



**BOARD OF DIRECTORS OF THE
CONNECTICUT GREEN BANK**

Regular Meeting Minutes

Friday, July 26, 2024

9:00 a.m. – 11:00 am.

A regular meeting of the Board of Directors of the **Connecticut Green Bank** (the “Green Bank”) was held on July 26, 2024.

Board Members Present: Thomas Flynn, John Harrity, Kimberly Mooers, Matthew Ranelli, Lonnie Reed, Hank Webster, Brenda Watson, Joanna Wozniak-Brown

Board Members Absent: Dominick Grant, Adrienne Farrar Houël

Staff Attending: Emily Basham, David Beech, Priyank Bhakta, Larry Campana, Sergio Carrillo, Catherine Duncan, Mackey Dykes, Emma Ellis, Brian Farnen, Bryan Garcia, Sara Harari, Bert Hunter, Stefanie Keohane, Alex Kovtunencko, Stephanie Layman, Cheryl Lumpkin, Maxwell Mrus, Jane Murphy, Derek Nong, Juli Reventos, Robert Schmitt, Ariel Schneider, Eric Shrager, Dan Smith, Marianna Trief

Others present: Connecticut Network (CT-N), Ben Healy and Prad Nadakuduty from PosiGen

1. Call to Order

- Lonnie Reed called the meeting to order at 9:04 am.

2. Public Comments

- No public comments.

3. Consent Agenda

a. Meeting Minutes of June 21, 2024

Resolution #1

Motion to approve the meeting minutes of the Board of Directors for June 21, 2024.

b. Progress to Targets for FY24

Resolution #2

WHEREAS, in July of 2011, the Connecticut General Assembly passed Public Act 11-80 (the Act), "AN ACT CONCERNING THE ESTABLISHMENT OF THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION AND PLANNING FOR CONNECTICUT'S ENERGY FUTURE," which created the Connecticut Green Bank (the "Green Bank") to develop programs to finance and otherwise support clean energy investment per the definition of clean energy in Connecticut General Statutes Section 16-245n(a);

WHEREAS, in July 2021, Governor Ned Lamont signed "An Act Concerning Climate Change Adaptation" into law, which expanded the scope of the Green Bank beyond "clean energy" to include "environmental infrastructure;"

WHEREAS, the Board of Directors of the Connecticut Green Bank approved a Comprehensive Plan for FY 2024 including approving annual budgets and targets for FY 2024.

NOW, therefore be it:

RESOLVED, that Board has reviewed and approved the Progress to Targets and Activity in Vulnerable Communities memo dated July 19, 2024, which provides an overview of the performance of the Incentive Programs, Financing Programs, and Investments with respect to their FY 2024 targets.

c. Board of Directors Committee Reports FY24

Resolution #3

WHEREAS, in July of 2011, the Connecticut General Assembly passed Public Act 11-80 (the Act), "AN ACT CONCERNING THE ESTABLISHMENT OF THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION AND PLANNING FOR CONNECTICUT'S ENERGY FUTURE," which created the Connecticut Green Bank (the "Green Bank") and vests the power in a Board of Directors comprised of eleven voting and one non-voting member; and

WHEREAS, the structure of the Board of Directors is governed by the bylaws of the Connecticut Green Bank, including, but not limited to, its powers, meetings, committees, and other matters.

NOW, therefore be it:

RESOLVED, that Board has reviewed and approved the Overview of Compliance Reporting and the Board of Directors and Committees for FY 2024 memo dated July 26, 2024, prepared by staff, which provides a summary report of the FY 2024 governance of the Board of Directors and its Committees of the Connecticut Green Bank.

d. Energy Storage Solutions

Resolution #4

WHEREAS, in its June 24, 2022 meeting the Connecticut Green Bank Board of Directors (Board) approved the implementation of an Upfront Incentive Project Approval

procedures (“Procedures”) for non-residential projects under the Energy Storage Solutions Program (Program) with an estimated upfront incentive payment greater than \$500,000 and procedures for less than \$500,000;

WHEREAS, as part of the approved Procedures, Green Bank staff shall present Program projects via the consent agenda utilizing a standard form Tear Sheet process described in the memorandum to the Board dated June 24, 2022;

WHEREAS, in its December 9, 2022 meeting the Board approved updated Procedures to better align with the Program process;

WHEREAS, the Deployment Committee previously approved on May 22, 2024 fourteen non-residential projects sought by Honeywell International (the “Projects”) consistent with the approved Procedures;

NOW, therefore be it:

RESOLVED, that the Board of Directors hereby re-approves the Projects in an amount not-to-exceed \$10,830,628 consistent with the approved Procedures; and

RESOLVED, that the proper Green Bank officers are authorized and empowered to do all other acts and execute and deliver any and all documents and regulatory filings as they shall deem necessary and desirable to affect the above-mentioned incentives consistent with the Procedures.

Upon a motion made by John Harrity and seconded by Brenda Watson, the Board of Directors voted to approve the Consent Agenda which includes Resolutions 1 through 4. None opposed and or abstained. Motion approved unanimously.

