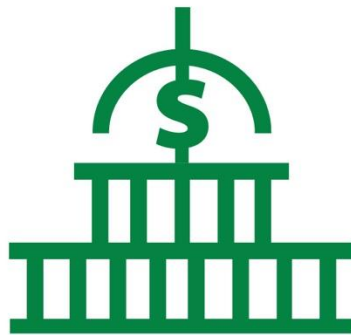




## Audit, Compliance and Governance Committee

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**MEETING DATE: TUESDAY, APRIL 07, 2026 • 8:30AM**



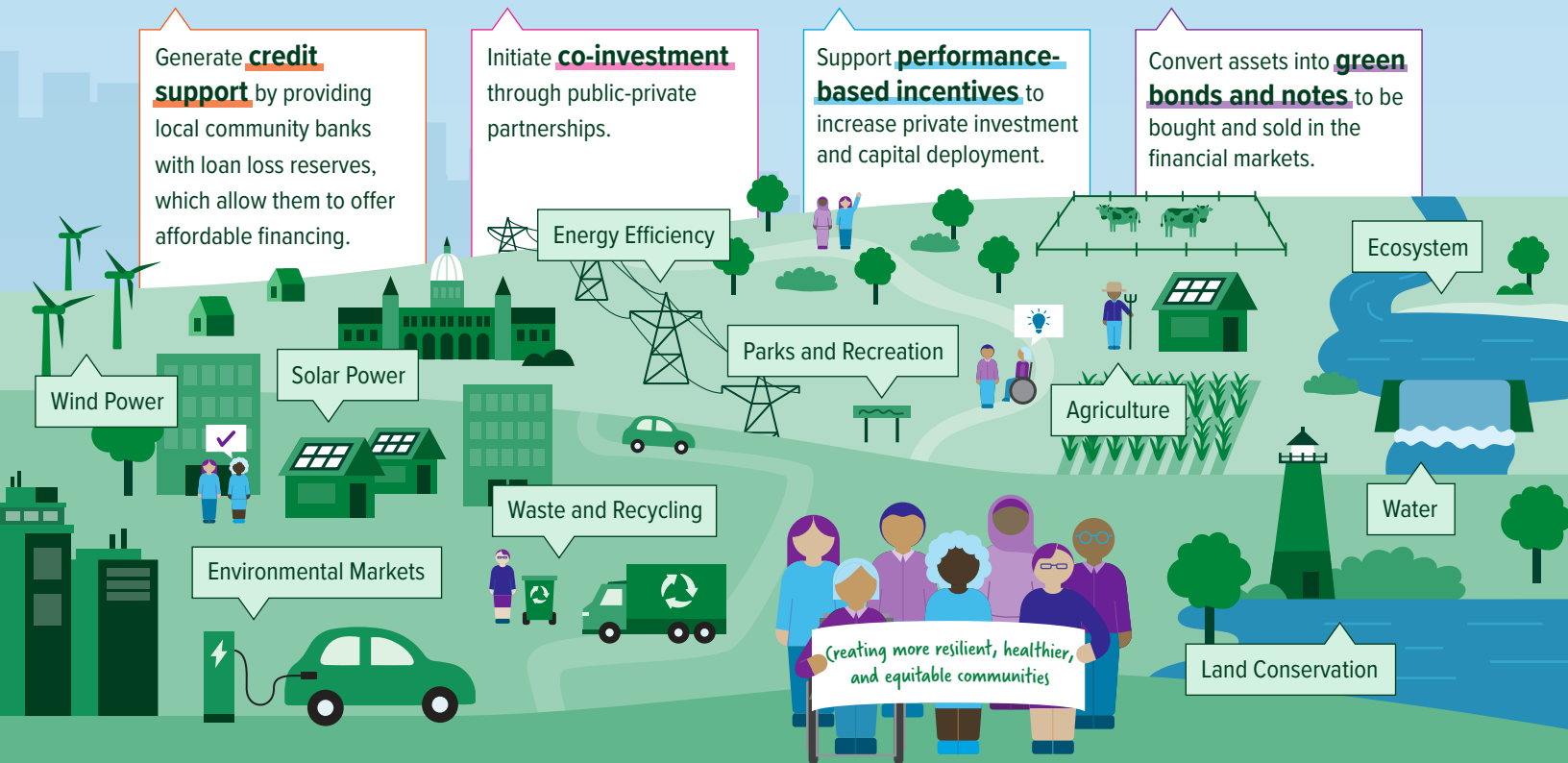
# The Green Bank Model

*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

<p><b>Economic Development</b></p> <ul style="list-style-type: none"> <li>Creating thousands of jobs</li> <li>Generating millions in tax revenue</li> </ul>	<p><b>Ecological Resilience</b></p> <ul style="list-style-type: none"> <li>Driving environmental conservation, restoration, stewardship, and resilience</li> </ul>	<p><b>Energy</b></p> <ul style="list-style-type: none"> <li>Reducing energy burden by deploying clean energy</li> <li>Increasing energy security by deploying clean energy</li> </ul>	<p><b>Environmental Protection</b></p> <ul style="list-style-type: none"> <li>Reducing greenhouse gas emissions</li> <li>Improving the health of our residents by reducing air pollution</li> </ul>	<p><b>Equity</b></p> <ul style="list-style-type: none"> <li>No less than 40% of investment and benefits must reach vulnerable communities</li> </ul>
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# Societal Impact Report

FY12  
FY25

Since the Connecticut Green Bank's inception through the bipartisan legislation in July 2011, we have mobilized more than **\$3.11 billion of investment** into the State's green economy. To do this, we used **\$463.3 million** in Green Bank dollars to attract **\$2.65 billion** in private investment, a leverage ratio of **\$6.70 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 2025).\*

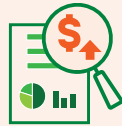
## ECONOMIC DEVELOPMENT

**JOBS** The Green Bank has supported the creation of more than **30,539** direct, indirect, and induced job-years.



### TAX REVENUES

The Green Bank's activities have helped generate an estimated **\$157.9 million** in state tax revenues.



**\$60.6 million** individual income tax

**\$60.6 million** corporate taxes

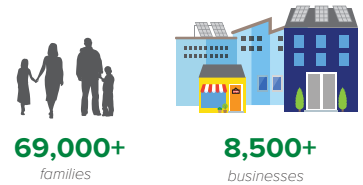
**\$35.4 million** sales taxes

**\$1.2 million** property taxes

## ENERGY

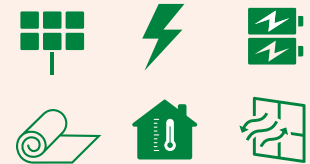
### ENERGY BURDEN

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 **732.2 MW** and lifetime savings of over **93.9 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 **7.4 million pounds** of SOx and **9.3 million pounds** of NOx lifetime.



**11.8 MILLION tons of CO<sub>2</sub>** : **EQUALS**

**178 MILLION** tree seedlings grown for 10 years

OR

**2.3 MILLION** passenger vehicles driven for one year

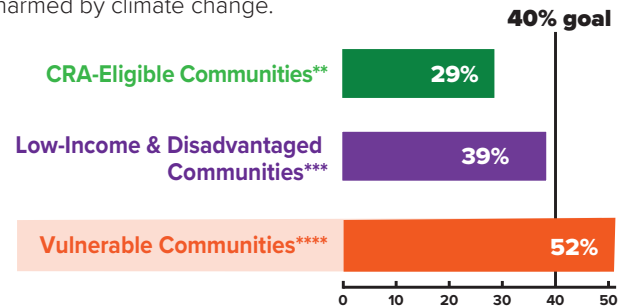
**PUBLIC HEALTH** The Green Bank has improved the lives of families, helping them avoid sick days, hospital visits, and even death.

**\$234.7 – \$530.8 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.



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.

