



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

Friday, March 15, 2024
9:00 a.m. – 11:00 a.m.

A regular meeting of the Board of Directors of the **Connecticut Green Bank** (the “Green Bank”) was held on March 15, 2024.

Board Members Present: Bettina Bronisz, Thomas Flynn, Dominick Grant, John Harrity, Robert Hotaling, Adrienne Houël, Matthew Ranelli, Lonnie Reed, Hank Webster, Brenda Watson

Board Members Absent: Joanna Wozniak-Brown

Staff Attending: David Beech, Priyank Bhakta, Larry Campana, Shawne Cartelli, Sergio Carrillo, James Desantos, Catherine Duncan, Mackey Dykes, Emma Ellis, Brian Farnen, Bryan Garcia, Bert Hunter, Alex Kovtunencko, Stephanie Layman, Alysse Lembo-Buzzelli, Cheryl Lumpkin, Jane Murphy, Ariel Schneider, Eric Shrago, Dan Smith, Mariana Trief, Leigh Whelpton

Others present: None

1. Call to Order

- Lonnie Reed called the meeting to order at 9:02 am.

2. Public Comments

- No public comments.

3. Consent Agenda

a. Meeting Minutes of January 26, 2024

Resolution #1

Motion to approve the meeting minutes of the Board of Directors for January 26, 2024.

b. C-PACE Project Extensions

Resolution #2

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

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

WHEREAS, the Green Bank seeks to provide a \$1,003,474 construction and (potentially) term loan under the C-PACE program to Elm Harbor Realty LLC, the building owner of 20 Elm Street, Branford, CT (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan; and

NOW, therefore be it:

RESOLVED, that the President of the Green Bank and any other duly authorized officer of the Green Bank is authorized to execute and deliver the Loan in an amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Board dated April 8, 2024, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from the date of authorization by the Board of Directors;

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

RESOLVED, that the proper 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 affect the above-mentioned legal instruments.

Upon a motion made by Rob Hotaling and seconded by Hank Webster, the Board of Directors voted to approve the Consent Agenda which consists of Resolutions 1 – 2. None opposed or abstained. Motion approved unanimously.

4. Financing Programs Updates and Recommendations **a. C-PACE Project – Farmington**

- Alysse Lembo-Buzzelli summarized the key information about a 276.4 kW Ground Mount Solar PV project in Farmington including the loan terms, financial metrics, and energy metrics. Priyank Bhakta added there was a new appraisal for the property and the slightly higher than usual lien-to-value ratio is due to the operating company becoming a co-borrower. As well, the operating company and property owner are the same entity, and they have a stable history. Priyank Bhakta summarized additional underwriting information about the project.
 - John Harranty praised the new slide format for its clarity and for being concise. Bettina Bronisz and Adrienne Houël echoed the support of the new format.
 - Matt Ranelli requested that the repayment schedule and how it is sculpted be

shown, due to concerns about cash flows for properties and how it could reflect on the program in later years of repayment. Robert Hotaling and Hank Webster agreed with the suggestion.

- Hank Webster suggested adding information about any potential Federal Tax Credits or other incentives that may be considered for a given project.

Resolution #3

WHEREAS, pursuant to Connecticut General Statute Section 16a-40g (the "Statute"), the Connecticut Green Bank (Green Bank) has established 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 \$678,946 construction and term loan under the C-PACE program to Emmett & Associates, LLC and Turbine Technologies, Inc (DBA: Burke Aerospace), the building owner of 126 Hyde Road, Farmington, CT 06032, Hartford County, 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 as more particularly described in the memorandum submitted to the Green Bank Board of Directors dated March 8, 2024 (the "Memo");

NOW, therefore be it:

RESOLVED, that the President of the Green Bank and any other duly authorized officer of the Green Bank is authorized to execute and deliver the Loan in an amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the Memo, 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 this resolution;

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

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

Upon a motion made by Bettina Bronisz and seconded by John Harrity, the Board of Directors voted to approve Resolution 3. None opposed or abstained. Motion approved unanimously.

b. C-PACE Program Guidelines for Resiliency

- Mackey Dykes ... Alysse Lembo-Buzzelli summarized the guidelines for approval which have come back after a Public Comment period, including the definition of Resilience and what the Statute required in order to complete the guidelines. She reviewed and overview of the Public Comments received. She also reviewed a new substantive change for Roof

Improvements which will be going to Public Comment upon approval of the Resolution. Mackey Dykes added that the new addition may be necessary in order to avoid a potential loophole in roofs under the definition of Resiliency.

