



Board of Directors

MEETING DATE: WEDNESDAY, JANUARY 29, 2025 • 9:00AM



Increasing and accelerating investment
into Connecticut's green economy.



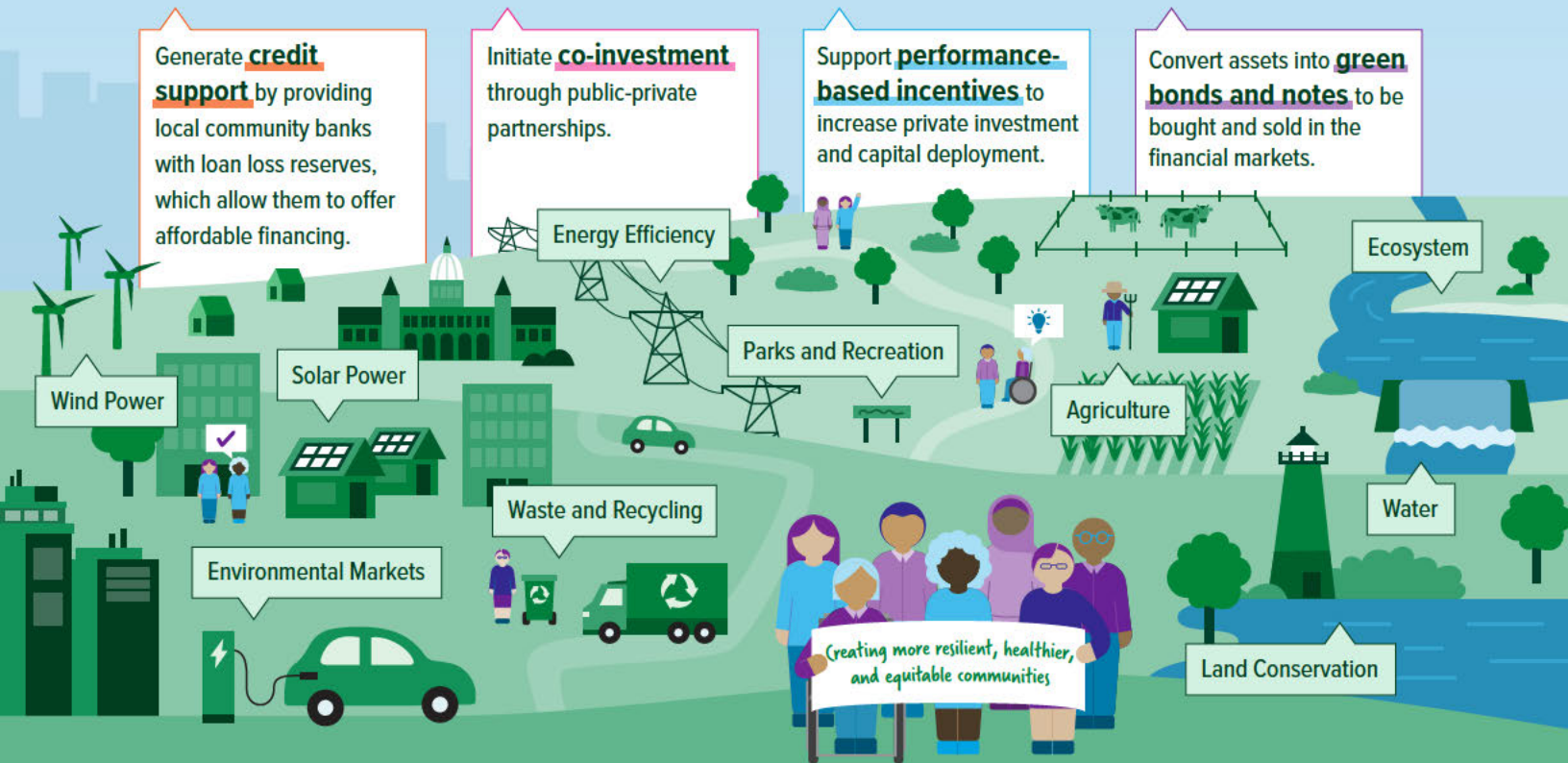
The Green Bank Model

A Planet Protected by the Love of Humanity

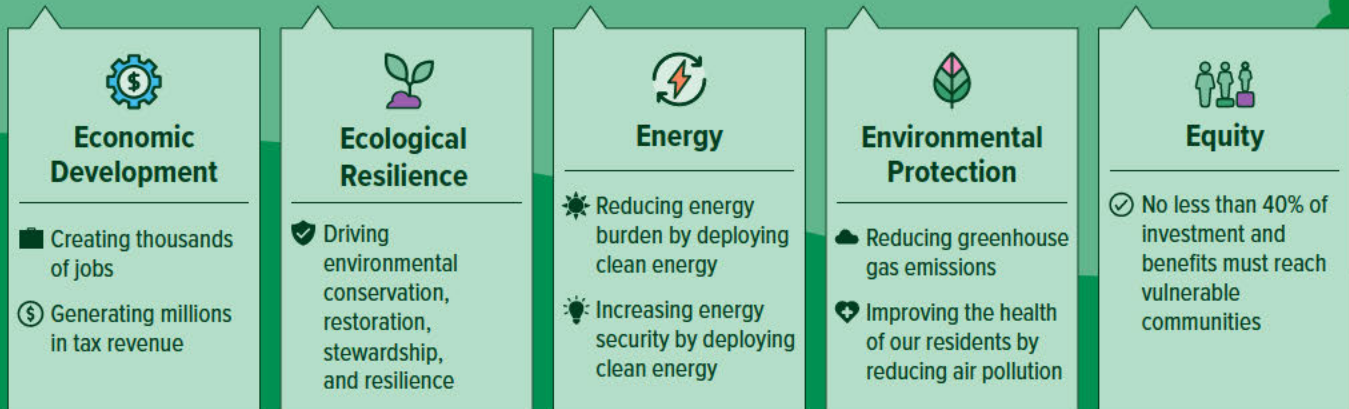
1 Attract Private Investment by Leveraging Public Funding



2 Apply Innovative Financial Tools to Deploy Investment Towards Our Mission



3 Deliver Benefits to Connecticut's Families, Businesses, and Communities



Societal Impact Report

FY12
FY24

Since the Connecticut Green Bank's inception through the bipartisan legislation in July 2011, we have mobilized more than **\$2.88 billion of investment** into the State's green economy. To do this, we used **\$409.4 million** in Green Bank dollars to attract \$2.47 billion in private investment, a leverage ratio of **\$7.00 for every \$1**. The impact of our deployment of renewable energy and energy efficiency to families, businesses, and our communities is shown in terms of economic development, environmental protection, equity, and energy (data from FY 2012 through FY 2024).*

ECONOMIC DEVELOPMENT

JOBS The Green Bank has supported the creation of more than **29,248** direct, indirect, and induced job-years.



TAX REVENUES

The Green Bank's activities have helped generate an estimated **\$148.0 million** in state tax revenues.



\$56.4 million
individual income tax

\$58.0 million
corporate taxes

\$32.0 million
sales taxes

\$1.5 million
property taxes

ENERGY

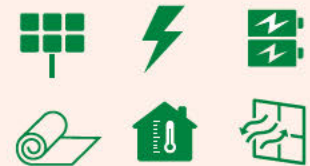
ENERGY BURDEN

The Green Bank has reduced the energy costs on families, businesses, and our communities.



DEPLOYMENT

The Green Bank has accelerated the growth of renewable energy to more than **707.2 MW** and lifetime savings of over **89.3 million MMBTUs** through energy efficiency projects.



ENVIRONMENTAL PROTECTION

POLLUTION The Green Bank has helped reduce air emissions that cause climate change and worsen public health, including **7.0 million pounds** of SOx and **8.7 million pounds** of NOx lifetime.



11.4 MILLION
tons of CO₂ :
EQUALS

172 MILLION
tree seedlings
grown for 10 years

OR

2.3 MILLION
passenger vehicles
driven for one year

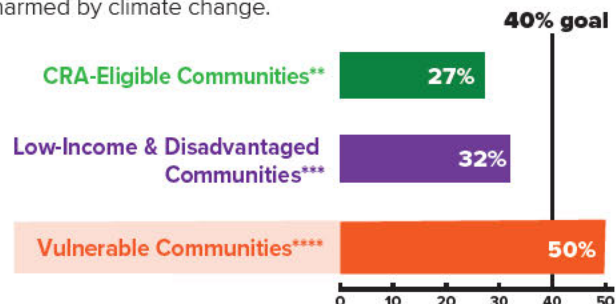
PUBLIC HEALTH The Green Bank has improved the lives of families, helping them avoid sick days, hospital visits, and even death.

\$218.9 – \$494.9 million of lifetime public health value created



EQUITY

INVESTING in vulnerable communities, The Green Bank has set **goals** to reach **40% investment** in communities that may be disproportionately harmed by climate change.



** Community Reinvestment Act (CRA) Eligible Communities – households at or below 80% of Area Median Income (AMI)

*** Low-Income and Disadvantaged Communities – those within federal Climate and Economic Justice Screening Tool and Environmental Justice Screening Tool

**** Vulnerable Communities – consistent with the definition of Public Act 20-05, including low- to moderate-income communities (i.e., less than 100% AMI), CRA-eligible communities, and environmental justice communities (e.g., including DECD distressed communities)



* Includes projects, deployment, and investments approved, but not yet interconnected under Energy Storage Solutions.

Learn more by visiting ctgreenbank.com/strategy-impact/societal-impact/

Winner of the 2017 Harvard Kennedy School Ash Center Award for Innovation in American Government, the Connecticut Green Bank is the nation's first green bank.

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Sources: Connecticut Green Bank Comprehensive Annual Financial Reports

Board of Directors

Lonnie Reed

Board Chair



E: Lonnie.Reed@ctgreenbank.com

P: 203-481-4474

Lonnie Reed serves as the Chair of the Green Bank's Board of Directors. Ms. Reed brings significant experience in environmental policy leadership, job creation, and a deep understanding of the climate challenges facing Connecticut. Reed served in the Connecticut State House of Representatives for five terms, from 2009 to 2019, before choosing not to run for reelection. She also served on the Bi-State NY & CT Long Island Sound Committee and helped lead the successful battle to stop Broadwater, a floating liquefied natural gas plant with a 22-mile pipeline proposed for Long Island Sound. Ms. Reed was appointed as Chair in October 2019 by Governor Ned Lamont.

Joseph DeNicola

Chair of Deployment
Committee



E: Joseph.Denicola@ct.gov

P: 203-561-2279

Joe DeNicola serves as the Deputy Commissioner of Energy at the Connecticut Department of Energy and Environmental Protection (DEEP), appointed in January 2024. As Deputy Commissioner, Joe leads DEEP's Energy Branch as Connecticut transitions to a zero-carbon electric grid by 2040 and economy-wide greenhouse gas (GHG) reductions of 80 percent below 2001 levels by 2050. He oversees development of Connecticut's Integrated Resources Plan and Comprehensive Energy Strategy, clean energy procurements, and policies and programs to achieve universal broadband access, energy affordability, energy efficiency, strategic electrification of the transportation and housing sectors, and efforts to reduce state agency emissions, waste, and water use.

Thomas M. Flynn

Chair of ACG Committee



E: Tom.Flynn@tomflynn.org

P: 203-209-0059

Thomas M. Flynn is the Managing Member of Coral Drive Partners LLC, a financial and operations consulting firm serving the Media and Information Services industry. He serves as Chairman of the Board of Finance for the Town of Fairfield, CT and as a member of the Board of Directors of Beardsley Zoo. Mr. Flynn is a graduate of Syracuse University with dual degrees in Accounting from the Whitman School of Business and Broadcast Journalism from the Newhouse School of Communications. Senator John McKinney appointed Mr. Flynn to the Board in July 2012.

Dominick Grant

Board Member



E: Dominick@dirtpartners.com

P: 518-225-4334

Dominick joined Dirt Capital Partners in 2021 as Director of Investment and manages the company's investment evaluation, due diligence and related reporting. Dominick has worked extensively in land-based investing, including for seven years at BioCarbon Group, a global private-equity impact investment firm backed by institutional investors. In addition to serving on the Connecticut Green Bank's Board of Directors, Dominick serves on the Board for the CT Department of Agriculture Diversity Equity and Inclusion Working Group.

Board of Directors

John Harrity

Chair of BOC Committee

E: iamjh@sbcglobal.net

P: 860-459-5381



John Harrity was the former President of the Connecticut State Council of Machinists – the electoral and legislative advocacy organization for more than 10,000 active and retired Machinists Union (IAM) members in Connecticut. The International Association of Machinists represents hourly workers at some of the state's largest industrial employers, including Pratt & Whitney, Hamilton Sundstrand, Electric Boat and Stanley Works, as well as a number of non-industrial worksites.

John is also the Chair of the [Connecticut Roundtable on Climate and Jobs](#).

Adrienne Farrar Houël

Board Member

E: houl@greenteambpt.com

P: 203-212-3860



Adrienne Farrar Houël is founder, President and CEO of Greater Bridgeport Community Enterprises, Inc. a nonprofit community development corporation that develops nonprofit sustainability enterprises to create jobs for disadvantaged area residents; researches trends in green business development; has trained and placed low and moderate- income residents in green jobs; and advocates for more green economy jobs in the Bridgeport area and throughout the State of Connecticut.

Allison Pincus

Board Member

E: Allison.Pincus@ct.gov

P: 914-815-0257



Allison Pincus brings extensive legal and policy experience, with a focus on economic development and social justice. Currently, she serves as the Federal Programs Director for the Connecticut Department of Economic and Community Development (DECD). In this role, Allison leads a team that pursues federal funding related to economic development in Connecticut on behalf of DECD, with a focus on clean energy initiatives, and manages federal program implementation once funding has been awarded. Allison serves on the Green Bank board as designee for DECD Commissioner Dan O'Keefe, and was designated by the commissioner in 2024.

Matthew Ranelli

Board Member

E: mranelli@goodwin.com

P: 860-251-5748



Matthew Ranelli is a partner in the Environment, Energy and Land Use Group at Shipman & Goodwin LLP. Mr. Ranelli represents municipalities, developers, schools, and other end-users regarding on-site renewable energy projects, green building standards, energy conservation and efficiency projects, and managing energy options. Mr. Ranelli is a LEED Accredited Professional. Mr. Ranelli was previously appointed to the Connecticut Clean Energy Fund board in 2009.

Board of Directors

Erick Russell

Board Member



E: Kimberly.Moores@ct.gov

P: 860-702-3101

Erick Russell was sworn in as Connecticut's 84th State Treasurer on January 4, 2023. He is currently serving his first term. As treasurer, Russell administers Connecticut's pension funds holding over \$40 billion in assets, oversees the state's debt and cash management, collects and returns unclaimed property, and manages the Connecticut Higher Education Trust (CHET), a 529 plan that helps students and families save for higher education. Russell continues to advocate for people traditionally left out of the political process and denied economic opportunity.

Brenda Watson

Chair of Joint Committee



E: bwatson@northhartfordpartnership.org

P: 860-967-2751

Brenda Watson is the newly appointed Executive Director of The North Hartford Partnership, a nonprofit organization dedicated to advancing equitable social and economic development in the North Hartford Promise Zone. The North Hartford Partnership's mission is to collaborate with neighborhood residents in efforts to close health, housing and economic opportunity gaps across North Hartford. Watson was appointed to the Board in February 2020 by Speaker of the House Joe Aresimowicz (D-Berlin/Southington).

Dr. Joanna Wozniak-Brown

Board Member



E: Joanna.Wozniak-Brown@ct.gov

P: 860-418-6252

Dr. Joanna Wozniak-Brown has nearly two decades of experience in environmental management and planning in Connecticut. Currently, she serves as the Climate & Infrastructure Policy Development Coordinator at the Connecticut Office of Policy & Management. Prior to this role, she was the Assistant Director of Resilience Planning at UConn CIRCA. She earned her Ph.D. in Environmental Studies from Antioch University New England, an M.Sc. from Johns Hopkins University in Environmental Planning, and a B.A. from Drew University in Political Science and Environmental Studies. Dr. Wozniak-Brown has been certified by the American Institute of Certified Planners (AICP) since 2021.

Meeting Schedules

Regular Board Meetings

Friday, January 24th 2025

Friday, March 21st 2025

Friday, April 25th 2025

Friday, June 20th 2025

Friday, July 25th 2025

Friday, October 24th 2025

Friday, December 19th 2025

*all meetings from 9am-11am

Audit, Compliance and Governance Committee

Tuesday, January 14th 2025

Tuesday, May 13th 2025

Tuesday, October 7th 2025

*all meetings from 8:30am-9:30am

Budget, Operations, & Compensation Committee

Wednesday, January 15th 2025

Wednesday, May 7th 2025

Wednesday, June 4th 2025

Wednesday, June 11th 2025

*all meetings from 2:00pm-3:30pm

Deployment Committee

Wednesday, February 19th 2025

Wednesday, May 21st 2025

Wednesday, September 10th 2025

Wednesday, November 12th 2025

*all meetings from 2:00pm-3:00pm

Joint Committee of the CT EE Board and the Connecticut Green Bank Board of Directors

Wednesday, March 19th 2025

Thursday, June 18th 2025

Wednesday, September 24th 2025

Wednesday, December 17th 2025

*all meetings from 1:30pm-3:30pm

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



January 27, 2025

Dear Connecticut Green Bank Board of Directors:

As a result of losing a quorum at the January 24, 2025 regular meeting of the Board of Directors, we have scheduled a **special meeting** for **Wednesday, January 29, 2025 from 9:00-10:00 a.m.**

Please take note, for those of you that want to be at the meeting in-person, we will have space at our offices for you to join. Otherwise, this will be an online meeting.

For the agenda, we have the following:

- **Investment Updates and Recommendations** – including the following transactions:
 - **Cargill Falls** – facility modification (restructuring).
 - **PosiGen** – facility modification (3rd party participant).
 - **Sungage** – Green Bank Capital Solutions (Solar + Storage – Smart-E Loan).
 - **Scale Microgrids** – Green Bank Capital Solutions (Commercial – ESS Projects – KeyBank Facility).
 - **Revolving Loan Fund** – USDOE energy efficiency revolving loan fund request from DEEP
 - **Rural Energy Savings Program** – USDA program requiring Webster Bank line of credit
- **Incentive Programs Updates and Recommendations** – including:
 - **Danbury** – Energy Storage Solutions project by CPower (Danbury Mission Technologies)

Thank you for rescheduling this meeting so that we can move through these important transactions.

Appreciatively,

A handwritten signature in black ink, appearing to read "Bryan Garcia", with a long horizontal stroke extending to the right.

Bryan Garcia
President and CEO



AGENDA

Board of Directors of the
Connecticut Green Bank
75 Charter Oak Avenue
Hartford, CT 06106

Wednesday, January 29, 2025
9:00 a.m.– 10:00 a.m.

Dial (860) 924-7736
Phone Conference ID: 955 510 296#
[+1 860-924-7736,,955510296#](tel:+18609247736955510296)

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

1. Call to Order
2. Investment Programs Updates and Recommendations – 30 minutes
 - a. Cargill Falls – Facility Modification (Restructuring) –5 minutes
 - b. PosiGen – Facility Modification (3rd Party Participant) – 5 minutes
 - c. Sungage – Green Bank Capital Solutions (Solar + Storage and Smart-E Loan) – 5 minutes
 - d. Scale Microgrids – Green Bank Capital Solutions (Commercial – ESS Projects – KeyBank Facility) – 5 minutes
 - e. USDOE and DEEP – Energy Efficiency Revolving Loan Fund – 5 minutes
 - f. USDA – Rural Energy Savings Program – 5 minutes
3. Incentive Programs Updates and Recommendations – 5 minutes
 - a. Energy Storage Solutions – CPower / Danbury Mission Technologies – 5 minutes
4. Adjourn

[Click here to join the meeting](#)
Meeting ID: 225 369 544 834
Passcode: rA3ak6BW
Dial In: [+1 860-924-7736,,955510296#](tel:+18609247736955510296)
Phone Conference ID: 955 510 296#

***Next Special Meeting: Wednesday, February 19, 2025 from 2:00-3:00 p.m.
Colonel Albert Pope Room at the
Connecticut Green Bank, 75 Charter Oak Avenue, Hartford***

***Next Regular Meeting: Friday, March 21, 2025 from 9:00-11:00 a.m.
Colonel Albert Pope Room at the
Connecticut Green Bank, 75 Charter Oak Avenue, Hartford***



RESOLUTIONS

Board of Directors of the
Connecticut Green Bank
75 Charter Oak Avenue
Hartford, CT 06106

Wednesday, January 29, 2025
9:00 a.m.– 10:00 a.m.