Bryan Garcia proposed a change to the Agenda to move items 6f and 6g to immediately after 6a.

Upon a motion made by Brenda Watson and seconded by John Harrity, the Board of Directors voted to approve the change to the Agenda. None opposed and or abstained. Motion approved unanimously.

John Harrity expressed his enthusiasm for having the interns involved in the battle against climate change and to have them in the Board meeting.

4. Comprehensive Plan Recommendations and Updates

- Bryan Garcia summarized the nature of the Comprehensive Plan and the revisions for FY 2025. He highlighted the activity with the Joint Committee and its purpose. Brenda Watson commented her excitement for the synergy and success seen from the recent meeting.
 - John Harrity also expressed his satisfaction with the success of the Joint Committee working together in the last few years especially.

Resolution #5

WHEREAS, per Connecticut General Statutes 16-245n, the Green Bank must (a) develop a comprehensive plan to foster the growth, development and commercialization of clean energy sources, related enterprises and stimulate demand clean energy and deployment of clean energy sources that serve end use customers in this state, and (b) develop a comprehensive plan to foster the growth, development, commercialization and, where applicable, preservation of environmental infrastructure and related enterprises.

NOW, therefore be it:

RESOLVED, that Board has reviewed and approved the revisions to the Comprehensive Plan as revised in a memo dated July 19, 2024 and as presented to the Board on July 26, 2024.

Upon a motion made by Kimberly Mooers and seconded by Hank Webster, the Board of Directors voted to approve Resolution 5. None opposed or abstained. Motion approved unanimously.

5. Financing Programs Updates and Recommendations

a. FY 2024 Report Out – Financing Programs

- Mackey Dykes summarized the FY24 progress to targets for the Financing Programs which were surpassed, especially for CPACE, partly due to one exceptionally large project which hadn't previously been projected to be complete this fiscal year. Overall, over \$107 million of capital was deployed for 626 projects were completed for 9.4 MW. The one large CPACE project was about \$63 million alone, but without it the targets were still exceeded by a bit. He also reviewed the targets for individual programs including those for Vulnerable Communities.
 - Hank Webster asked if any of the unexpected things, such as cheaper than expected solar rates, are impacting the goals. Mackey Dykes responded that for CPACE the growth has been built into the goals, and for PPA and Leases, performance is often driven by the State and though the opportunities are becoming increasingly more difficult in the competitive NRES environment, the current primary focus is on Affordable Multifamily, which has a solid pipeline to complete projects.
 - Matthew Ranelli asked for the Multifamily goals, is it something that can be put on the Deployment Committee agenda to drive more focus to it and try to jumpstart it. Mackey Dykes agreed and responded with some additional information about efforts made to help push the program along.

b. Department of Corrections – York Fuel Cell Project

- Mackey Dykes explained the history of the project and proposal to implement a fuel cell at this DOC facility. It will have a PPA rate of \$0.0543, with a higher annual cost if gas purchase is included in the calculation, and the DOC is expected to save \$527,000 annually for a total of \$10.5 million over the 20-year term. The proposal today also is to play a similar contracting role as solar projects, in that CGB will sign the PPA with the State and transfer it to a selected project entity.
 - John Harrity stated he would be voting No for this Resolution and explained his reasoning that he does not believe CGB should be funding natural gas projects. As well, he expressed issues with the company over the way they handled recent union contracts.

Resolution #6

WHEREAS, Connecticut Green Bank (“Green Bank”) staff has been working with the Department of Correction to develop a fuel cell project at York Correctional Institution (“Project”);

WHEREAS, Green Bank has been providing assistance in site feasibility analysis and facilitating a procurement process for the development and ownership of the Project; and

WHEREAS, Green Bank has identified a partner through a competitive process to construct, finance and own the Project.

NOW, therefore be it:

RESOLVED, that the Board of Directors (“Board”) of the Green Bank approves and authorizes the President of Green Bank; and any other duly authorized officer of Green Bank to execute and deliver, any contract or other legal instrument necessary to develop the Project materially consistent with this memorandum to the Board dated July 23, 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 instruments.

Upon a motion made by Matthew Ranelli and seconded by Thomas Flynn, the Board of Directors voted to approve Resolution 6. John Harrity opposed and Brenda Watson abstained. Motion approved.

c. DECD’s Manufacturing Innovation Fund – From Energy On the Line to GreenGain

- Robert Schmitt summarized the background of the GreenGain program which is a one-year pilot program submitted by the CT Sustainable Business Council designed to address energy, resiliency, and sustainability challenges facing manufacturers. It would be a partnership between CGB, the CT Sustainable Business Council, and the Manufacturing Innovation Fund where CGB would have an oversight and fiscal role, though the Manufacturing Innovation Fund would be the primary funding source. He summarized CGB’s history with the Manufacturing Innovation Fund, the success of the Energy on the Line program, and the proposal for a Strategic Selection with the CT Sustainable Business Council and allowance for CGB to enter an MOU with DECD to receive funds.