- Robert Hotaling asked if there is a cap for dollars allocated towards this program, to prevent it from cannibalizing solar projects. Mackey Dykes responded there is no cap as the Green Bank is acting as an administrator of the program, and that there is potentially unlimited capital through third party lenders. Robert Hotaling asked if there is the possibility that roof financing could surpass other financing and then allow for re-evaluating. Mackey Dykes answered that he agreed which is part of the reason for introducing the roof improvement standard for a FORTIFIED roof.

- Lonnie Reed added that she has noticed many people don't realize they may need roof improvements until they go to get solar panels, so it seems like the two really go hand-in-hand, and Alysse Lembo-Buzzelli agreed.

- Robert Hotaling asked what the standard collateral is for standalone roof financing. Mackey Dykes responded it is the property itself. Alysse Lembo-Buzzelli added the projects are also still subject to Lender Consent.

- Adrienne Houël asked if resiliency hubs had been considered for financing. Alysse Lembo-Buzzelli responded that under the C-PACE program, the resiliency hubs may not qualify as Municipal or State properties. Mackey Dykes added that the team has definitely been looking into what it would entail and said he would reach out to talk more offline.

- Matthew Ranelli suggested for the FORTIFIED roof standard, adjusting the wording in the program guidelines to be more flexible. Alysse Lembo-Buzzelli agreed with that change to allow for greater flexibility. Hank Webster added that he would like there to be a mechanism added in the wording to do due diligence on any other standard that may be considered in the future. Mackey Dykes agreed as the vetting process for standards could take months so there would be plenty of time to do thorough reviews.

- Matthew Ranelli asked if there could be a guidance document for standalone roof improvements. Alysse Lembo-Buzzelli answered that the clarification should be doable. Mackey Dykes agreed. Matthew Ranelli suggested further that perhaps standalone roof improvements would not be considered in order to avoid the issue.

- Matthew Ranelli also asked why the modification has to go back to Public Comment. Mackey Dykes responded there isn't enough time for the potential loophole to be exploited as it would be brought in front of the Board of Directors again in approximately one month. Matthew Ranelli agreed that public feedback is good but was worried about a coming influx. Mackey Dykes responded there is no indication that anyone is waiting for such a situation.

- Hank Webster commented that DEEP is pretty supportive of roof improvements as it can be a critical piece of resiliency to stop other issues from worsening, and he expressed his appreciation of the support.

- John Harrity asked where the standard comes from and how much does a FORTIFIED roof cost over a non-FORTIFIED roof. Alysse Lembo-Buzzelli responded that the standard comes from IBHS, which is the Insurance Institute for Business and Home Safety. The Green Bank team worked with the FORTIFIED team at IBHS and it would likely be about a 5% delta, as a national average, to build a FORTIFIED roof compared to one that isn't. Mackey Dykes added that there has been a lot of work in Connecticut as of late to incorporate the FORTIFIED standard into building codes and to have the insurance industry adopt it for potential premium reductions.

- Brenda Watson asked what people think the next area of improvement could be next to be considered under resiliency, after roofs which are trending now. Alysse Lembo-Buzzelli responded that she is unsure but trying to understand the market needs

was part of the design approach to the guidelines.

- Thomas Flynn asked as it relates to the roof improvements, is the Green Bank's involvement only for investment in something for the roof, such as solar panels. Alysse Lembo-Buzzelli answered that the two proposed pathways are for the roof itself, and that one of the two pathways does not need to be part of an energy project. Mackey Dykes added the minimum standard for roofs was due to the uniqueness of roof improvements, as they fall into a bit of a grey area, to avoid becoming a standard roofing financing tool.
- Thomas Flynn asked if the FORTIFIED standard shows that it saves energy or is it resiliency broadly defined. Alysse Lembo-Buzzelli responded it is about resiliency broadly defined. Mackey Dykes commented that the legislature had expanded the program to include resiliency measures. Robert Hotaling added information about a recent Order that indicates it does create savings. Thomas Flynn expressed his concern about the cost-benefit relative to return which was previously measurable, such as energy saved and conservation, and the difficulty quantifying the cost-benefit of resiliency. Mackey Dykes clarified that the proposal today does not commit the Green Bank to doing anything from a Lending perspective. However, the Green Bank is in a C-PACE administrative role by statute and since the legislature expanded C-PACE to include resiliency, the Green Bank must develop the guidelines for that expansion. But again, the Green Bank is not committed to funding those projects as a lender.
- The group further discussed the requirements for the guidelines, the Green Bank's role as a lender and administrator, and the potential strain on Green Bank staff.
- Leigh Whelpton commented in chat Just to note, "Launching or Expanding Existing Products" beyond clean energy to encompass environmental infrastructure (e.g. CPACE resilience) is part of the 2024 comp plan.