Dial (860) 924-7736
Phone Conference ID: 955 510 296#
[+1 860-924-7736,,955510296#](tel:+18609247736955510296)

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

1. Call to Order
2. Investment Programs Updates and Recommendations – 35 minutes
 - a. Cargill Falls – Facility Modification (Restructuring) – 5 minutes

Resolution #1

WHEREAS, pursuant to Conn. Gen. Stat. 16a-40g, 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 Board of Directors (“Board”) of the Green Bank previously approved a construction and term financing, secured by a C-PACE benefit assessment lien, not-to-exceed amount of \$8,100,000 (the “Current Lien”) to Historic Cargill Falls Mill, LLC (“HCFM”), the property owner of 52 and 58 Pomfret Street, Putnam, Connecticut, to finance the construction of specified clean energy measures (the “Project”) in line with the State’s Comprehensive Energy Strategy and the Green Bank’s Strategic Plan;

WHEREAS, the Project includes numerous energy conservation measures that align with the goals and priorities of the Green Bank’s multifamily housing program; and,

WHEREAS, Green Bank staff now seeks approval to defer C-PACE loan payments from HCFM (“Loan Deferral”) until July 1, 2025 as explained in the memorandum in respect of this matter submitted to the Board on January 21, 2025 (the “Board 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 Deferral consistent with the Board Memo and the Green Bank's Loan Loss Decision Process; 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 effect the above-mentioned legal instrument.

b. PosiGen – Facility Modification (3rd Party Participant) – 5 minutes

Resolution #2

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 finance offering to low to moderate income households in Connecticut;

WHEREAS, in October 2024, Brookfield Asset Management ("Brookfield") provided PosiGen with an increase under the First Lien Credit Facility ("FLCF") in the amount of \$200 million (the "2nd Upsize") which enabled PosiGen to repay Green Bank and its participants \$12 million loaned to PosiGen to bridge receipt of federal investment tax credit funds, and such 2nd Upsize was consented to by staff by executing an intercreditor agreement (the "Intercreditor Agreement") with PosiGen, Brookfield and other parties;

WHEREAS, the Green Bank Board of Directors (the "Board") previously authorized approval for the impact investing firm ImpactAssets' participation in an Investment Tax Credit Bridge Loan with a participant contribution of \$2.875 million on June 7, 2023; and,

WHEREAS, staff has analyzed the current financial condition of PosiGen in relation to the proposed incremental 2nd lien upsize and related financing and has concluded that the additional exposure risk is reasonable and appropriate, and recommends the Board approve the addition of ImpactAssets as a participant with a capital contribution not to exceed \$6,000,000 as more fully explained in the memorandum to the Board dated January 21, 2025 (the "Board Memo").

NOW, therefore be it:

RESOLVED, that the Board authorizes the Green Bank to upsize the SLCF, adding ImpactAssets, or an alternative investor, as a participant to the 2nd lien facility for PosiGen, not to exceed an additional capital commitment of \$6,000,000, and to extend the availability period accordingly to allow for draws against this facility, as outlined in the Board Memo; and,

RESOLVED, that the Board authorizes the 2nd Upsize provided by Brookfield in October 2024, and approves and ratifies staff's consent to the 2nd Upsize and related documentation executed by staff in October 2024;

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 effect the above-mentioned legal instruments.

- c. Sungage – Green Bank Capital Solutions (Solar + Storage and Smart-E Loan) – 10 minutes

Resolution #3

WHEREAS, the Connecticut Green Bank (“Green Bank”) developed the Smart-E Loan program with financing agreements with various credit unions and community banks,

WHEREAS, the Smart-E Loan continues to be a tool for Connecticut homeowners to finance clean energy measures to reduce their energy burdens;

WHEREAS, the Sungage Financial has applied to the Capital Solutions Open Request for Proposals in order to enter the Smart-E Loan program as a solar and storage lender; and,

WHEREAS, Sungage and Green Bank have had a history of successful collaboration dating back to 2013 with the original solar loan.

NOW, therefore be it:

RESOLVED, that the Board approves a loan in an amount not to exceed \$10 million dollars from the Green Bank balance sheet in support of Smart-E Loans in partnership with Sungage generally consistent with this memorandum dated January 21, 2025 as a Capital Solutions Project;

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 effect the 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 negotiate and deliver all other documents and instruments as they shall deem necessary and desirable to effect the above-mentioned legal instruments.

- d. Scale Microgrids – Green Bank Capital Solutions (Commercial – ESS Projects – KeyBank Facility) – 10 minutes

Resolution #4

WHEREAS, Microgrid Solutions LLC (“Scale”) has requested financing in support of private capital from the Connecticut Green Bank (“Green Bank”) to finance and construct a solar and battery energy storage portfolio (the “Portfolio”), including 8 battery energy storage projects in Connecticut;

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

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 Portfolio, support the obligations under the credit facilities throughout their respective terms, and as set forth in the due diligence memorandum dated January 21, 2025 (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.

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 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 effect the above-mentioned Term Loan and participation.

- a. USDOE and DEEP – Energy Efficiency Revolving Loan Fund – 5 minutes

Resolution #5

WHEREAS, the State of Connecticut has been awarded funding under the Energy Efficiency Revolving Loan Fund Capitalization Grant Program; and,

WHEREAS, the Connecticut Department of Energy and Environmental Protection has engaged the Connecticut Green Bank (“Green Bank”) as a subgrantee to develop and implement a program to support the deployment of energy efficiency loans into the affordable multifamily housing sector;

NOW, therefore be it:

RESOLVED, that the Green Bank may enter into with and deliver to the State of Connecticut Department of Energy and Environmental Protection, any and all documents which it deems to be necessary or appropriate to enter into a contract for approximately \$1,269,190 titled Energy Efficiency Revolving Loan Fund Subgrant; and,

RESOLVED, that Bryan Garcia as President and CEO of the Connecticut Green Bank or other 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 effect the above-mentioned legal instruments.

- a. USDA – Rural Energy Savings Program – 5 minutes

Resolution #6

WHEREAS, consistent with its Comprehensive Plans, the Connecticut Green Bank (“Green Bank”) has been seeking opportunities to access low-cost and long-term federal funding from the United States Department of Agriculture (“USDA”) to support its mission;

WHEREAS, on April 2, 2020, the Rural Utilities Service (“RUS”) of the USDA issued within the Federal Register (Vol. 85, No. 64), an “Announcement of Funding Availability, Loan Application Procedures, and Deadlines for the Rural Energy Savings Program (“RESP”);

WHEREAS, on April 29, 2020, the American Green Bank Consortium, a membership organization for green banks, informed the Green Bank of the RESP, and provided technical assistance resources to the Green Bank through the Environmental and Energy Study Institute;

WHEREAS, on May 14, 2020, the Green Bank filed a Letter of Intent (“LOI”) with the RUS for a RESP Loan, including an overview of the organization, proposed program descriptions consistent with its Comprehensive Plan, evaluation, measurement, and verification framework, balance sheet, eligible Connecticut towns, and performance measures and indicators; and

WHEREAS, on July 1, 2020 the USDA notified the Green Bank that it had received and reviewed its LOI, and invited it to proceed with a full application for a \$10 million RESP Loan; and

WHEREAS, on July 24, 2020 the Green Bank Board of Directors (the “Board”) approved a resolution to empower staff to approve and submit to USDA application documents as needed in pursuit of a RESP Loan USDA; and

WHEREAS, on September 11, 2020 the Connecticut Green Bank submitted to USDA ahead of USDA’s September 28, 2020 deadline a full RESP Loan application package.

WHEREAS, in September 2024, the Connecticut Green Bank entered into a commitment with the USDA for the RESP Loan;

WHEREAS, staff is in the process of closing the RESP Loan and the RESP Loan requires a letter of credit to support the borrowing by the Green Bank;

WHEREAS, Webster Bank is willing to provide a letter of credit in the amount of \$500,000 collateralized by cash of the Green Bank to facilitate the Green Bank closing the RESP Loan with the USDA;

NOW, therefore be it:

RESOLVED, that the Board of the Green Bank, pursuant to the information provided by the Staff in a memo dated January 22, 2025, has determined that it is in the best interests of Green Bank to close the RESP Loan and to obtain a letter of credit from Webster Bank in the amount of \$500,000 collateralized by cash of the Green Bank to facilitate the Green Bank closing the RESP Loan with the USDA; 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 effect the above-mentioned legal instruments.

3. Incentive Programs Updates and Recommendations – 5 minutes

a. Energy Storage Solutions – CPower / Danbury Mission Technologies – 5 minutes

Resolution #7

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; and,

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, 2002 meeting the Board approved updated Procedures to better align with the Program process.

NOW, therefore be it:

RESOLVED, that the Deployment Committee hereby approves the estimated upfront incentives sought by CPower for one non-residential project individually under \$500,000, totaling a not-to-exceed amount of \$905,996 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 effect the above-mentioned incentives consistent with the Procedures.

4. Adjourn

[Click here to join the meeting](#)

Meeting ID: 225 369 544 834

Passcode: rA3ak6BW

Dial In: [+1 860-924-7736,,955510296#](#)

Phone Conference ID: 955 510 296#

***Next Special Meeting: Wednesday, February 19, 2025 from 2:00-3:00 p.m.
Colonel Albert Pope Room at the
Connecticut Green Bank, 75 Charter Oak Avenue, Hartford***

***Next Regular Meeting: Friday, March 21, 2025 from 9:00-11:00 a.m.
Colonel Albert Pope Room at the
Connecticut Green Bank, 75 Charter Oak Avenue, Hartford***

- **In-Person Option** – if anyone wants to join future BOD or Committee meetings in person, we are inviting you to our offices in Hartford
- **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.

Board of Directors Meeting

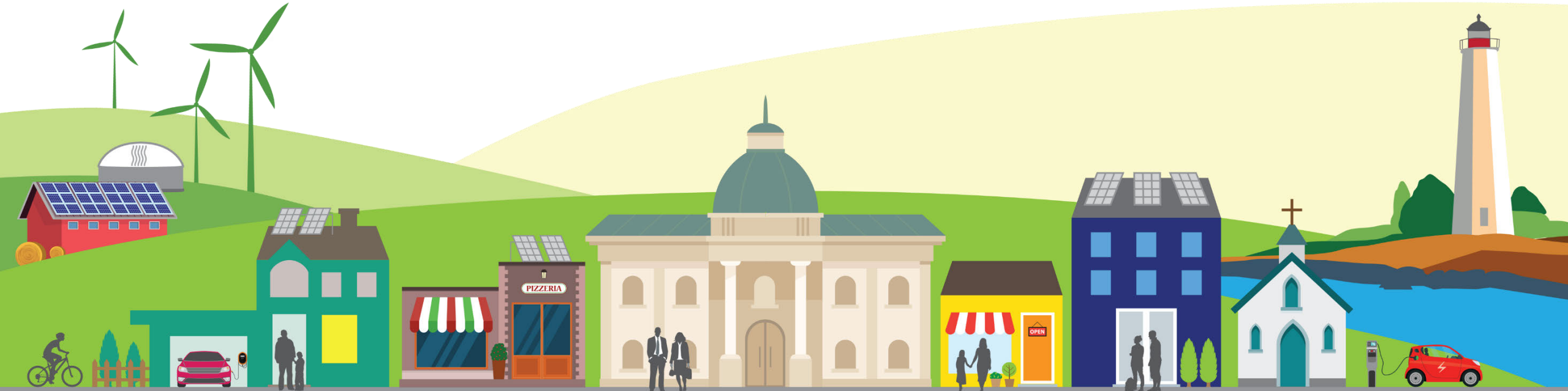
Special Meeting



Board of Directors



Agenda Item #1 Call to Order



Agenda Item #2a

Investment Updates and Recommendations

Cargill Falls – Facility Modification



Historic Cargill Falls Mill Loan Restructure Update & Loan Deferral



- **Key Updates:**
 - 2025 project budget completed.
 - Stakeholder negotiations ongoing (Enhanced Capital, Haynes Construction).
- **Next Steps:** Present full restructuring plan in 2025 to secure repayment and maintain first lien.
- **Loan Payment Deferral Request:** Approve deferral of C-PACE payments to July 1, 2025.

Resolution #1



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 Deferral consistent with the Board Memo and the Green Bank's Loan Loss Decision Process; 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 effect the above-mentioned legal instrument.

Agenda Item #2b

Investment Updates and Recommendations

PosiGen— Facility Modification



PosiGen 1L & 2L Upsize



Strong Growth in CT

- Has now installed **over 6,300 residential systems** (plus energy efficiency upgrades) in the state
- 15% of PosiGen's employees live in Connecticut

Has secured additional capital for growth

- Raised \$150M debt facility with Brookfield Asset Management in May 2023
- Increased 1L by \$150M to \$400M in April 2024. 2L "matched" up to \$24M.

Board requests

- Second Lien Credit Facility ("SCLF" or "2L"). Upsize from \$34M to \$40M from new investment with ImpactAssets or alternate investor(s).
 - Green Bank (2nd lien) position unchanged (\$17.25M total 2L exposure, excluding PBI).
- First Lien Credit Facility ("FLCF" or "1L"). October 2024 upsize from \$400M to \$600M.

Resolution #2



NOW, therefore be it:

RESOLVED, that the Board authorizes the Green Bank to upsize the SLCF, adding ImpactAssets, or an alternative investor, as a participant to the 2nd lien facility for PosiGen, not to exceed an additional capital commitment of \$6,000,000, and to extend the availability period accordingly to allow for draws against this facility, as outlined in the Board Memo;

RESOLVED, that the Board authorizes the 2nd Upsize provided by Brookfield in October 2024, and approves and ratifies staff's consent to the 2nd Upsize and related documentation executed by staff in October 2024;

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 effect the above-mentioned legal instruments.

Agenda Item #2c

Investment Updates and Recommendations

Sungage – Green Bank Capital Solutions



Sungage Financial

Capital Solutions: New Smart-E Lender



- **Background:**
 - Capital for Change's exit from Smart-E in December 2023 left a gap in the market, particularly for larger projects
- **Open Search for New Lenders:**
 - Investments & Smart-E team were engaging various community banks, credit unions, and other lenders to join program, including Sungage Financial

Sungage Financial

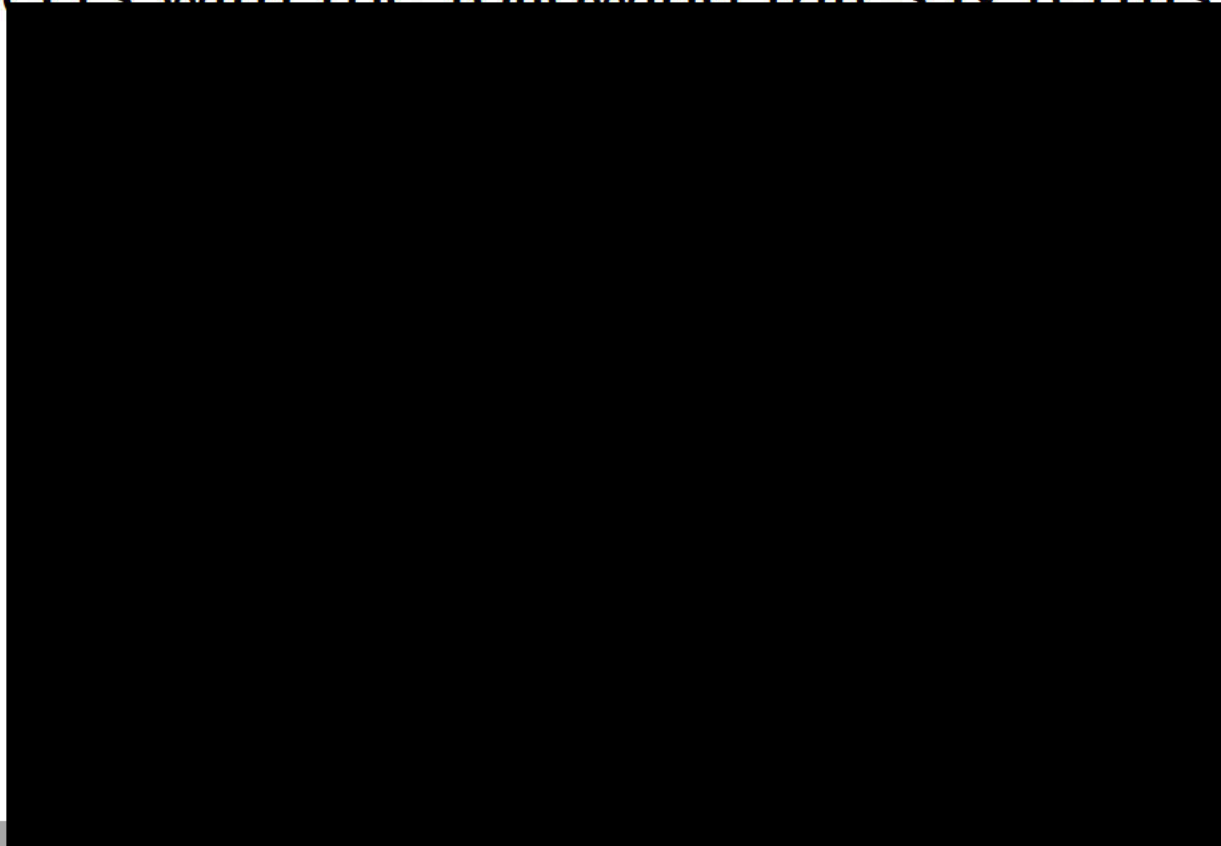
Capital Solutions: New Smart-E Lender



■ **Sungage Financial**

- First online solar loan provider designed for residential solar and storage projects
- Green Bank & Sungage launched the successful CT Solar Loan program in 2013
- Sungage is interested in expanding their footprint in CT through the Smart-E program with a focus on solar and storage projects

- **Smart-E & Sungage: Program Description**
 - Sungage would lend to CT residents under Smart-E for solar & storage projects with the following rates & terms



- **Smart-E & Sungage: Loan Request Details**
 - \$10 Million Loan secured to \$33.3 Million initial pool of loans
 - Repayment through consumer loan payment of the Sungage CT loan portfolio and Sungage equity
 - Green Bank to fund purchase at 4% to enable Sungage to loan at the Smart-E Rates
 - Green Bank would be on equal security footing as Sungage's capital partner

Resolution #3



NOW, therefore be it:

RESOLVED, that the Board approves a loan in an amount not to exceed \$10 million dollars from the Green Bank balance sheet in support of Smart-E Loans in partnership with Sungage generally consistent with this memorandum dated January 21, 2025 as a Capital Solutions Project;

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 effect the 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 negotiate and deliver all other documents and instruments as they shall deem necessary and desirable to effect the above-mentioned legal instruments.

Agenda Item #2d

Investment Updates and Recommendations

Scale Microgrids – Green Bank Capital Solutions



Scale Microgrids – Solar and Storage

Capital Solutions – Credit Facilities



- Scale Microgrids is developing a portfolio of 33 distributed generation assets, projects are split between community solar, battery energy storage, and microgrid.
- 8 Projects are in Connecticut. All 8 are battery energy storage projects participating in the energy storage solutions program. The Connecticut projects total 33MWs and [REDACTED]



Scale Microgrids – Solar and Storage

Structure of Credit Facilities



- KeyBanc has structured credit facilities to finance and construct the portfolio. Staff is seeking approval to participate at a total, not to exceed, of \$10M in aggregate.
- A \$[REDACTED]M Construction Loan ([REDACTED]) and \$[REDACTED]M Tax Equity Bridge Loan [REDACTED] will fund up to 89% of project costs during construction.
- When projects achieve commercial operations, the Construction Loan will convert into the Term Loan, which will total \$118.5M [REDACTED]. The Bridge Loan will be repaid by proceeds from the tax equity commitment.