- John Harrity commented that he was on the MIF Board previously and that it was very successful in helping manufacturers and change their attitude towards the State, to make them feel more supported.

- Matthew Ranelli asked about the administrative cost versus the amount of the grant and should the Green Bank be giving more funding to help alleviate the administrative expenses more. Robert Schmitt responded that much of the administrative expense funding is going to technical support costs to help building owners and property owners develop the projects. He explained how the Energy on the Line program was structured and the result that many manufacturers who wanted to access the grant funds couldn’t develop a project on their own, which is where the technical support came into play to make it possible for

them. As well, the MIF can expand the program with additional vouchers and funding after the initial one-year period. The conversation clarified it has less of a set administrative cost and is more intensive than would be expected.

Resolution #7

WHEREAS, Green Bank supports the Connecticut manufacturing community in their pursuit of solutions to issues of energy, sustainability, and resiliency;

WHEREAS, Green Bank offers products and programs including C-PACE, SBEA, and Energy Storage Solutions that support Connecticut's manufacturing community; and,

WHEREAS, the Manufacturing Innovation Fund has approved \$355,000 in funding with \$115,000 to support administrative costs and technical support and \$240,000 for vouchers for the grant program as such program is described in the Memo dated July 19, 2024, submitted to the board (the "Manufacturing Innovation Fund Sustainable Business Pilot: GreenGain Program").

NOW, therefore be it:

RESOLVED, that the Board approves staff's request to enter a Memorandum of Understanding with the Department of Economic and Community Development in an amount not to exceed \$355,000 for funding for the GreenGain Program;

RESOLVED, that the Board approves staff's request to enter into a Professional Services Agreement with the Connecticut Sustainable Business Council in an amount not to exceed \$355,000 to administer the GreenGain Program and develop all policies and guidelines as a Strategic Selection and Award pursuant to the Green Bank Operating Procedures Section XII given the special capabilities, strategic importance, urgency and timeliness, and multi-phase characteristics of the GreenGain program; and,

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

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

6. Investment Updates and Recommendations

a. FY Report Out – Investments

- Eric Shrago summarized the FY24 progress to targets for Investments. The organization wildly exceeded the target of \$10 million in financing with over \$99 million for 2 projects, both as fuel cells, for 16.8 MW. They both supported Vulnerable Communities as well.
- The organization committed \$45 million of its own capital in FY 24/

Matthew Ranelli left the meeting at 10:00 am.

b. Smart-E Loan – Program Rates Adjustment

This item was discussed after item 6g.

- Bert Hunter summarized the history of the Smart-E program, its rates, and context for the program rate adjustment which was due to increased rates over time, lender concerns, and the Linked Deposits pilot approved in May 2023. He explained the rise in increase rates in the last few years and federal policies which have affected it. Bert Hunter summarized the proposed interest rate adjustments and reasons for the proposal.
 - Matthew Ranelli asked if it is possible to build in an adjustment to the Not to Exceed rate that way as the Federal rate goes down, the NTE rate would go down as well. Bert Hunter responded that it is good in theory but in practice doesn't allow for the flexibility to consider all of the factors in the financial markets as they progress.

Matthew Ranelli returned to the meeting at 10:25 am.

Joanna Wozniak-Brown left the meeting at 10:30 am.

Resolution #8

WHEREAS, the Deployment Committee of the Board of Directors (the "Board") of the Green Bank (then known as the "Clean Energy Finance and Investment Authority") on November 30, 2012 approved the establishment of the Smart-E Loan product (then called "CT HELPs", the "Smart-E Program");

WHEREAS, since approval by the Deployment Committee, the Smart-E Loan program has been expanded by the Board in partnership with Connecticut community banks and credit unions (the "Program Lenders");

WHEREAS, as a condition to participation in the Smart-E Program, Program Lenders enter into a financing program agreement (the "Program Agreement") with the Green Bank concerning terms, conditions, roles and responsibilities of the Program Lenders and the Green Bank;

WHEREAS, one of the terms in the Program Agreement is the establishment of "not to exceed" loan rates ("Program Loan Interest Rates"), whereby the Program Lenders agree to not exceed the interest rates established pursuant to the Program Agreement for Smart-E Loans they provide for their customers;

WHEREAS, the Program Agreement establishes that such Program Loan Interest Rates can be changed by the Board of Directors of the Green Bank;

WHEREAS, after many years of low and stable interest rates, the Federal Reserve Board of the United States has materially increased interest rates for federal funds and instituted other restrictive monetary policies which have resulted in substantial increases in interest rates for loans to households and businesses as well as interest rates on deposits by which Program Lenders obtain funding for their loans, including Smart-E Loans;

WHEREAS, without an increase in Program Loan Interest Rates, Program Lenders are at increased stress to continue lending at the posted Smart-E interest rate and may need to suspend their participation in the Smart-E Program or withdraw from the program;