Resolution #4

WHEREAS, Conn. Gen. Stat. Section 16a-40g (the "Authorizing Statute") authorizes what has come to be known as the Commercial Property Assessed Clean Energy Program ("C-PACE"), the Authorizing Statute designates the Connecticut Green Bank ("Green Bank") as the state- wide administrator of the program;

WHEREAS, the Authorizing Statute charges Green Bank to develop program guidelines (the "Program Guidelines") governing the terms and conditions under which state and third-party financing may be made available to C-PACE;

WHEREAS, Green Bank staff drafted proposed changes to the Program Guidelines and Appendix N, and included Appendix O;

WHEREAS, The proposed changes to the Program Guidelines and Appendix N, and the inclusion of Appendix O, went through a thirty-day public comment period in accordance with Conn. Gen. Stat. Section 1-120 et seq, and staff has made further minor changes to the Guidelines to address certain public comments which were received, as more particularly described in that memorandum to the Board dated March 12, 2024 (the "Memorandum").

NOW, therefore be it:

RESOLVED, the Green Bank Board of Directors (the "Board") approves the proposed changes to Program Guidelines and Appendix N, and the inclusion of Appendix O, substantially in the form of attached to the Memorandum;

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

Upon a motion made by Matthew Ranelli and seconded by Robert Hotaling, the Board of Directors voted to approve Resolution 4 modified to direct Staff to go back to Public Comment regarding FORTIFIED Roofs and follow up on the other discussion points. None opposed or abstained. Motion approved unanimously.

5. Investment Programs Updates and Recommendations
a. PosiGen – Amendment and Equity Participation

- Larry Campana summarized the PosiGen investment modification history and the proposed \$57,000 incremental equity investment in the form of a note. The increase is structured to maintain the Green Bank’s ownership position and avoid dilution.
 - Bettina Brosniz asked if the transaction would need to close today and Larry Campana responded yes, as the closing had been delayed in coordination with this Board Meeting.
 - Robert Hotaling asked what the current ownership percentage is and what would the dilution mean if the Resolution did not pass. Larry Campana responded that the ownership is in convertible notes and is a dollar value of approximately \$750,000.
 - Bettina Bronisz asked about the ability to cash out. Larry Campana responded the cash out opportunity would happen when there is an equity fund raise, so further down the line when distributions are made. But the probability is high to occur.
 - Bettina Bronisz asked for clarification about why such a small investment amount has to come to the Board. Bert Hunter responded that the way the Investments Team traditionally had viewed the requirement for approval from the Board is to look at the overall relationship with a credit. So while this investment is small, the overall credit is beyond the threshold. As well, the Staff approval is limited to programmatic investments, and this does not fall under that.

Resolution #5

WHEREAS, the Connecticut Green Bank (“Green Bank”) has an existing partnership with PosiGen, Inc. (together with its affiliates and subsidiaries, “PosiGen”) to support PosiGen in delivering a solar lease (including battery storage) and energy efficiency financing offering to low to moderate income households in Connecticut;

WHEREAS, the Green Bank Board of Directors (the “Board”) previously authorized approval for Green Bank’s participation in equity financing through the exercise of warrants for 500,000 shares of Series D-3B of PosiGen, Inc. which was exercised in February 2021 (the “Prior Preferred Shares”);

WHEREAS, in June 2023 PosiGen has exchanged the Prior Preferred Shares for 7,500,000 shares of common stock of PosiGen Inc. and the opportunity to purchase Series 1 Preferred Stock;

WHEREAS, in August 2023 the “Board previously authorized approval for Green Bank’s participation in equity financing through the purchase of a secured convertible promissory note of \$121,321.93;

WHEREAS, staff has analyzed the current state of PosiGen relation to the proposed incremental investment in Class 1 Secured Convertible Note and related financing and has concluded that the investment risk is worth the potential upside return, and recommends the Board approve the incremental investment not to exceed \$56,775.77 as more fully explained in a memorandum to the Board dated March 8, 2024 (the “Board Memo”);

NOW, therefore be it:

RESOLVED, that the Board authorizes the Green Bank to enter into the Amended and Restated Note Purchase Agreement with PosiGen and other investors to fully participate in the purchase of a secured convertible promissory note of PosiGen. not to exceed \$56,775.77 and executing amendment number four to the June 2023 Note Purchase Agreement, as set forth in the Board Memo;

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

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

b. PosiGen – 1st and 2nd Lien Facility Modification

- Bert Hunter summarized the history of the PosiGen 1st & 2nd Lien Facility and noted that when the team went to documentation on an Amendment to go up on the upside by Brookfield, council at Wiggin and Dana brought up several points regarding Board approval in terms of how certain things were phrased which weren’t as clear as they would have approved. So in order to align to a more precise approval, the January memorandum was redlined to be clearer and the resolution is being presented again to be amended and restated.