Sources & Uses			
Sources of Funds		Uses of Funds	
Construction Loan Funding	125,244,330	Total Capex Costs	276,824,621
TEBL Funding	141,270,973	Total Financing Costs	11,377,219
Equity During Construction	31,203,412	Total Closing Costs	9,516,875
Total Sources:	\$297,718,715	Total Uses:	\$297,718,715

Scale Microgrids – Solar and Storage

Risks and Mitigants



- **Development/Siting Risk**: Scale has site control for the community solar and battery-only projects. For the microgrid projects, site control is executed along with the signing of the microgrid service agreement (“MSA”). Four remaining projects are in process to sign MSA’s in the first half of 2025.
- **Production Risk**: Black & Veatch analyzed the production estimates of the portfolio. Additionally, the Portfolio reduces production risk through diversification of projects and technologies. A 6-month debt service reserve offers a cushion for unexpected drops in production.
- **Credit Risk**: Not all offtakers are investment grade. To mitigate this risk, the DSCR applied to different revenue streams is adjusted for the credit risk of the offtaker. Scale has also purchased credit insurance to cover the risk from non-investment grade offtakers.
 - **Credit Insurance**: Scale has secured a 10-year credit insurance policy. This policy covers default risk for payments made by commercial and other non-residential customers who purchase electricity through long-term PPAs. Offtakers covered are deemed investment grade equivalent. Scale is required to maintain an insurance reserve to cover the deductible.

Resolution #4



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 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 effect the above-mentioned Term Loan and participation.

Agenda Item #2e

Investment Updates and Recommendations

USDOE and DEEP – Energy Efficiency Revolving Loan Fund



Energy Efficiency Revolving Loan Fund

DEEP Subgrant



- **DOE Formula Grant** – Connecticut (DEEP) awarded \$1.29M to capitalize a revolving loan fund specific to energy efficiency
- **Green Bank Deployment** – DEEP engaged the Green Bank to deploy the funds. Intended for use in multifamily affordable housing.

Resolution #5



NOW, therefore be it:

RESOLVED, that the Green Bank may enter into with and deliver to the State of Connecticut Department of Energy and Environmental Protection, any and all documents which it deems to be necessary or appropriate to enter into a contract for approximately \$1,269,190 titled Energy Efficiency Revolving Loan Fund Subgrant; and

RESOLVED, that Bryan Garcia as President and CEO of the Connecticut Green Bank or other 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 effect the above-mentioned legal instruments.

Agenda Item #2f

Investment Updates and Recommendations

USDOE Rural Energy Savings Program – Letter of Credit



Webster Bank Letter of Credit USDA Rural Energy Savings Program



Resolution #6

NOW, therefore be it:

RESOLVED, that the Board of the Green Bank, pursuant to the information provided by the Staff in a memo dated January 22, 2025, has determined that it is in the best interests of Green Bank to close the RESP Loan and to obtain a letter of credit from Webster Bank in the amount of \$500,000 collateralized by cash of the Green Bank to facilitate the Green Bank closing the RESP Loan with the USDA; 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 effect the above-mentioned legal instruments.

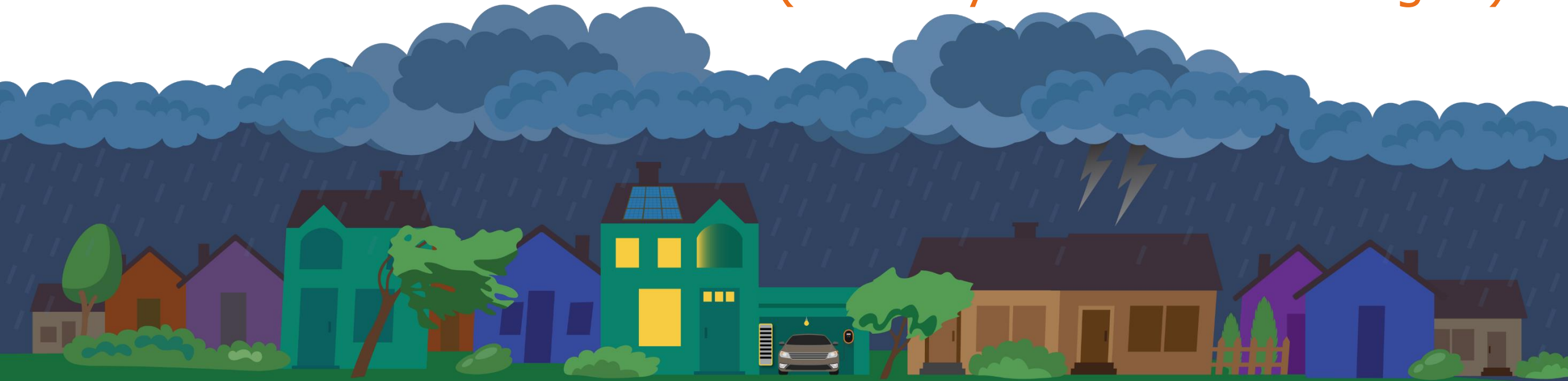
Board of Directors

Agenda Item #3a

Incentive Programs Updates and Recommendations

Energy Storage Solutions

C-POWER (Danbury Mission Technologies)



ESS-01039 – Danbury Mission Technologies C-Power



Business Operations High-precision optics for ground, air and space missions

Annual Peak Demand 3,508 kW (Large C&I)

System Size 4.98 MW / 9.96 MWh

System Design Tesla Megapack 2XL:
(2) x 1,927 kW / 3,854 kWh
(1) x 1,124 kW / 2,248 kWh

Installation Timeline 2027-2028

Total Installed Cost \$3,984,376 (Estimated)

Upfront Incentive \$905,996



Resolution #7



NOW, therefore be it:

RESOLVED, that the Board of Directors hereby approves the estimated upfront incentives sought by C-Power for one non-residential project totaling a not-to-exceed amount of \$905,996 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 effect the above-mentioned incentives consistent with the Procedures.

Board of Directors



Agenda Item #4 Adjourn





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Hartford, Connecticut 06106

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Stamford, Connecticut 06902

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Memo

To: Connecticut Green Bank Board of Directors

From: Bert Hunter, EVP and CIO and Mariana Trief, Director, Investments

Cc: Bryan Garcia, President and CEO; Brian Farnen, General Counsel and CLO; Mackey Dykes, EVP Financing Programs; Catherine Duncan, Director, Financing Programs, Transaction Management

Date: January 21, 2025

Re: Historic Cargill Falls Mill Loan Payment Deferral

Summary

Staff of the Connecticut Green Bank ("Green Bank") provided an update to the Green Bank's Board of Directors (the "Board") on the Historic Cargill Falls Mill project (the "Project") in a memorandum to the Board dated December 10, 2024 and in discussions with the Board at its meeting held December 13, 2024. The memo and these discussions outlined plans for a loan restructuring proposal to be presented at the January 24, 2025 meeting of the Board once additional information became available to inform the 2025 budget for the Project.

Since that time, the property manager has completed the 2025 budget. There have also been ongoing discussions and negotiations with key stakeholders, primarily Enhanced Capital (the federal historic tax credit investor) and Haynes Construction ("Haynes"), which holds a \$725,000 two-year term note issued to bridge a funding gap during construction. While initial payments on this loan were made from property cash flow, lead remediation efforts (previously explained to the Board) necessitated payment deferrals starting in March 2023. As of now, the outstanding balance on the Haynes loan, including deferred interest, is approximately \$500,000.

Given the current status of ongoing negotiations and discussions with key stakeholders to finalize a satisfactory loan restructuring proposal, Staff is requesting an additional deferral of both the First and Second Benefit Assessment Lien payments due in January 2025. Staff anticipates resolving key discussions with stakeholders before the next C-PACE payment which will be due on July 1, 2025, enabling us to return to the Board with a comprehensive loan restructuring proposal. According to the Green Bank's Loan Loss Decision Process, last updated on March 25, 2022, any restructuring involving a C-PACE loan with a principal outstanding of more than \$1M requires Board approval. This restructuring will be presented later in 2025 and will seek to ensure the full repayment of all principal due to the Green Bank while maintaining the Green Bank's first lien position, in alignment with the C-PACE security requirements.

Resolutions

WHEREAS, pursuant to Conn. Gen. Stat. 16a-40g, 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 Board of Directors (“Board”) of the Green Bank previously approved a construction and term financing, secured by a C-PACE benefit assessment lien, not-to-exceed amount of \$8,100,000 (the “Current Lien”) to Historic Cargill Falls Mill, LLC (“HCFM”), the property owner of 52 and 58 Pomfret Street, Putnam, Connecticut, to finance the construction of specified clean energy measures (the “Project”) in line with the State’s Comprehensive Energy Strategy and the Green Bank’s Strategic Plan;

WHEREAS, the Project includes numerous energy conservation measures that align with the goals and priorities of the Green Bank’s multifamily housing program;

WHEREAS, Green Bank staff now seeks approval to defer C-PACE loan payments from HCFM (“Loan Deferral”) until July 1, 2025 as explained in the memorandum in respect of this matter submitted to the Board on January 21, 2025 (the “Board 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 Deferral consistent with the Board Memo and the Green Bank’s Loan Loss Decision Process; 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 effect the above-mentioned legal instrument.

75 Charter Oak Avenue, Hartford, Connecticut 06106

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www.ctgreenbank.com



PosiGen

ImpactAssets Participant 1st Lien & 2nd Lien Facility Upsize

Memorandum

January 21, 2025



Document Contents: This document contains background information and due diligence on establishing a new participation on a second lien loan facility for PosiGen Inc. ("PosiGen"). The information herein is provided to the Connecticut Green Bank Board of Directors for the purposes of reviewing and approving recommendations made by the staff of the Connecticut Green Bank.

In some cases, this package may contain, among other things, trade secrets and commercial or financial information given to the Connecticut Green Bank in confidence and should be excluded under C.G.S. §1-210(b) and §16-245n(D) from any public disclosure under the Connecticut Freedom of Information Act. If such information is included in this package, it will be noted as confidential.

To: Connecticut Green Bank Board of Directors
CC: Bryan Garcia, President and CEO; Jane Murphy, Executive Vice President Finance and Administration; Brian Farnen, General Counsel and CLO; Eric Shrago, Vice President of Operations; Sergio Carrillo, Managing Director of Incentive Programs
From: Larry Campana, Associate Director of Investments; Bert Hunter, EVP and CIO
Date: January 21, 2025
Re: PosiGen 1st Lien and 2nd Lien Facility Increase (No Green Bank Capital Increase)

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Background

In April 2024, PosiGen, PBC. ("PosiGen") ~~PosiGen~~ formally amended its first lien asset-backed facility (the "FLCF") with Brookfield Asset Management ("Brookfield") by adding \$150 million capacity, raising the total FLCF capacity to \$400 million, and expanded the use of funds to include work-in-progress ("WIP") systems. As part of the upsize, the Connecticut Green Bank ("Green Bank") increased its "2nd lien" facility subordinated to Brookfield (the "second lien credit facility", or "SLCF") by \$8 million, increasing the total SLCF commitment to \$34 million which includes participants of \$6.75 million and the PBI facility of \$10 million (which is defeased with a sweep of Performance Based Incentive ("PBI") ~~PBI~~ revenues paid by the Green Bank (to itself) and with a face amount of exposure for the PBI facility down to \$7 million). Green Bank and participants only "matched" Brookfield under the borrowing base up to Brookfield advances of \$300 million, meaning Brookfield was free to lend more (up to \$400 million) but Green Bank and participants were limited to \$24 million. The Green Bank Board of Directors (the "Board") approved of the FLCF and SLCF adjustments in January 2024.

Then, in October 2024, PosiGen successfully closed on a 2nd upsize of \$200 million with Brookfield (now up to \$600 million), which supports PosiGen's growth in Connecticut and beyond. This transaction was viewed as credit positive for Green Bank as it included the repayment of the former \$12 million ~~ITC~~ Investment Tax Credit Bridge Loan ("ITC Bridge") position (repaid \$6 million to Green Bank and \$6 million to participants in October 2024). Beyond the repayment of the ITC Bridge, staff supported the upsize because it involved an extension of the existing Brookfield warehouse facility on favorable terms relative to current market conditions. The 2nd upsize supports the growth of PosiGen as it is realized more than 1,000 installs per month in Q4 of 2024. Furthermore, the upsize was aligned with PosiGen's positive progress towards securing the Loan Program Office's ("LPO") \$1 billion loan (supported by Green Bank and other State Energy Financing Institutions), which is expected to serve as a term financing or takeout solution.

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As noted, this 2nd upside increased the first lien capital contribution from \$400 million to \$600 million. Prior to the upside, the first lien facility outstanding balance was \$399,993,302. Monthly outstanding balances thereafter were \$464,650,187 (upon closing of the upside in October) and \$480,600,918, \$495,636,029, and \$511,576,525.60 for November, December and January, respectively.

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Staff signed off on this increase in the FLCF in October 2024 by signing an intercreditor agreement with PosiGen, Brookfield, DC Green Bank and other parties. Historically, Green Bank staff has obtained approval for increases in various PosiGen 1st lien facilities over the years. On this occasion, and possibly because this increase by Brookfield was associated with a substantial (\$12 million) repayment, staff erred in approving the 2nd Brookfield upside ~~prior to before~~ obtaining Board approval. Staff is now taking steps to rectify this oversight by seeking approval for the 2nd ~~Brookfield~~ Brookfield upside and ratification of staff's execution of the intercreditor agreement and related documentation for the 2nd upside.

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~~On October 18, 2024, PosiGen, PBC. ("PosiGen") formally amended its First Lien asset-backed Credit Facility (the "FLCF") with Brookfield Asset Management ("Brookfield") by adding \$150 million capacity to the standard term loan and including a new \$50 million ITC Bridge Loan, raising the total FLCF aggregate principal commitment from Brookfield to PosiGen to \$600 million. With the support of the Connecticut Green Bank ("Green Bank") Board of Directors (the "Board"), Green Bank at that time issued the consent for this upsizing while maintaining the total Second Lien Credit Facility ("SLCF") commitment of \$34 million, which includes participant contributions of \$7.25 million and the Performance Based Incentive ("PBI") facility of \$10 million (which is defeased with a sweep of PBI revenues paid by the Green Bank (to itself) and with a face amount of exposure for the PBI facility down to \$7 million at that time).~~

~~Previously, as the Board may recall~~As noted above, Green Bank had provided ~~an Investment Tax Credit ("the ITC"). b~~Bridge loan with participants in the amount of \$12 million (Green Bank portion \$6 million) to PosiGen, established March 27, 2023, and repaid with the Brookfield upside completed last October. That bridge loan included a participant contribution of \$6 million in total, of which just less than half came from the impact investing firm ImpactAssets ("IA"). IA has now requested the opportunity to participate in the Green Bank's standard SLCF, which currently includes five participants with varying levels of contribution, with the highest being Libra and TSFF both providing \$2 million in capital. The total SLCF commitment of \$34 million has now been fully utilized as of December 2024, and IA has indicated an interest in providing \$6 million in new capital, which would raise the total participant commitment to \$13.25 million and the SLCF commitment to \$40 million. The primary objective of this upside is

to support the growth PosiGen expects to accelerate in 2025, a continuation of the growth trajectory over the last 36 months, by providing additional private capital with no new Green Bank exposure. Green Bank's exposure would remain at \$17.25 million under the SLCF.

Finance Update

The October FLCF upsized was completed to continue supporting PosiGen's rapid growth, both in Connecticut and across the country. PosiGen now has 30,000 operating systems across the US, with Connecticut being one of the largest markets. Connecticut is home to 15% of PosiGen's employees and is the state where 21% of PosiGen's customers are served. This translates to over 6,300 Connecticut customers. This upsized by Brookfield provided over \$150 million in additional capacity for financing new installations, creating a runway through the majority of 2025. Over the past year, PosiGen has continued steady growth, achieving a 37% increase in project installations from 2023. This consistent growth, despite challenging market conditions, was driven by expanding strong channel partner relationships and consistent performance through direct sales.

Looking to 2025, PosiGen is confident in its ability to sustain its growth and remains prepared to deal with the evolving political climate. The company is now established in 15 states and plans to deepen its customer base within these existing markets, while also considering expansion into several additional new markets.

In 2024, PosiGen successfully closed \$110 million in tax equity asset financing and is poised to build on this success. In 2025, PosiGen estimates acquiring 12,000 new customers and generating \$220 million ITC, a 70% increase year-over-year, driven by the customer base expansion and anticipated capture rate of ITC adders. To finance this growth, PosiGen has already secured three separate hybrid tax equity partnerships, totaling \$300+ million in committed tax equity financing capacity for 2025, which is more than sufficient to monetize the expected ITC generation.

While the Inflation Reduction Act ("IRA") is expected to be modified to some degree due to the new leadership in Washington, D.C., PosiGen has nonetheless established the infrastructure to maximize the Energy Community and Low-Income Community adders to the extent that they remain available, and the company is deploying Domestic Content ("DC") only for its direct origination at this point. PosiGen is proud to be one of the first to build out DC infrastructure with qualification verified by a third-party audit. PosiGen has also safeguarded against more negative IRA outcomes by continuously assessing market pricing, maintaining access to traditional partnership-flip tax equity vehicles through hybrid partnerships and existing relationships with investors who

continue to self-monetize credits, and by forming relationships and allies amongst key legislators and leaders in the new administration.

As PosiGen's Tax Equity financing options continue to see promising expansion, the company is also working to secure additional long-term debt financing that will reduce its cost of capital and unlock additional capacity in the existing warehouse facility. Posigen's approach and pathways are detailed in the following section.

LPO/GGRF/CGC Update

PosiGen is currently working with Greenhouse Gas Reduction Fund ("GGRF") awardees Climate United ("CUF") and Coalition for Green Capital ("CGC") to refinance the existing projects in the Brookfield and Green Bank 2nd Lien facilities. CUF was awarded \$7 billion and CGC was awarded \$5 billion from the U.S. Environmental Protection Agency under the GGRF's National Clean Investment Fund. Term sheets are in negotiation with both CUF and CGC for \$150 million and \$250 million facilities, respectively, and are expected to reach financial close in early Q2 2025. In parallel, PosiGen is also still pursuing a \$1 billion loan with the DOE Loan Programs Office, which will be used to refinance future projects out of the Brookfield and Green Bank facilities. After some stagnation, as a result of the pending change in Administration, PosiGen was encouraged by the DOE to continue to pursue this loan despite the likely change in leadership. PosiGen is in the final stages of preparing a long-form term sheet and expects to execute it by the end of January 2025.

Recommendation

Given the mutual agreement on establishing ImpactAssets as a participant of the 2nd lien facility with a capital commitment of \$6 million, increasing the total participant contribution from \$7.25 million to \$13.25 million, and the positive trajectory of PosiGen's performance, Green Bank staff recommends approving this upsize to the 2nd lien facility, along with an extension of the commitment's availability period to facilitate draws against the 2nd lien.

Resolutions

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 finance offering to low to moderate income households in Connecticut.

WHEREAS, in October 2024, Brookfield Asset Management ("Brookfield") provided PosiGen with an increase under the First Lien Credit Facility ("FLCF") in the amount of

\$200 million (the “2nd Upsize”) which enabled PosiGen to repay Green Bank and its participants \$12 million loaned to PosiGen to bridge receipt of federal investment tax credit funds, and such 2nd Upsize was consented to by staff by executing an intercreditor agreement (the “Intercreditor Agreement”) with PosiGen, Brookfield and other parties;

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WHEREAS, the Green Bank Board of Directors (the “Board”) previously authorized approval for the impact investing firm ImpactAssets’ participation in an Investment Tax Credit Bridge Loan with a participant contribution of \$2.875 million on June 7, 2023.

