BOARD OF DIRECTORS OF THE
CONNECTICUT GREEN BANK
Regular Meeting Minutes

Friday, March 21, 2025
9:00 a.m. – 11:00 a.m.

A regular meeting of the Board of Directors of the **Connecticut Green Bank** (the "Green Bank") was held on March 21, 2025.

Board Members Present: Joseph DeNicola, Adrienne Farrar Houël, Thomas Flynn, Dominick Grant, John Harrity, Kimberly Mooers, Allison Pincus, Matthew Ranelli, Lonnie Reed, Joanna Wozniak-Brown

Board Members Absent: Brenda Watson

Staff Attending: Stephanie Attruia, David Beech, Priyank Bhakta, Joe Boccuzzi, Larry Campana, Sergio Carrillo, Janice Cheng, Louise Della Pesca, James Desantos, Austin Dziki, Mackey Dykes, Brian Farnen, Bryan Garcia, Sara Harari, Bert Hunter, Stefanie Keohane, Alex Kovtunenko, Edward Kranich, Cheryl Lumpkin, Jane Murphy, Tyler Rubega, Ariel Schneider, Eric Shrago, Dan Smith, Heather Stokes, Marianna Trief, Christina Tsitso, Leigh Whelpton

Others present: None.

1. Call to Order

- Lonnie Reed called the meeting to order at 9:01 am.

2. Public Comments

- No public comments.

3. Consent Agenda

a. Meeting Minutes of the January 24, 2025, the January 29, 2025, and the February 19, 2025 meetings

<u>Resolution #1</u>

Motion to approve the meeting minutes of the Board of Directors for the regular meeting of January 24, 2025, and special meetings of January 29, 2025 and February 19, 2025.

b. Transaction Extension – Danbury

<u>Resolution #2</u>

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

WHEREAS, pursuant to the C-PACE program, the Connecticut Green Bank Board of Directors (the "Board") or the Connecticut Green Bank Deployment Committee ("DC"), as may be applicable, approved and authorized the President of the Green Bank to execute financing agreements for the C-PACE projects described in this Memo submitted on March 21, 2025 (the "Finance Agreements");

WHEREAS, the Finance Agreements were authorized to be consistent with the terms, conditions, and memorandums submitted to the Board or DC, as may be applicable, and executed no later than 120 days from the date of such Board or DC approval; and,

WHEREAS, due to delays in fulfilling pre-closing requirements the Green Bank will need more time to execute the Finance Agreements.

NOW, therefore be it:

RESOLVED, that the DC extends authorization of the Finance Agreements to no later than 120 days from March 21, 2025 and consistent in every other manner with the original Board or DC authorization for the Finance Agreement.

Upon a motion made by Joseph DeNicola and seconded by Kimberly Mooers, the Board of Directors voted to approve the Consent Agenda which includes Resolutions 1 and 2. None opposed or abstained. Motion approved unanimously.

4. Legislative Process

- James Desantos summarized the legislative update so far, which includes over 2000 bills introduced, of which 321 that the Green Bank is tracking, and 9 of which the Green Bank submitted Public Hearing Testimony into the record, and 1 of which the Green Bank testified live in person. He noted the big drivers of discussion in the session are the high electric rates and the PURA study on renewable energy tariffs and successor programs.
- James Desantos highlighted two of the larger bills on the docket SB 647, the Republican Caucus Bill to reduce energy costs and increase energy supply, and SB 4, the Democratic Caucus Bill to improve service and reduce costs for electricity ratepayers in the state. He also reviewed SB 9, Governor Lamont's Legislation on Climate Resilience.
- Brian Farnen added that the Green Bank is well positioned to and assisting getting the resiliency bill passed.
    - Thomas Flynn commented that he is of the opinion that the Green Bank act more like a bank and less like a government agency which would help insulate it from various political issues and budgetary pressures that come up. Lonnie Reed discussed the old

Millstone Bill and public benefits issues, and stated this is a greater supply issue. Matthew Ranelli commented that he is of the opposite opinion as the Green Bank makes good use of those funds, and he suggested having a robust education campaign to explain within the legislature. Thomas Flynn added that he agrees with Matthew Ranelli in that the Green Bank puts it to great use, but he doesn't want to become dependent on receiving it.

  - Dominick Grant asked what the percentage of the current year budget is the public benefit charge. Bryan Garcia responded he believes its about 35% to 40% and explained more about the origins of the Green Bank's earned revenues. Dan Smith clarified in the chat that it is 31% of the current budgeted revenues.

