.
2. That each aggregate amount (\$1,000,000) limit may be refreshed with a report out to either a Deployment Committee or Board meeting. Currently, only Deployment Committee currently allows the report out, which forces us to add consent agenda resolution for Board meetings.



# Resolution #3



**NOW**, therefore be it:

**RESOLVED**, that the Deployment Committee approves the staff recommended modification of the Under \$500,000 Approval Process and ESS Approval Process as more particularly described in the Memo and recommends such modifications to the Board for approval.

# Deployment Committee

Agenda Item #6  
Other Business



# Deployment Committee

Agenda Item #7  
Adjourn



**DEPLOYMENT COMMITTEE OF THE  
CONNECTICUT GREEN BANK**  
Regular Meeting Minutes

Wednesday, September 20, 2023  
2:00 p.m. – 3:00 p.m.

A regular meeting of the Deployment Committee of the **Connecticut Green Bank (the “Green Bank”)** was held on September 20, 2023.

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

Committee Members Present: Bettina Bronisz, Dominick Grant, Rob Hotaling, Matthew Ranelli, Lonnie Reed, Hank Webster

Committee Members Absent: None

Staff Attending: Priyank Bhakta, Joe Buonannata, Larry Campana, Shawne Cartelli, Catherine Duncan, Mackey Dykes, Bryan Garcia, Bert Hunter, Alex Kovtunencko, Cheryl Lumpkin, Jane Murphy, Ariel Schneider

Others present:

- 1. Call to Order**
  - Hank Webster called the meeting to order at 2:06 pm.
- 2. Public Comments**
  - No public comments.
- 3. Consent Agenda**
  - a. Meeting Minutes from May 24, 2023**

**Resolution #1**

Motion to approve the minutes of the Deployment Committee meeting for May 24, 2023.

**b. C-PACE Transactions – Approval Extensions**

**Resolution #2**

**WHEREAS**, pursuant to Conn. Gen. Stat. 16a-40g (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”);

## Subject to Changes and Deletions

**WHEREAS**, pursuant to the C-PACE program, the Connecticut Green Bank Board of Directors (the “Board”) or the Connecticut Green Bank Deployment Committee (“DC”), as may be applicable, approved and authorized the President of the Green Bank to execute financing agreements for the C-PACE projects described in this Memo submitted to the Board on September 20, 2023 (the “Finance Agreements”);

**WHEREAS**, the Finance Agreements were authorized to be consistent with the terms, conditions, and memorandums submitted to the Board or DC, as may be applicable, and executed no later than 120 days from the date of such Board or DC approval; and

**WHEREAS**, due to delays in fulfilling pre-closing requirements the Green Bank will need more time to execute the Finance Agreements.

**NOW**, therefore be it:

**RESOLVED**, that the DC extends authorization of the Finance Agreements to no later than 120 days from September 20, 2023 and consistent in every other manner with the original Board or DC authorization for the Finance Agreement.

**Upon a motion made by Lonnie Reed and seconded by Bettina Bronisz, the Deployment Committee voted to approve the Consent Agenda which includes Resolutions 1 and 2. None opposed or abstained. Motion approved unanimously.**

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

**4. Other Business**

**a. Greenhouse Gas Reduction Fund (Update)**

- Bryan Garcia summarized the proposals and goals of the Greenhouse Gas Reduction Fund and progress on the Solar For All application for State-led funding. He summarized the history and progress made for other applications such as the Clean Communities Investment Accelerator, National Clean Investment Fund, and Public Act 21-115 for Environmental Infrastructure, as well as the establishment of the Coalition For Green Capital.