WHEREAS, such withdrawal or suspension would be detrimental to the Smart-E Program goals to make available funding for households seeking to undertake clean energy investments for their homes;

WHEREAS, after considerable discussion with Program Lenders, Green Bank staff has determined that it is appropriate to recommend to the Board for approval modification of the Program Loan Interest Rates as set forth in a memorandum to the Board dated July 19, 2024;

NOW, therefore be it:

RESOLVED, that the Board approves the recommendation by the staff to increase Smart-E Loan Program Loan Interest Rates as set forth in a memorandum to the Board dated July 19, 2024 (the "Board Memo");

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 modification of the Smart-E Loan Program Loan Interest Rates materially consistent with the Board Memo; 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 John Harrity and seconded by Hank Webster, the Board of Directors voted to approve Resolution 8. None opposed or abstained. Motion approved unanimously.

c. Smart-E Loan – Capital for Change Funding Facility Modification

- Bert Hunter summarized the proposed change for private capital would be reduced from \$30 million to \$25 million. The Green Bank's position remains unchanged.

Resolution #9

WHEREAS, the Connecticut Green Bank ("Green Bank") entered into a Smart-E Loan program financing agreement with Capital for Change ("C4C");

WHEREAS, C4C is the largest Smart-E lender on the Green Bank Smart-E platform;

WHEREAS, C4C and Green Bank have an existing medium term loan facility to C4C's CEEFCo subsidiary to fund C4C's Smart-E Loan and other residential energy efficiency loan portfolio growth and C4C's executive leadership has requested a refinancing of said facility as explained in the memorandum dated July 19, 2024 to the Green Board (the "Revolving Facility Memo"); and

WHEREAS, Green Bank staff recommends approval by the Board for a new short term revolving loan facility for C4C/ CEEFCo (the "CEEFCo Revolving Loan") in order to refinance existing indebtedness from Amalgamated Bank and Green Bank in partnership with Webster Bank and M&T Bank as explained in the Revolving Facility Memo.

NOW, therefore be it:

RESOLVED, that the Board approves the CEEFCo Revolving Loan in an amount of up to \$25 million in capital from the Green Bank balance sheet in support of energy efficiency and Smart-E Loans in partnership with Webster Bank and M&T Bank generally consistent with the Revolving Facility Memo as a Strategic Selection and Award pursuant to the Green Bank Operating Procedures Section XII given the special capabilities, strategic importance, urgency and timeliness, and multi-phase characteristics of the CEEFCo Revolving Loan transaction;

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 CEEFCo Revolving Loan on such terms and conditions as are materially consistent with the Modification Memo; 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 Hank Webster and seconded by John Harrity, the Board of Directors voted to approve Resolution 9. None opposed or abstained. Motion approved unanimously.

d. Budderfly – Medium Term Funding Facility Modification

- Bert Hunter briefly summarized the history of the Budderfly transaction and involvement with Mizzen Capital and Connecticut Innovations. Larry Campana added that Budderfly is doing very well but with the project volume increase there is a greater need for more capital to help fund that as well as other supply issues they are experiencing due to global supply chain issues. The proposal is that the Green Bank, Mizzen Capital, and Connecticut Innovations will invest an additional \$25 million at a senior position. He reviewed the other details of the funding facility proposal.

- Hank Webster asked for clarification regarding the intended use of funds. Larry Campana clarified that Budderfly can only claim the savings when its proven, and that delay from that can add up with as many projects as they have.

- Hank Webster asked if there are any concerns about the trend scaling with the cash gap to annual revenue. Larry Campana responded that there are not any concerns as all the capital is being invested now for significant durations. The projects that Budderfly will be cash flow positive soon are strong. Bert Hunter added that there is also a backlog of sites without HVAC equipment which need the capital to finish those sites, and once that is complete then things should equalize.

Resolution #10

RESOLVED, that the Connecticut Green Bank (“Green Bank”) is authorized to enter into a subordination agreement with working capital lenders to Budderfly, Inc. regarding Green Bank’s existing \$5,000,000 term facility, together with any ancillary documentation in respect of same, as more fully explained in the memorandum to the Green Bank Board of Directors (the “Board”) dated July 19, 2024; 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 Hank Webster and seconded by John Harrity, the Board of Directors voted to approve Resolution 10. None opposed and Matthew Ranelli abstained. Motion approved.

e. SHREC Warehouse – Line of Credit Renewal

- David Beech summarized the one-year renewal proposal and associated fees for renewal. Otherwise, the structures are unchanged.