Learn more by visiting [ctgreenbank.com/strategy-impact/societal-impact/](http://ctgreenbank.com/strategy-impact/societal-impact/)

www.ctgreenbank.com © 2025 CT Green Bank. All Rights Reserved  
Sources: Connecticut Green Bank Comprehensive Annual Financial Reports

## Audit, Compliance, Governance Committee

Thomas M. Flynn  
Chair of ACG Committee



**E: [Tom.Flynn@tomflynn.org](mailto: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.

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## Dr. Joanna Wozniak-Brown

Board Member



**E: [Joanna.Wozniak-Brown@ct.gov](mailto: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.

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## James B. Cosgrove

Board Member



**E: [JCosgrove@branford-ct.gov](mailto:JCosgrove@branford-ct.gov)**

**P: 203-315-0620**

First Selectman James B. Cosgrove graduated from Branford High School and went on to receive a bachelor's degree in finance from the University of New Haven in 1996. James B. Cosgrove was elected as First Selectman in November 2013, after serving on the Board of Selectmen from 2011 to 2013. In addition, he previously served on the Branford Representative Town Meeting (RTM), the town's legislative body from 2009 to 2011. Currently, he serves as a member of South Central Connecticut Council of Governments; South Central Connecticut Council of Governments Transportation Committee; Regional Economic Xcelleration Executive Board and Workforce Alliance Executive Board. In addition, he serves as the President of the Bristol Resource Recovery Facility Operating Committee.

## Audit, Compliance, Governance Committee

### Lisa Shanahan

Board Member



**E: [lisashan@msn.com](mailto:lisashan@msn.com)**

**P: 773-502-8629**

Lisa Shanahan grew up in Norwalk and Darien. After she graduated from Dartmouth College and the University of Pennsylvania Law School, she joined the law firm of McDermott Will & Emery in Chicago and subsequently moved to The Northern Trust Company. After her family returned to Connecticut, she served on several boards and has joined the Norwalk Land Trust (NLT) as a board member around 2012, serving as vice president from 2016-2021, and president from 2021 until this fall when the Norwalk Land Trust merged with the Aspetuck Land Trust (ALT) and has undertaken several interesting initiatives including a first of its kind urban conservation mapping project in partnership with the Hudson.

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### Lonnie Reed

Board Chair



**E: [Lonnie.Reed@ctgreenbank.com](mailto: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.

## **Audit, Compliance and Governance Committee Meeting Schedule**

Tuesday, January 13th 2026

Tuesday, April 7th 2026

Tuesday, October 6th 2026

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

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



March 31, 2026

Dear Audit, Compliance and Governance (“ACG”) Committee Members,

We look forward to our meeting on Tuesday, April 7<sup>th</sup>, via Microsoft Teams ([Join the meeting now](#)) from 8:30 a.m. to 9:30 a.m. Our agenda will focus on three key items:

1. Legislative Session and Regulatory Policy Update
2. Evaluation Framework – Update from the Deployment Committee
3. Loan Portfolio and Risk Management – Governance Framework
4. Executive Session – Cybersecurity Strategy

As always, please let me know if you have any questions.

Sincerely,

Brian Farnen  
General Counsel & Chief Legal Officer



## **AGENDA**

Audit, Compliance and Governance Committee of the  
Connecticut Green Bank  
75 Charter Oak Avenue, Suite 1-103  
Hartford, CT 06106

Tuesday, April 7, 2026  
8:30 – 9:30 a.m.

Staff Invited: Priyank Bhakta, Brian Farnen, Dan Smith, Bryan Garcia, Bert Hunter, Eric Shrago, and James Desantos

1. Call to order
2. Public Comments
3. Consent Agenda – 5 minutes
  - a. Approve Meeting Minutes for January 13, 2026\*
  - b. Update on Statutory Status
  - c. Board of Directors Membership Status Updates
4. Legislative Session and Regulatory Policy Update – 10 minutes
5. Evaluation Framework – Update from the Deployment Committee Meeting of February 18, 2026 – 5 minutes
6. Loan Portfolio and Risk Management – Governance Framework – 15 minutes
7. Executive Session pursuant to Conn. Gen. Stat. §§1-200(6) and 1-210(b)(19) – Cybersecurity Strategy – 20 minutes
8. Adjourn

\*Denotes item requiring Committee action

\*\* Denotes item requiring Committee action and recommendation to the Board for approval

### **[Join the meeting now](#)**

Meeting ID: 286 926 218 788 1

Passcode: jR2Pk7aB

Or Call in using your telephone:  
Dial +1 860-924-7736  
Phone Conference ID: 762 785 01#



## **RESOLUTIONS**

Audit, Compliance and Governance Committee of the  
Connecticut Green Bank  
75 Charter Oak Avenue, Suite 1-103  
Hartford, CT 06106

Tuesday, April 7, 2026  
8:30 – 9:30 a.m.

Staff Invited: Priyank Bhakta, Brian Farnen, Dan Smith, Bryan Garcia, Bert Hunter, Eric Shrago, and James Desantos

1. Call to order
2. Public Comments
3. Consent Agenda – 5 minutes
  - a. Approve Meeting Minutes for January 13, 2026\*

### **Resolution #1:**

Motion to approve the minutes of the Audit, Compliance and Governance Committee meeting for January 13, 2026. Second. Discussion. Vote

- b. Update on Statutory Status
  - c. Board of Directors Membership Status Updates
4. Legislative Session and Regulatory Policy Update – 10 minutes
5. Evaluation Framework – Update from the Deployment Committee Meeting of February 18, 2026 – 5 minutes
6. Loan Portfolio and Risk Management – Governance Framework – 15 minutes

### **Resolution # :**

**RESOLVED**, that staff hereby recommends to the Audit, Compliance and Governance Committee approval of the processes and procedures outlined above related to the ongoing compliance and risk

management procedures of the Green Bank’s portfolio, including the timeline for which staff will deliver portfolio compliance and delinquency reports to ACG.

**RESOLVED**, that staff may alter the above-mentioned procedures from time to time as they deem appropriate and will notify the Audit, Compliance and Governance Committee of any material changes to these processes or procedures.

7. Executive Session pursuant to Conn. Gen. Stat. §§1-200(6) and 1-210(b)(19) – Cybersecurity Strategy – 20 minutes
8. Adjourn

\*Denotes item requiring Committee action

\*\* Denotes item requiring Committee action and recommendation to the Board for approval

**[Join the meeting now](#)**

Meeting ID: 286 926 218 788 1

Passcode: jR2Pk7aB

Or Call in using your telephone:

Dial +1 860-924-7736

Phone Conference ID: 762 785 01#

# Announcements



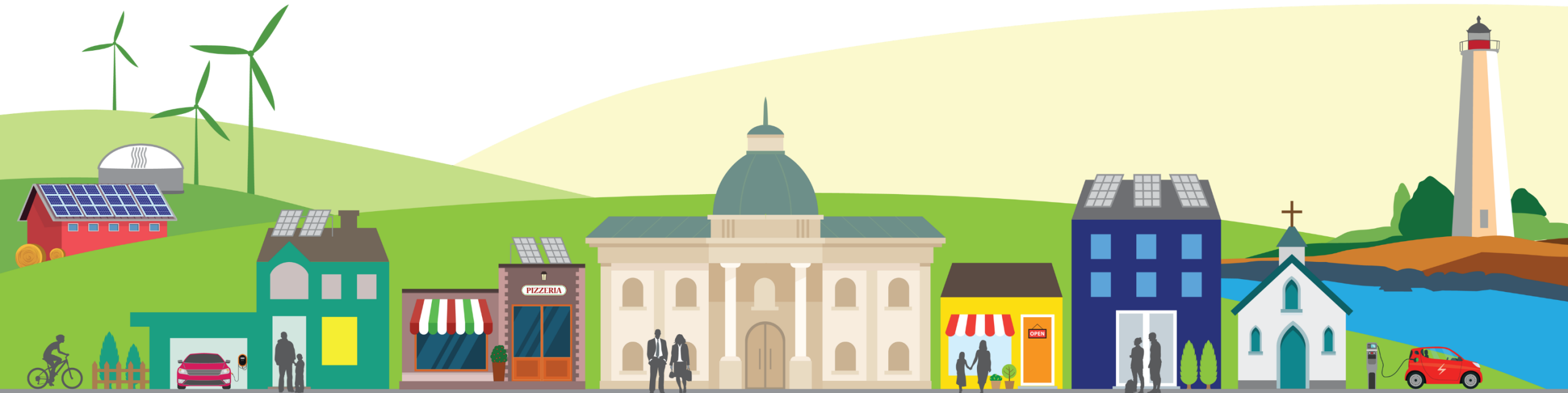
- **In-Person Option** – if anyone wants to join future BOD or Committee meetings in person, we are inviting you to our offices in Hartford
- **Mute Microphone** – in order to prevent background noise that disturbs the meeting, if you aren't talking, please mute your microphone or phone.
- **Chat Box** – 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.