**5. Adjourn**

**Upon a motion made by Lonnie Reed and seconded by Bettina Bronisz, the Deployment Committee Meeting adjourned at 2:22 pm.**

Respectfully submitted,

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Hank Webster, Vice Chairperson

# Memo

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

**From:** Bryan Garcia (President and CEO), Bert Hunter (EVP and CIO), Eric Shrago (VP of Operations), Leigh Whelpton (Director of Environmental Infrastructure)

**CC:** Jane Murphy (EVP of Finance), Robert Schmitt (Associate Director of Outreach), Rudy Sturk (Associate Director of Marketing and Communications), Barbara Waters (Associate Director of Outreach), Bill Colonis (Sr. Manager of Outreach), Ashley Stewart (Manager of Community Outreach)

**Date:** November 8, 2023

**Re:** Proposed Rollout of New Measures for Smart-E Loan

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Launched in the spring of 2013, the Smart-E loan recently celebrated its 10<sup>th</sup> anniversary. In its first 10 years, the program closed a total of 7,545 loans that supported projects worth more than \$143 million completed by nearly 700 different contractors. The program, through its unique structure of assuring local lenders through a second loss reserve, has one of the Green Bank's highest leverage ratios of private to public funds of 23.4:1. Historically, the program has only financed projects in single family homes that are consistent with our statutory definition of "clean energy"<sup>1</sup> (e.g., weatherization, energy-efficient appliances, solar PV). We are now looking to expand the measures covered by the loan to include our statutory definition of "environmental infrastructure,"<sup>2</sup> with initially, a focus on climate adaptation and resilience and water measures.

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<sup>1</sup> "Clean energy" means solar photovoltaic energy, solar thermal, geothermal energy, wind, ocean thermal energy, wave or tidal energy, fuel cells, landfill gas, hydropower that meets the low-impact standards of the Low-Impact Hydropower Institute, hydrogen production and hydrogen conversion technologies, low emission advanced biomass conversion technologies, alternative fuels, used for electricity generation including ethanol, biodiesel or other fuel produced in Connecticut and derived from agricultural produce, food waste or waste vegetable oil, provided the Commissioner of Energy and Environmental Protection determines that such fuels provide net reductions in GHG emissions and fossil fuel consumption, usable electricity from combined heat and power systems with waste heat recovery systems, thermal storage systems, other energy resources and emerging technologies which have significant potential for commercialization and which do not involve the combustion of coal, petroleum or petroleum products, or nuclear fission, financing of energy efficiency projects, projects that seek to deploy electric, electric hybrid, natural gas or alternative fuel vehicles and associated infrastructure, any related storage, distribution, manufacturing technologies or facilities and any Class I renewable energy source, as defined in CGS 16-1(a)(2).

<sup>2</sup> "Environmental infrastructure" means structures, facilities, systems, services and improvement projects related to (A) water, (B) waste and recycling, (C) climate adaptation and resiliency, (D) agriculture, (E) land conservation, (F) parks and recreation, and (G) environmental markets, including, but not limited to carbon offsets<sup>33</sup> and ecosystem services.

## Background

On July 1, 2021, the 10th anniversary of the Green Bank, again, on a bipartisan basis, the General Assembly enacted PA 21-115 expanding the scope of the Green Bank beyond “clean energy”<sup>3</sup> to include “environmental infrastructure”. Given that the Smart-E Loan program is our flagship offering to residential homeowners, it is a strategic way to leverage Green Bank capacity for climate adaptation and resilience, water, and environmental infrastructure measures through capital loans to homeowners.

To prepare for this expansion for climate adaptation and resilience measures, with support from Climate Finance Advisors (now WSP Consultants), the Green Bank staff conducted extensive rounds of stakeholder engagement with various stakeholders (e.g., DEEP, Insurance Department, CIRCA), State Agencies Fostering Resilience (“SAFR”) Council, and the Federal Emergency Management Agency that resulted in the presentation to and approval of 31 measures (of 88 measures assessed) by the Deployment Committee in November 2022. Further, to prepare for this expansion for water measures, with support from Quantified Ventures, the Green Bank staff conducted extensive rounds of stakeholder engagement with various stakeholders (e.g., DEEP, DPH, DoAg, Treasurer’s Office), that resulted in the presentation to and approval of 9 measures by the Deployment Committee in May 2023.