Resolution #11

WHEREAS, the Company intends to enter into a Fifth Amendment to Credit Agreement (the “**Fifth Amendment**”), which amends the Credit Agreement dated as of July 31, 2019, as amended by that certain First Amendment to Credit Agreement and Other Loan Documents dated July 28, 2020, and by that certain Second Amendment to the Credit Agreement and Other Loan Documents dated July 30, 2021, and by that certain Third Amendment to the Credit Agreement and Other Loan Documents dated August 24, 2022, and by that certain Fourth Amendment to the Credit Agreement and Other Loan Documents dated July 28, 2023 (collectively, the “**Credit Agreement**”) with Webster Bank, National Association (“**Webster**”), as Administrative Agent (in such capacity, as “**Agent**”) and as a lender and Liberty Bank, as Lead Arranger and as a lender (Webster and Liberty Bank, in their capacities as lenders, are referenced to herein collectively as, “**Webster-Liberty**”), whereby Webster-Liberty have made available to the Company a Five Million and 00/100 Dollar (\$5,000,000) secured revolving line of credit, with a Five Million and 00/100 Dollar (\$5,000,000) uncommitted accordion feature (“**Loan**”) for the purpose of financing the Tranche 5-2021 and Tranche 6-2022 (as defined in the Credit Agreement) Solar Home Renewable Energy Credit program (“**Tranche 5-2021 SHRECs**” and “**Tranche 6-2022 SHRECs**” respectively);

WHEREAS, the Company and Green Bank have requested that Webster-Liberty and Agent modify the Loan and the terms of the Credit Agreement pursuant to the Fifth Amendment, in order to, among other things, extend the term of the Loan;

WHEREAS, to induce Webster-Liberty to continue to extend the Loan to the Company, Green Bank shall continue to guarantee the Loan pursuant to the Guaranty Agreement dated as of July 31, 2019 made by Green Bank in favor of Agent (the “**Guaranty**”);

WHEREAS, along with a general repayment obligation by the Company, Agent and/or Webster-Liberty are secured by, and the Company and the Green Bank are authorized to secure the Loan and the Guaranty by, among other things, granting to Agent and/or Webster-Liberty (i) a first priority security interest in all assets of the Company, (ii) a collateral assignment of and security interest in all of the Company’s and the Green Bank’s right, title and interest in the Tranche 5-2021 SHRECs and Tranche 6-2022 SHRECs and all rights and obligations relating thereunder under those certain Master Purchase Agreements for the Purchase and Sale of Solar Home Renewable Energy Credits by and between the Green Bank and each of The Connecticut Light & Power Company d/b/a Eversource Energy and The United Illuminating Company each dated February 7, 2017, each as amended by those certain First Amendments,

dated July 30, 2018, as further amended by those certain Second Amendments, dated April 1, 2020, (as further amended from time to time, the "**MPAs**"), which collateral assignment and security interest shall include any and all rights to payment of money under the MPAs with respect to Tranche 5-2021 and Tranche 6-2022 SHRECs and those other attributes and rights associated with the Tranche 5-2021 and Tranche 6-2022 SHRECs, (iii) a collateral assignment of all of the right, title and interest in that certain Sale and Contribution Agreement by and between Green Bank and the Company, dated as of the date of the closing of the Loan, including without limitation, any security interest created under the Sale and Contribution Agreement, and (iv) a security interest in the MPA Collection Account, the Webster Interest Reserve Account and the Liberty Interest Reserve Account (the security interests listed in (i)-(iv) hereof, together, the "**SHREC Collateral**"); and,

WHEREAS, Webster-Liberty has requested and the staff of Green Bank has recommended that the Board provide these resolutions approving the renewal and extension of the Loan and the Green Bank's guarantee thereof in accordance with the terms of the Fifth Amendment.

NOW, therefore be it:

RESOLVED, that the Board of the Green Bank hereby authorizes, ratifies and approves the Loan, as modified, from Webster-Liberty to the Company pursuant to the terms of the Fifth Amendment and any ancillary documentation and authorizes, ratifies, directs and approves the Company's and the Green Bank's entering into the Fifth Amendment and any ancillary documentation to which it is a party and of each other contract or instrument to be executed and delivered by the Company and the Green Bank in connection with the transactions contemplated by the Fifth Amendment;

RESOLVED, that the Board of the Green Bank hereby reauthorizes, ratifies and reaffirms the Green Bank's obligations under the Guaranty;

RESOLVED, that each of the Company and the Green Bank be and it hereby is, authorized to continue to secure the Loan and the Guaranty by, among other things, granting to Agent and/or Webster-Liberty a first priority security interest in and to the Company's property, including, without limitation the SHREC Collateral;

RESOLVED, that the Board hereby authorizes, directs, ratifies and approves Green Bank's and the Company's execution, delivery and performance of the Fifth Amendment and any ancillary documentation and all of the Green Bank's and the Company's obligations under the Fifth Amendment and any ancillary documentation;

RESOLVED, that the actions of Bryan Garcia in his capacity as the President and Chief Executive Officer of Green Bank ("**Garcia**"), Roberto Hunter in his capacity as the Chief Investment Officer of Green Bank ("**Hunter**") and Brian Farnen in his capacity as General Counsel and Chief Legal Officer of Green Bank ("**Farnen**"; and together with Garcia and Hunter, each an "**Authorized Signatory**"), are hereby ratified and approved with regard to the negotiation, finalization, execution and delivery, on behalf of Green Bank and the Company, of the Fifth Amendment and any ancillary documentation and any other agreements that they deemed necessary and appropriate to carry out the foregoing objectives of Green Bank and/or the Company, and any other agreements, contracts, legal instruments or documents as they deemed necessary or appropriate and in the interests of Green Bank and/or the Company in order to carry out the intent and accomplish the purpose of the foregoing resolutions are hereby

ratified and approved;