# Audit, Compliance, and Governance Committee

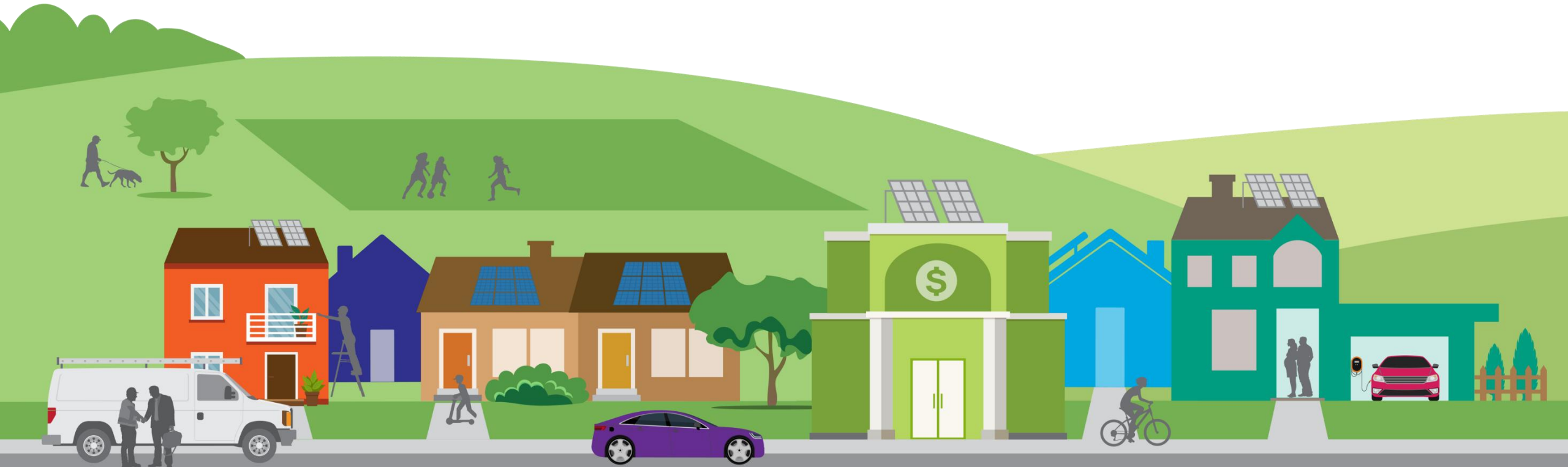
April 7, 2026



## Agenda Item #1 Call to Order



## Agenda Item #2 Public Comments



## Agenda Item #3a Meeting Minutes for January 13, 2026



# Agenda Item #3

## Resolution #1



## Meeting Minutes

### Resolution #1:

Motion to approve the minutes of the Audit, Compliance and Governance Committee meeting for October 7, 2025. Second. Discussion. Vote.

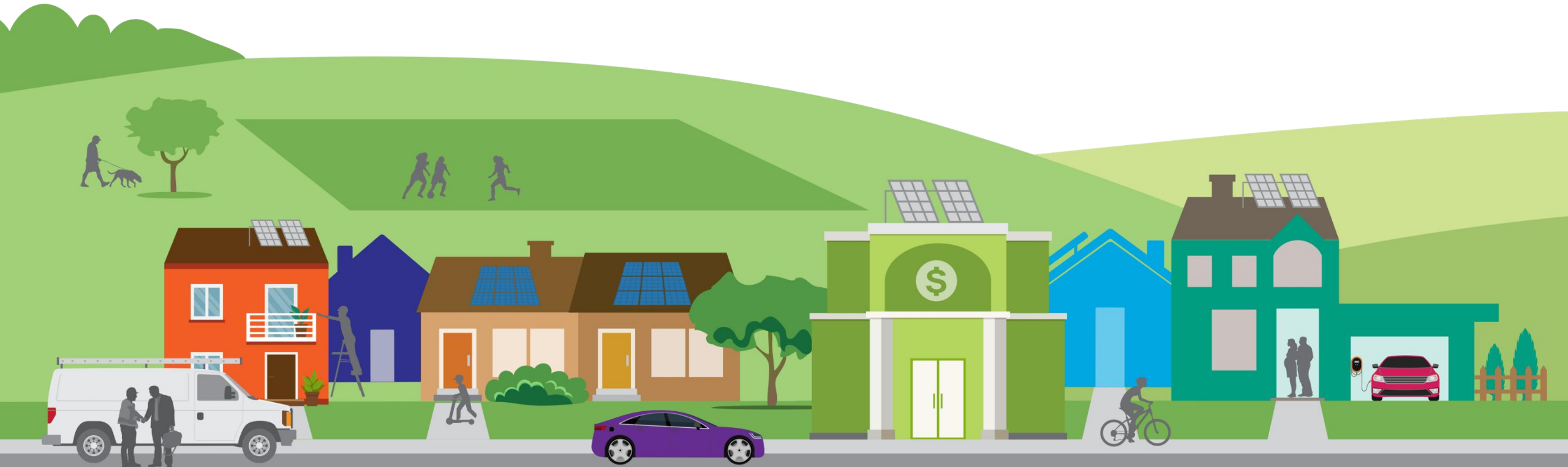


# Statutory Reporting Status Update



<b>2026 Statutory Filings</b>		
<b>Statutory Filing</b>	<b>Submitted</b>	<b>Remaining Submissions in 2026</b>
Quarterly Cash Flow	3/5/2026	6/30/26, 9/30/26, 12/31/26
Quarterly Human Resources	3/30/2026	6/30/26, 9/30/26, 12/31/26
Comprehensive Annual Financial Report	N/A	12/31/2026
Special Capital Reserve Fund Notice	N/A	12/1/2026
Annual Report	N/A	12/31/2026
OpenCT Checkbook - Comptroller	3/3/2026	N/A

## Agenda Item #3c Board of Directors Membership Status Update



## Agenda Item #4 Legislative and Regulatory Policy Update



**2026 Legislative Session:** Convened February 4th & Adjourns on May 6th "Short Session"

## ***What's driving the discussion in 2026 - "Affordability" & "Elections"***

Unlike throughout the 2025 Legislative Session, where Energy was under the microscope, the "Affordability" discussion has permeated housing, business, health care, wages, college tuition costs & public transit.

### **Green Bank Agenda thus far:**

*To Protect Clean Energy Fund (Green Bank) / Public Benefit Charge*

*HB 5340: PURA Successor Study Legislation. (Energy & Technology Committee)*

Protecting ESS allocations in program designs, assuring AMFH language is workable,  
Potential ESS PILOT program, V2G for ESB's, and  
Existing: Solar Consumer Protection Task Force, Plug in Solar.