As part of the November 2022 and May 2023 approvals, the Deployment Committee instructed staff to return with a plan for the rollout of these measures. Specifically, the resolutions by the Deployment Committee called for:

- **RESOLVED**, that the Deployment Committee seeks review and approval of a plan for the staff rollout of environmental infrastructure measures within the Smart-E Loan, including, but not limited to contractor participation, project inspections, loss reserve budgeting, and customer marketing and outreach.
- **RESOLVED**, that the Green Bank Staff would engage members of the Board of Directors and Deployment Committee with State Agency Staff to understand linkages between measures, policies, regulations, and other relevant features.

This memo is intended to serve as a summary of our rollout plan for environmental infrastructure measures within the Smart-E Loan.

## Measures

Staff have worked closely with stakeholders, contractors, inspectors, and others to define the measures and ensure that requirements are in place and in line with other state policies.

## Rollout Schedule

Further, we have reviewed the measures and grouped them into a phased rollout schedule based on ease of implementation. The plan splits the approved measures into 3.5 phases as follows:

Phases 1 and 1a center around measures that are adjacent to existing measures (i.e., resilience measures that current “clean energy” contractors can provide). This allows us to leverage our existing contractor network for these measures. Our aim is to start approving projects for phase 1 new measures in January with phase 1a following shortly thereafter. The driver for splitting the phase 1a measures is that they require slightly more contractor outreach and development work as we have a limited number of electricians we work with currently.

**Table 1. Phase 1 and Phase 1a Measures**

Phase	Phase 1--January 2024					Phase 1A
Category	HVAC	ESS--Battery Backup	Solar	Windows	Appliances	Electric Infrastructure Upgrades
Measures	elevate or relocate all service equipment--according to building code (flood zone)	install a sustainable battery backup--current Smart-E measure--needs to be approved for ESS first--Tesla?	inspect solar PV anchor system--commercially available equipment	install storm shutters	energy Efficient appliances--up to 25% of loan, will revisit	elevate or relocate all service equipment--according to building code (flood zone)
	install unions, fittings, and valves to service equipment--according to building code and manufacturers specifications	elevate or relocate all service equipment--according to building code (flood zone)		replace windows with high-impact glass	purchase or install alternative power station--add to list of appliances, we'll fund 25%	retrofit electrical wiring and elevate sockets and switches--according to building code (flood zone)
		install electric subpanel for critical utilities on backup power--according to building code and manufacturers specifications		floodproof basement windows		install electric subpanel for critical utilities on backup power--according to building code and manufacturers specifications

As Phase 1 is implemented, staff will then focus on phase 2 (i.e., resilience measures that new contractors can provide for climate risk abatement, water, and “environmental infrastructure”). Much of the work needed to implement phase 2 is focused on developing new contractor networks and educating them about the loan product. Many of these contractors do not historically offer financing so we realize that this education and engagement process will take some time. As we build these networks, depending on complexity, we might split the rollout of phase 2 into categories based on contractor type.

**Table 2. Phase 2 and TBD Measures**

Phase	Phase 2--April-June 2024				TBD--FY 2025	
Category	Water	Wells	Landscaping	Flood proofing	Sewers	Dams
<b>Measures</b>	elevate or relocate all service equipment	residential wells	install French drains	Apply wall sealant	onsite wastewater replacement	dam maintenance and removal
	install unions, fittings, and valves to service equipment		replace impervious surfaces	install vents in foundation walls, garages, and other enclosed areas	elevate or relocate all service equipment	
	leaking outdoor residential plumbing		plant trees, including native and shade trees (removal of dead trees)	install wall and floor membranes	sewer back-flow preventers; sewer lateral inspection and cleaning	
	residential lead service line replacement			replace basement or flood-prone area flooring and wall coverings	sewer line lateral replacement/relining	
	fixture replacement and upgrade			install air vent protection system		
				floodproof basement windows		
				install sump pump		
				install floodproof seals and locks		
				conduct repointing		
				install French drain		
			install seal penetrations			

## Lenders

The new measures are covered by the recently updated lender agreements executed this calendar year with our eight participating credit unions, community banks, and CDFI's. We also mentioned the expansion into these new measures earlier this year during check-in meetings. We will message them about the launch of the phase 1 and 1a measures in January and the phase 2 measures in Spring of 2024.

