



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

Regular Meeting Minutes

Wednesday, June 5, 2024

2:00 p.m. – 3:30 p.m.

A regular meeting of the Budget, Operations, and Compensation Committee of the **Connecticut Green Bank (the “Green Bank”)** was held on June 5, 2024.

Committee Members Present: John Harrity, Robert Hotaling, Adrienne Houël, Lonnie Reed,
Brenda Watson

Committee Members Absent: None

Staff Attending: Shawne Cartelli, Bryan Garcia, Bert Hunter, Cheryl Lumpkin, Jane Murphy,
Ariel Schneider, Eric Shrager, Dan Smith, Leigh Whelpton

Others present: None

1. Call to Order

- John Harrity called the meeting to order at 2:03 pm.

2. Public Comments

- No public comments.

3. Approve Meeting Minutes from January 17, 2024

Resolution #1

Motion to approve the meeting minutes of the Budget, Operations, and Compensation Committee from the meeting on January 17, 2024.

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

4. FY 2025 – Budget and Targets

- Eric Shrago summarized the history of fiscal year targets, process, and updates due to various market changes and the consideration of the Green House Reduction Fund. For FY2024, the Green Bank is still under the target for number of projects with the expectation to be very close, though the dollars of capital deployed has far exceeded the goal as has MW of capacity installed.

- John Harrity asked if there is an estimate of MW installed across all entities in the state in 2023. Eric Shrago responded he was unsure of the number but could get the information.

- John Harrity asked what the ratio between the Green Bank's deployment compared to the state overall. Eric Shrago responded he has not looked for that data but made suggestions as to where to determine that information. Bryan Garcia responded that in terms of peak demand, the Green Bank is likely to have displaced about 10% of that in its first 10 years and provided additional information. He added that in terms of Watts Per Capita, Incentive per Watt, and proportional installed capacity in LMI communities, that Connecticut seems to be leading compared to the other Northeastern states.

- John Harrity asked if there was a sense of which part of the energy supply overall is renewable within the state. Bryan Garcia responded that he estimates it's about 30% due to the Class I RPS, but due to the trading of certificates for RPS compliance, that the percentage of those projects within the state is likely less than those outside the state.

- Eric Shrago summarized the proposed targets for the Financing Programs. Overall the FY2025 targets are 563 projects, over \$71 million in capital deployed, and 7.47 MW of capital installed across all Financing Programs such as CPACE, the Marketplace Assistance programs, PPA, and SBEA.

- Adrienne Houël asked how many units the target represents for the community. Eric Shrago responded he is unsure at the moment, but it depends on how many go through the process in full. Adrienne Houël asked where the focus for the projects is. Eric Shrago responded the program is available across the state, but the focus is in the Justice 40 communities (low income and distressed communities). Bryan Garcia added there are about 1300 affordable housing properties eligible for the Residential Renewable Energy Solutions program and the Green Bank team has worked hard with DEEP, DOH, CHAPA, and HUD to provide recommendations to PURA. Those 1300 properties represent about 85,000 units.

- Eric Shrago summarized the Incentive Programs and Environmental Infrastructure targets. Overall, the FY2025 Incentive Programs targets are 1830 projects, over \$55 million in capital deployed, and 16.42 MW of capacity installed across ESS (Residential and C&I) and Smart-E. Overall the FY2025 Environmental Infrastructure targets are 21 projects and \$2.1 million in capital deployed across Smart-E and Capital Solutions. They are predominantly for resiliency measures. CPACE has no goals for resiliency as the guidelines are still being developed and there isn't a good estimate for market uptake yet.

- Eric Shrago summarized the targets for Investments. The Investments goals for FY2025 include 9 projects and \$45.9 million in capital deployed for various projects such as PPA recapitalization and Capital Solutions, though other projects such as EV Busses are also being explored. For the Green Bank as an organization overall, the FY2025 goals are 2402 projects, nearly \$172 million in capital deployed and 23.89 MW of capacity installed.

- Brenda Watson asked for more information about the resiliency hubs. Eric Shrago responded with the history of staff interest in resiliency hubs in different communities.

- Eric Shrago reviewed the budget revenues. Overall revenues are increasing by 25%; public funds are staying the same but earned revenue is increasing, including through interest income from new investments.