Resolution #6

WHEREAS, the Connecticut Green Bank (“Green Bank”) has an existing partnership with PosiGen, PBC (together with its affiliates and subsidiaries, “PosiGen”) to support PosiGen in delivering a solar lease (including battery storage) and energy efficiency financing offering to LMI households in Connecticut;

WHEREAS, the Green Bank Board of Directors (the “Board”) previously authorized approval for Green Bank’s participation in a back leverage credit facility (the “BL Facility”) collateralized by all of PosiGen’s solar PV system and energy efficiency leases in the United States as part of PosiGen’s strategic growth plan, as well as a facility to finance performance based incentives earned by PosiGen on its solar PV portfolio in Connecticut;

WHEREAS, PosiGen is now in the process of upsizing its BL Facility with Brookfield Asset Management (“Brookfield”), as explained in the memorandum to the Board dated January 23, 2024 (the “Board Memo”);

WHEREAS, PosiGen’s repayment performance on its existing obligations remains

consistent and satisfactory;

NOW, therefore be it:

RESOLVED, that the Board authorizes the Green Bank to amend its existing 2nd lien facility as part of the BL Facility to allow for an upsized Green Bank position together with the first lien lender, Brookfield (itself upsizing its position and expanding its collateral base), as set forth in the Board Memo;

RESOLVED, that the Board authorizes the Green Bank to advance up to \$24 million in in Term Loans under the 2nd lien financing associated with the New BL Facility, excluding the Connecticut PBI Term Loans and excluding the Capital Solutions Tax Equity Bridge facility, and inclusive of third-party participation, as set forth in the Board Memo; and

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

Upon a motion made by Robert Hotaling and seconded by Dominick Grant, the Board of Directors voted to approve Resolution 6. None opposed or abstained. Motion approved unanimously.

c. Capital for Change – Modification and Extension Request

- Bert Hunter summarized the Low Income Multifamily Energy Program history and the proposed program availability period extension for 1 additional year until March 31, 2025.

Resolution #7

WHEREAS, the Connecticut Green Bank (“Green Bank”) has an existing Master Facility to fund the Low Income Multifamily Efficiency (“LIME”) loan Program with Capital for Change (“C4C”), approved at the October 25, 2019 meeting of the Green Bank Board of Directors (the “Board”),

WHEREAS, C4C has been successful in deploying LIME Program loans using the Master Facility;

WHEREAS, in order to continue the successful deployment of capital into the LIME Program C4C has requested an extension of the availability period until March 31, 2025, approximately one year from the expiration of the availability period under the existing terms and conditions;

WHEREAS, Green Bank staff recommends the Board approve such extension of the availability period;

NOW, therefore be it:

RESOLVED, that the Board approves the extension of the availability period under the Master Facility until a date not to exceed March 31, 2025;

RESOLVED, that the President of the Green Bank; and any other duly authorized officer of the Green Bank, is authorized to execute and deliver, any contract or other legal instrument necessary to affect the extension of the availability period under the Master Facility for the LIME program on such terms and conditions as are materially consistent with the memorandum submitted to the Board on March 8, 2024; and

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

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

6. Legislative Process

- Brian Farnen summarized the state of the current legislative session including the status of the Public Hearings and some of the key bills, such as HB 5004, HB 5232, HB 5231, SB 191, and SB 11. He also mentioned the new Bill Tracking goals for the Green Bank which will go live today for Board Members.
 - John Harrity praised the Bill Tracking website and how it will help improve participation in the legislature.
- Marianna Trief summarized the history and progress of the Hydropower Task Force, of which she is the appointed task force member of the House Majority Leader. Bryan Garcia commented that this portion of the meeting was to reinforce that the Green Bank staff is seeking guidance from the Board about how to approach Task Forces, policies they may propose in the future, and how they may affect the legislative process.
 - Thomas Flynn commented that he is proud of the success of the Green Bank and its Board but expressed his concern about the Green Bank sometimes gets assigned to tasks which don't seem energy-related or beyond the scope. The group discussed the nature of scope expansion, impact growth, and how the Green Bank has had a nation-wide impact in areas not thought of before.

7. Other Business

- Bryan Garcia commented about a recent Connecticut Inside Investigator article about the solar marketplace assistance program, how the Green Bank competitively procures projects, and the role of Inclusive Prosperity Capital, and that he would send the Board his feedback about the article.

8. Adjourn

Upon a motion made by Robert Hotaling and seconded by John Harrity, the Board of Directors meeting adjourned at 11:00 am.

Respectfully submitted,

Lonnie Reed, Chairperson