*SB 416: Clean Transportation Bill (Transportation Committee)*

Scalable deployment targets, V2G for ESB's, countering HB 5470 – Alternative Fuel legislation (Propane)

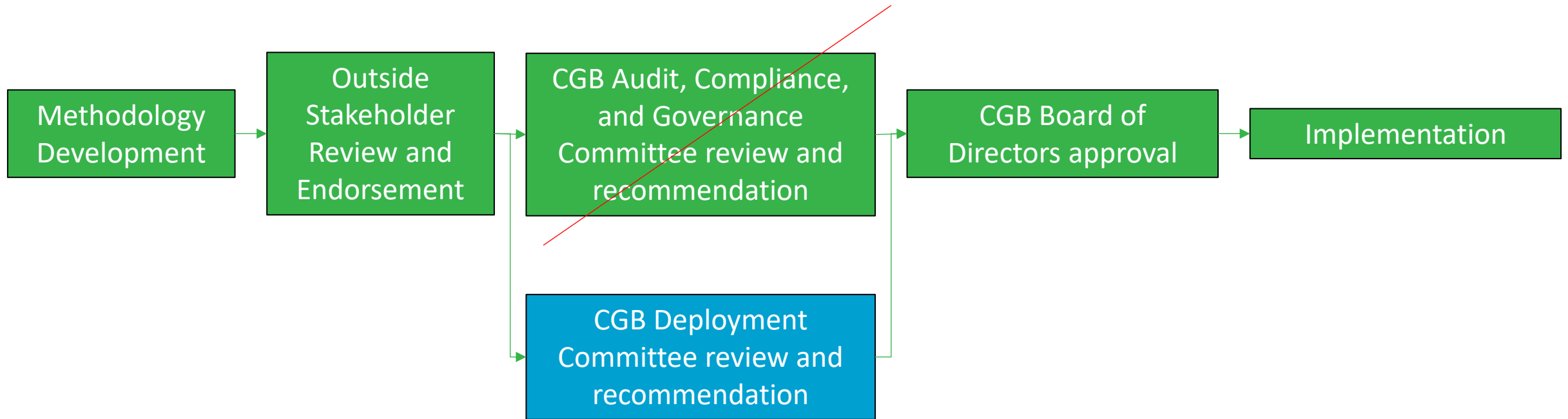
## Agenda Item #5 Evaluation Framework – Update from the Deployment Committee Meeting of February 18, 2026



# Evaluation Framework – Update from the Deployment Committee Meeting of February 18, 2026

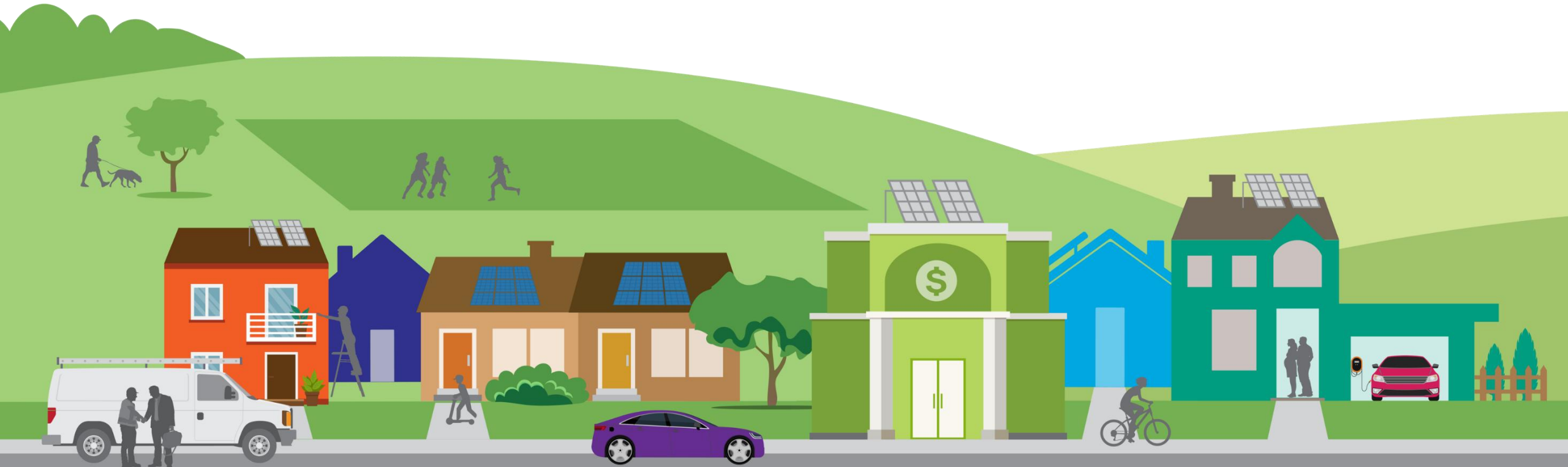


2015 – present and Proposed



Need to maintain governance and transparency around methodologies and balance with subject matter expertise

## Agenda Item #6 Compliance & Risk Management Overview



# Compliance & Risk Management Overview



## Overview

With the growth of CGB's portfolio, staff have implemented a compliance review process to monitor loan performance. The Green Bank's loan portfolio is comprised of residential loans, commercial/project finance loans (Capital Solutions), C-PACE loans and capital assets. Given the diverse nature of these various debt instruments, not all loans will feature ongoing financial reporting requirements or quarterly/annual covenant testing.

## Portfolio Analytics (Proforma)

Loan Classification	Amount Outstanding	% of Portfolio	Loan Loss Reserves	LLR / AMT Outstanding
C-PACE	76,247,910	34.7%	2,512,267	3.3%
Capital Solutions	59,264,728	27.0%	3,415,540	5.8%
Residential	12,521,461	5.7%	956,394	7.6%
Environmental Infrastructure	260,000	0.1%	-	0.0%
SBEA Loans	7,497,413	3.4%	-	0.0%
Capital Assets (Leases & PPAs)*	63,971,818	29.1%	-	0.0%
<b>Total:</b>	<b>219,763,331</b>	<b>100.0%</b>	<b>6,884,201</b>	<b>3.1%</b>

as of 12/31/2025

\*Book Value

# Compliance & Risk Management Overview (Cont'd)



Loan Classification	Amount Outstanding (In Millions)	% of Portfolio	Monthly Delinquency Review	Debt Service Coverage Ratio ("DSCR") Testing	Debt Service Reserve Account ("DSRA")	Insurance Compliance	Financial Reporting	Risk Rating	Production Tracking
C-PACE	76.2	34.7%	Yes	No	No	Yes	No	Yes	No
Capital Solutions	59.3	27.0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Residential	12.5	5.7%	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Environmental Infrastructure	0.3	0.1%	Yes	Yes	Yes	Yes	Yes	Yes	Yes
SBEA Loans	7.5	3.4%	Yes	No	No	N/A	No	No	No
Capital Assets (Leases & PPAs)*	64.0	29.1%	Yes	N/A	N/A	N/A	N/A	N/A	Yes
<b>Total:</b>	<b>219.8</b>	<b>100.0%</b>							