- Eric Shrago reviewed the proposed expenses, dividing them into personnel expenses and non-personnel related expense. Personnel expenses, such as compensation and benefits, its increasing, however the other expenses are decreasing. He explained the various types of new positions and personnel needs due to the expanding needs of the Green Bank. He reviewed the various non-personnel expense categories which are overall decreasing.
 - Bryan Garcia added some additional information as to the history of why public funds are not increasing, which is in part due to the efforts of the Green Bank, CL&M, and public policy reducing the consumption demand by ratepayers. He expanded on the history of those funds, programs, and investments further.
 - Adrienne Houël asked if RGGI changes more over time, why is the cap being maintained and if it can be changed at all. Bryan Garcia responded that in 2022 in the Clean Air Act Bill a cap was set on the Green Bank because the RGGI allowance prices fluctuate and if they are too high could require other policies to come into play. So the Green Bank will always receive up to the \$5.2 million per year cap and anything over that goes to DEEP to support other programs, specifically for zero emission school buses in environmental justice communities.
 - John Harry commented that he does not believe the Marketing budget should ever decrease due to the importance of getting information out to as many people as possible. Eric Shrago responded with his appreciation of the support and explained the reason behind the decrease in this coming year.
- Eric Shrago reviewed the staffing plan and compensation proposed for FY 2025. He highlighted a proposed change to the promotion pool, COLA, and Merit increases due to the desire to stay in line with wage inflation changes while remaining competitive. He asked for the opinions of the committee members present.
 - John Harry asked if increasing the percentages can be afforded within the budget. Eric Shrago responded yes. John Harry asked if it would make the Green Bank stand out too much among other similar agencies. Eric Shrago responded that he does not believe it would. His initial suggestion is to change COLA to 3%, change Merit to 4%, change the promotion pool to 2% pending the results of the Compensation Study that should begin soon.
 - John Harry asked if the 5% Merit pool includes the top officers and Eric Shrago responded yes.
 - Lonnie Reed asked if the Green Bank is losing staff due to other better compensation offers, and if that is a driver for this examination and potential change. Eric Shrago responded although there is a very low turnover rate internally, it is still a bit harder to hire people out of the private sector and to attract those candidates who are on the fence because the Green Bank can't quite compete with the private sector. However, his comments are speculative, and more data is needed which should come from the upcoming Compensation Study.
 - Bert Hunter added that the Green Bank does not have an Incentive Compensation Plan, which other organizations, including non-profits, have. He suggested that although overall compensation is not excessive, the lack of that type of plan is something prospective employees may consider and to be mindful of that fact.
 - Eric Shrago summarized that the overall sentiment of the committee seems to be to keep the promotion pool, COLA, and Merit percentages as they are and to re-evaluate once the results of the Compensation Study are available.
- Eric Shrago reviewed the list of Strategic Partners for FY 2025.

Resolution #2

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

WHEREAS, the Budget, Operations, and Compensation Committee recommends that the Board of Directors authorizes Green Bank staff to enter into new or extend existing professional services agreements (PSAs) with the following, contingent upon a competitive bid process having occurred in the last three years (except Inclusive Prosperity Capital and Carahsoft):

- I. New Charter Technologies, LLC
- II. Alter Domus (formerly Cortland)
- III. Inclusive Prosperity Capital
- IV. DNV
- V. Guidehouse (formerly Navigant) (2)
- VI. PKF O'Connor Davies
- VII. CliftonLarsonAllen
- VIII. C-TEC Solar, LLC
- IX. GO, LLC
- X. Craftsman Technologies
- XI. Strategic Environmental Associates
- XII. Carahsoft
- XIII. AEC Solar
- XIV. DCS
- XV. AlsoEnergy
- XVI. Sourceone

For fiscal year 2025 with the amounts of each PSA not to exceed the applicable approved budget line item.

NOW, therefore be it:

RESOLVED, that the Budget Operations, and Compensation Committee Green Bank Board hereby recommends approval to the Board of Directors the: (1) the FY2025 Targets and Budget, and (2) the PSAs with the 11 strategic partners set forth above.

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

- The group discussed the ease of this year's presentation and success to make it understandable.
- Adrienne Houël commented that in terms of new employees to hire, for the contractor outreach manager should have a strong focus in their objectives for DEI. She expressed a strong desire to make sure the contractors that the Green Bank works with are diverse and fully represent the state. Eric Shrago responded in agreement and noted that in the Consolidated Annual Report in the Non-Financial Statistics is data on the vendors that qualify as women-owned, minority-owned, and small businesses. He noted that that data has not been tracked for the contractors but is planned to be, starting this year and should be addressed soon.
 - Adrienne Houël commented that other entities that the Green Bank works with, such as PosiGen, should also be encouraged or required to also have a good DEI in order

to address the criticisms about the lack of diversity. John Harrity thanked Adrienne for bringing that issue up as it reflects on the perception of the Green Bank as well as how it affects equity and efforts to successfully address climate change.

5. Adjourn

John Harrity adjourned the Budget, Operations, and Compensation Committee Meeting at 3:25 pm.

Respectfully submitted,

John Harrity, Chairperson