- Bryan Garcia added that in relation to SB-9, Joanna Wozniak-Brown is working hard to bring all the stakeholders to the table to discuss the bill. He then summarized the progress made to support the bill and what it could mean for local communities.

5. Investment Programs Updates and Recommendations

a. Total Energies – Loan Facility for State Facilities

- Mariana Trief reviewed the proposal for term debt associated with the projects for a Total Energies Partnership selected through a competitive RFP. The key impact metrics are that it is a 8.3MW DC, 11,475 MWh in year 1 expected, and is expected to save the Dept of Corrections over $12 million in its 25 year term. She noted there was a key change with Total Energies late last year where instead of transferring the ITCs or seeking a tax equity partner, Total Energies will be directly monetizing the tax credits on federal tax returns, so therefore approval for the updated structure to the debt facility is needed. There is no change to the high-level terms in terms of interest rate, the service coverage ratio, or the term of the loan, just the structure and backleverage.

<u>Resolution #3</u>

WHEREAS, on June 23, 2023 the Connecticut Green Bank ("Green Bank") Board of Directors (the "Board") approved the sale and assignment of pilot solar projects at state agencies (the "Projects") to Total Energies or its subsidiary (the "PPA Owner"), following a competitive solicitation process (the "RFP"); and,

WHEREAS, Green Bank seeks to provide debt financing to the PPA Owner under terms consistent with those outlined in the RFP and with the memo dated March 14, 2025 (the "Debt Facility").

NOW, therefore be it:

RESOLVED, that the President of Green Bank; and any other duly authorized officer of Green Bank, is authorized to execute and deliver the Debt Facility, and any associated legal instrument, with terms and conditions as are materially consistent with this Board Memorandum dated March 14, 2025; and,

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

Upon a motion made by Joanna Wozniak-Brown and seconded by Thomas Flynn, the

Board of Directors voted to approve Resolution 3. None opposed and Matthew Ranelli abstained. Motion approved.

b. Ellington – Loan Facility for SCEF Solar Project

- David Beech reviewed the SCEF project overview which is a 5.8MW DC ground mount project with 8671 MWh expected in year 1. He reviewed the debt facilities and key metrics, that it has a 1.35x DSCR, a 6-month Debt Service Reserve, a fixed interest rate, and an 18-year term with a 2-year "tail." He also highlighted that the project is on prime farmland, which the Green Bank is invested in not only protecting marginal farmlands, but to specifically protect prime farmland, and the project has the Dept of Agriculture's support which commented that "the project will not materially affect the status of the project as prime farmland."
    - Dominick Grant asked how the sheep pasture rotation is going to be documented, as in requiring vegetation management to be done by livestock, or if that is up to the solar project owner. David Beech responded that there hasn't been a firm decision on how to document it, but it will come into play with the legal documentation later on. Bert Hunter added that it is likely to be in the form of a covenant loan agreement, but being as it is the first time dealing with these kinds of structures, the team will be sure to review the requirements that the project sponsor is signed up with. Leigh Whelpton added that because the Dept of Agriculture's determination about the material impact, or lack thereof, is conditional upon the co-uses, we want to figure out the structure around that loan covenant. Bert Hunter commented that although the specifics of the co-uses isn't formalized at this time, they will be contractually required and the wording in the legal documents will be done in a way to ensure that.
    - Adrienne Farrar Houël asked about the siting for SCEF and how it is determined. If the SCEF system is expected to be used to reduce the energy burden of LMI families, and if so, how is that choice integrated. David Beech responded he isn't as familiar with the program and Bert Hunter responded that the site location doesn't have a relationship to the beneficiaries under the program. Bryan Garcia then described the SCEF program in more detail.
    - Joseph DeNicola asked in relation to Dept of Agriculture projects, do they have an end-of-life obligation to remove facilities. Leigh Whelpton responded that she can't exactly remember specifics, but based on the findings and diligence process, at the end of the useful life of the project, the decommission would include a return to prime farmland. Matthew Ranelli added that its statutorily required too now, the decommissioning part for the citing council to impose it.