WHEREAS, staff has analyzed the current financial condition of PosiGen in relation to the proposed incremental 2nd lien upsize and related financing and has concluded that the additional exposure risk is reasonable and appropriate, and recommends the Board approve the addition of ImpactAssets as a participant with a capital contribution not to exceed \$6,000,000 as more fully explained in the memorandum to the Board dated January 21, 2025 (the “Board Memo”);

NOW, therefore be it:

RESOLVED, that the Board authorizes the Green Bank to upsize the SLCF, adding ImpactAssets, or an alternative investor, as a participant to the 2nd lien facility for PosiGen, not to exceed an additional capital commitment of \$6,000,000, and to extend the availability period accordingly to allow for draws against this facility, as outlined in the Board Memo;

RESOLVED, that the Board authorizes the 2nd Upsize provided by Brookfield in October 2024, and approves and ratifies staff’s consent to the 2nd Upsize and related documentation executed by staff in October 2024;

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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 effect the above-mentioned legal instruments.

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Sungage Financial

Capital Solutions – New Smart-E Lender
January 21, 2025



Document Contents: This document contains background information and due diligence on Sungage Financial ("Sungage") as a new lender in the Smart-E program focusing on solar and solar plus storage projects for residential customers in Connecticut. The information herein is provided to the Connecticut Green Bank Board of Directors for the purposes of reviewing and approving recommendations made by the staff of the Connecticut Green Bank.

In some cases, this package may contain, among other things, trade secrets and commercial or financial information given to the Connecticut Green Bank in confidence and should be excluded under C.G.S. §1-210(b) and §16-245n(D) from any public disclosure under the Connecticut Freedom of Information Act. If such information is included in this package, it will be noted as confidential.

Capital Solutions Investment Memo

To: Connecticut Green Bank Board of Directors

CC: Bryan Garcia, President and CEO; Jane Murphy, Executive Vice President Finance and Administration; Brian Farnen, General Counsel and CLO; Eric Shrago, Vice President of Operations; Sergio Carrillo, Managing Director of Incentive Programs

From: Larry Campana, Associate Director of Investments; Fiona Stewart, Senior Manager of Investments; Bert Hunter, EVP and CIO

Date: January 21, 2025

Re: Sungage Financial – New Smart-E Lender for Solar + Storage focus

Background

In 2013, the Connecticut Green Bank (the “Green Bank”) Board of Directors (the “Board”) approved the Smart-E Loan program, which has since become the Green Bank’s flagship residential loan product. The program is offered through a network of local credit unions and community banks, with past participation from Capital for Change (“C4C”), a community development financial institution. However, in mid-2024, C4C announced a pause in their participation due to capital constraints. While other participating lenders absorbed some of the market demand left by C4C’s exit, they too face constraints, particularly in financing larger projects and offering longer loan terms. Many of these lenders, including the largest participants in the Smart-E network, continue to experience pressure on their capital and deposits, limiting their ability to fully meet market needs.

Additionally, most lenders in the program cannot provide financing for projects in the \$50,000 to \$75,000 range or have restrictive criteria regarding loan terms and borrower qualifications for larger-scale projects. A significant challenge arises for Smart-E borrowers looking to bridge the gap between project costs and the anticipated residential investment tax credit (“ITC”) for solar and battery storage, which was previously addressed by C4C. With their withdrawal, contractors are seeking improved access to capital to meet customer demand for longer-term financing and ITC bridge loans, with solar and solar-plus-storage projects being the most affected segments.

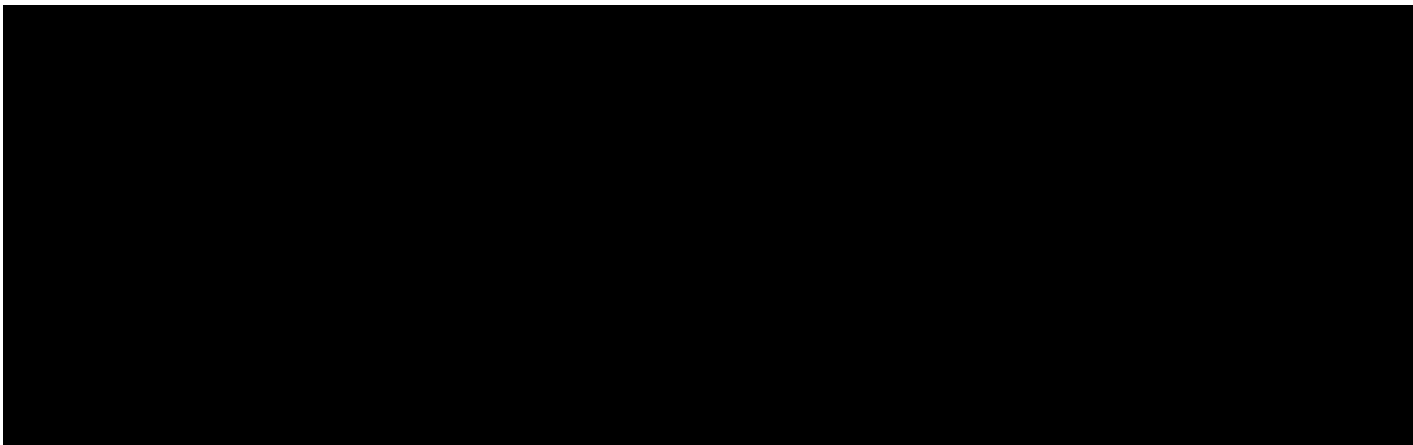
Proposed Solution

The Investments team has sought a solution for the gap and options that would be beneficial to both homeowners and contractors. In Q1 of FY 2025, the Investments team approached Sungage Financial (“Sungage”) to gauge interest in participating in the Smart-E program. The Green Bank has a long history with Sungage as back in 2013, the Green Bank and Sungage launched the CT Solar Loan program. They agreed

and have applied to the Capital Solutions Request for Proposals program in order to enter the Smart-E program with a specific solar and storage carveout as further described on the next page.

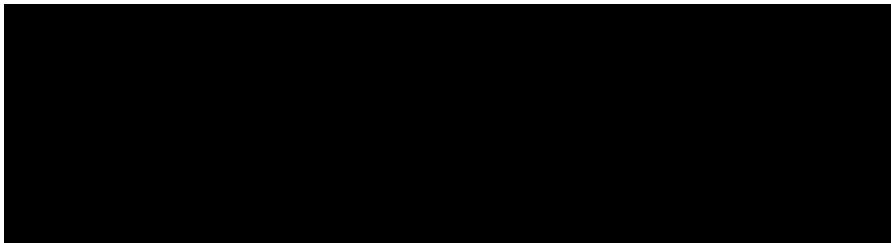
Sungage Financial

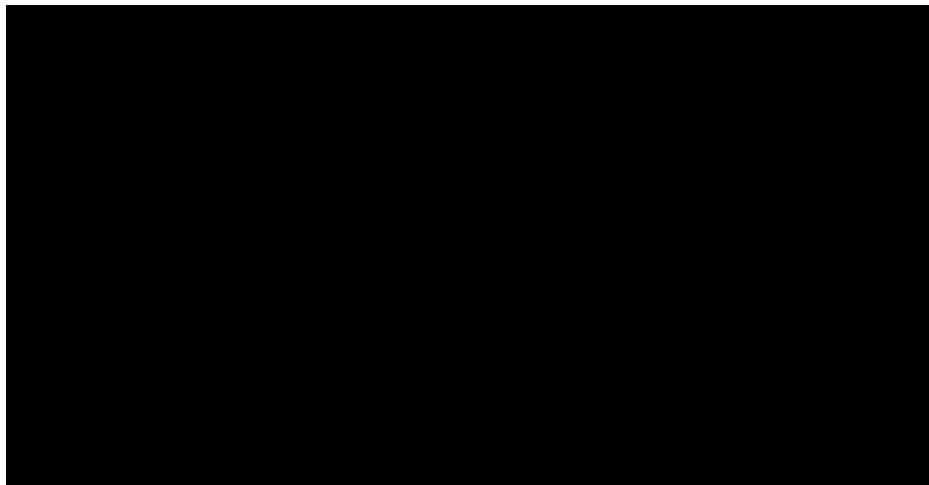
In early 2011, Sungage Financial launched the nation's first online solar loan designed specifically for residential projects after the co-founder, Sara Ross, had struggled to find a lender who understood solar. Sungage focuses exclusively on providing their installer partners and homeowners with seamless, efficient, and highly-supported financing options for solar energy and storage. Since those early days, Sungage has continued to grow but the focus remains the same: delivering consumer-friendly financing options for their installation partners. In her current role as a board member, Sara continues to be a voice guiding Sungage's direction and contribution to the clean energy transition while also connecting us to our roots. In 2018, current leadership, Mike Gilroy and Jim Donovan, joined the Sungage management team, and in 2024, Sungage entered a strategic partnership with the Carlyle Group to support future growth. Currently, Sungage has 107 employees, with offices located in Boston, MA and Oakland, CA. To date, Sungage has facilitated \$1.9 billion in financing across 46,000 loans, totaling over 460 MW of capacity.



Available Rates and Fees

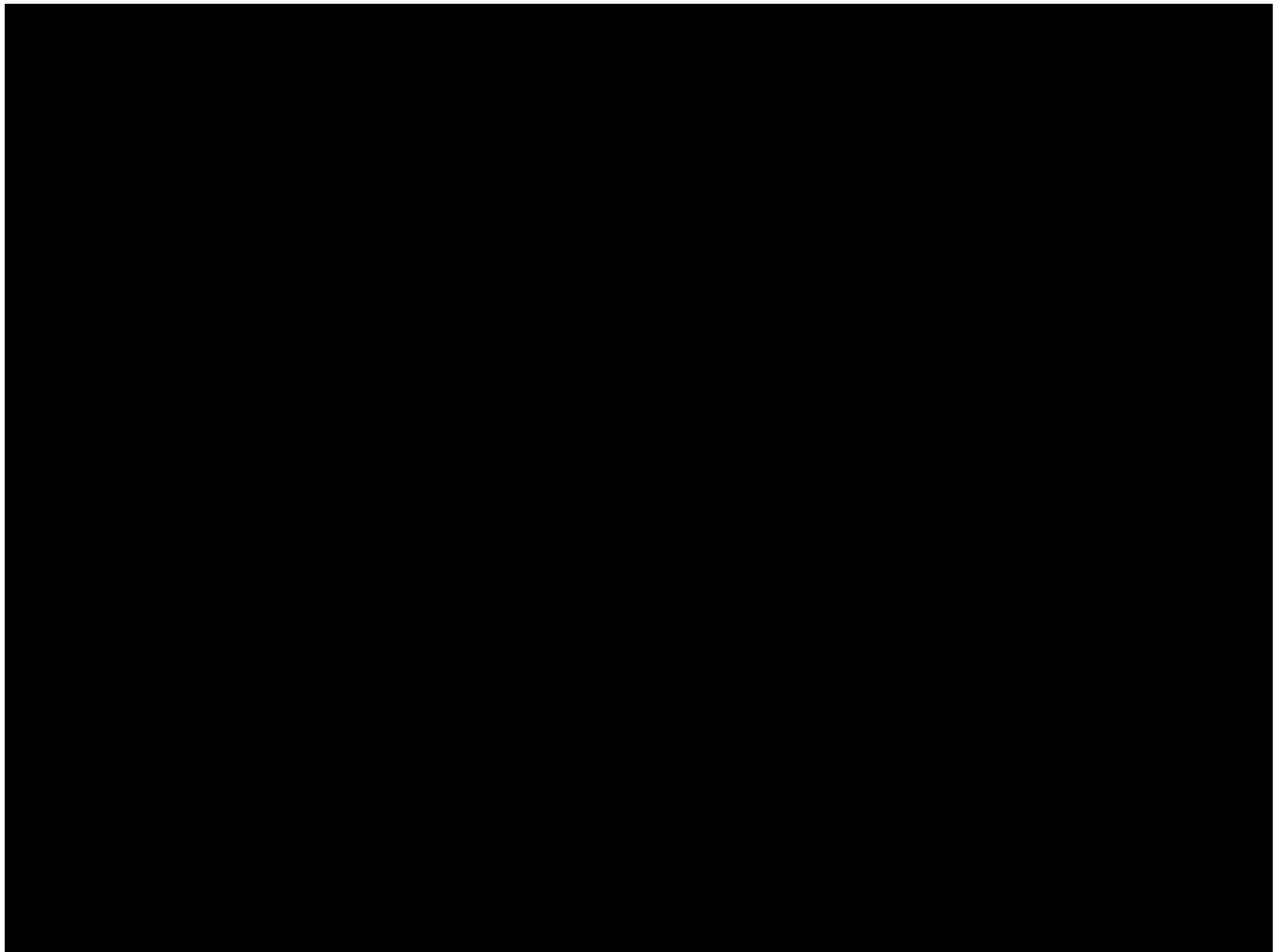
Final fees will be set at go-live based on interest rates at the time of program launch, but with the support of Green Bank funding, the rate that would apply at this time are as follows:

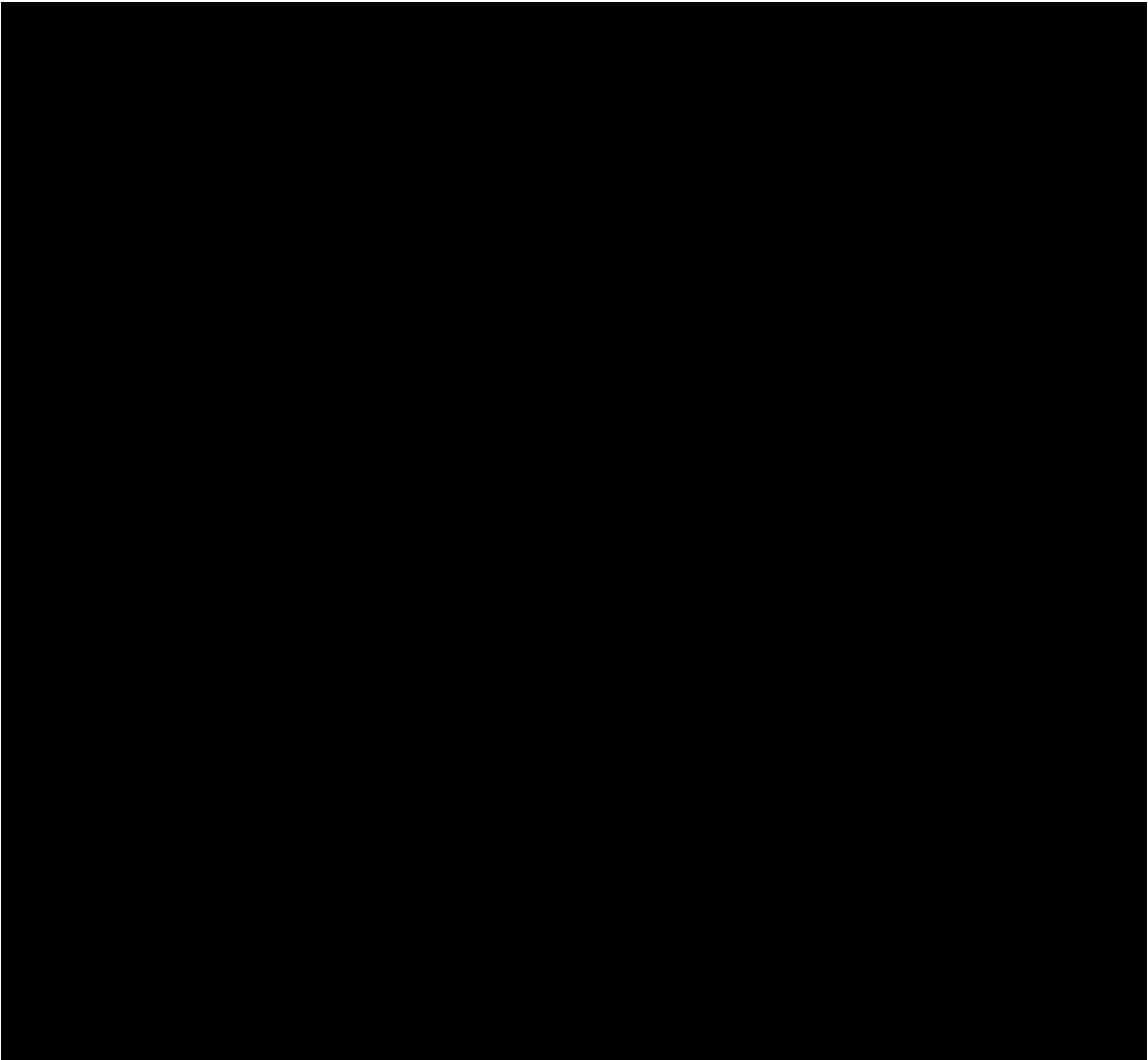




[REDACTED]
[REDACTED]
[REDACTED]

shown in the table above).

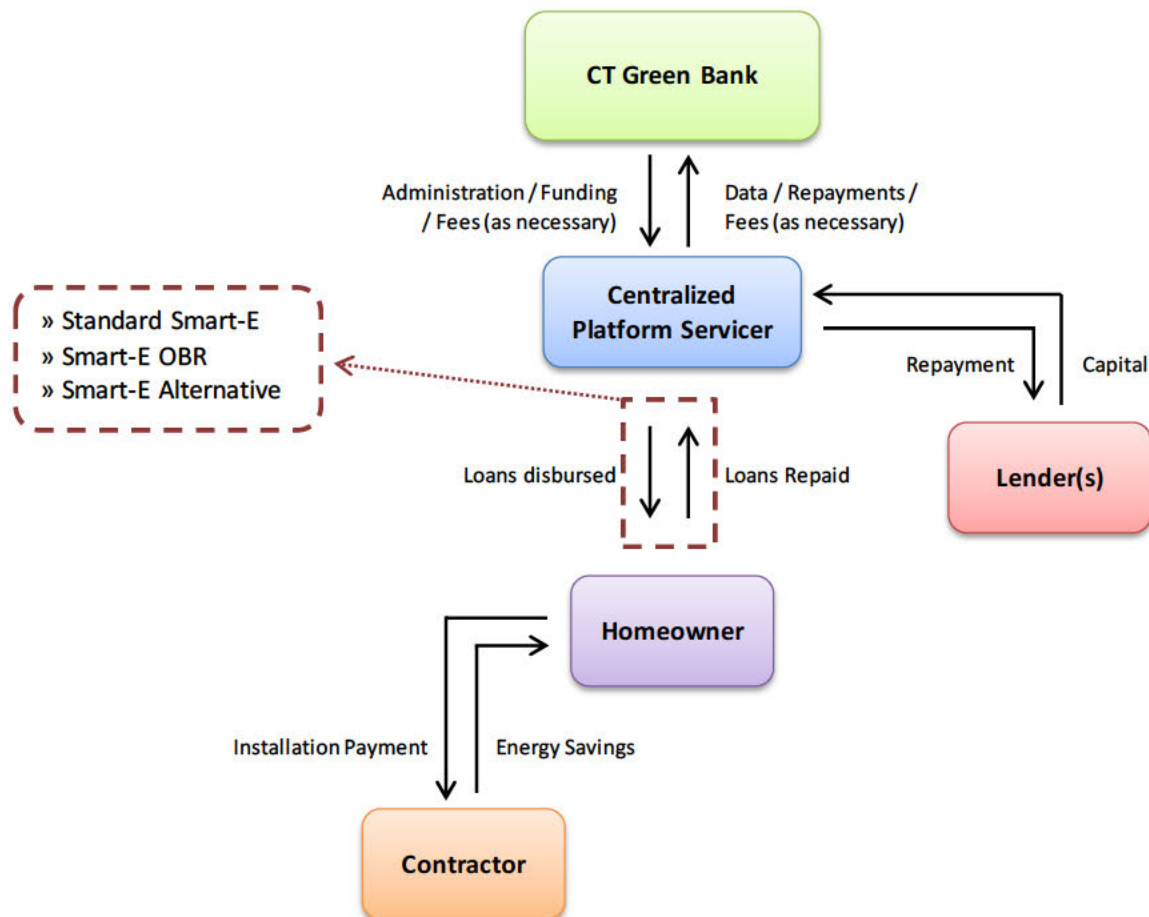




Impact	total approximately 8,949 MWh of electricity per year, offsetting 2,340 tons of carbon dioxide each year.
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Centralized Platform Description