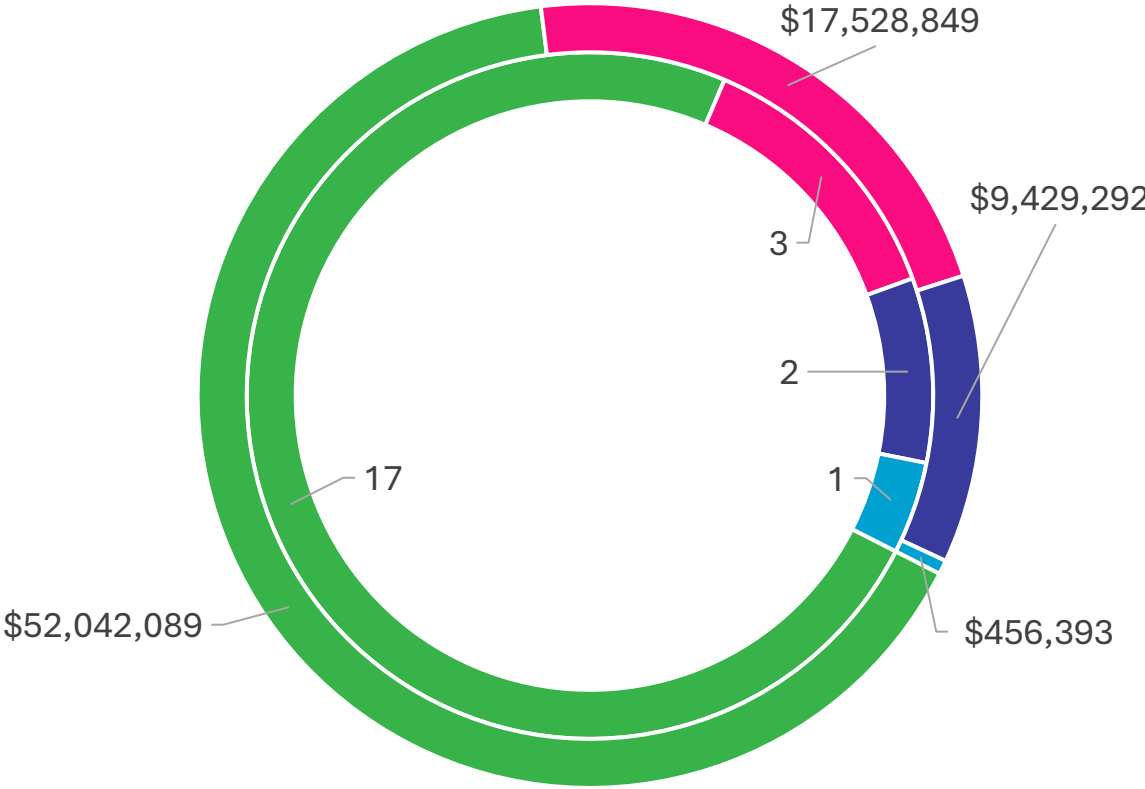
as of 12/31/2025

\*Book Value

# Capital Solutions Loan Portfolio Compliance Status (as of Q3 2025)

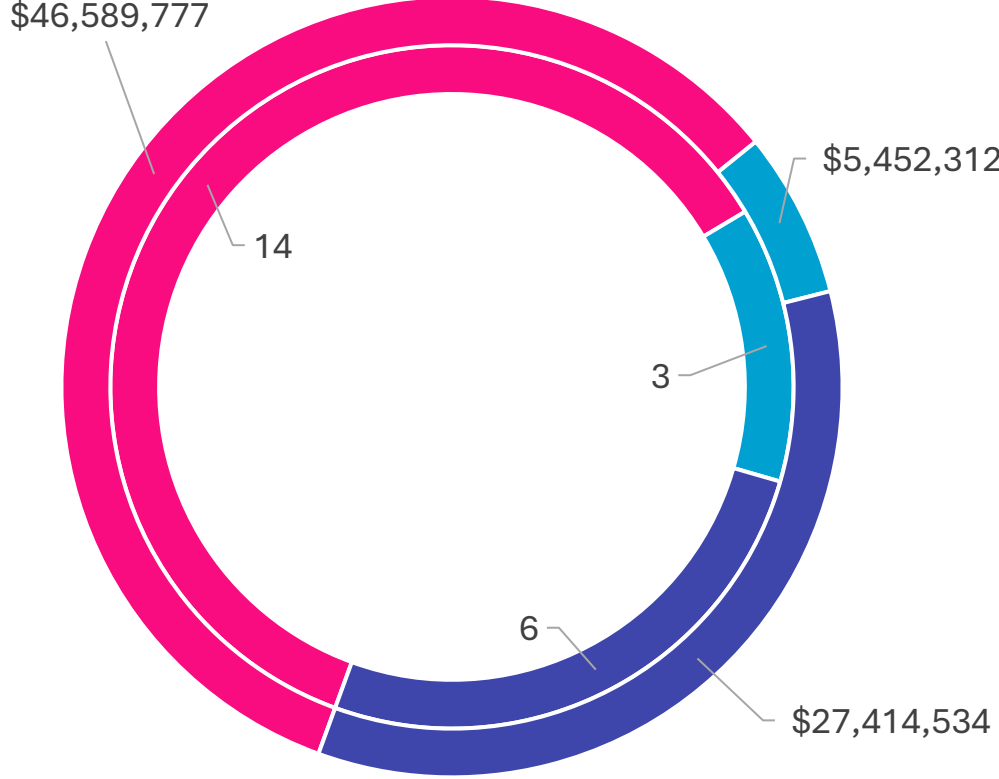


Risk Rating On Boarding Status



- Risk Rated
- On Boarding in Progress
- N/A - Reporting Has Not Begun
- Not Yet Risk Rated

Risk Rating Performance Status



- In Compliance
- Out of Compliance
- N/A

# Capital Solutions Loan Portfolio Proposed Compliance Calendar



CY	Quarter/Period End	Borrower Reporting Due by	Analyst Review Due by	Presentation to Compliance Lead Due by	Presentation to Chief Investment Officer Due by	Delivery to ACG	Notes
Q1	3/31	5/31	6/20	6/30	7/10	7/31	
Q2	6/30	8/31	9/20	9/30	10/10	10/31	
Q3	9/30	11/30	12/31	1/31	2/20	3/1	
Q4	12/31	3/1	3/20	3/31	-	-	Most loans typically provide full fiscal year end financials in lieu of CY Q4 financials. For loans that report CY Q4 financials, staff will conduct compliance monitoring in accordance with the established process and meet/review with CIO on an as needed basis.
Fiscal Year End Reporting	12/31	6/30	7/31	8/20	8/31	October (ACG and BOD)	During the October ACG and BOD meetings, staff will formally present the prior calendar year-end compliance analysis, along with the most recent available quarterly compliance data (either CY Q1 or CY Q2).

# Monthly Delinquency Review Meeting



- Green Bank staff have a recurring monthly meeting, with representatives from Legal, Operations, Financing Programs and Investments to discuss problem credits, emerging risks and create an action plan towards a resolution.
- Staff reconvene monthly to discuss progress of steps taken towards a resolution and will pivot to an alternative approach in the event progress is not satisfactory.
- Staff will provide the ACG Committee, via email, a copy of the meeting notes (and relevant analysis, as applicable) from the most recent monthly delinquency review meeting covering the entire portfolio in accordance with the timing proposed in the table on the previous slide.

# Resolution #6



**RESOLVED,** that the Audit, Compliance and Governance (“ACG”) Committee recommends to the Board of Directors approval of the processes and procedures, as outlined in the memo, related to the ongoing compliance and risk management procedures of the Green Bank’s portfolio, including the timeline for which staff will deliver portfolio compliance and delinquency reports to ACG Committee; and

**RESOLVED,** that staff may alter the above-mentioned procedures from time to time as they deem appropriate and will promptly notify the ACG Committee of any material changes to these processes or procedures.

## Agenda Item #7

# Executive Session pursuant to Conn. Gen. Stat. §§1-200(6) and 1-210(b)(19) – **CYBERSECURITY STRATEGY**



**Our goal is to enable staff to efficiently and effectively do their work while maintaining a controlled and secure environment.**

**Reducing Attack Surfaces:** As a part of our IT strategy, we are shifting more towards Software-As-A-Service style of infrastructure (in house servers to cloud-hosted/vendor managed) and consolidating platforms to reduce our overall IT sprawl.

**Enhancing Employee Training:** We are in the process of implementing a more robust training program for employees with additional security, privacy and compliance modules.

**Vendor Selection:** In alignment with our new Information Security Policy, we have a more robust vendor audit and selection process which places Information Security as a key selection criteria.

**IT Controls:** Our Controls are designed to manage this risk in accordance with the principles of SOC2

# Information Security – Infrastructure and Controls



**Policies, Procedures & Plans:** IT security is guided by the organization’s information security policy, privacy policy, Information Technology Governance Procedures, and the Employee Handbook. Additionally, staff maintain plans for incident response and business continuity and disaster recovery.

**Physical Controls:** Security systems and cameras in Hartford and South Norwalk. Visitor procedures are in place. IT infrastructure has controlled access. We have no physical servers onsite.