## Contractor Participation

For Phase 1 and Phase 1a, the Green Bank will use our existing “clean energy” contractor networks. We will also seek out more electricians and encourage them to enroll in the program.

For the new measures, planned for rollout in Phase 2, we have identified industry groups with whom we will engage including: the Connecticut Onsite Wastewater Recycling Association (COWRA), the American Water Works Association (AWWA), the Association of State Dam Safety Officials (ASDSO), the Connecticut Tree Protective Association, The Connecticut Chapter of the American Society of Landscape Architects, the Independent Electrical Contractors of New England (IEC-NE) and the National Electrical Contractors Association, CT Chapter (NECA-CT).

We will begin engagement in January to seek input from the contractors about the new measures and to inform them of the loan and encourage their enrollment.

## Project Inspections

A key component of the Smart-E loan is our inspection regime which serves as a quality management tool that helps the organization assure that the customer is receiving the contracted equipment and to educate contractors on best practices. Additionally, inspectors often help further explain the technical aspects of the equipment and best practices for equipment longevity and efficiency. For Phase 1 and phase 1a, we will use existing inspectors. For Phase 2, we will need new inspectors more familiar with these measures and staff will issue a Request for Proposals in February for new inspectors.

## Loan Loss Reserve Budgeting

As per statute, support for the new “environmental infrastructure” measures cannot use “clean energy” fund dollars (i.e., RGGI or ratepayer) and hence will be supported by non-utility revenue according to existing accounting procedures.<sup>4</sup>

The Loan Loss Reserve is a key component of the Smart-E program as it provides lenders security to lend at the approved rates in an unsecured transaction. The Loan Loss Reserve for the Smart-E Loan comes from the strength of the balance sheet of the Green Bank (i.e., not RGGI or ratepayer funds). Due to the need for segregation of RGGI or ratepayer funds vs. non-utility funds, for “clean energy” vs. “environmental infrastructure” measures, respectively, a new loan loss reserve account designation for the new measure will be set up within the non-utility bank account. Calculations for contributions to the LLR for “environmental infrastructure” will be identical to contributions to the existing LLR for “clean energy” measures which come from the lender agreements.

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<sup>4</sup> (A) There is hereby created an Environmental Infrastructure Fund which shall be within the Connecticut Green Bank. The fund may receive any amount required by law to be deposited into the fund and may receive any federal funds as may become available to the state for environmental infrastructure investments, except that the fund shall not receive: (i) Ratepayer or Regional Greenhouse Gas Initiative funds, (ii) funds that have been deposited in, or are required to be deposited in, an account of the Clean Water Fund pursuant to sections 22a-475 to 22a-438f, inclusive, or (iii) funds collected from a water company, as defined in section 25-32a.



The Committee specifically requested our roll out plan to include budgeting for the loan loss reserve for “environmental infrastructure” measures. As these are new measures it is hard to estimate the uptake however, we are budgeting for 100 loans for the new measures for the second half of the fiscal year. We will budget \$20,000 for this reserve.

Going forward, we will separately budget the “clean energy” and “environmental infrastructure” measures for projects financed through the Smart-E Loan through the credit enhancement of the Green Bank’s loan loss reserve.

## Customer Marketing and Outreach

Customer acquisition for the Smart-E loan has primarily been driven by contractors in homes. We believe this strategy will continue to be the best channel for the new measures, however, it is important that we attract the right contractors into the program to support these new measures. This will require significant outreach from our staff to introduce the loan to contractors who have previously not known the Green Bank.