RESOLVED, that the Authorized Signatories be, hereby are, acting singly, authorized, empowered and directed, for and on behalf of the Green Bank and the Company (in the Green Bank's capacity as the sole member of the Company), to execute and deliver the Fifth Amendment and the other Modification Documents; and,

RESOLVED, that any other actions taken by any Authorized Signatory are hereby approved and ratified to the extent that such Authorized Signatory or Authorized Signatories have deemed such actions necessary, appropriate and desirable to affect the above-mentioned legal instrument or instruments.

Upon a motion made by John Harrity and seconded by Matthew Ranelli, the Board of Directors voted to approve Resolution 11. None opposed or abstained. Motion approved unanimously.

f. PosiGen – Proposed Investment to Support DOE LPO-SEFI Application

This item was discussed after item 6a.

- Bert Hunter and Larry Campana summarized the history of SEFIs, the relationship with PosiGen, and the success in creating returns for the State, especially with LMI deployment. Larry Campana explained how there are many opportunities projected with PosiGen for growth in Connecticut. He summarized the leverage ratio from the sources, and that the SEFIs involved with have a 19:1 leverage ratio. It is a nearly \$2 billion investment, which is much larger than most CGB transactions, but only \$1.1 billion is debt and of that, CGB is proposed to have a cap of \$25 million of that, and of that only \$7 million would be new capital. The rest would come from paying down other existing facilities and existing investments. He continued to explain the position of SEFIs participating and others that want to participate. Burt Hunter added that currently CGB is in a subordinated position.
- Ben Healy added that from a broad underwriting perspective which is unique to PosiGen is that they do not use FICO scores or income to disqualify. He then explained PosiGen's methodology, how customers are reviewed and approved, and the repayment success despite not using FICO scores or income as decision factors.
- Larry Campana explained the amortization schedule and how CGB will be repaid.
 - Thomas Flynn asked for clarification about the financing and risk profile which is not based on a FICO score or other standard means and that it is based on projected savings. Bert Hunter responded that that is correct. Thomas Flynn expressed concerns for analyzing the risk involved and why both the savings and a standard financial metric are not being considered. Bert Hunter responded that the FICO score is collected and examined, but it just is not used as a disqualifying factor. Ben Healy added PosiGen recently filed a PURA document validating those savings projections, including historical. They do capture FICO data but it is not being used as a decisioning tool, but that data has remained consistent over the years. It is used for tracking and portfolio performance analysis. The group discussed the matter more thoroughly, including the business practices regarding customers with poor repayment or default.

Brenda Watson left the meeting at 10:14 am.

Resolution #12

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 Building a syndication to support a \$1 billion term loan facility with the U.S. Department of Energy’s Loan Programs Office (“LPO”) under the Title 17 State Energy Financing Institutions (“SEFI”) program (broadly, “LPO Term Loan”);

WHEREAS, PosiGen is now in the process advancing its loan application with the Loan Programs Office for the LPO Term Loan, inclusive of \$100 million SEFI participation through a syndication of SEFI, which has been supported by the Green Bank in a letter dated June 11, 2024;

WHEREAS, PosiGen’s repayment performance on its existing obligations remains consistent and satisfactory; and,

WHEREAS, that the Board had previously authorized the Green Bank to extend multiple facilities with a cap of \$25 million, excluding the Connecticut performance based incentive term loans and excluding third-party participation.

NOW, therefore be it:

RESOLVED, that the Green Bank may advance a term loan as part of a SEFI syndication to PosiGen for the purchase of solar and battery energy storage systems in support of the LPO Term Loan with the Green Bank participation not exceeding \$25 million on the terms substantially similar to those described in the Board Memo;

RESOLVED, that the overall limit on PosiGen financings through the Green Bank will be increased to \$30 million, inclusive of Green Bank participation in the SEFI facility presented in this memo, excluding Connecticut PBI Term Loans, and excluding third-party participation;

RESOLVED, staff is authorized to finalize loan terms, support due diligence LPO (including its consultants, agents, and related departments), coordinate with other SEFIs in various stages of loan development, and conduct internal due diligence; 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 Thomas Flynn and seconded by John Harrity, the Board of Directors voted to approve Resolution 12. None opposed or abstained. Motion approved unanimously.

g. Green Bank Capital Solutions – PosiGen – Extension of ESS Funding Facility

- Larry Campana summarized the history of the ESS Funding Facility with PosiGen and the proposal to extend it by one year due to a significant number of leases that are in varying stages of development which would benefit from the program.