Below is a diagram of the centralized lending platform, designed to support all 3 types of Smart-E product options (Standard Smart-E, Smart-E OBR, and Smart-E Alternative Underwriting):

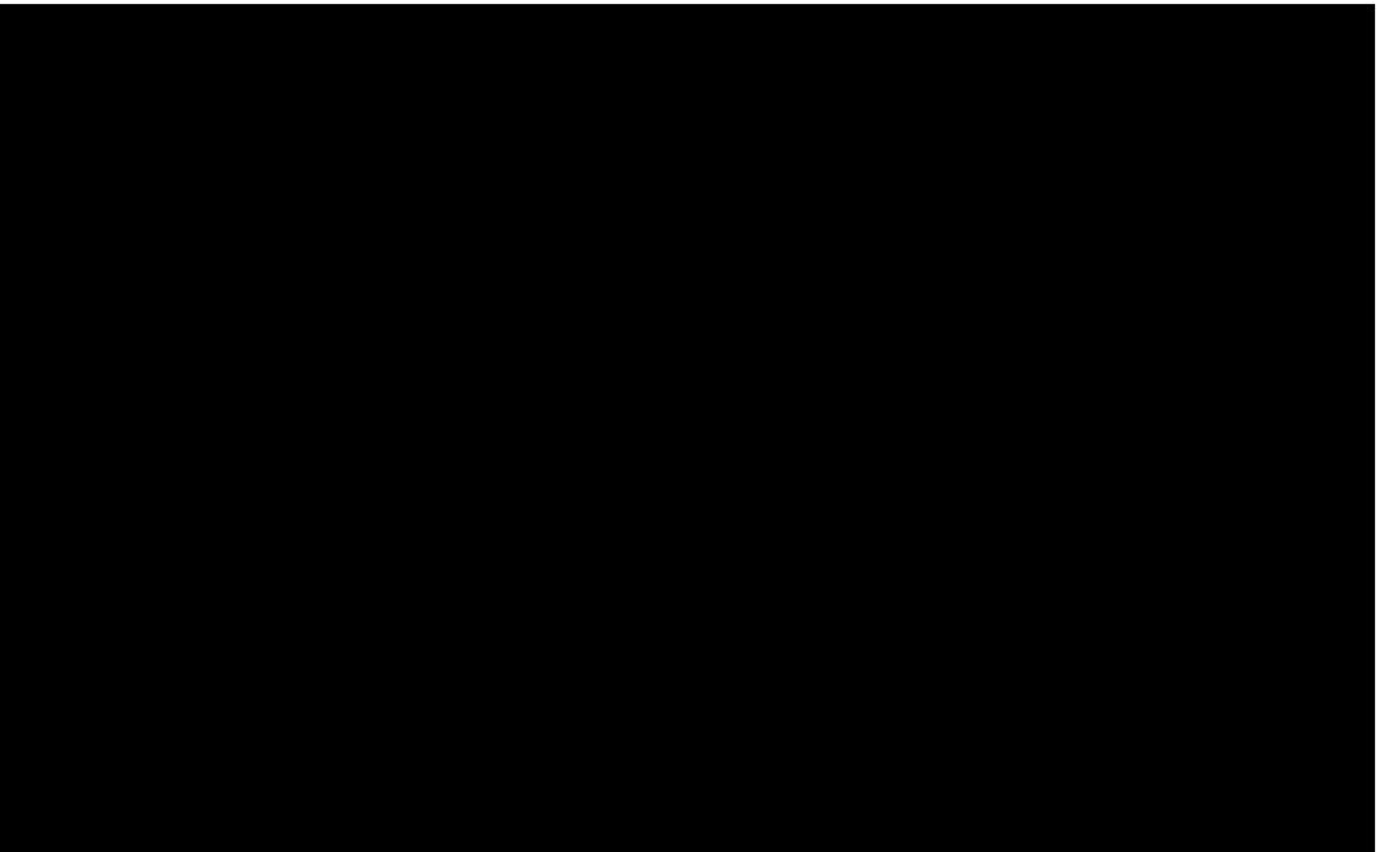
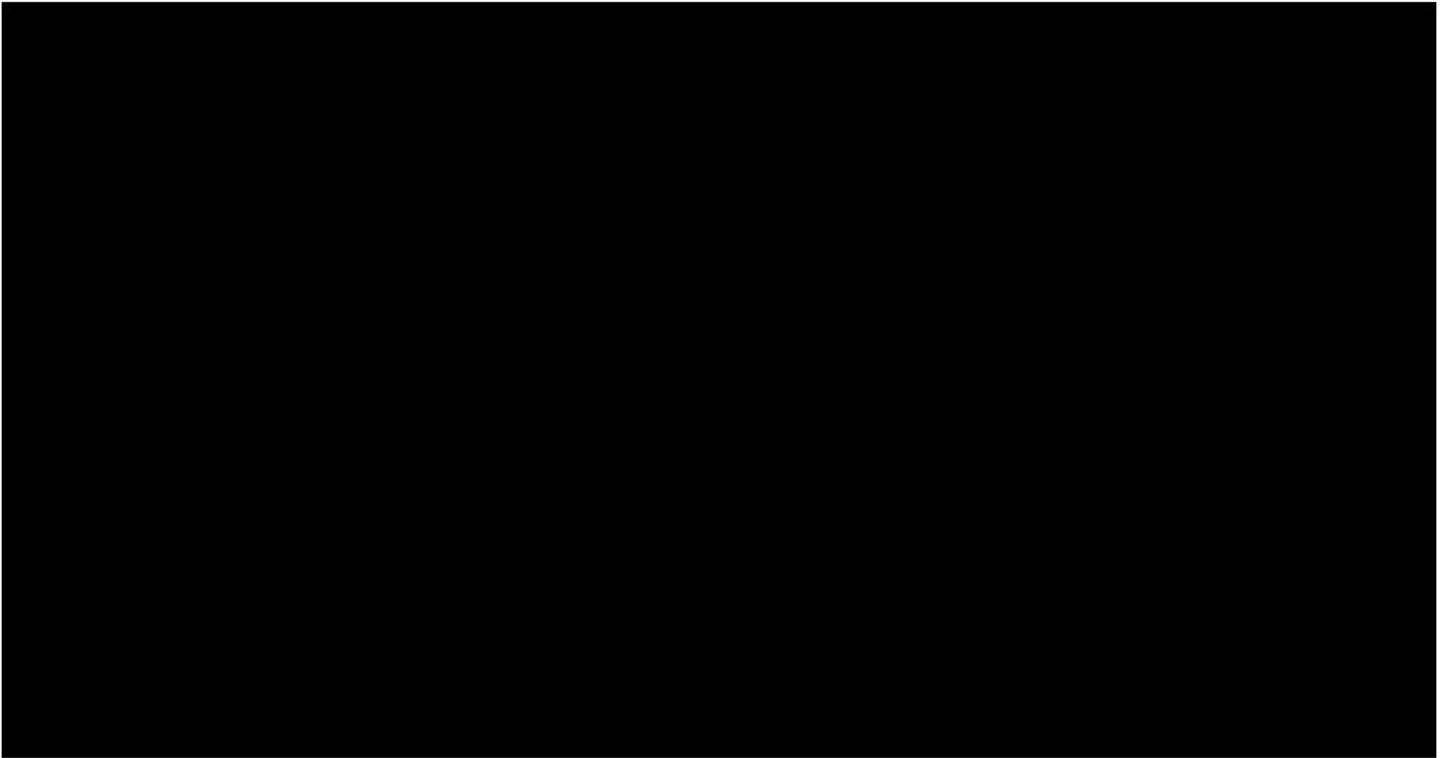


Program partners, and additional responsibilities, for the centralized platform will include:

- **Green Bank:** Administration, oversight of the centralized platform servicer, and potential “seed” funds or aggregation facility for an initial pool of loans (subject to further approval by the Board of Directors)
- **Centralized Lending Platform 3rd Party Servicer:** underwriting, closing and servicing loans, intermediation of loans between pooled capital lenders and customers; loan performance tracking and reporting
- **Financial Institutions/Lenders:** Allocation of capital to centralized lending platform

Risk Assessment

This section is **CONFIDENTIAL in its entirety** and should be used only for the purposes of evaluating Sungage as a potential Smart-E lender.



Capital Solutions

Staff has calculated a score of 25 out of 24, with an additional point included for impact to LMI communities. The application to Capital Solutions “Open RFP” is included as Appendix A. The evaluation form is included as Appendix B.

Request

As Sungage has an established contractor network within Connecticut along with a willingness to expand that network in order to provide residential homeowners a greater solar and storage loan solution, Green Bank staff recommends approval of Sungage’s application to be a Smart-E lender participant with their proposed program details. If any of the terms and conditions materially change or evolve, staff will bring back this proposal at a later Board meeting.

Approval for a new Green Bank credit facility with Sungage and its capital partners of \$10 million (“Sungage Loan”) secured to a \$33.3 million initial pool of loans. The source of repayment for the Sungage Loan will be the proceeds from consumer loan payments of the Sungage Connecticut loan portfolio and Sungage equity. Structurally, the Green Bank would be on equal security footing as Sungage’s capital partner (effectively a co-funding arrangement). However, to enable loans that fund at approximately the Smart-E rates, Green Bank would fund its purchase at 4%, which is below the rate of Sungage’s capital partners which typically receive approximately 2% over the relevant US Treasury benchmark (or roughly 6.5% under recent capital market conditions).

Staff is enthusiastic that this co-funding with Sungage’s capital partners will increase deployment of solar PV and battery storage in the Connecticut marketplace and recommends approval.

Resolutions

WHEREAS, the Connecticut Green Bank (“Green Bank”) developed the Smart-E Loan program with financing agreements with various credit unions and community banks,

WHEREAS, the Smart-E Loan continues to be a tool for Connecticut homeowners to finance clean energy measures to reduce their energy burdens;

WHEREAS, the Sungage Financial has applied to the Capital Solutions Open Request for Proposals in order to enter the Smart-E Loan program as a solar and storage lender,

WHEREAS, Sungage and Green Bank have had a history of successful collaboration dating back to 2013 with the original solar loan;

NOW, therefore be it:

RESOLVED, that the Board approves a loan in an amount not to exceed \$10 million dollars from the Green Bank balance sheet in support of Smart-E Loans in partnership with Sungage generally consistent with this memorandum dated January 21, 2025 as a Capital Solutions Project;

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 effect the 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 negotiate and deliver all other documents and instruments as they shall deem necessary and desirable to effect the above-mentioned legal instruments.

Submitted by: Bert Hunter, EVP and CIO

Appendix A- Capital Solutions Application

This Program Description is non-binding and is only a statement of the current intentions of the parties hereto and is not intended to otherwise create, and shall not create, any legally binding obligations. Subject to the foregoing, this Program Description does not constitute an agreement or commitment of any person to negotiate, enter into or consummate any transaction, including the transactions contemplated hereby. The transactions and the terms contemplated by this Program Description are subject to, among other things, the execution of definitive transaction documentation with terms and conditions consistent with this Program Description and otherwise mutually agreed by the parties hereto.

Description of Program

Sungage offers financing for residential solar energy projects in Connecticut through a network of local solar installers. With current interest rates and cost of funds, Sungage has seen limited volume in Connecticut in recent years, despite long-term relationships with the Connecticut Green Bank and a network of local installers.

With the support of the Connecticut Green Bank through the Smart-E program, Sungage will be able to offer attractive financing options to Connecticut homeowners, combining a streamlined fintech experience and homeowner-friendly treatment of the federal tax credit with the low interest rates available through the Smart-E program.

Sungage Corporate Overview

Founded in 2011, Sungage Financial originates residential solar loans through an issuing bank partnership model. Sungage has a network of solar installers throughout the United States which offers Sungage financing to their homeowner customers.

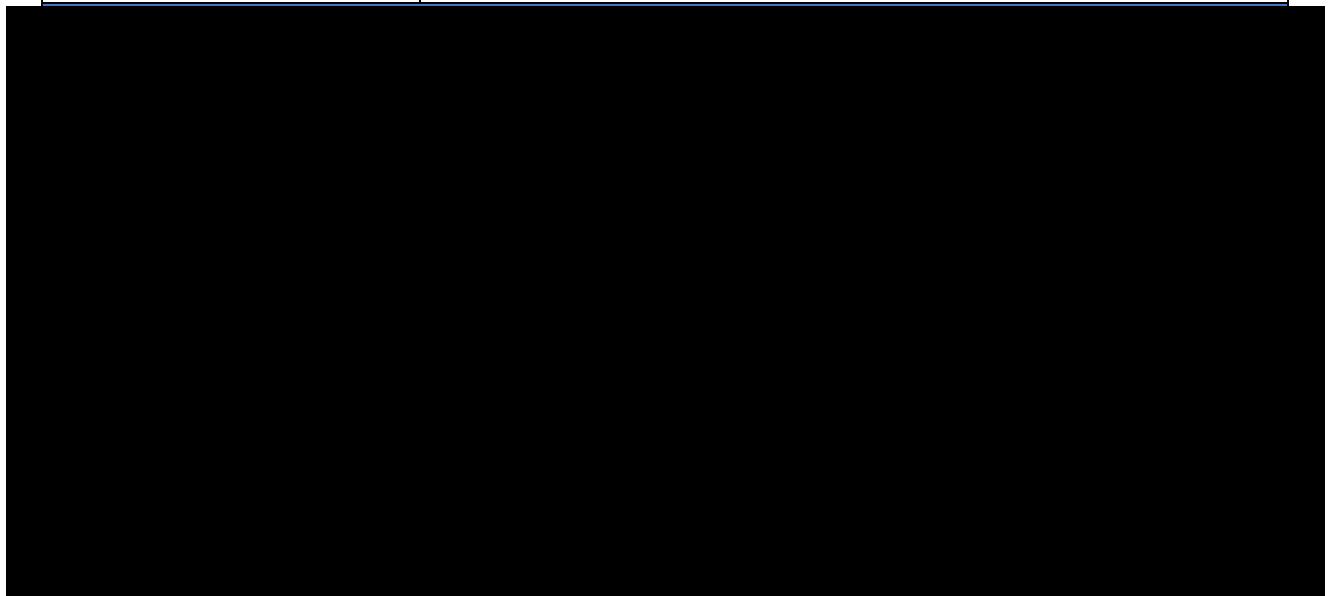
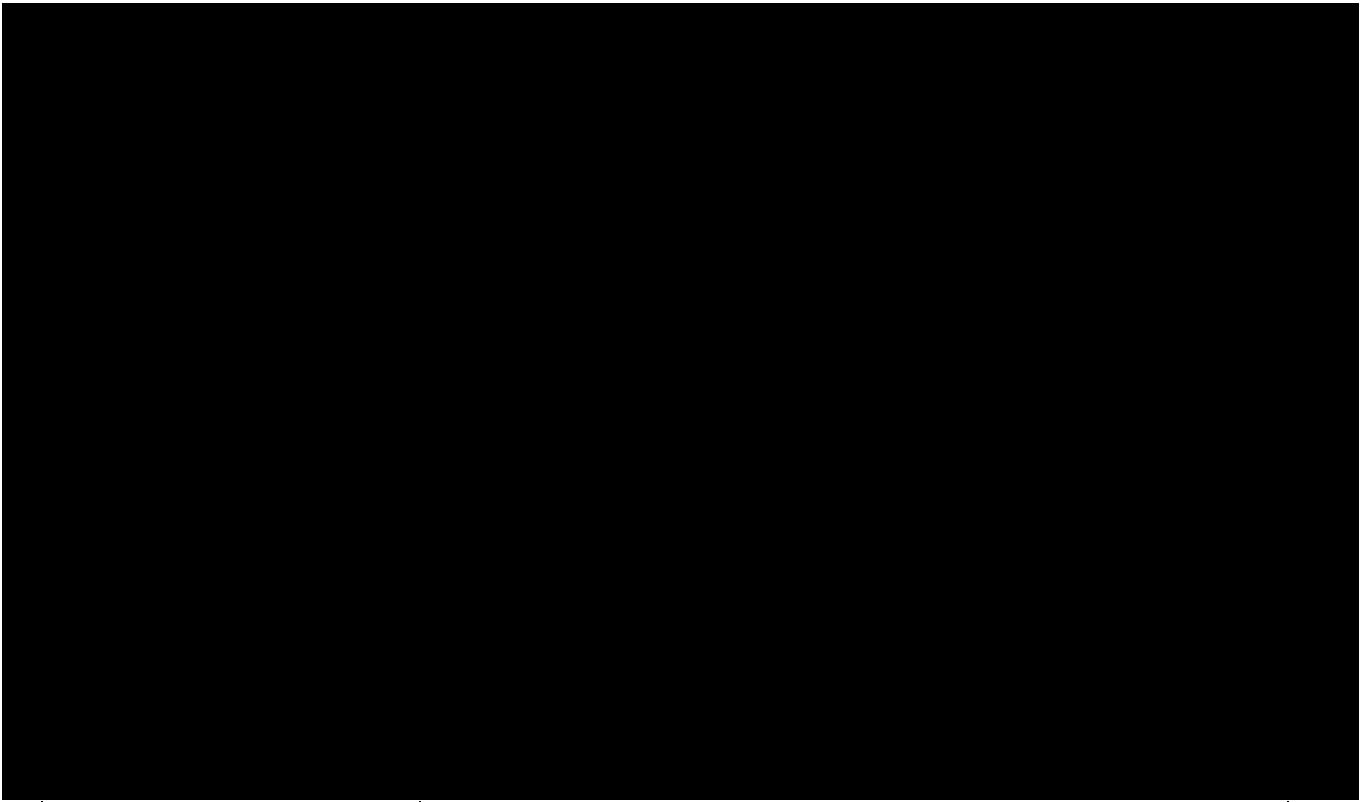
Currently, Sungage has 107 employees, with offices located in Boston, MA and Oakland, CA. To date, Sungage has facilitated \$1.9 billion in financing across 46,000 loans, totaling over 460 MW of capacity.

Key personnel:

- Mike Gilroy (CEO) - Mike has over 20 years of experience growing specialty finance businesses by working closely with channel partners. Mike's involvement with solar began as an investor and board observer for Sungage in 2015. Prior to that, Mike was the CEO of Springstone Financial, a health care financing business he co-founded that was acquired by LendingClub. Springstone partnered with over 20,000 medical and dental practices to provide affordable payment options up to \$50,000. Prior to Springstone, Mike led the scale up of AmeriFee, a patient financing business that was acquired by Capital One. Earlier in his career, he held sales, marketing, and business development positions at Corning Inc. and Dentsply International. Mike holds an MBA from the Kellogg School of Management at Northwestern University and a Bachelor of Science degree from the University of Notre Dame.
- John King (CFO) - John has an extensive background in the residential solar industry and more than 25 years experience in capital markets, corporate development, treasury and strategy. Having held several senior positions within the solar and fintech spaces, John utilizes this

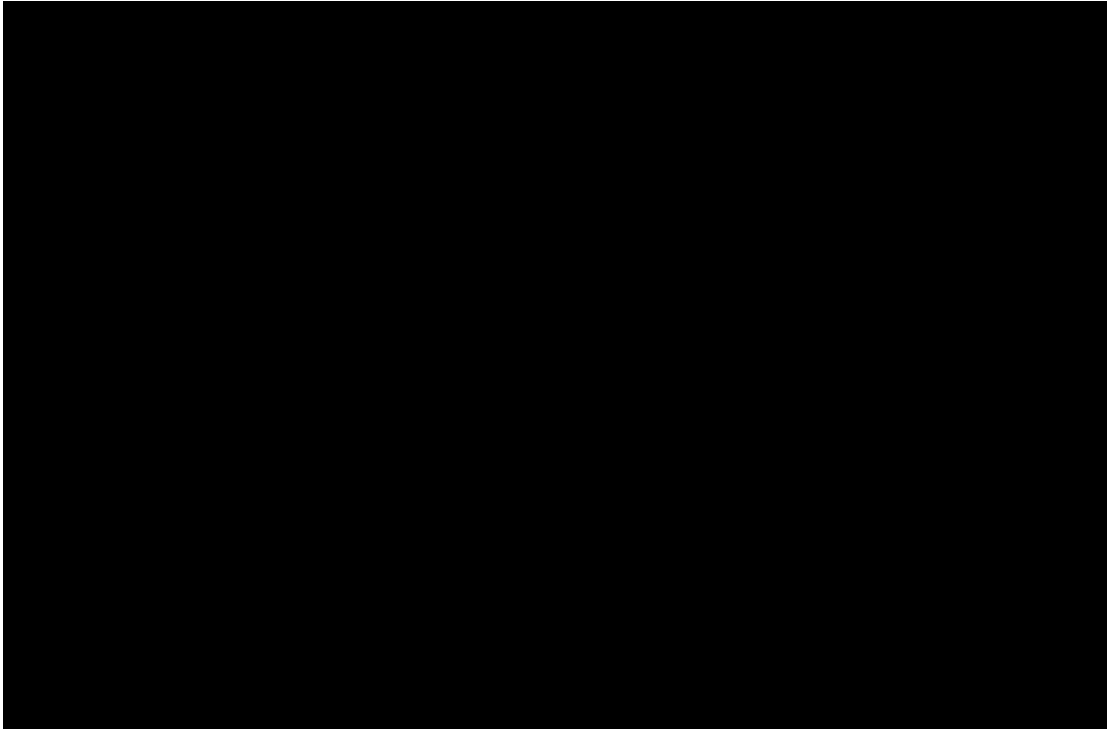
experience and his strong business acumen to drive Sungage's mission forward and create lasting value for our installer partners and homeowners, while supporting the global clean energy transition. He holds a Bachelor's degree in Economics and Managerial Studies from Rice University and an MBA from the University of Chicago Booth School of Business and is a Chartered Financial Analyst.