**People Controls:** Background checks and reference checks are conducted on all employees prior to being hired. During onboarding security awareness training is conducted.

**Multifactor Authentication:** All computers and servers require Multifactor Authentication.

# Information Security – Infrastructure and Controls



**Network Controls:** We are protected by managed firewalls a switches. Additionally, we have intrusion protection appliances and scanners on all devices. Our Managed IT Services Provider (MSP), Nexus, provides 24/7 monitoring through their Security Operations Center (SOC).

Vanta ctgreenbank.com

Help... 38+K

- My work
- Roadmap
- Vanta Agent
- Tests**
- Reports
- Compliance
- Customer trust
- Risk
- Vendors
- Assets
- Inventory
- Code changes
- Vulnerabilities
- Security alerts
- Personnel

**Tests passing** 18

100% 18 of 18 passing

Automated tests 100% 18 / 18 passing

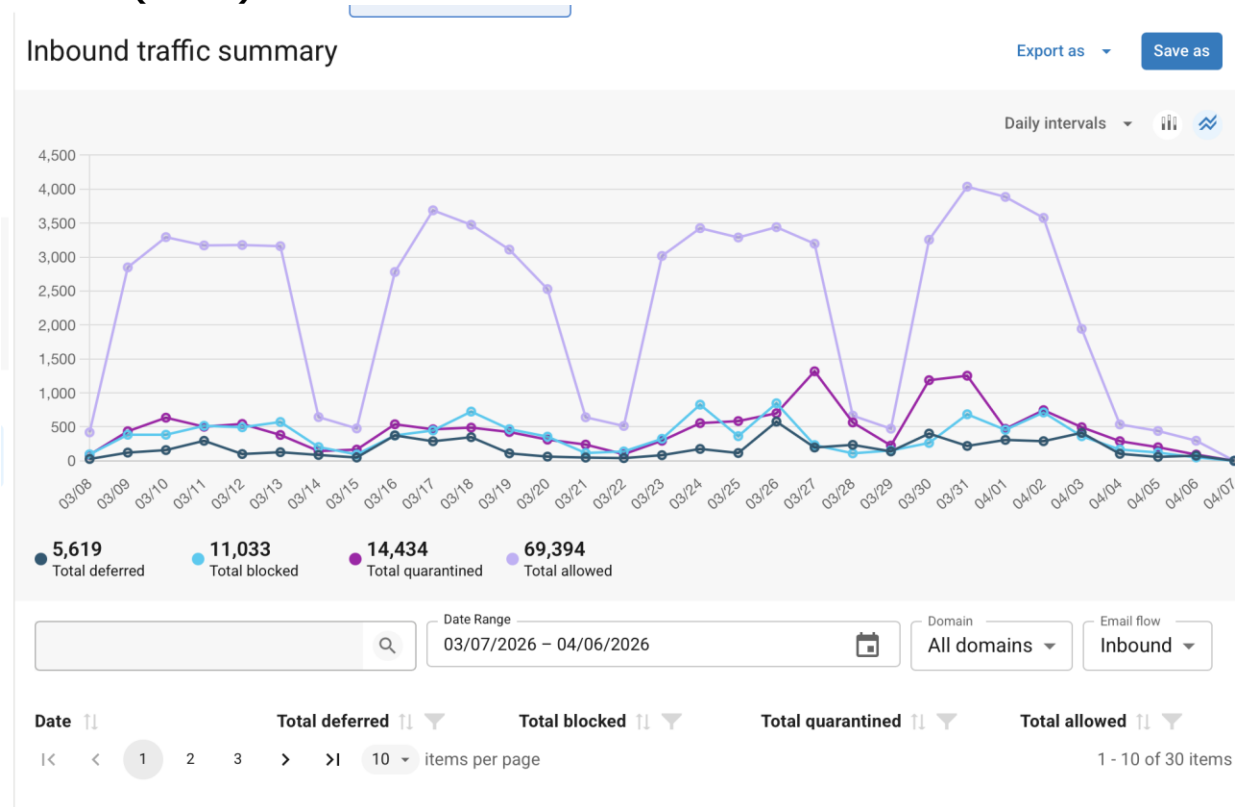
Documents 0% 0 / 0 passing

**Tests that need attention** 0

- Overdue 0
- Needs remediation (no SLA assigned) 0
- Due soon 0

Search [ ] Category Framework Control Integration Owner Type Status

<input type="checkbox"/>	Name	Owner	Status	Failing entities	Due date	Frame
<input type="checkbox"/>	Azure Scale Set Public SSH denied Engineering Automated	[User]	OK	--	--	SOC 2 ...
<input type="checkbox"/>	Azure VM Scale Set has security grou... Engineering Automated	[User]	OK	--	--	SOC 2 ...
<input type="checkbox"/>	Cloud infrastructure linked to Vanta Engineering Automated	[User]	OK	--	--	SOC 2 ...
<input type="checkbox"/>	Company uses Vanta for continuous ... Engineering Automated	[User]	OK	--	--	SOC 2 ...
<input type="checkbox"/>	Databricks accounts deprovisioned w... Information technology Automated	[User]	OK	--	--	SOC 2 ...



# Information Security – Testing and Audits



**Controls Compliance:** The Green Bank is implementing Vanta to automatically track compliance with the organization’s stated controls.

**Asset Tracking:** Vanta also tracks employee issued hardware and applications they have access to streamlining the offboarding process.

The screenshot shows the Vanta interface for 'Computers (MDM)'. The left sidebar contains navigation options like 'My work', 'Roadmap', 'Vanta Agent', 'Tests', 'Reports', 'Compliance', 'Customer trust', 'Risk', 'Vendors', 'Assets', 'Inventory', 'Code changes', 'Vulnerabilities', 'Security alerts', and 'Personnel'. The main content area displays a list of computer resources with the following columns: OS / IDENTIFIER, SOURCE, ENCRYPTION, USER DATA, DESCRIPTION, and OWNER. The table contains five rows of data:

OS / IDENTIFIER	SOURCE	ENCRYPTION	USER DATA	DESCRIPTION	OWNER
fb13... PF35K...	[Source Icon]	Encrypted	—	Emp Cor	—
nexa... SD012...	[Source Icon]	Encrypted	—	Emp Cor	—
nexa... SD012...	[Source Icon]	Encrypted	—	Emp Cor	—
LDell... MP2E...	[Source Icon]	Encrypted	—	Emp Cor	Louis... louise...
1cc4... PF5A...	[Source Icon]	Encrypted	—	Emp Cor	Ariel ... ariel.sc...

# Information Security – Testing and Audits

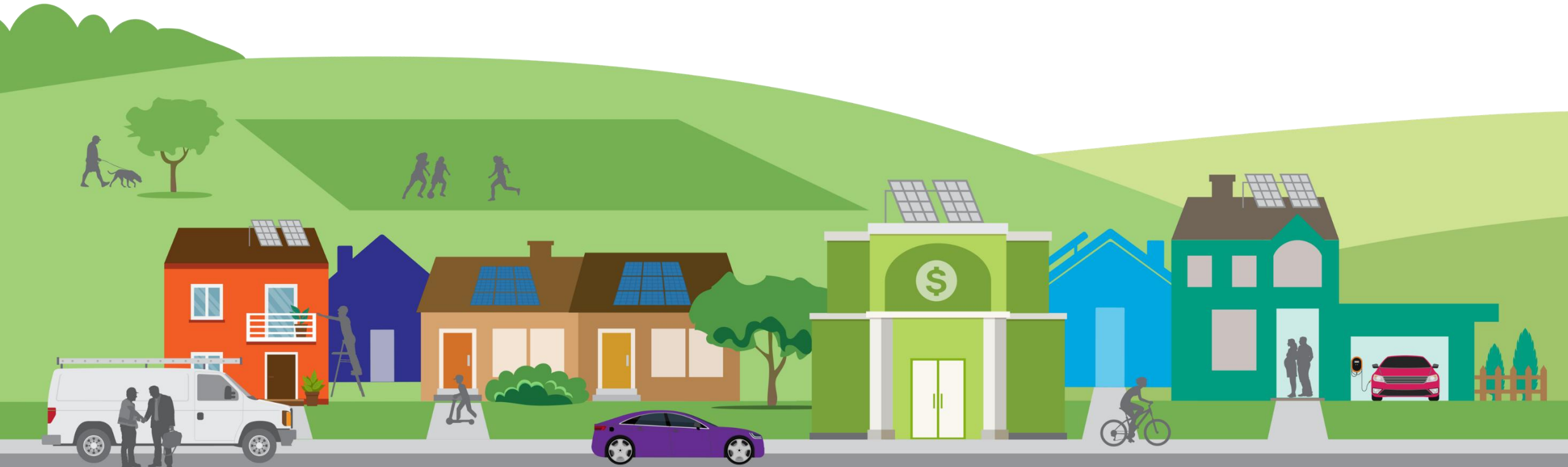


**Security Risk Assessment:** The Green Bank conducts at least 1 security risk assessment annually on our own or as part of our cyber-security insurance procurement process.

