



**BUDGET, OPERATIONS, AND COMPENSATION COMMITTEE OF THE
CONNECTICUT GREEN BANK**

Regular Meeting Minutes

Wednesday, January 17, 2024

2:00 p.m. – 3:30 p.m.

A regular meeting of the Budget, Operations, and Compensation Committee of the **Connecticut Green Bank (the “Green Bank”)** was held on January 17, 2024.

Committee Members Present: John Harrity, Robert Hotaling, Lonnie Reed

Committee Members Absent: Adrienne Houël, Brenda Watson

Staff Attending: Shawne Cartelli, Emma Ellis, Brian Farnen, Cheryl Lumpkin, Jane Murphy, Ariel Schneider, Eric Shrago, Dan Smith, Leigh Whelpton

Others present: none

1. Call to Order

- John Harrity called the meeting to order at 2:06 pm.

2. Public Comments

- No public comments.

3. Approve Meeting Minutes from June 7, 2023

Resolution #1

Motion to approve the meeting minutes of the Budget, Operations, and Compensation Committee from the meeting on June 7, 2023.

Upon a motion made by Robert Hotaling and seconded by Lonnie Reed, the Budget, Operations, and Compensation Committee voted to approve Resolution 1. None opposed or abstained. Motion approved unanimously.

4. FY 2024 – Targets and Budget

- Eric Shrago explained that the overall the number of projects is being increased but the investment total and MW deployed are being decreased. That is because the projects are expected to be Smart-E and non-solar, (there is not a capacity target associated with those projects). He continued to explain the details for Financing programs, which includes a robust C-PACE pipeline. He advised that the PPA targets would decrease as well.
 - Robert Hotaling asked about the impact of inflation and whether there may be an effect of depressing the number of projects, and regarding concerns about IRA fund flows affected by the upcoming Presidential election. Eric Shrago stated the reports and forecasts are just through the end of the current fiscal year, and he does not believe the reduced update of projects is not related to inflation concerns. He noted that the IRA legislation also states the funds need to be delivered by Fall 2024.
 - Robert Hotaling asked if the flow of funds ramps up is there a team in place to handle that to reduce obstacles. Eric Shrago responded there is work in progress to do that and the teams are working hard to get money out the door. The Green Bank is aware of the potential need to scale up and is prepared to act but does not want to overcommit to it at this time in case something were to change.
 - Robert Hotaling asked in relation to the GGRF, because the Green Bank has been designated as an administrator, will that impact the team in terms of dedicating them to that. Eric Shrago responded he does not believe so and instead there may be a GGRF contact person to work with others in New England to make sure that the funds are transferred.
 - John Harrity asked for clarification when applications for funds were submitted, they were for specific projects. Eric Shrago responded that yes, there are not hyper-specific projects but there are designated spaces and types of projects that funds were applied for.
 - Robert Hotaling asked for clarification about the reduction in investment and megawatt output. Eric Shrago responded that it is because of what projects will be completed within the fiscal year or not, due to a variety of reasons such as legal holdups.
- Eric Shrago summarized the changes to the Incentive Program targets which will have a project number increase, an investment decrease, and a capacity decrease mostly driven by a Smart-E project uptake. He noted a funding issue from Capital For Change which impacted contractors.
 - Robert Hotaling asked if there is a long-term risk posed by the Capital For Change situation. Eric Shrago answered that the Green Bank is already looking into getting more lenders.
 - Robert Hotaling asked about the typical onboarding process for regional lenders. Eric Shrago responded the process is pretty quick, typically around 3 months, though it could take longer in some cases.
 - Robert Hotaling asked if the Green Bank is planning to replace Capital For Change with additional regional lenders due to them leaving the regional portfolio. Eric Shrago responded that yes, that is a fair statement and that there is lots of change coming to Smart-E and overall there should be growth in the programs.
- Eric Shrago summarized the changes to the budget including Revenues and Expenses.
 - Robert Hotaling asked regarding the R&D piece for the Recycling Survey, what the ETA is for the completion of the report as well as the intended audience. Eric Shrago responded it was done in conjunction with DEEP and the audience is predominantly the Green Bank and DEEP to deal with assets appropriately as they age.
 - Robert Hotaling asked about the economics of equipment recycling or a supply chain initiative. Leigh Whelpton responded that those ideas relate to the new expanded

authority of the Green Bank on Environmental Infrastructure, and is one of the three pillars of strategy into Waste & Recycling.

- Eric Shrago summarized the remaining Budget changes to Expenses in relation to Incentive Programs.
 - With Regard to Smart-E Robert Hotaling asked how the balance of not outsourcing core competency is balanced for the next fiscal year. Eric Shrago responded that it is the reason for adding the position to manage the growth of new measures including for the GGRF and Environmental Infrastructure, similar to the existing clean energy measures managed by IPC.
- Eric Shrago explained the change to the Salary Bands, which includes adding in a new band after receiving some advice from an HR consultant, to differentiate between the Officers and Executive Vice Presidents. This would adjust for some staff which have gone over the maximum for their bands.
 - John Harrity stated that none of the Green Bank employees appear in the list of the top 100 highest paid State employees, which is good.
- Eric Shrago reviewed the proposed changes to the Strategic Partners to increase the NTE amounts for two partners.

Resolution #2

WHEREAS, Section 5.2.2 of the Bylaws of the Connecticut Green Bank's requires the recommendation of the Budget, Operations, and Compensation Committee of the annual budget to the Connecticut Green Bank Board of Directors;

NOW, therefore be it:

RESOLVED, that the Budget Operations, and Compensation Committee Green Bank Board hereby recommends approval to the Board of Directors the: (1) the revised FY2024 Targets and Budget, and (2) extend the professional services agreements (PSAs) with the aforementioned strategic partners for fiscal year 2024 with the amounts of each PSA not to exceed the applicable approved budget line item.

Upon a motion made by Robert Hotaling and seconded by Lonnie Reed, the Budget, Operations, and Compensation Committee voted to approve Resolution 2. None opposed or abstained. Motion approved unanimously.

5. Adjourn

Upon a motion made by Lonnie Reed and seconded by Robert Hotaling, the Budget, Operations, and Compensation Committee Meeting adjourned at 3:01 pm.

Respectfully submitted,

John Harrity, Chairperson