For both the new measures and the existing ones, the Green Bank will continue to support the contractor’s sales process, making it easier to pitch the Smart-E loan as a flexible financing solution. We will develop new marketing materials, as needed, update existing materials (i.e., case studies, websites, etc.) and provide educational resources (webinars, etc.) on the new measures.

This fiscal year, we have embarked on two efforts that will increase the awareness and deployment of the Smart-E loan. First, we are working with our lending partners to market the Smart-E loan to their customers. While we have had many of these partnerships for years, we have not pushed our partners to engage their existing customers. We will encourage the lenders to announce and promote the new additions to the Smart-E measures to build awareness.

Second, we have created and filled a new position for homeowner outreach. Bill Colonis from our team is transitioning to this new role. While Bill is still in the process of developing how he will reach homeowners in the state, he has already been working with customers and groups in various parts of the state to demystify many of these new measures.

We are also looking at other potential ways to reach customers such as targeted outreach campaigns. The Green Bank is building out our data analytics capabilities and is working on plans to target specific geographic areas (i.e. those at elevated flood risk) regarding the new measures. This outreach could be accomplished through direct mail, digital advertising, and/or paid media tactics.

## Operational Support

### Operations

Day-to-day operational support for the new measures will be provided by the team at Inclusive Prosperity Capital who are currently supporting the program. Staff will work with

IPC to monitor and ensure that the additional volume is managed without impacting service levels.

## Technology

Staff are working with IPC to onboard the new measures into NGEN, the workflow management tool for the program. NGEN is a custom-built software funded by the Green Bank and used by the Green Bank, Michigan Saves, and Inclusive Prosperity Capital in their management of their residential loan programs. It allows for contractor job submission, lender loan submission, and overall project tracking. It has connectivity into Green Bank systems and databases and is generally liked by contractors. We are looking into further expanding/connecting NGEN later this fiscal year to a web-based application portal for customers to apply for the Smart-E loan from lenders.

Staff are working with IPC to onboard the new measures into NGEN.

## Impact

Green Bank staff have identified broadly the areas of impact we are going to seek to track and are currently engaging experts in the space regarding methodology and will look to bring something to the Audit, Compliance, and Governance Committee regarding climate adaptation and resilience and water methodologies in 2024.

## Further Measures

While the organization is rolling out the measures highlighted for deployment in phases one and two, Green Bank Staff will seek further input regarding the measures targeted for Phase 3 which have been previously approved by the committee as well as return to the overall potential measures list developed last year. Per the Deployment Committee resolution from earlier this year, Green Bank staff will engage with Board Members and staff from DEEP, OPM, DECD, CIRCA, and SAFR, among others for input and guidance in building out these measures and considering new ones to ensure that our new measures continue to support state policy and regulations. We will brief the Deployment Committee on progress of phases one and two and review new measures for phase 3 in the spring of 2024.

## Resolution

**Whereas**, Connecticut Public Act 21-115 expanded the scope of the Green Bank beyond “clean energy” to include “environmental infrastructure”;

**Whereas**, the Deployment Committee of the Connecticut Green Bank Board of Directors has reviewed and approved the aforementioned measures in November 2022 and May 2023;

**Whereas**, the Deployment Committee instructed staff to formulate a plan for the rollout and implementation of the new measures prior to their launch;

**Now Therefore,**

**Resolved**, the Deployment Committee approves of this implementation plan and instructs staff to implement the new Smart-E measures for Phases 1 and 2, and to provide the committee with updates as implementation progresses.

**Resolved**, that Green Bank staff will continue to seek guidance and input from external stakeholders including but not limited to other state agencies regarding the Phase 3 measures and will provide an update as to those measures, their concurrence with state policies, regulations and objectives, and their rollout to the Committee later this fiscal year.