Resolution #13

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 and energy efficiency financing offering to LMI households in Connecticut;

WHEREAS, PosiGen’s program has expanded offerings to LMI households in Connecticut to include an affordable battery energy storage system (“BESS”) option that will provide the customer backup power during a power outage and will reduce peak demand on the electric distribution system, as more fully explained in a memorandum dated July 17, 2024 to the Green Bank Board of Directors (the “Board Memo”);

NOW, therefore be it:

RESOLVED, that the Green Bank may extend the working capital line to PosiGen for the purchase of battery energy storage systems (ESS) for a term of one year and changes to the related term loan facility for the ESS as may be required to accommodate the extension of the working capital line (such as an extension of the availability period and ultimate maturity date), otherwise following terms substantially similar to those described in the original working capital line agreement, as well as decisions approved by the Board since the approval of the working capital line and term loan in support of ESS;

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 Kimberly Mooers and seconded by John Harrity, the Board of Directors voted to approve Resolution 13. None opposed or abstained. Motion approved unanimously.

h. Green Bank Strategic Selection – Scale Microgrid Solutions – Bridgeport Fuel Cell Funding Facility

- David Beech reviewed the project details which is for a 9.66 MW HyAxiom Fuel Cell and a Thermal Loop to deliver energy, RECs, and capacity to the grid. He explained the project cost and associated equity, loans, and facility structure. He reviewed the risk mitigation measures taken and the overall debt service coverage ratio of 1.35x as well as the Capital Solutions Scoring Matrix for the project.
 - Lonnie Reed asked if one of the previously involved participants was still part of the project and Bert Hunter responded no.
 - Matthew Ranelli asked if the project is in a flood hazard zone and if so, is it elevated out of the flood hazard range. Bert Hunter responded yes, it was determined to be and the site has been raised several feet to accommodate that.

Resolution #14

WHEREAS, in accordance with (1) the statutory mandate of the Connecticut Green Bank (“Green Bank”) to foster the growth, development, and deployment of clean energy sources that serve end-use customers in the State of Connecticut, (2) the State’s Comprehensive Energy Strategy (“CES”) and Integrated Resources Plan (“IRP”), and (3) Green Bank’s Comprehensive Plan in reference to the CES and IRP, Green Bank continuously aims to develop financing tools to further drive private capital investment into clean energy projects;

WHEREAS, Microgrid Solutions LLC (“Scale”) and Investec have requested financing in support of private capital from the Green Bank to purchase, finance, and construct a 9.66-megawatt Fuel Cell and Thermal Loop project (the “Project”) in Bridgeport, Connecticut;

WHEREAS, Green Bank provided a pre-development loan to NuPower to develop the Project, which will now be repaid when the Project is sold to Scale;

WHEREAS, Scale and Investec have structured credit facilities whereby the Green Bank would participate on an equivalent security basis with other senior lenders;

WHEREAS, staff has considered the merits of the credit facilities and the ability of the project and finance stakeholders to construct, operate and maintain the facility, support the obligations under the credit facilities throughout their respective terms, and as set forth in the due diligence memorandum dated July 19, 2024 (the “Board Memo”), has recommended this support be in the form of funding not to exceed \$10,000,000, secured by all project assets, contracts and revenues as described in the Board Memo; and,

WHEREAS, staff has proposed donating a portion of the yield on the transaction to the South End Neighborhood Revitalization Zone (SE-NRZ) (or another worthy party if the SE-NRZ is unable to receive the donation), as set forth in the Board Memo.

NOW, therefore be it:

RESOLVED, that the Green Bank Board of Directors (the “Board”) hereby approves the applicants Capital Solutions Proposal for Green Bank’s participation in the credit facilities in an amount not to exceed \$10,000,000;

RESOLVED, that the Board hereby approves donating a portion of the yield on the transaction to the SE-NRZ (or another worthy nonprofit or government entity) as set forth in the Board Memo;

RESOLVED, that the President of the Green Bank and any other duly authorized officer is authorized to take appropriate actions to participate in the credit facilities in an amount not to exceed \$10,000,000 in with terms and conditions consistent with the Board Memo, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 180 days from the date of authorization by the Board; and,

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 Term Loan and participation.

Upon a motion made by Thomas Flynn and seconded by Matthew Ranelli, the Board of Directors voted to approve Resolution 14. None opposed or abstained. Motion approved

unanimously.

Thomas Flynn left the meeting at 11:00 am but voiced his support for the last 2 Resolutions, Resolutions #15 and #16.

Bryan Garcia proposed an Agenda change to move Resolutions #15 and #16 for approval in the interest of keeping the quorum due to time.

Upon a motion made by John Harrity and seconded by Thomas Flynn, the Board of Directors voted to approve the change to the Agenda and to approve Resolutions 15 and 16. None opposed or abstained. Motion approved unanimously.

7. Incentive Programs Updates and Recommendations
a. FY 2024 Report Out – Incentive Programs

8. Environmental Infrastructure Program Updates and Recommendations
a. FY 2024 Report Out - Environmental Infrastructure Programs

9. Other Business
a. Sustainable CT

- Bryan Garcia briefly summarized the continued relationship with Sustainable CT and additional resources to promote programs with communities.