Resolution #4

WHEREAS, Community Power Group, LLC ("Community Power") has requested financing in support of private capital from the Connecticut Green Bank ("Green Bank") under the Capital Solutions Open RFP Program ("Capital Solutions") to finance and construct a solar PV Shared Clean Energy Facility ("SCEF") (the "Project"), in Ellington Connecticut;

WHEREAS, Green Bank has structured credit facilities whereby the Green Bank would provide construction and term debt financing for the Project; 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 Project, support the obligations under the credit facilities throughout their respective terms and satisfying the requisite Capital Solutions criteria, and as set forth in the due diligence memorandum dated March 14, 2025 (the "Board Memo"), has recommended this support be in the form of funding not to exceed $5,000,000 for the construction and long term financing for the Project, 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 the Green Bank to provide the credit facilities in an aggregate amount not to exceed $5,000,000;

RESOLVED, that the President of the Green Bank and any other duly authorized officer is authorized to take appropriate actions to provide the credit facilities in an amount not to exceed $5,000,000 in with terms and conditions consistent with the Board Memo, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 180 days from the date of authorization by the Board; and,

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

Upon a motion made by Joseph DeNicola and seconded by John Harrity, the Board of Directors voted to approve Resolution 4. None opposed or abstained. Motion approved unanimously.

c. C4C LIME Loan – Loan Facility Extension

- Bert Hunter summarized the history of the Capital 4 Change facility which has been expanded several times over the years, and the proposal to extend the program again by 1 year. He reviewed the exploration of making LIME available for new construction, but staff would come back to the Board before implementing such an expansion.
    - Adrienne Farrar Houël asked about the potential to buy down points for the loans with the CDFIs. Bert Hunter responded it is on the backburner right now but could investigate it more and get back to her.

<u>Resolution #5</u>

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

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

WHEREAS, in order to continue the successful deployment of capital into the LIME Program C4C has requested an extension of the availability period until March 31, 2026, approximately one year from the expiration of the availability period under the existing terms and conditions;

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

NOW, therefore be it:

RESOLVED, that the Board approves the extension of the availability period under the Master Facility until a date not to exceed March 31, 2026;

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 extension of the availability period under the Master Facility for the LIME program on such terms and conditions as are materially consistent with the memorandum submitted to the Board on March 14, 2025; and,

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

Upon a motion made by Adrienne Farrar Houël and seconded by John Harrity, the Board of Directors voted to approve Resolution 5. None opposed or abstained. Motion approved unanimously.

6. Incentive Programs Updates and Recommendations

a. ESS-001606 – Manchester – Kinsley Group / Allied Printing Services

- Edward Kranich summarized an overview of the Energy Storage Solutions program and the proposal for a project with Kinsley Group for Allied Printing Services. He noted that no funds are paid by the Green Bank until the project has been installed, interconnected, and proven to be operational and able to receive signals for dispatch in the program. As well, there is a claw-back system if the project doesn't perform as expected. The project is a 3.98 MW project with a total installed cost of nearly $6.6 million and an upfront incentive of $1,310,400 with an annual peak demand of 3,288 kW.
  - John Harrity asked about the upfront incentive and if it is money saved by installing the project. Edward Kranich responded that the upfront incentive is what the Green Bank pays to the developer to reduce the upfront cost of installation to the customer. It is a one-time buydown of the installed cost. John Harrity asked how much the customer would save in energy costs by using the solar and battery together. Edward Kranich responded he doesn't have those figures as they are calculated by the developer, but in terms of the Green Bank's own benefits calculator, the participant cost test equates to 1.22, meaning for every $1 they put in, they will get $1.22 in benefits.
  - John Harrity asked how many employees the company has. Edward Kranich responded that according to the company website it is a family run business with over 300 employees, and at least 150 of those employees have been there for over 10 years.

<u>Resolution #6</u>

WHEREAS, in its June 24, 2022 meeting the Connecticut Green Bank Board of Directors (Board) approved the implementation of an Upfront Incentive Project Approval procedures ("Procedures") for non-residential projects under the Energy Storage Solutions Program (Program) with an estimated upfront incentive payment greater than $500,000 and procedures for less than $500,000;

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

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 Kinsley Group for one non-residential project totaling a not-to-exceed amount of $1,310,400 consistent with the approved Procedures; and,

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

Upon a motion made by John Harrity and seconded by Adrienne Farrar Houël, the Board of Directors voted to approve Resolution 6. None opposed or abstained. Motion approved unanimously.