# Memo

**To:** Deployment Committee of the Connecticut Green Bank

**From:** Brian Farnen (General Counsel and CLO), Bryan Garcia (President and CEO), Bert Hunter (Executive Vice President and CIO), Mackey Dykes (Vice President, Financing Programs), Alex Kovtunenکو (Deputy General Counsel)

**Date:** November 8, 2023

**Re:** Request for Adjustment in Officer Approvals – Funding Requests below \$500,000 and in Aggregate less than \$1,000,000

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At the October 20, 2017 Board of Directors (Board) meeting of the Connecticut Green Bank (Green Bank) it was resolved that the Board approves the authorization of Green Bank staff to evaluate and approve funding requests less than \$500,000 which are pursuant to an established formal approval process requiring the signature of a Green Bank officer, consistent with the Comprehensive Plan, approved within Green Bank's fiscal budget and in an aggregate amount not to exceed \$1,000,000 from the date of the last Deployment Committee meeting (Under \$500,000 Approval Process).

The Energy Storage Solutions (ESS) Program was established by the Public Utilities Regulatory Authority (PURA) in Docket No. 17-12-03RE03. In PURA's final Decision in this docket, issued July 28, 2021, PURA appointed The Connecticut Light and Power Company d/b/a Eversource Energy (Eversource), The United Illuminating Company (UI), and Green Bank as co-administrators of the ESS Program.

The Green Bank's Program responsibilities include customer enrollment, administration of the upfront incentive, marketing and promotion, and data aggregation and publication to support Program evaluation, measurement, and verification, among others.

At its June 24, 2022 meeting, the Board authorized a process for the approval of upfront incentives for projects participating in the ESS Program (ESS Approval Process). The approval process for ESS incentives below \$500,000 is identical and subject to the same aggregate limit as the Under \$500,000 Approval Process.

Green Bank staff recommends that both the Under \$500,000 Approval Process and ESS Approval Process be modified as follows:

(1) That the Financing Programs and Incentive Programs each have a separate aggregate limit (\$1,000,000) which would be tracked and reported separately. Currently, both Financing Programs projects (e.g., C-PACE transaction) and Incentive Programs (e.g., ESS Program incentives) below \$500,000 are subject to the same aggregate limit. This has been a procedural constraint for both programs and has the likely potential to delay approval of standard projects as the ESS Program expands.

(2) That each aggregate amount (\$1,000,000) limit may be refreshed with a report out to either a Deployment Committee or Board meeting. Currently, refreshing the authorization limit at a Board meeting is done by consent agenda resolution, while at a Deployment Committee meeting such a resolution is not necessary pursuant to the Under \$500,000 Approval Process. This recommendation would simply result in one less consent agenda resolution at Board meetings and a more standardized process for reporting such staff approval at all Deployment Committee and Board meetings.

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## RESOLUTION

**WHEREAS**, At the October 20, 2017 Board of Directors (Board) meeting of the Connecticut Green Bank (Green Bank) the Board approved a process for the Green Bank staff to evaluate and approve funding requests less than \$500,000 and in an aggregate amount not to exceed \$1,000,000 from the date of the last Deployment Committee meeting (Under \$500,000 Approval Process).

**WHEREAS**, at its June 24, 2022 meeting, the Board approved a process for the Green Bank staff to evaluate and approve upfront incentives for projects participating in the ESS Program (ESS Approval Process). The approval process for ESS incentives below \$500,000 is identical and subject to the same aggregate limit as the Under \$500,000 Approval Process

**WHEREAS**, staff recommends modification of the Under \$500,000 Approval Process and ESS Approval Process as more particularly described in that certain memorandum to the Board dated November 8, 2023 (the "Memo").

**NOW**, therefore be it:

**RESOLVED**, that the Deployment Committee approves the staff recommended modification of the Under \$500,000 Approval Process and ESS Approval Process as more particularly described in the Memo and recommends such modifications to the Board for approval.

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