- Jim Donovan (COO/Chief Risk Officer) - Jim is a fintech entrepreneur with extensive experience in managing operations, risk, and working with bank partners. Jim was a co-founder of Springstone Financial, Premier Payment Solutions, and AmeriFee and held credit positions at Capital One and LendingClub. He has had a successful career working in operations and finance for the past 25 years. Jim holds a master's degree from Boston College.
- Mike Giles (CTO/Chief Product Officer): Mike is a serial entrepreneur who has focused on conceptualizing, creating and delivering successful software products for the past 20 years. Those products have ranged from enterprise content management, business process automation, and cloud-based, mobile communications to consumer social bookmarking and travel meta search. In addition to founding several companies, including Otalo and Furl (sold to LookSmart), Mike has advised startups, helped grow Vitria from an early startup to a multibillion-dollar public company, and raised four children. Mike holds a bachelor's degree in physics from Oberlin College.
- Cam Kackley (Senior Manager, Capital Markets) - Cam has worked at Sungage for over 9 years, across the customer service, operations, and product teams, focusing on finance and capital markets over the last three years. Cam holds a Bachelor's degree in Economics from University of Massachusetts Amherst.
- Peter Geraigiry (Director of Financial Operations) - Peter has over 15 years of finance experience in senior managerial roles across major banks and buy-side institutions. He spent most of his career at Barclays managing operations for various trading businesses, focusing on foreign exchange and interest rate derivatives. Most recently, he was Vice President of Capital Markets at Brookfield Asset Management, centrally leading operations for their global hedging program. Peter grew up in New York and received his bachelor's degree in economics from New York University. He continues to live in the area with his wife, two daughters, and their dog Jojo, and he enjoys beach outings, hiking, and camping trips with his family.



Available Rates and Fees

Final fees will be set at go-live based on interest rates at that time



Appendix B- Capital Solutions Open RFP Evaluation

Capital Solutions Open RFP Evaluation

Proposal:

Sungage Smart-E

Criteria	Rating	Explanation	Score
1 Meeting Green Bank Goals – how well does this project align with the Green Bank's goals?	High	Smart-E consistently exceeds goals for capital deployment and CO2 emissions.	3
2 Green Bank Essentiality – to what extent is participation by the Green Bank essential to the success of the project?	High	Green Bank is the only organization that could use the Smart-E program to expand reach of solar financing through our Contractor Network.	3
3 Project Feasibility – How feasible is the project to achieve its stated goals?	High	High probability of feasibility through demonstrated success in both solar lending and Smart-E.	3
4 Project Replicability – Could a similar project be replicated in Connecticut or elsewhere, or is this a unique opportunity?	High	Yes. This expansion of solar financing to Connecticut homeowners through Smart-E could be replicated by Sungage through our Contractor Network.	3
5 Relevant Experience – Does the proposer offer relevant and sufficient experience for	High	10+ years of residential solar financing.	3

	the type of project being proposed?			
6	References	High	Connecticut Green Bank uses its direct and long duration partnership as evidence of Sungage's ability to execute the terms of this proposal.	3
7	Pending Litigation	High	No pending litigation.	3
8	Management and character review	High	Respected as a leader in solar lending.	3
Bonus Points		Rating	Explanation	Score
1	Project benefits LMI or underserved communities	Applicable	Staff believes the past success of Smart-E to exceed LMI goals demonstrates the ability to Sungage's financing to reach these customers.	1
2	Project benefits communities with environmentally hazardous areas, such as superfund sites	N/A		0
TOTAL SCORE		Pass		25/24

Scale Microgrid Solutions LLC – Solar and Energy Storage Portfolio Syndication

A Portfolio Debt Financing Capital Solutions RFP Response

January 21, 2025



Document Purpose: This document contains background information and due diligence on proposed credit facilities for a portfolio of solar and energy storage projects developed and owned by Scale MicroGrids LLC. The information herein is provided to the Connecticut Green Bank Board of Directors for the purposes of reviewing and approving recommendations made by the staff of the Connecticut Green Bank.

In some cases, this package may contain, among other things, trade secrets and commercial or financial information given to the Connecticut Green Bank in confidence and should be excluded under C.G.S. §1-210(b) and §16-245n(D) from any public disclosure under the Connecticut Freedom of Information Act. If such information is included in this package, it will be noted as confidential

Capital Solutions Financing Memo

To: Connecticut Green Bank Board of Directors

From: David Beech, Senior Manager, Investments; Bert Hunter, EVP & CIO;

Cc: Bryan Garcia, President & CEO; Brian Farnen, General Counsel & CLO; Eric Shrago, VP Operations; Jane Murphy, EVP of Finance and Administration

Date: January 21, 2025

Re: Scale Microgrid Solutions LLC – Solar and Energy Storage Portfolio Syndication

Capital Solutions Request

The purpose of this memorandum is to request Connecticut Green Bank (“Green Bank”) Board of Directors (the “Board”) approval of: (1) Green Bank’s participation, not to exceed \$10 million in aggregate, in a \$125.2 million senior construction loan facility (the “Construction Loan”) and \$141.3 million tax equity Bridge Loan (the “Bridge Loan”) with other senior lenders including KeyBanc (the “Lead Arranger”) (together with Green Bank, being the “Senior Lenders”), and (2) Green Bank’s participation, not to exceed \$10 million, in a \$118.5 million term loan facility (the “Term Loan”, together with the other loans the “Credit Facilities”), with respect to a 137.8MW portfolio of solar PV (90.1MW), battery energy storage (42.5MW), and combined heat and power / natural gas generation (5.3MW) projects (together the “Portfolio”). Included in the Portfolio are 8 battery energy storage projects in Connecticut totaling 33.3MW (the “Connecticut Projects”). To be clear – overall exposure to the Portfolio by the Green Bank will not exceed \$10 million at any point in time (as the Construction Loans and Bridge Loans precede the Term Loans, as explained below).

Summary

Scale Microgrids is an integrated distributed energy resource technology and finance company focused on providing solutions to commercial and industrial customers, developers, and utilities. They are seeking financing to support the construction of community solar, combined heat and power (“CHP”) microgrid, and battery energy storage projects across the United States. The Portfolio includes 33 distributed generation assets, including 8 projects in Connecticut. KeyBanc Capital Markets, Inc. (“KBCM” or “KeyBanc”) has been selected as Coordinating Lead Arranger and Administrative Agent to arrange \$289.2 million of Senior Secured Credit Facilities. We understand the New York Green Bank will also be participating in this facility as several projects are in New York. \$22.7 million of that financing comprises letters of credit, which the Green Bank will not participate in. The Credit Facilities also include the Construction Loan, Bridge Loan, and Term Loan which staff is seeking approval to participate in.

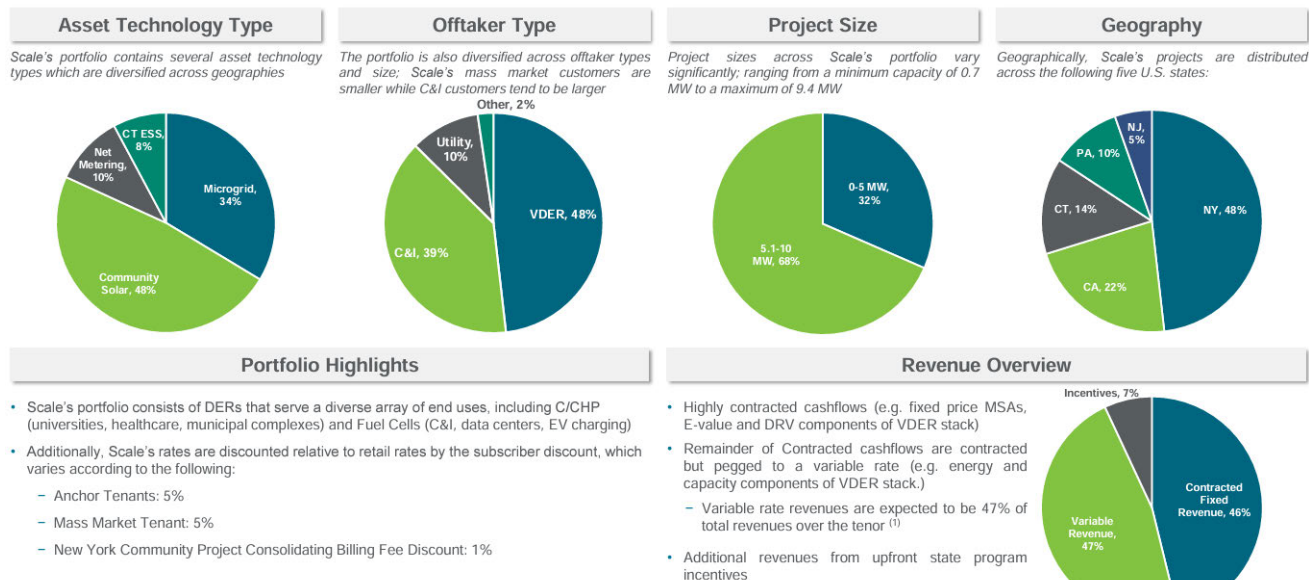
Portfolio Background – Highlights

Portfolio Summary

The 33 Projects range in size from 0.7MW to 10MW with 68% of projects in the 5-10MW range. The Projects are located in New York, California, New Jersey, Pennsylvania, and Connecticut. Connecticut projects represent 14%

of total projects in the Portfolio and 18% of the Portfolio by project costs. A breakdown of the portfolio is presented in the chart below.

Projects developed by Scale serve a variety of industries, and are diversified by asset technology type, offtaker type, size, and geography



Note: Pie chart calculations based on percentage of term loan sizing
1) During the first 20 years of operation

Confidential

21

Portfolio – Construction & Draw Schedule

Draw Schedule											
Calendar Year Quarter	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3
Project Capex	919,903	11,998,405	9,431,330	27,764,245	30,304,546	41,605,634	49,645,946	32,923,328	34,221,306	20,706,153	499,011
MIPA Closing Costs	-	50,642	30,000	145,594	8,254	-	-	-	-	-	-
Custom Capex	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditures	\$919,903	\$12,049,047	\$9,461,330	\$27,909,838	\$30,312,799	\$41,605,634	\$49,645,946	\$32,923,328	\$34,221,306	\$20,706,153	\$499,011
Financial Closing Costs	-	-	-	-	3,909,809	5,337,160	269,906	-	-	-	-
IDC and Commitment Fees	-	-	-	-	-	-	36,097	107,326	1,418,938	4,084,025	724,506
Structuring Fees	-	-	-	-	-	-	49,361	179,530	1,158,741	3,065,183	553,511
Refi Term Loan Upfront Fee	-	-	-	-	-	-	-	-	-	-	-
Total Financing Costs	-	-	-	-	\$3,909,809	\$5,337,160	\$355,364	\$286,856	\$2,577,680	\$7,149,208	\$1,278,017
Total Capex and Financing Costs	\$919,903	\$12,049,047	\$9,461,330	\$27,909,838	\$34,222,608	\$46,942,795	\$50,001,310	\$33,210,184	\$36,798,985	\$27,855,361	\$1,777,027
TEBL Funding	-	-	-	-	38,229,682	70,499,575	25,680,177	6,625,682	235,856	-	-
CL Funding	-	-	-	-	1,171,167	5,150,458	26,142,686	26,584,502	36,563,129	27,855,361	1,777,027
Total Funding	-	-	-	-	\$39,400,849	\$75,650,033	\$51,822,863	\$33,210,184	\$36,798,985	\$27,855,361	\$1,777,027

Projects in the Portfolio are in various stages of development and construction, with all projects expected to reach substantial completion by the end of the 3rd quarter of 2026. The chart above shows the expected draw schedule for the Construction Loan and Bridge Loan

Connecticut Projects

The Portfolio features 8 battery energy storage projects in Connecticut. They total 33.3MWs of dispatchable power, and \$55M of capital costs. See the table below for a breakdown of project sizes and a timeline of expected construction milestones for the Connecticut Projects. All 8 projects will be participating in the Green Bank's Energy Storage Solutions Program ("ESS"). As program participants, the Connecticut Projects will receive an upfront incentive from the Green Bank in exchange for participation in passive dispatch events to support demand reduction. Participation in the program also provides the opportunity to receive incentives for participating in active dispatch events. The Connecticut Projects will support property owners, when not dispatching, including Guilford High School and industrial manufacturers like Accel International, Taylor & Fenn, Rex Forge and others.

Deal Name	Total MW	Total MWh	State	Utility	Utility Credit Rating	Capex	NTP	MC	SC
CPower - Guilford High School	1.9	3.9	CT	Eversource	IG	\$3.4	4/30/2025	3/31/2026	6/30/2026
CPower - Numa Tool	1.9	3.9	CT	Eversource	IG	\$3.1	4/30/2025	3/31/2026	6/30/2026
CPower - Ragozzino Ames	1.9	3.9	CT	Eversource	IG	\$3.5	3/31/2025	2/28/2026	5/31/2026
CPower - Ragozzino Chamberlain	1.5	3.1	CT	Eversource	IG	\$2.2	3/31/2025	2/28/2026	5/31/2026
CPower Accel International - Cheshire CT	5.3	10.6	CT	Eversource	IG	\$9.9	2/28/2025	12/31/2025	3/31/2026
CPower Accel International - Meriden CT	5.3	10.6	CT	Eversource	IG	\$9.8	2/28/2025	12/31/2025	3/31/2026
CPower Taylor & Fenn - Windsor CT	7.7	15.4	CT	Eversource	IG	\$11.7	2/28/2025	12/31/2025	3/31/2026
Rex Forge - MSA	7.7	15.4	CT	Eversource	IG	\$11.0	3/31/2025	2/28/2026	5/31/2026

Project – Sources and Uses

During construction, the projects will be funded by 89% debt, to be provided by the lenders. Scale must provide equity funding equal to at least 10% of the Portfolio costs.

Last year, Scale closed on a tax equity commitment of ~\$150M with Truist Bank for the Portfolio. This commitment, when fully funded, will be used to retire the Bridge Loan. That repayment will coincide with the conversion of the Construction Loan to the Term Loan.

Sources & Uses			
Sources of Funds		Uses of Funds	
Construction Loan Funding	125,244,330	Total Capex Costs	276,824,621
TEBL Funding	141,270,973	Total Financing Costs	11,377,219
Equity During Construction	31,203,412	Total Closing Costs	9,516,875
Total Sources:	\$297,718,715	Total Uses:	\$297,718,715

Portfolio – Tax Equity Closing & Debt Facility Progress

In 2024, Scale closed a tax equity commitment with Truist Bank for the Portfolio. The proposed investment is a partnership flip structure which is the most common tax equity investment structure and a familiar one to the Green Bank. The borrower of the Credit Facilities will be a holding company (the Class B member) that owns Class B interests in the tax equity partnership which in turn owns the project companies. An organization chart is provided below in the "Capital Flow Diagram & Tables" section for further clarity. After the tax credit recapture period ends (approximately 5.5 years from closing), the tax equity investor will likely exit the tax equity

partnership and their ownership will “flip” to the Borrower (i.e., the Class B member). To complete the capital stack for the Project, Scale has been working with KeyBanc to structure debt facilities for the Project, per the terms discussed in this memo. Staff is bringing forward Green Bank’s participation in the Credit Facilities for approval from the Board which will enable the Green Bank to close and fund its participation along with the other senior lenders and support the battery storage projects under the Energy Storage Solutions program. This funding would represent the Green Bank’s first funding at scale of commercial battery storage projects.

Project Investment/Risk Profile

From Tax Equity, Sponsor Equity, and the Lenders’ perspective, the Portfolio carries key attributes that make it an attractive asset. Below are key investment attributes, though an extensive list of risks and mitigants to the Green Bank’s position are discussed further in the sections below:

- **Construction & Technology Risk:** Scale has significant experience developing and operating distributed energy projects of the same size and technology as the projects in the Portfolio. Scale’s recent acquisition by EQT (see the “EQT” section for more details) offers them greater access to capital and expertise, providing additional confidence to lenders that they will be able to execute the construction of the projects effectively and on time. Additionally, the Portfolio technology and construction plans were analyzed by an independent engineer in a technical due diligence report (further details below).
- **Development & Siting Risk:** Scale has site control for the community solar and battery-only projects. For the microgrid projects, site control is executed along with the signing of the microgrid service agreement (“MSA”). Currently six of the microgrid projects have signed MSAs and four remaining projects are in process to sign MSA’s in the first half of 2025.
- **Credit/Repayment Risk:** Keybanc has adjusted the debt service coverage ratio (“DSCR”) used to size the term loan for each of the revenue arrangements to reflect the varying credit risk of the offtakers¹. Scale has also purchased credit insurance that is explained further in the section below titled “Credit Risk - Insurance”.

Construction and Tax Credit Bridge Loans

Summary Terms and Conditions

The Construction Loans for the Portfolio are comprised of a \$125.2 million senior secured construction loan and a \$141.3 million federal investment tax credit Bridge Loan. The Construction Loan will be repaid when it is converted to the Term Loan after each Project achieves commercial operations. The Tax Credit Bridge Loan will have a term of 18 months and will be repaid with the proceeds of the tax equity investment from Truist Bank. The Bridge Loan is sized at 95% of the committed tax equity investment.

The Construction and Bridge Loans will be disbursed on a pro-rata basis along with the other lenders and all senior lenders including the Green Bank will be pari passu (i.e., equal priority to security and collateral). The independent engineer for the Portfolio, Black and Veatch, will review construction progress and monthly issue a certificate as a condition precedent to each disbursement. The certificate will indicate that the debt

¹ “Offtaker” will be used throughout to refer to entities that will be paying Scale for energy services provided by the projects, whether or not they are directly receiving those services.

disbursement will be used for project costs, that construction remains on time, and that the budget is being met without cost overruns. A summary of Black and Veatch's expertise and experience managing construction projects is included later in the memo.

Together the Construction and Bridge Loans are sized at 89% of the Portfolio costs at the end of construction. The Construction Loan will have an interest rate of SOFR + 2.375% (6.66% as of 1/15/2025) and the Bridge Loan will carry an interest rate of SOFR + 1.75% (6.03% as of 1/15/2025).

Until the Construction Loan is converted to the Term Loan and the Bridge Loan is retired, both facilities will be secured by a first priority perfected security interest in 100% of the membership interests in the Project Company and substantially all assets of the Project Company. Thereafter, security is via a traditional back leverage structure whereby the lenders are secured via a security interest in the membership interests held by Scale in the Class B member. This funding structure has been used in dozens of financings supported by the Green Bank for solar PV project financing.