**Penetration Testing:** The Green Bank regularly performs penetration testing conducted by an independent 3<sup>rd</sup> party.

**SOC2 Audit:** The Green Bank has been SOC2 compliant since 2019 and this has been the standard to which we hold ourselves. We are exploring adding additional standards for compliance.

## Agenda Item #9 Board of Directors Membership Status Update



## Agenda Item #8 Adjourn





**AUDIT, COMPLIANCE AND GOVERNANCE OF THE  
CONNECTICUT GREEN BANK**

Regular Meeting Minutes

Tuesday, January 13, 2026  
8:30 a.m. – 9:30 a.m.

A regular meeting of the Audit, Compliance, and Governance Committee of the **Connecticut Green Bank (the “Green Bank”)** was held on January 13, 2026.

Committee Members Present: Thomas Flynn, Lonnie Reed, Joanna Wozniak-Brown

Committee Members Absent: None

Staff Attending: Joe Buonannata, James DeSantos, Emma Ellis, Brian Farnen, Bryan Garcia, Bert Hunter, Cheryl Lumpkin, Jane Murphy, Ariel Schneider, Eric Shrago, Dan Smith

Others present: Danielle Simkowski from Assured Compliance Group, Ethan Werstler,

**1. Call to Order**

- Thomas Flynn called the meeting to order at 8:31 am.

**2. Public Comments**

- No public comments.

**3. Approve Meeting Minutes for October 7, 2025**

**Resolution #1**

Motion to approve the minutes of the Audit, Compliance, and Governance Committee meeting for October 7, 2025.

**Upon a motion made by Tom Flynn and seconded by Lonnie Reed, the Audit, Compliance, and Governance Committee voted to approve Resolution 1. None opposed and Joanna Wozniak-Brown abstained. Motion approved.**

**4. Operating Procedure Revision – Chair approval required at \$150,000**

- Brian Farnen summarized the proposed change to the Chair approval process from being \$75,000 to \$150,000 to reflect the maturity of the organized and increased transaction volume.

## Subject to Changes and Deletions

- Thomas Flynn asked for more information about how often the process occurs and types of services it affects. He stated he would need more info in order to vote Yes to this Resolution, though he isn't generally opposed to the change. Lonnie Reed agreed and requested more context as to the types of companies this affects and the Green Bank's history with them. Brian Farnen responded that in the Memo footnotes there is more detailed info and would be happy to collect more specific data to present.
- Thomas Flynn asked about the current approval structure and Brian Farnen explained the ARS process and approvals required at different monetary levels.
- Thomas Flynn proposed that this Resolution be presented again at the next meeting on April 7, 2026 with additional data on the types of agreements and number of service agreements approved over the past few years. Joanna Wozniak-Brown seconded the motion and a vote was made. Motion approved unanimously.

### **Resolution #2**

**RESOLVED**, that the Audit, Compliance, and Governance Committee recommends to the Board of Directors of the Connecticut Green Bank approval of the proposed revisions to the Green Bank Operating Procedures, contingent upon the completion of the public notice and comment period required under Connecticut General Statutes § 1-121 and the absence of any material or substantive revisions resulting therefrom.

**This Resolution will be presented and voted on at the April 7, 2026 meeting.**

## **5. Information Technology Improvements**

- Eric Shrago presented a new information security policy, a new privacy policy, and the related changes to the Employee Handbook. He reviewed the new Information Security Policy which will implement standards that rely on NIST, the National Institute for Standards and Technology. It formalizes a lot of practices that had already been taking place. Danielle Simkowski added that there are employee guides being put together to help staff understand the changes and policies.
  - Thomas Flynn asked if the State ever mandates certain processes, procedures, or IT recommendations that the Green Bank is required to follow. Eric Shrago responded that it happens occasionally but is not very common. Thomas Flynn asked if there is any testing for cyber security and suggested potentially having an offline discussion due to the sensitive nature of the policy. Eric Shrago responded that there are regular tests for cyber security but agreed to not discuss more specific details publicly other than a high level summary of recent changes to the cyber security vendor.
- Eric Shrago reviewed the new Privacy Policy, Information Security Policy, the Business Continuity & Disaster Recovery Plan, and the Incident Response Plan.
- Eric Shrago explained what the SOC and SOC2 requirements are at a high level.

### **Resolution #3**

**WHEREAS**, pursuant to Section 5.2.1 of the Connecticut Green Bank (Green Bank) Bylaws, the Audit, Compliance, and Governance (ACG) Committee is charged with the review and approval of, and in its discretion recommendations to the Board of Directors (Board) regarding, all governance and administrative matters affecting the Green Bank, including but not limited to organizational policies and the Green Bank Employee Handbook.

**NOW**, therefore be it:

## Subject to Changes and Deletions

**RESOLVED**, that the ACG Committee hereby recommends that the Board of the Green Bank approve of the implementation of new information technology policies and of the revisions to the Green Bank Employee Handbook presented on January 13, 2026 and as described in the memorandum to the ACG Committee dated January 6, 2025.

**Upon a motion made by Thomas Flynn and seconded by Joanna Wozniak-Brown, the Audit, Compliance, and Governance Committee voted to approve Resolution 3 with the direction for Staff to find time to discuss further at the April 7, 2026 meeting in Executive Session. None opposed or abstained. Motion approved unanimously.**

### 6. Legislative and Regulatory Policy Process and Update

- James Desantos gave an update to the current Legislative session which is a short session. He summarized the legislative priorities including energy affordability, supporting DEEP's legislative agenda, the PURA Successor Study, and Budget adjustments. Brian Farnen added that the best thing the team can do for a successful legislative session is to continue to execute the Green Bank's mission.
  - Joanna Wozniak-Brown commented that given the high scrutiny of the public benefits charge, it may be in the team's best interest to have the most clear, concise, and quantitative showing of how all the investments that Green Bank receives from the public benefits charge goes back into not just other investments, but increases efficiency on the grid, and more.

### 7. Air Quality Impact Methodology

- Eric Shrago summarized the proposed Air Quality Impact Methodology to expand the current usage of the EPA's Best in Class emissions tool to measure various emission impacts.
  - Thomas Flynn asked for clarification as to what the Resolution is for exactly. Eric Shrago responded it is for the expanded use of the model for EVs, batteries, volatile organic compounds, and ozone. Thomas Flynn asked if that is under the purview of the ACG Committee because he wants to make sure it's approved by the most qualified people. Eric Shrago responded there is a case to bring it to the BO&C Committee as an Operational use, but typically all reporting and impact measures are brought to the ACG Committee. As well, although there isn't a formal endorsement of this Resolution, he did fully vet it with a couple of the EMD consultants. Bryan Garcia added that beyond the ACG Committee, the Deployment Committee may play a role in this case, and then he reviewed some of the bylaws for the committees. Thomas Flynn stated he would be more comfortable to have the Deployment Committee review it first.
  - Joanna Wozniak-Brown noted that last year DEEP was charged with completing some guidance materials for state agencies on measuring the social cost of carbon or greenhouse gases and asked to have a conversation offline about the metrics used for success outside of the financial metrics. Eric Shrago agreed and summarized some other non-financial metrics the Green Bank is working on developing.

