



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

Wednesday, November 15, 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 November 15, 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

Committee Members Absent: Hank Webster

Staff Attending: Priyank Bhakta, Sergio Carrillo, Shawne Cartelli, Catherine Duncan, Brian Farnen, Bryan Garcia, Bert Hunter, Alex Kovtunencko, Stephanie Layman, Cheryl Lumpkin, Jane Murphy, Ariel Schneider, Eric Shrago, Dan Smith

Others present: None

1. Call to Order

- Lonnie Reed called the meeting to order at 2:03 pm.

2. Public Comments

- No public comments.

3. Consent Agenda

a. Meeting Minutes from September 20, 2023

Resolution #1

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

Upon a motion made by Robert Hotaling and seconded by Bettina Bronisz, the Deployment Committee voted to approve Resolution 1. None opposed or abstained. Motion approved unanimously.

4. Environmental Infrastructure Programs Updates and Recommendations

a. Smart-E Loan – Rollout of Environmental Infrastructure Measures: Climate Adaptation and Resilience

- Bryan Garcia summarized the history of Smart-E loan program, the Climate Adaptation and Resiliency efforts, and “The Collaborators” which stemmed from the United States Climate Alliance in partnership with the European Union, and how resiliency measures may apply to the Smart-E program. He explained the amendment to the Resolution after receiving advice to have FEMA review the program measures and how the inclusion of additional measures may benefit insurance. He noted that the Connecticut Insurance Department confirmed FEMA review and support of measures. He summarized the progress to engage with stakeholders around water.

- Eric Shrago summarized the rollout plan for contractor participation, which consists primarily of 2 phases. Phase 1 and 1a includes measures that are adjacent to existing measures and rely on the existing network. Phase 2 requires recruiting and training a new network of contractors and includes leveraging industry organizations and approved contractors for other state programs. He summarized the loss reserve budgeting plan which includes a segregation of funds, a separate loan loss reserve although the process around using it is the same, and the target of the loan loss reserve is for \$20,000 for 100 loans. He summarized the customer marketing and outreach for the program, though the program is very contractor driven. As well, he reviewed the rollout plan.

- Bettina Bronisz asked for clarification about the need for a new cash stream to fund the reserves and how much would be needed. Eric Shrago responded that the current loan loss reserve for the existing clean energy measures is what is coming in from the Utilities, and so a new reserve needs to be set up that will be calculated based on the amount of loans done for Environmental Infrastructure measures. Bettina Bronisz asked how much money would be needed. Eric Shrago responded that it is at \$20,000 this fiscal year and would scale up as projects get added but how much exactly would be needed going forward isn’t exactly known as it depends on the volume of the loans. Bryan Garcia added additional clarification about previous years’ statistics for the Smart-E program and that overall, there has been very little of the loan loss reserves actually needed. Bettina Bronisz clarified her concern that money would be taken away from funds that would be used for coverage for SCRF-backed debt. Jane Murphy responded that the money used for the SCRF-backed funds is received and maintained separately and would not be affected.

- Lonnie Reed asked if there is any initiative to address the issues with the sewage treatment plants and similar issues. Eric Shrago responded that in terms of the sewage treatment plant, it wouldn’t be under Smart-E, but as far as how homeowners interact with sewage treatment systems, there are options there which Smart-E could cover. Bryan Garcia added there are resources with the State Revolving Funds that could be used to address the resiliency of systems such as the sewage treatment plants, and those larger conversations may happen in relation to those funds. Bettina Bronisz commented that there are funds committed to addressing some of the issues for this year.

Matthew Ranelli arrived at 2:27 pm.

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 be it:

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.

Upon a motion made by Bettina Bronisz and seconded by Matthew Ranelli, the Deployment Committee voted to approve Resolution 2. None opposed or abstained. Motion approved unanimously.

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

- Brian Farnen explained the current issue with the staff authorization process in relation to the new ESS projects and the suggestion to update the process to allow financing and incentive programs each have a separate aggregate limit of \$1,000,000 which would be tracked and reported separately, and that each aggregate limit may be refreshed with a report out to either a Deployment Committee meeting or Board meeting.
 - Matthew Ranelli asked for details about the times when the current process has caused problems and why a special meeting couldn't have been held as he wasn't aware of the problem times. He stated he would prefer those discussions be brought before the Deployment Committee. Sergio Carrillo responded that there have been three instances where the current aggregate cap has been hit since July 2022 and he gave the details about those times. Brian Farnen commented that some of those have been above the \$500,000 limit. Sergio Carrillo stated he does not have the exact data for the times it was under \$500,000 but hit the aggregate \$1,000,000 cap but it has happened. Brian Farnen suggested collecting that data to present to the next Board meeting. Bettina Bronisz and Lonnie Reed supported Matthew Ranelli's concerns and the need for more data.
 - Bryan Garcia commented that there is a historical component that is still being determined for the non-residential energy storage solutions projects and suggested presenting some projects to the Board to help establish comfort about what is happening within those types of projects. Mackey Dykes added that the comingling of the transaction types under one limit is the bigger issue for sure.
 - Dominick Grant asked in terms of RSIP and other incentive programs, if they were comingled or not. Brian Farnen responded that RSIP was a different process through a formulaic approach with steps that was statutorily required, so it never was under the same process. The group discussed the variance between different programs and processes.
 - Matthew Ranelli suggested an amendment to the Resolution to read:
RESOLVED, that the Deployment Committee recognizes the addition of the ESS Incentive Program has put additional strain on the Under \$500,000 approval process and recommends Staff to prepare a Memo regarding the advisability of having two separate

approval processes for Financial Projects and Incentive Projects and the amount of aggregate cap needed in each instance.

- Bettina Bronisz asked if the \$500,000 cap is the correct amount for the ESS projects and suggested seeing the history before setting the amount. Bryan Garcia suggested that as part of the Resolution, the ESS projects under \$500,000 will be analyzed and presented to get a better understanding of them.
- The group decided to table Resolution #3 until December 15, 2023 at 8:30 am as part of a Special Meeting just before the Board Meeting on the same date.

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.

The Deployment Committee agreed to table Resolution #3 until Friday, December 15, 2023 at 8:30 am as part of a new Special Meeting.

6. Other Business

- None

7. Adjourn

Upon a motion made by Bettina Bronisz and seconded by Matthew Ranelli, the Deployment Committee Meeting adjourned at 2:58 pm.

Respectfully submitted,

Hank Webster, Chairperson