7. Environmental Infrastructure Programs Updates and Recommendations
a. Waste and Recycling Primer

- Leigh Whelpton summarized the final primer as part of the Green Bank's expanded scope and authority, which is for Waste & Recycling. The team came up with a 3-prong strategy including supporting the State, end of life consideration, and expanding and scale organic waste management. She reviewed Connecticut's policy objectives and goals including improving municipal recycling programs, reducing waste, increasing participation, developing and improving recycling and waste conversion technologies, and encouraging organizations in EPR obligations.
- Leigh Whelpton summarized Solar PV and Battery Storage end-of-life issues in terms of context of the problem and existing capacity. She reviewed next steps and considerations for the various types of systems and in broader terms for EI Scope Expansion and the State as a whole. She then reviewed the composition of Connecticut's waste as determined by a recent study and the impacts of that waste as well as target solutions and other market assessments.
- Leigh Whelpton reviewed potential investment opportunities to prevent, rescue, and recycle various types of waste.
    - John Harrity asked for clarification about where waste is being shipped from and to. Leigh Whelpton responded that it has to do with the dynamic of municipal waste and certain manufacturing entities who may take on commercial waste from specific sources.
    - Kimberely Mooers asked for clarification about how food waste accounts for 21% of freshwater use. Leigh Whelpton responded that it is related to the resources used to growing food but is not consumed and is eventually sent to a landfill.

8. Greenhouse Gas Reduction Fund – Updates and Recommendations

a. CGC Investment Policy

- Stephanie Keohane summarized the proposal for Green Bank's own investment policy modeled after CGC's investment policy that would apply solely to our projects supported by National Clean Investment Fund investments. She added that Puerto Rico and New Hampshire will need to develop their own policies or adhere to the CGC's policies. Brian Farnen added that it is a mandatory requirement to have this investment policy in place.

Resolution #7

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

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

WHEREAS, on January 3, 2025, the Green Bank entered into an NCIF Subgrant Agreement with CGC totaling $93.53 million, and on January 16, 2025, CGC transferred the total funding amount to the Green Bank's account at Citibank in accordance with the Account Control Agreement the Green Bank executed with CGC and Citibank on January 14, 2025.

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 submit the Green Bank's NCIF Investment Policy to CGC for review and approval; and,

RESOLVED, that the Board hereby approves of the Green Bank adhering to its NCIF Investment Policy in all future disbursements of NCIF funds for Qualified Projects.

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

9. Executive Session – Strategy and Negotiations with Respect to Pending Claims or Litigation

Upon a motion made by Thomas Flynn and seconded by John Harrity, the Board of Directors voted to enter Executive Session at 10:36 am. None opposed or abstained. Motion approved unanimously.

Allison Pincus and Joseph DeNicola left the meeting at 11:00 am during the Executive Session.

The Board of Directors returned from the Executive Session at 11:05 am.

Resolution #8

WHEREAS, the Connecticut Green Bank ("Green Bank") is a recipient of a subgrant awarded by grantor Coalition for Green Capital ("CGC") pursuant to a grant awarded to CGC by the Environmental Protection Agency ("EPA") under EPA's National Clean Investment Fund program;

WHEREAS, in connection with the subgrant award, this corporation entered into an Account Control Agreement ("ACA") with Citibank, N.A. ("Citi") and CGC, whereby Citi served as the provider of the bank accounts that would be used to hold this corporation's subgrant funds;

WHEREAS, on or around February 18, 2025, Citi froze this corporation's accounts containing the subgrant funds and refused to offer any explanation for its actions in response to this corporation's requests to disburse funds;

WHEREAS, on March 11, 2025, EPA issued a "Notice of Termination" that purported to terminate the NCIF program without notice or process due to the recipients of grants and subgrants under the program;

WHEREAS, Citi's refusal to unfreeze this corporation's accounts constitute a breach of the terms of the ACA;

WHEREAS, EPA's Notice of Termination threatens to illegally and unconstitutionally deprive the Green Bank of the subgrant award to which it is legally entitled; and

WHEREAS, while the Green Bank does not intend to take immediate action, it may need to pursue legal recourse to protect its rights and secure access to the subgrant funds to which it is legally entitled.

NOW, therefore be it:

RESOLVED, that the Green Bank Board of Directors authorizes the Green Bank to take action to restore its access to the subgrant award funds by retaining legal counsel and seeking intervenor status or initiating a lawsuit against Citi, EPA, and any party necessary to ensure its full recovery of funds.

Upon a motion made by Matthew Ranelli and seconded by Adrienne Farrar Houël, the Board of Directors voted to approve Resolution 8. None opposed or abstained. Motion approved unanimously.

10. Adjourn

Lonnie Reed adjourned the Board of Directors meeting at 11:06 am.