Term Loan Facility – Liberty Bank & Green Bank

Summary Terms and Conditions

The Term Loan facility will be \$118.5 million. Staff is proposing a Green Bank participation of \$10 million in this facility. Keybanc is working with other lenders to complete the facility. The Term Loan will carry an interest rate of SOFR + 2.375% in the first four years before increasing to SOFR + 2.50% in year 5. The Term Loan will have a 5-year term with a balloon payment at maturity. The annual debt service payments are sized based on the DSCR applicable to cashflows from each project, and the Term Loan was sized so that the annual debt service payments would fully amortize the loan after 22.5 years. At the end of the 5-year term, 67% of the original principal balance is expected to remain outstanding. The most likely post-maturity scenario contemplated by staff is a 5-year extension of the facility using similar debt sizing criteria.

Project & Financing Stakeholders

Scale Microgrid Solutions LLC

Scale is a Ridgewood, New Jersey-based vertically integrated distributed energy company with a core focus on designing, building, financing, owning and operating distributed energy assets. Founded in 2016, Scale currently operates over 70MW of Solar, Battery, Genset, and CHP projects, with a \$4.7B development pipeline. Scale has an experienced management team with over 80 years of combined experience in the construction and operation of renewable energy assets. The Green Bank has an existing loan facility with Scale (via its acquisition of the original project assets from the original borrower), which was used to finance the development of the first microgrid funded by the Green Bank in Bridgeport that provides mission critical resilience to 3 municipal buildings, including a police station and senior center. Scale will serve as the sponsor/owner for the Bridgeport Thermal project, and the ultimate owner of the Fuel Cell.

KBCM/KeyBank

KBCM is a subsidiary of KeyBank, a publicly traded company that provides banking, investment banking, and financial services. KBMC serves as lead arranger for this portfolio, and KeyBank is the Administrative Agent, Collateral Agent, Depositary Bank, and a lender. KBCM provides investment banking and innovative capital markets solutions and has been active in the renewable energy industry for many years, including multiple financings with Scale. KeyBank has committed more than \$25 billion to the utility, power and renewable energy sector since 2007.

Black & Veatch

Black & Veatch is a global engineering, procurement, consulting, and construction company specializing in infrastructure development. Founded in 1915, and 100% employee owned, the firm ranked #3 in Engineering News Record's Top Design Firms in Power. The company has completed over 50 GW of solar projects and 700+ distributed energy projects. Black & Veatch is serving as the Independent Engineer for the Portfolio.

WoodMackenzie

WoodMackenzie is a leading global provider of data and analytics solutions for the renewables, energy and natural resources sectors. Their services include data, analytics, events and consultancy. They have a team of over 2,300 experts across more than 30 global locations who cover the entire supply chain. WoodMackenzie is providing electricity market forecasts for the Portfolio.

Truist Bank

Truist Bank is a top 10 U.S. commercial bank, with assets of more than \$500B, headquartered in Charlotte, North Carolina. Truist was formed in 2019 after the merger of BB&T and SunTrust banks. Truist Bank will provide the tax equity investment for the Portfolio.

EQT Group

EQT is a purpose-driven global investment firm with EUR \$246 billion in total assets under management, divided into two business segments: private capital and real assets. EQT owns portfolio companies and assets in Europe, Asia Pacific, and the Americas and supports them in achieving sustainable growth, operational excellence, and market leadership. On January 9th, 2025, EQT Transition Infrastructure announced that they had agreed to buy Scale MicroGrids with capital from its balance sheet. A press release stated "EQT will support Scale Microgrids along its existing growth journey through significant investments in its commercial processes, tech platform and project execution capabilities, enabling the Company to own and operate billions of dollars in distributed generation assets". In response to questions from lenders, Scale shared that this acquisition is positive to the Credit Facilities because EQT is a reputable sponsor and has a stronger balance sheet than Scale's current equity sponsor.

Energetic Capital

Energetic Capital is a managing general underwriter for SCOR SE ("SCOR"). Founded in 1970, SCOR is a global Tier-1 reinsurance company, currently ranked as the world's 6th largest reinsurer. SCOR provides insurance companies with a diversified and innovative range of services to control and manage risk. Independent rating agencies rank SCOR among the best reinsurance companies in the world. They are rated A+ by S&P and Fitch, and A1 by Moody's. Energetic has created the EneRate Credit Cover insurance policy, which addresses a longstanding barrier to growth in the renewable and energy efficiency industries by covering default risk for payments made by commercial customers who purchase electricity through long-term power purchase agreements. To date, they have placed this credit insurance on projects with over \$100M of insured value across 46 states.

Portfolio Risks and Mitigants

The Green Bank faces risks by means of the Project's construction and operation and the Green Bank's position in the financing structure as a lender. Green Bank staff believes the arranger has identified and mitigated those risks as explained below.

General Risks & Mitigants:

For each specific type of risk outlined below in subsequent sections, there are specific structures, concepts, and mitigants that staff has designed to minimize Green Bank exposure to certain downside scenarios. There are, however, several overarching mitigants that will be put in place due to the overall concept of risk, and in effect, can be applied to almost all of the defined Projects' risks. Those overarching mitigants are identified below:

1. The Term Loan will be secured by a perfected first priority security interest in all assets of the Borrower (a Scale special purpose vehicle to be established), including a pledge of the Class B Units owned by the Borrower in the Tax Equity partnership (and all revenues and distributions, other economic rights, and governance rights related thereto) (the "Collateral"). Upon exit by the Tax Equity investor from the Tax Equity partnership, a perfected security interest in and lien, in addition to the Collateral of: i) all assets of the Borrower, including the fuel cells and all other personal property located at the Facilities; (ii) PPAs and Tariff Agreement; (iii) all leases, contracts and agreements of the Borrower, including leases, contracts and agreements relating to the Facilities; (iv) all rights as beneficiary under any warranty policies and under other required insurance policies; (v) all membership interests of Borrower held by Scale or any of its affiliates; (vi) all deposit accounts of Borrower (including the reserve accounts required hereunder); (vii) an assignment of the sublease and/or a leasehold mortgage of the sublease.

See "Capital Flow Diagram – Term Financing" later in the memo for a description of these relationships.

2. A Debt Service Reserve equal to 6 months of debt service, and an Insurance Reserve equal to the credit insurance deductible, will be established and funded as a condition precedent to the conversion of the Construction Loan to the Term Loan. The reserve will be funded with cash or a Letter of Credit Facility provided by one or more lenders. The Green Bank will not participate in any letter of credit.

Technology Risk

The independent engineering firm Black & Veatch (introduced above) provided a technical due diligence report for the Portfolio. That report included an analysis of the equipment and technology to be used in the portfolio. That analysis included solar pv modules, inverters, racking, and trackers, as well as batteries, natural gas generators, and microgrid controls. Black & Veatch concluded that the equipment contemplated for the portfolio can provide energy services as expected and the associated warranties are in alignment with industry standards. Black & Veatch also analyzed Scale's engineering design, implementation, and quality assurance processes and concluded they are prudent and align with typical industry practices.

Technology Risk Mitigants:

- 1.) The Projects will be constructed with tier-1 equipment that feature standard warranties.
- 2.) Scale's standard engineering procurement and construction ("EPC") agreements required the contractor to guarantee performance and provide liquidated damages when there is a shortfall.
- 3.) Scale's management team has significant experience developing projects like those in the Portfolio.

Production Risk

The Portfolio does face production risk. This risk has been mitigated to the lenders in a variety of ways. First, the

technical due diligence report produced by Black & Veatch analyzed the production estimates of the portfolio, providing lenders additional confidence that the estimates are reasonable. Second, the 33 project Portfolio reduces production risk through diversification of projects and technologies. Lastly, the DSCR applied to cashflows offers a cushion in the downside scenario where production is lower-than-expected.

Price Risk

Some of the revenues associated with the community solar projects are reliant on wholesale electricity prices. Those prices are variable and can be difficult to forecast. To mitigate this risk, scale contracted with WoodMackenzie to forecast wholesale market price. The lenders are using those forecasts, with a 20% haircut, as the expected revenue with which to apply the DSCR, which is 1.75x for revenues that rely on these forecasts.

Credit Risk

Project cashflows are dependent on a variety of offtakers. Many of the projects sell energy services to investment grade utilities, a structure that is familiar to the Green Bank and offers minimal credit risk. However, multiple projects in the Portfolio earn revenue from non-rated or sub investment grade rated commercial and industrial customers. The arranger and the borrower have taken the steps below to mitigate the credit risk associated with these revenue streams.

Credit risk mitigants:

- 1.) The DSCR applied to different revenue streams is adjusted for the credit risk of the offtaker. (see appendix I for a chart detailing the various DSCRs)
- 2.) Scale has purchased credit insurance from Energetic Capital for offtakers that are not investment grade rated. More information on this credit insurance is provided below

Credit Risk - Insurance

Scale has contracted with Energetic Capital (introduced above) for a 10-year EneRate Credit Cover insurance policy. This policy covers default risk for payments made by commercial and other non-residential customers who purchase electricity through long-term PPAs. By covering this default risk, Scale has significantly improved assets' credit profiles, particularly those rated sub-investment grade or equivalent. Offtakers covered by this policy are deemed investment grade equivalent during the term in which payments are insured. Scale will pay Energetic for the policy at Term Loan conversion, and during the term of the policy, Scale is required to maintain an insurance reserve to cover the deductible.

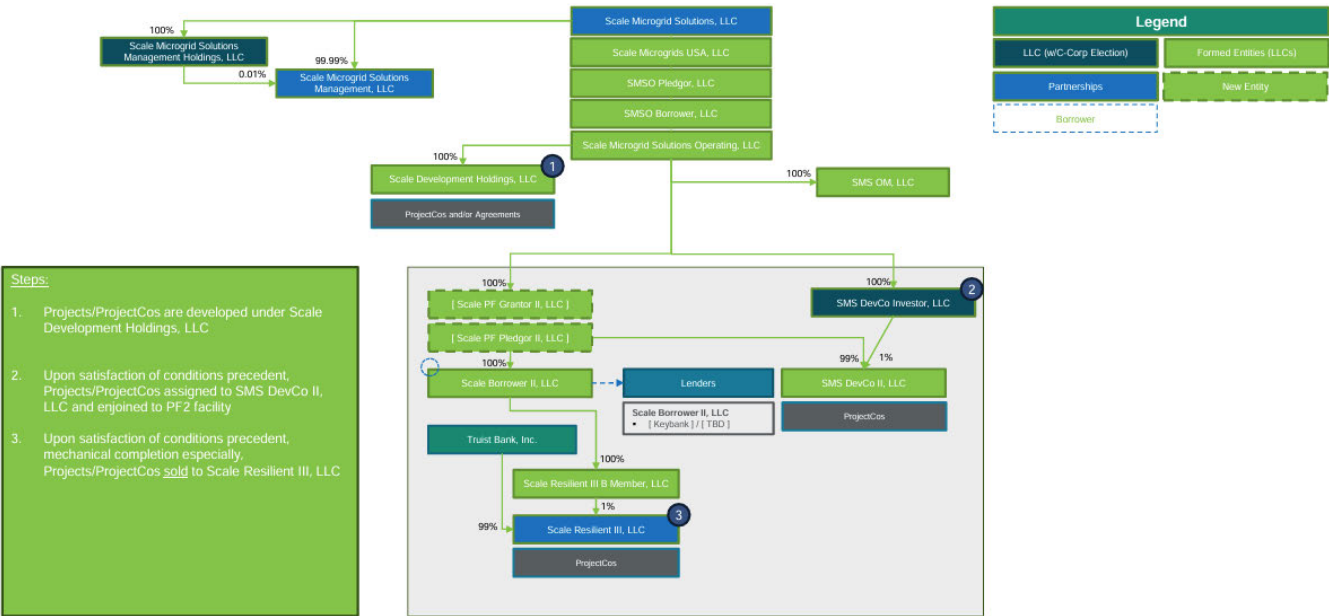
Proforma Projection Model for Debt Service

Staff has reviewed a projected financial model for the Project. Based on this proforma, and the structure of the PPA, staff is confident that the project will be able to meet the debt service requirements of the term loan. A screenshot of the financial model is included below as appendix II.

Capital Flow Diagram and Tables

Capital Flow Diagram – Term Financing

The Term Loan is structured as a “back-leverage” credit facility, meaning the Borrower will be a Scale subsidiary that owns Class B equity interests in the tax equity partnership. Below, an organizational chart is included to demonstrate the structure of a back-leverage facility.



Evaluation

Capital Solutions RFP Proposals are evaluated using the matrix in the image below. A more detailed explanation of the evaluation for this project is included below:

Criteria	Rating	Explanation	Score
1 Meeting Green Bank Goals – how well does this project align with the Green Bank's goals?	High	The Connecticut Projects will be receiving incentives through the Green Bank's Energy Storage Solutions program. Financing these projects will support our energy storage deployment	3
2 Green Bank Essentiality – to what extent is participation by the Green Bank	Medium	Green Bank staff sees its participation as supplementary and complementary to the financial support from other funding.	2
3 Project Feasibility – How feasible is the project to achieve its stated goals?	High	Scale has a track record of success developing projects of a similar size and scope. The acquisition of Scale by EQT offers them greater access to equity capital and expertise.	3
4 Project Replicability – Could a similar project be replicated in Connecticut or elsewhere, or is this a unique opportunity?	High	Staff believes that the successful completion of the Connecticut Projects could serve as an example for future battery storage projects in the state and for other state battery storage incentive programs.	3
5 Relevant Experience – Does the proposer offer relevant and sufficient experience for the type of project being proposed?	High	Yes. Scale was founded in 2016 and has more than 70MW of operating projects across clean energy technologies. Scale is led and managed by a group of executives with (collectively) over 200 years of experience in the construction and operation of renewable energy assets, operations management, engineering, technology-based solutions, finance and the law.	3
6 References	High	Green Bank staff has had positive experiences working with Scale on separate transactions previously approved by the board. Staff have also spoken with lenders who have worked with both Scale and Keybank and they relayed similar	3
7 Pending Litigation	High	No pending litigation was reported in the RFP response.	3
8 Management and character review	High	No character concerns were identified after reviewing management.	3
Bonus Points	Rating	Explanation	Score
1 Project benefits LMI or underserved communities	N/A		0
2 Project benefits communities with environmentally hazardous areas, such	N/A		0
TOTAL SCORE	Pass		23/24

A. Meeting Green Bank Goals

Based on Project diligence provided by Scale, staff is confident that the Project will support the Green Banks goals. Per the Green Bank's Comprehensive Plan, the organization has goals relevant to this transaction, including:

- To leverage limited public resources to scale-up and mobilize private capital investment in the green economy of Connecticut.
 - The Energy Storage Solutions (ESS) program, administered by the Green Bank, seeks to deploy battery storage systems to help families and businesses become more resilient against power outages, while reducing peak demand during summer and winter periods reducing electric rates for all ratepayers.
 - As of June 30, 2024 there were 72 non-residential battery storage systems totaling 150.8 MW and \$262.4 million of potential total investment that have been approved by the Green Bank and were in the interconnection queue of the EDCs as part of the

development of the projects. The Connecticut Projects represent roughly one-fifth of that pipeline. As a result, the successful financing and construction of this Portfolio is important to the ESS program goals.

B. Green Bank Essentiality – to what extent is participation by the Green Bank essential to the success of the project?

- Green Bank staff sees its participation as supplementary and complementary to the existing financial support from other funding. In particular, the New York Green Bank is also a participating lender in the Credit Facilities.

The Construction and Bridge Loans will:

- Enable the Portfolio projects to commence further construction and achieve commercial operations in alignment with the project schedules pending no unforeseen delays.

The Term Loan will:

- Complete the Project's capital stack along with sponsor equity and tax equity contributions, creating a long-term efficient financing structure for the Portfolio.

C. Project Feasibility – How feasible is the project to achieve its stated goals?

- Scale has a successful track record developing projects of a similar size and scope, and the acquisition of Scale by EQT offers them greater access to equity capital and expertise.

D. Project Replicability – Could a similar project be replicated in Connecticut or elsewhere, or is this a unique opportunity?

- Staff believes the successful completion of the Connecticut Projects could serve as an example for future battery storage projects in the state and for other state battery storage incentive programs. Connecticut has many industrial manufacturing firms across the state like the customers served by the Connecticut Projects, offering a strong opportunity for similar projects that can both support those businesses and Connecticut's electric grid.

E. Project timetable – total development and construction timeline.

Green Bank and the other Senior Lenders expect to complete documentation of the Credit Facilities within the 1st quarter of 2025. Funds are expected to be deployed immediately for construction purposes identified in the term sheet attached as Exhibit A. Projects in the Portfolio have varying construction timelines, with all projects expected to be operational by the end of the 3rd quarter of 2026.

F. Relevant Experience – Does the proposer offer relevant and sufficient experience for the type of project being proposed?

Yes. Scale was founded in 2016 and has more than 70MW of operating projects across clean energy technologies. Scale is led and managed by a group of executives with (collectively) over 200 years of experience in the construction and operation of renewable energy assets, operations management, engineering, technology-based solutions, finance and the law. In addition, the acquisition of Scale by EQT Transition Infrastructure will support Scale's technology platform and project execution capabilities.

G. References

Green Bank staff has had positive experiences working with Scale on separate transactions previously approved by the board. Staff have also spoken with lenders who have worked with Scale and KeyBanc and they relayed similar messages.

H. Pending Litigation

None identified by Scale in their RFP submission. Green Bank staff did not complete an independent legal review as of the writing of this memo.

I. Scale management and character review

No character concerns were identified after reviewing management.

Conclusion

This proposal offers a unique opportunity for the Green Bank to support the growth of battery energy storage that can both support Connecticut's manufacturing industry and reduce peak demand on the electric grid. With experienced partners managing construction, operations, and financing, along with proven technology and executed offtake agreements, the Portfolio is well situated to achieve its goals and support repayment of the Credit Facilities. Approval is recommended.

Strategic Plan

Is the program proposed, consistent with the Board approved Comprehensive Plan and Budget for the fiscal year?

Yes, the credit facilities support the ESS program and align with the Green Bank's goal to leverage limited public resources to scale-up and mobilize private capital investment in the green economy of Connecticut.

Ratepayer Payback

How much clean energy is being produced (i.e. kWh over the projects lifetime) from the program versus the dollars of ratepayer funds at risk?

The Portfolio is expected to produce 3,366 GWh over the effective useful life of the projects. Compared with the maximum \$10,000,000 of ratepayer funds at risk, the Portfolio is expected to yield up to 337 kWh per \$1 of ratepayer funds over the effective useful life of the projects. The Connecticut Projects are expected to reduce up to 27MWs of peak demand for 10 years.

Terms and Conditions

What are the terms and conditions of ratepayer payback, if any?

The Term Loan will carry an interest rate of SOFR + 2.375% in the first four years before increasing to SOFR + 2.50% in year 5. The Construction Loan will have an interest rate of SOFR + 2.375% and the Bridge Loan will carry an interest rate of SOFR + 1.75.

Capital Expended

How much of the ratepayer and other capital that Green Bank manages is being expended on the project?

\$10,000,000

Risk

What is the maximum risk exposure of ratepayer funds for the program?

\$10,000,000

Financial Statements

How is the program investment accounted for on the balance sheet and profit and loss statements?

The loans would result in a \$10,000,000 reduction of cash and a \$10,000,000 increase in promissory notes (Statutory & Infrastructure program).

Target Market

Who are the end-users of the engagement?

Electric utility and commercial customers.

Green Bank Role, Financial Assistance & Selection/Award Process

Lender via the Capital Solutions Open RFP Program.

Program Partners

Scale Microgrid Solutions LLC

Risks and Mitigation Strategies

Lending risks and mitigation strategies have been addressed in the **Project Risks and Mitigants** section of this Memo.

