

Memo

To: Board of Directors of the Connecticut Green Bank

From: Mackey Dykes, Executive Vice President, Financing Programs

CC: Brian Farnen, Chief Legal Officer & General Counsel; Bryan Garcia, President & CEO

Date: September 3, 2025

Re: Request to Increase Staff Project Approval Aggregate Authorization

Connecticut Green Bank (“Green Bank”) staff currently has authorization from the Board of Directors (“BOD”) to evaluate and approve Financing Programs funding requests less than \$500,000 which are pursuant to an established formal approval process requiring the signature of a Green Bank officer, consistent with the Comprehensive Plan, approved within Green Bank’s fiscal budget and in an aggregate amount not to exceed \$1,000,000. This authority is primarily used for the approval of C-PACE projects. Staff is seeking to increase the aggregate amount of authorized approvals to \$2,000,000.

Background

On January 18, 2013, the BOD approved of a recommendation brought forth by the Audit, Compliance and Governance (ACG) Committee and Deployment Committee to approve the authorization of Green Bank staff to evaluate and approve program funding requests less than \$300,000 which are pursuant to an established formal approval process requiring the signature of a Green Bank officer, consistent with the Green Bank Comprehensive Plan, approved within Green Bank’s fiscal budget and in an aggregate amount not to exceed \$500,000 from the date of the last Deployment Committee meeting. This policy was consistent with that of the Connecticut Clean Energy Fund (CCEF), the predecessor to Green Bank, whose Board passed a similar resolution permitting staff to approve funding requests below \$300,000.

On July 18, 2014, the BOD approved of a second recommendation brought forth by the ACG Committee and Deployment Committee to approve the authorization of Green Bank staff to evaluate and approve program funding requests less than \$300,000 which are pursuant to an established formal approval process requiring the signature of a Green Bank officer, consistent with the Green Bank Comprehensive Plan, approved within Green Bank’s fiscal budget and in an aggregate amount not to exceed \$1,000,000 from the date of the last Deployment Committee meeting.

At the October 20, 2017 meeting, the BOD authorized Green Bank staff to evaluate and approve funding requests less than \$500,000 which are pursuant to an established formal approval process requiring the signature of a Green Bank officer, consistent with the Comprehensive Plan, approved within Green Bank's fiscal budget and in an aggregate amount not to exceed \$1,000,000 from the date of the last Deployment Committee meeting.

The final revision to this policy was made in early 2024 as outlined in a January 19, 2024 memo to the BOD. The BOD authorized separate aggregate approval amounts for Financing Programs and the Energy Storage Solutions (ESS) program. This gave each program the ability to approve individual projects up to a maximum of \$500,000 with an aggregate cap of \$1,000,000, essentially creating two separate \$1,000,000 "buckets" of staff approval authorization.

Staff has created a process to manage this authority. Eligible projects are presented to the authorized senior staff and approved internally utilizing **Attachment A**, the Project Approval Form. Staff tracks each of these project approvals to monitor usage of the aggregate \$1,000,000 of approval authority. At each Deployment Committee or BOD meeting, a memo is included in the consent agenda which outlines all projects staff have approved. Once this memo is approved at the meeting, the aggregate authority is "refreshed" or "cleared" and staff can again approve eligible projects up to a total of \$1,000,000.

Since the BOD gave staff authority to approve projects in 2013, 137 projects have been approved for a total funding amount of \$23,587,024 (not including ESS projects once they were moved into a separate authority in 2024). **Attachment B** provides more detailed information on all these projects and approvals.

Aggregate Approval Increase Recommendation

Staff requests that the BOD approve an increase in aggregate approval authority from \$1,000,000 to \$2,000,000. This is because of both historical and prospective reasons. Since 2013, the Deployment Committee or BOD has "cleared" the staff approval queue 53 times. 18 of those times the authority had been utilized above \$500,000, meaning there was not enough authority remaining to approve the largest of an eligible project. In many cases, this has meant delaying approval of project. Instead of immediately approving at the staff level, the project waits until the next Deployment Committee or BOD meeting, where it is presented for approval. In addition to delaying approval, this also uses valuable Deployment Committee or BOD meeting time for a presentation for a project that could have been handled at the staff level.

Prospectively, staff is concerned about pressure on the timing of approving and closing projects due to recent changes to the Investment Tax Credit ("ITC"). Unless projects start construction before the end of 2025, they will be subject to restrictive new rules around timing of placing the project in service and amount of equipment produced by entities with connections to countries of "concern". In order to avoid these restrictions, many borrowers will look to have their financing in place so they can make the necessary equipment

purchases to start construction this year. There are currently dozens of solar projects in the C-PACE pipeline under \$500,000 that will be looking for timely approval. Staff believes the additional aggregate authority requested here will allow for more expedient approval of many of these projects.

Resolution

WHEREAS, the Connecticut Green Bank (the “Green Bank”) Board of Directors (the “Board”) has authorized Green Bank staff to evaluate and approve funding requests under \$500,000, provided such requests are made pursuant to an established approval process, require the signature of a Green Bank officer, are consistent with the Green Bank’s Comprehensive Plan, fall within the approved fiscal budget, and remain within an aggregate limit not to exceed an amount updated from time to time (the “Staff Approval Policy for Projects Under \$500,000”); and

WHEREAS, the Deployment Committee and the Audit, Compliance, and Governance Committee have recommended approval to the Board to increase the aggregate not to exceed limit;

NOW, therefore be it:

RESOLVED, that the Board approves an increase of the aggregate not to exceed limit of the Staff Approval Policy for Projects Under \$500,000 from \$1,000,000 to \$2,000,000.