Resolution #15

WHEREAS, the Comprehensive Plan and FY 2025 budget identify Sustainable CT as a partner of the Connecticut Green Bank (“Green Bank”), including an allocation of \$200,000 from the FY 2025 Marketing budget;

WHEREAS, the Green Bank staff has submitted to the Green Bank Board of Directors (the “Board”) a proposal for Green Bank to enter into a grant agreement with Sustainable CT for \$200,000 for programmatic purposes in order to increase our impact by applying the green bank model through Sustainable CT’s programs as explained in a memorandum to the Board dated July 19, 2024;

WHEREAS, Sustainable CT satisfies all criteria of the Strategic Selection and Award process of Green Bank operating procedures, namely: (1) special capabilities, (2) uniqueness, (3) strategic selection, (4) multiphase, follow-on investment and (5) urgency and timeliness;

WHEREAS, Green Bank staff recommends that the Board approve a grant between the Green Bank and Sustainable CT, generally in accordance with memorandum summarizing the grant to the Board in a memorandum dated July 19, 2024; and,

WHEREAS, Green Bank would benefit from Sustainable CT’s public awareness and engagement program to increase participation in and development of Green Bank’s incentive and financing programs, especially those in development for environmental infrastructure.

Through the partnership, Green Bank and Sustainable CT are driving investment in projects in communities throughout the state.

NOW, therefore be it:

RESOLVED, that the Board approves Green Bank staff to enter into a grant agreement with Sustainable CT as a strategic selection;

RESOLVED, that the President, Chief Investment Officer and General Counsel of Green Bank, and any other duly authorized officer of Green Bank, is authorized to execute and deliver on behalf of Green Bank any of the definitive agreements related to the Sustainable CT grant agreement and any other agreement, contract, legal instrument or document as he or she shall deem necessary or appropriate and in the interests of Green Bank and the ratepayers in order to carry out the intent and accomplish the purpose of the foregoing resolutions; and,

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

Upon a motion made and noted previously by John Harrity and seconded by Thomas Flynn, the Board of Directors voted to approve Resolution 15. None opposed or abstained. Motion approved unanimously.

b. Greenhouse Gas Reduction Fund – National Clean Investment Fund: New Hampshire and Puerto Rico Partners

- Bryan Garcia briefly summarized the engagement in a contract with the Coalition of Green Capital and approval to gain the ability to pursue contracts with partners in New Hampshire and Puerto Rico in order to proceed.
 - Matthew Ranelli asked if the contracts would eventually come back to the Green Bank and Bryan Garcia responded yes.

Resolution #16

WHEREAS, within the Inflation Reduction Act of 2022 (“IRA”) there is a \$27 billion Greenhouse Gas Reduction Fund “GGRF” inclusive of a \$14 billion National Clean Investment Fund (“NCIF”) modelled after the Green Bank;

WHEREAS, the Coalition for Green Capital (“CGC”), a 501(c)3 nonprofit organization, applied for a grant through the GGRF NCIF on October 12, 2023 in the amount of \$10 billion, and inclusive of eighteen (18) Subgrantees, including the Green Bank;

WHEREAS, the Green Bank’s part of the CGC application included resources in support of financing projects in Connecticut, as well as additional resources that would be administered by the Green Bank on behalf of the New Hampshire Community Loan Fund and Puerto Rico Green Energy Trust (“the Participants”) as outlined in the memo to the Board of Directors of the Green Bank (“the Board”) on June 14, 2024;

WHEREAS, at the June 21, 2024 meeting of the Board, the Board approved of the Green Bank negotiating terms with the Participants with the intention to bring back such contract

or term sheet back to the Board for approval as a Strategic Selection;

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 definitive documentation with the Participants as Financial Intermediary Subrecipients to CGC's winning GGRF NCIF award as outlined in this memo dated July 19, 2024 and materially consistent with the attached draft term sheet, and as he or she shall deem to be in the interests of the Green Bank;

RESOLVED, that the Board hereby approves of the Green Bank executing a contract with the Participants as a Financial Intermediary Subrecipient to CGC's winning GGRF NCIF award as a Strategic Selection and Award pursuant to the Green Bank Operating Procedures Section XII given the special capabilities, strategic importance, urgency and timeliness, and multi-phase characteristics of a contract with the Participants; and

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 and noted previously by John Harrity and seconded by Thomas Flynn, the Board of Directors voted to approve Resolution 15. None opposed or abstained. Motion approved unanimously.

c. Other Business

- Lonnie Reed expressed support for the Connecticut residents participating in the Olympics in Paris.
- John Harrity expressed interest in sending sincere thanks to President Biden to support climate change legislation. Bryan Garcia and Lonnie Reed agreed.

10. Adjourn

Upon a motion made by John Harrity and seconded by Matthew Ranelli, the Board of Directors meeting adjourned at 11:05 am.

Respectfully submitted,

Lonnie Reed, Chairperson