Staff Recommendation

The Green Bank has experience working with Scale Microgrids and has significant experience financing solar PV projects along with substantial private capital in the form of sponsor equity, tax equity, and various loans from the banking community. In relation to the Connecticut Projects, the Green Bank has reviewed the proposed projects and technology as administrator of the ESS program, and the Board has approved nearly \$10 million of incentives. Every project finance transaction entails various risks. Green Bank staff believes it has identified and mitigated those risks as explained in this memorandum. Staff recommends Board approval of the Credit Facilities on the basis that Portfolio risks have been reasonably mitigated, are well-balanced and contained, and that the strategic importance of the Projects, to both the state and Green Bank, also support the investment.

Appendix I

Construction Loan: DSCR Sizing Table

Cash Flow Type		P50	Notes
Utility Scale Solar + Storage & C&I Solar (IG Rated)		1.25x	
C&I Solar + Storage (Sub IG & Non-Rated)		1.40x	
CHP & Microgrids (IG Rated)		1.10x	
CHP & Microgrids (Sub IG & Non-Rated)		1.30x	
Battery Energy Storage (Contracted Cash Flows)		1.25x	
Battery Energy Storage (Merchant Energy / Arbitrage)		2.00x	
Incentives		1.15x	
Indexed Contracts	Merchant	1.75x	Ascend Analytics for ancillary services, energy arbitrage forecasts with 20% haircut
	Wholesale Indexed	1.75x	WoodMackenzie for wholesale market price forecasts with 20% haircut
	Retail Indexed	1.35x	WoodMackenzie for retail price forecasts
Community Solar (IG Rated, Non-Rated & LMI)		1.40x	
NY Community Solar (VDER Stack)	Energy	1.75x	WoodMackenzie for wholesale market price forecasts with 20% haircut
	Capacity	1.75x	WoodMackenzie for wholesale market price forecasts with 20% haircut
	Environmental	1.25x	
	Demand Reduction Value (DRV) Year 1-10	1.25x	
	Demand Reduction Value (DRV) Year 11+	1.75x	
	Locational System Relief Value (LSRV)	1.25x	
	Community Credit	1.25x	

Appendix II

20-Year Cash Flow Summary & Debt Profile



Calendar Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Contracted Fixed Revenue	-	183,735	10,586,359	14,804,766	14,816,795	14,832,190	14,839,617	13,105,644	12,620,648	12,669,051	12,738,755	12,994,641	9,540,336	9,052,276	9,181,449	9,313,975	9,449,933	9,561,231	9,689,463	9,835,133
Contracted Variable Revenue	-	-	5,580,355	7,987,043	8,414,026	8,722,060	9,078,542	9,214,530	9,422,973	9,575,127	9,866,357	10,252,971	11,643,007	12,308,181	12,701,192	12,974,885	13,239,038	13,542,275	13,791,361	13,862,478
Merchant Revenue	-	-	451,050	686,881	762,938	867,613	996,693	1,148,442	1,308,223	1,471,790	1,623,229	1,876,975	581,958	395,745	405,755	416,945	438,333	325,050	268,160	276,204
Contracted RECs	-	-	584,416	597,611	594,623	591,650	588,692	585,748	582,819	15,640	-	-	-	-	-	-	-	-	-	-
Merchant RECs	-	-	-	-	-	-	-	-	-	306,986	320,228	324,905	263,761	267,794	226,427	114,870	116,676	71,077	72,089	73,217
Incentives	-	-	22,443,533	5,059,344	4,804,344	399,006	399,006	399,006	63,750	-	-	3,293,800	-	-	-	-	-	-	-	-
Total Revenue	-	\$183,735	\$39,645,713	\$29,135,645	\$29,392,726	\$25,412,519	\$25,902,551	\$24,453,370	\$23,988,413	\$24,038,595	\$24,548,568	\$28,743,292	\$22,029,061	\$22,023,997	\$22,514,823	\$22,820,675	\$23,243,982	\$23,499,633	\$23,821,052	\$24,047,032
Total Opex	-	20,562	3,167,171	4,407,486	4,494,245	4,574,768	4,658,897	4,732,232	4,810,824	4,886,946	4,972,075	5,064,546	4,592,123	4,613,295	4,695,498	4,771,411	4,850,306	5,181,295	5,267,212	5,341,871
Total Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	530,858	3,425,605	4,607,401	1,330,924	-	-	564,950
EBITDA	-	\$163,173	\$36,478,542	\$24,728,159	\$24,898,481	\$20,837,750	\$21,243,654	\$19,721,139	\$19,187,590	\$19,151,649	\$19,576,493	\$23,678,746	\$17,436,938	\$16,879,843	\$14,393,720	\$13,441,862	\$17,062,752	\$18,318,338	\$18,553,840	\$18,140,210
Tax Equity	-	14,209,811	123,101,633	(4,133,422)	(4,163,512)	(3,516,222)	(3,752,876)	(10,163,987)	-	-	-	-	-	-	-	-	-	-	-	-
Capex	50,340,119	154,487,707	55,426,469	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unlevered Equity Cash Flow	(\$50,340,119)	(\$140,114,722)	\$104,153,706	\$20,594,737	\$20,734,969	\$17,321,528	\$17,490,778	\$9,557,152	\$19,187,590	\$19,151,649	\$19,576,493	\$23,678,746	\$17,436,938	\$16,879,843	\$14,393,720	\$13,441,862	\$17,062,752	\$18,318,338	\$18,553,840	\$18,140,210
Financial Closing Costs	-	9,516,875	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IDC and Commitment Fees	-	143,424	6,227,469	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Structuring Fees	-	228,890	4,777,435	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TEBL Funding	-	141,035,116	235,856	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CL Funding	-	59,048,813	66,195,517	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Term Loan Funding	-	4,263,130	114,231,276	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energetic Insurance Reserve Release (LC)	-	1,040	16,343	21,747	21,747	21,747	21,747	21,747	21,747	21,747	21,747	21,747	21,747	21,747	21,747	21,747	21,747	21,747	21,747	21,747
TEBL Repayment	-	2,859,054	138,411,918	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CL Repayment	-	4,361,494	120,882,836	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Term Loan Interest	-	36,857	4,636,726	6,507,751	6,120,464	5,709,253	5,519,350	5,287,871	5,028,536	4,748,752	4,457,208	4,152,166	3,768,098	3,518,511	3,276,710	3,082,108	2,858,942	2,535,114	2,177,007	1,794,715
Term Loan Repayment	-	130	18,768,072	5,868,321	6,156,635	3,897,414	4,045,369	3,715,062	4,178,592	4,217,465	4,552,634	5,881,175	3,753,142	3,722,783	3,139,590	2,837,315	4,260,573	5,125,591	5,538,222	5,641,829
DSRA LC Payment (LC)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energetic Insurance Reserve Funding (LC)	-	1,040	16,343	21,747	21,747	21,747	21,747	21,747	21,747	21,747	21,747	21,747	21,747	21,747	21,747	21,747	21,747	21,747	21,747	21,747
Project Levered Equity Cash Flow	(\$50,340,119)	\$47,085,613	(\$8,888,102)	\$8,218,665	\$8,457,870	\$7,714,861	\$7,926,059	\$554,219	\$9,980,462	\$10,185,432	\$10,566,651	\$13,645,404	\$9,915,698	\$9,638,550	\$7,977,420	\$7,522,440	\$9,943,237	\$10,657,634	\$10,838,611	\$10,703,666

Resolutions

WHEREAS, Microgrid Solutions LLC (“Scale”) has requested financing in support of private capital from the Connecticut Green Bank (“Green Bank”) to finance and construct a solar and battery energy storage portfolio (the “Portfolio”), including 8 battery energy storage projects in Connecticut;

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

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 Portfolio, support the obligations under the credit facilities throughout their respective terms, and as set forth in the due diligence memorandum dated January 21, 2025 (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.

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 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 effect the above-mentioned Term Loan and participation.

Submitted by: Bryan Garcia, President and CEO; Bert Hunter, EVP and CIO; David Beech, Senior Manager.



Memo

To: Board of Directors of the Connecticut Green Bank

From: Sara Harari (Director of Innovation)

CC: Bryan Garcia (President and CEO), Mackey Dykes (VP of Financing Programs and Officer), Brian Farnen (General Counsel and Chief Legal Officer) and Bert Hunter (EVP and CIO)

Date: January 21, 2025

Re: Energy Efficiency Revolving Loan Fund

Overview

This memo is a request to approve the Connecticut Green Bank ("Green Bank") entering into a contract with Connecticut Department of Energy and Environmental Protection ("DEEP") to receive funds allocated to Connecticut under the Department of Energy's Energy Efficiency Revolving Loan Fund Capitalization Grant Program ("EERLF").

The EERLF is designed to provide capitalization grants to States to establish a revolving loan fund under which the state shall provide loans and grants for energy efficiency audits, upgrades, and retrofits to increase energy efficiency and improve the comfort of buildings. Connecticut was awarded \$1,269,190 under a formula allocation. When this funding was announced, DEEP requested Green Bank support in developing a deployment strategy that met the requirements of the EERLF.

Collaboratively, DEEP and the Green Bank have applied for and been awarded funding to implement a program that could utilize the funds in the following ways:

- 1) Interest rate buy-downs of LIME loans offered by Capital for Change;
- 2) Loans to fund energy efficiency improvements required by the tenant-sharing revenue rules of affordable multifamily solar project;
- 3) Buy-downs of Green Bank's rate of return for affordable multifamily solar and storage leases, particularly in cases where the tenant revenue portion is funding an energy efficiency improvement

Green Bank staff have contemplated deploying this funding through one-off transactions via Capital Solutions and/or through recruiting energy efficiency contractors through a request for proposals. Depending on the scope of this project, the Green Bank may opt to capitalize the loans with our own funds, or to attract private capital to this market.

Resolutions

WHEREAS, the State of Connecticut has been awarded funding under the Energy Efficiency Revolving Loan Fund Capitalization Grant Program;

WHEREAS, the Connecticut Department of Energy and Environmental Protection has engaged the Connecticut Green Bank ("Green Bank") as a subgrantee to develop and implement a program to support the deployment of energy efficiency loans into the affordable multifamily housing sector;

NOW, therefore be it:

RESOLVED, that the Green Bank may enter into with and deliver to the State of Connecticut Department of Energy and Environmental Protection, any and all documents which it deems to be necessary or appropriate to enter into a contract for approximately \$1,269,190 titled Energy Efficiency Revolving Loan Fund Subgrant; and

RESOLVED, that Bryan Garcia as President and CEO of the Connecticut Green Bank or other 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 effect the above-mentioned legal instruments.



Memo

To: Connecticut Green Bank Board of Directors

From: Bryan Garcia, President and CEO and Bert Hunter, EVP & CIO

CC: Brian Farnen, General Counsel and CLO; Eric Shrago, Managing Director of Operations, Jane Murphy, EVP Finance and Administration

Date: January 22, 2025

Re: USDA RESP Loan Closing Requirement (Letter of Credit)

On September 11, 2020, Connecticut Green Bank ("Green Bank") submitted an application into the U.S. Department of Agriculture (USDA) Rural Utilities Service (RUS) pertaining to their [Rural Energy Savings Program](#) (RESP). Pursuant to prior Green Bank Board of Directors (the "Board") approval at its July 24, 2020 meeting, the application requests loan funds in the amount of \$10 million to carry out and scale-up various relending programs to implement eligible clean energy and energy efficiency measures. In September 2024, Green Bank entered into a commitment for the \$10 million loan and staff are now in the process of closing the loan.

The USDA RESP Loan requires the security of a letter of credit. The Green Bank is working with Webster Bank to underwrite the Green Bank for this purpose. In the meantime, in order to close the USDA RESP Loan, which staff wants to do on an expedited basis (by the end of January if possible), Webster will make available a letter of credit that is fully cash collateralized. Staff recommends a \$500,000 letter of credit for these purposes which is sufficient for closing, and which can be exchanged for a flexible and increasing letter of credit post loan closing.

Staff recommends the Green Bank obtain this letter of credit from Webster Bank and respectfully requests Board approval for this request.

Resolutions

WHEREAS, consistent with its Comprehensive Plans, the Connecticut Green Bank ("Green Bank") has been seeking opportunities to access low-cost and long-term federal funding from the United States Department of Agriculture ("USDA") to support its mission;

WHEREAS, on April 2, 2020, the Rural Utilities Service ("RUS") of the USDA issued within the Federal Register (Vol. 85, No. 64), an "Announcement of Funding Availability, Loan Application Procedures, and Deadlines for the Rural Energy Savings Program ("RESP");

WHEREAS, on April 29, 2020, the American Green Bank Consortium, a membership organization for green banks, informed the Green Bank of the RESP, and provided technical assistance resources to the Green Bank through the Environmental and Energy Study Institute;

WHEREAS, on May 14, 2020, the Green Bank filed a Letter of Intent (“LOI”) with the RUS for a RESP Loan, including an overview of the organization, proposed program descriptions consistent with its Comprehensive Plan, evaluation, measurement, and verification framework, balance sheet, eligible Connecticut towns, and performance measures and indicators; and

WHEREAS, on July 1, 2020 the USDA notified the Green Bank that it had received and reviewed its LOI, and invited it to proceed with a full application for a \$10 million RESP Loan; and

WHEREAS, on July 24, 2020 the Green Bank Board of Directors (the “Board”) approved a resolution to empower staff to approve and submit to USDA application documents as needed in pursuit of a RESP Loan USDA; and

WHEREAS, on September 11, 2020 the Connecticut Green Bank submitted to USDA ahead of USDA’s September 28, 2020 deadline a full RESP Loan application package.

WHEREAS, in September 2024, the Connecticut Green Bank entered into a commitment with the USDA for the RESP Loan;

WHEREAS, staff is in the process of closing the RESP Loan and the RESP Loan requires a letter of credit to support the borrowing by the Green Bank;

WHEREAS, Webster Bank is willing to provide a letter of credit in the amount of \$500,000 collateralized by cash of the Green Bank to facilitate the Green Bank closing the RESP Loan with the USDA;

NOW, therefore be it:

RESOLVED, that the Board of the Green Bank, pursuant to the information provided by the Staff in a memo dated January 22, 2025, has determined that it is in the best interests of Green Bank to close the RESP Loan and to obtain a letter of credit from Webster Bank in the amount of \$500,000 collateralized by cash of the Green Bank to facilitate the Green Bank closing the RESP Loan with the USDA; 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 effect the above-mentioned legal instruments.

Submitted by: Bryan Garcia, President and CEO and Bert Hunter, EVP and CIO

Memo

To: Board of Directors of the Connecticut Green Bank

From: Ed Kranich (ESS Program Manager), Sergio Carrillo (Managing Director of Incentive Programs), Bryan Garcia (President and CEO)

Cc: Mackey Dykes, Brian Farnen, Bert Hunter, Jane Murphy, and Eric Shrago

Date: January 17, 2025

Re: Energy Storage Solutions Program – Upfront Incentive Approval Request

The Energy Storage Solutions (ESS) Program was established by the Public Utilities Regulatory Authority (PURA) in Docket No. 17-12-03RE03, PURA Investigation into Distribution System Planning of the Electric Distribution Companies – Electric Storage. In its Final Decision¹ 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 the Connecticut Green Bank (Green Bank) as co-administrators of the Program.²

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

A. Upfront Incentive Approval Process

In its June 24, 2022 Board meeting, the Green Bank Board approved a process for the approval of upfront incentives for projects participating in the ESS Program by which projects with estimated upfront incentives greater than \$500,000 would follow a process similar to the one used by C-PACE.

Within the existing Board of Directors (BOD or Board) and Deployment Committee regular meeting schedule, the Green Bank staff will seek BOD approval of these upfront incentives via consent agenda, and only after the upfront incentives are approved by the BOD, Green Bank staff will issue Reservation of Funds (ROF) letters.

The Board approved that Green Bank staff shall obtain Board or Deployment Committee approval of estimated upfront incentive payments via consent agenda utilizing the Tear Sheet

¹ <https://tinyurl.com/2p8v4cwa>

² It should also be noted that with the passage of Public Act 21-53 "An Act Concerning Energy Storage," that PURA shall solicit input from DEEP, OCC, EDC's, and the Green Bank in developing energy storage system programs, and may select DEEP, EDC's, Green Bank, a third party, or any combination thereof to implement one or more programs for electric storage resources as directed by PURA.

process described in the Memorandum to the Board dated June 24, 2022. Only after securing Board approval, will Green Bank Staff issue ROF letters to project developers and/or owners.

After projects are fully operational, Green Bank staff will notify the BOD of their intent to issue Confirmation of Funds (COF) letters, highlighting any differences between the Board-approved incentive and the final incentive amount, and the reason for the difference.

B. About CPower

Headquartered in Baltimore, Maryland, CPower is a subsidiary of LS Power, a development, investment, and operating company specializing in the power and energy infrastructure sector. CPower is one of the nation's premier providers of distributed energy resources (DERs) monetization and Virtual Power Plant solutions. Their mission is to establish the Customer-Powered Grid®, facilitating a flexible, clean, and reliable energy future. With capacity exceeding 6.7 gigawatts (GW) spread across over 27,000 sites throughout the United States, they optimize the value of DERs to fortify the grid when and where dependable, dispatchable resources are most critical.

CPower has been active in Energy Storage Solutions since its launch in 2022 and has developed 13 C&I projects to-date with an aggregate capacity of more than 45 MW.

C. Request for Approval of New Upfront Incentives Under \$500,000

Table 1 below shows the single non-residential project seeking estimated upfront incentives for a total amount of \$905,995.00 and total capacity of 4.98 MW.

Project Number	Contractor Account	Utility Company	City	Annual Peak Demand (kW)	Total System Power (kW)	Total System Energy Capacity (kWh)	Total Battery Cost	Upfront Incentive Amount	Estimated Install Year
ESS-01077	CPower	Eversource	Danbury	3,508	4,978	9,956	\$ 3,984,376	\$ 905,996	2027

Table 1. Estimated Upfront Incentives Above \$500,000

The attached Tear Sheet provides these and other details pertaining to the single new project seeking estimated upfront incentives in the ESS Program.

Resolutions

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; and,

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, 2002 meeting the Board approved updated Procedures to better align with the Program process.

NOW, therefore be it:

RESOLVED, that the Board of Directors hereby approves the estimated upfront incentives sought by CPower for one non-residential project totaling a not-to-exceed amount of \$905,996 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 effect the above-mentioned incentives consistent with the Procedures.

Energy Storage Solution Program Upfront Incentive Application

Project Description	Installation of a 4.98 MW / 9.96 MWh battery storage system to reduce electric bills and provide backup power to the facility during power outages.
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Customer / Site information

Customer Name	Danbury Mission Technologies, LLC
Address	100 Wooster Heights Rd, Danbury, CT
Business Purpose	Optics manufacturer and laboratory
Incentive Application No.	ESS-01039
Incentive Application Date	6/14/2024 (during C&I incentive pause)
Customer Peak Demand (kW)	3,508 kW
Customer Class (S / M / L)	Large
Project Developer / Installer	CPower

Program Eligibility

Critical Facility	No
Small Business	No
Onsite Fossil Fuel Generator	No
Grid Edge Customer	No
Participation in FCM Allowed	No
Participation in FCM Declared	No

Battery Energy Storage System (BESS) Characteristics

System Configuration	Standalone
Expected Program Participation	Passive + Active Dispatch
BESS Make / Model	(2) Tesla Megapack 2 XL
BESS Power Rating (kW)	4,978 kW
BESS Energy Capacity (kWh)	9,956 kWh
BESS Technology Approval Status	Approved
Power Rating to Peak Demand Ratio	1.42
Interconnection Application Filed	Yes (6/14/2024)
Interconnection Study Required	Yes (12/17/2024)
Estimated Project Cost	\$3,984,376.00

Benefit / Cost Ratios

RIM – Ratepayer Impact Measure	2.11
PCT – Participant Cost Test	1.30
PACT – Program Administrator Cost Test	2.51
SCT – Societal Cost Test	1.91
TRC – Total Resource Cost Test	1.92
CTET – Connecticut Efficiency Test	2.50

Upfront Incentive Information

Incentive Application Status	<ul style="list-style-type: none">▪ Application Submitted▪ Approved Reservation of Funds Letter (ROF)▪ Approved Confirmation of Funds Letter (COF)
Incentive Calculation Method	Tiered Incentive
Estimated Upfront Incentive	\$905,996.00

Office locations

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