### **Resolution #4**

**RESOLVED**, that the Audit, Compliance and Governance Committee hereby recommends to the Board of Directors for approval on its consent agenda the EPA AvERT Model for the Evaluation and Measurement of the environmental impact of Green

## Subject to Changes and Deletions

Bank supported energy storage and electric vehicle projects as well as the estimation of the aforementioned pollutants.

**This Resolution was deferred to be presented at the Deployment Committee on February 18, 2026 and then re-presented at the ACG Committee meeting on April 7, 2026.**

### **8. Update on Statutory Report Status**

- Brian Farnen noted that the 2025 Statutory Reporting are complete, were all completed on time and in compliance.

### **9. Board of Directors Membership Status Update**

- Brian Farnen stated that Matthew Ranelli is no longer on the Board and there is an upcoming Farewell party to thank him for his years of service.

### **10. Adjourn**

**Upon a motion made by Joanna Wozniak-Brown and seconded by Lonnie Reed, the Audit, Compliance, and Governance Committee Meeting adjourned at 9:31 am.**

To: Green Bank Audit, Compliance and Governance (“ACG”) Committee  
From: Bert Hunter, EVP and CIO; Mariana Trief Director Investments; Priyank Bhakta Associate Director Investments; Christina Tsitso Senior Transaction Associate; Nicholas Tan Investment Analyst  
CC: Bryan Garcia, President and CEO; Brian Farnen, General Counsel and CLO; Dan Smith, VP of Accounting and Reporting; Eric Shrago, EVP of Operations  
Date: April 01, 2026  
Re: Compliance and Risk Management Overview

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As part of Connecticut Green Bank’s (“Green Bank”) commitment to ensuring proper risk management and adherence to lending and investment best practices, the subject memo outlines key steps staff take to manage our lending and investment portfolio along with an overview of the portfolio as of December 31, 2025.

With the growth of the portfolio, two team members have been onboarded to assist with the compliance monitoring of the Green Bank’s loan portfolio and staff are currently in the process of streamlining the compliance procedures via implementation of various tools (i.e. Salesforce, standardized template for compliance tracking, and a risk rating system.)

The Green Bank’s loan portfolio is comprised of residential loans, commercial/project finance loans (Capital Solutions), C-PACE loans and capital assets. Given the diverse nature of these various debt instruments, not all loans will feature ongoing financial reporting requirements or quarterly/annual covenant testing.

### **PORTFOLIO COMPOSITION (LOAN OUTSTANDING AS OF 12/31/2025)**

- **C-PACE:** \$76,247,910 / 31.5% of overall portfolio as of 12/31/2025. Other than annual confirmation that the subject property maintains appropriate insurance coverage, these loans do not include ongoing financial or reporting covenants, consistent with standard practices in the C-PACE lending industry. Staff are in the process of utilizing a third-party service provider to assist with verification that properties with outstanding C-PACE loan balances comply with applicable insurance requirements. Staff anticipate implementation of insurance verification to conclude in CY Q4 2026. Staff have developed a risk rating model for C-PACE loans (reference Exhibit 2b) which utilizes the following factors to determine a risk profile: current LiTV (loan outstanding / municipal appraised value), repayment history, insurance compliance, property type and co-borrower. Of note, insurance is currently risk rated as “exception” for all borrowers due to aforementioned pending implementation of the third-party service provider that will be responsible for verification. C-PACE loans will be risk rated annually (CY Q3) and delinquencies are monitored on a monthly basis.

- **Capital Solutions:** \$59,264,728 / 24.5% of overall portfolio as of 12/31/2025. Loans in the Capital Solutions portfolio are typically loans made to third party developers for the purpose of developing, acquiring, or operating a portfolio of renewable energy assets. Loans are typically collateralized by these assets and in some instances, further supported by a guaranty from the parent entity. Loans can be either senior or subordinate in nature and typically feature a fixed interest rate.

These loan agreements typically include quarterly financial reporting requirements and ongoing compliance with applicable financial covenants. Staff utilize Salesforce to send automated reminder emails to borrowers at 30-, 15-, 7-, and 1-day(s) intervals prior to the compliance deliverable due date. Typical compliance deliverables include a compliance certificate signed, and attested as being true, by an officer of the borrower and supporting documentation showcasing calculation of Debt Service Coverage Ratio (collection of income statement and balance sheet), balance of Debt Service Reserve Account (typically bank statements), and production data for generation facilities (actual vs projected and if applicable, operations & maintenance notes for underperforming systems).

Staff review submitted documents and store them in a file management system (SharePoint) to ensure records are properly maintained. Staff will informally risk rate the loan, based off information from the most recent compliance certificate, on a quarterly basis and have an internal discussion to address any loans that are out of compliance. Staff utilize Microsoft Excel to track financial metrics, production, covenants and compliance status. This enables staff to easily spot trends such as declining DSCR, or production issues. Given that most borrowers are required to provide year-end financial reports or tax returns within 180 days of year-end, a formal risk rating report will be provided to the Audit, Compliance, and Governance Committee on an annual basis in CY Q4 to ensure staff have sufficient time to review submitted documentation. Reference Exhibit 1A for the current status of compliance reporting.

The table below illustrates the typical timeframe for which compliance items are due and when they are received and reviewed internally. Staff will provide the ACG Committee, via email, with a copy of the compliance analysis conducted for each quarter for the loans within the Capital Solutions portfolio, meeting notes from the most recent monthly delinquency review meeting covering the entire portfolio and a portfolio composition summary in the timeframe described in the table below. In addition, staff will promptly notify the ACG Committee of any material activity concerning the portfolio that may negatively impact the Green Bank's balance sheet. Lastly, staff will provide a formal report out to the ACG Committee and the Green Bank Board of Directors ("BOD") during the respective October ACG



Committee and BOD meetings that coincide with the publication of the Annual Comprehensive Financial Reports.

CY	Quarter/Period End	Borrower Reporting Due by	Analyst Review Due by	Presentation to Compliance Lead Due by	Presentation to Chief Investment Officer Due by	Delivery to ACG	Notes
Q1	3/31	5/31	6/20	6/30	7/10	7/31	
Q2	6/30	8/31	9/20	9/30	10/10	10/31	
Q3	9/30	11/30	12/31	1/31	2/20	3/1	
Q4	12/31	3/1	3/20	3/31	-	-	Most loans typically provide full fiscal year end financials in lieu of CY Q4 financials. For loans that report CY Q4 financials, staff will conduct compliance monitoring in accordance with the established process and meet/review with CIO on an as needed basis.
Fiscal Year End Reporting	12/31	6/30	7/31	8/20	8/31	October (ACG and BOD)	During the October ACG Committee and BOD meetings, staff will formally present the prior calendar year-end compliance analysis, along with the most recent available quarterly compliance data (either CY Q1 or CY Q2).

- **Residential Loans:** \$34,563,090 / 14.3% of overall portfolio as of 12/31/2025. With the exception of CT Solar Loan 1 and CT Solar Lease 1, the Residential Loan portfolio typically features the same standard financial reporting and covenant compliance requirements as with loans in the Capital Solutions portfolio.<sup>1</sup>
- **SBEA Loans:** \$7,497,413 / 3.1% of overall portfolio as of 12/31/2025. The Green Bank and Amalgamated Bank have partnered to supply capital for Eversource’s SBEA financing. The loans are originally funded by Eversource and are purchased by the Green Bank and Amalgamated Bank on a quarterly basis at a discounted rate to bring their customer-facing rate to 0%. The Green Bank contributes 20% of the capital for these purchases and the remaining 80% comes from Amalgamated Bank. Loan losses are backed by the Connecticut Energy Efficiency Fund. These loans do not feature financial reporting or covenant compliance requirements.

<sup>1</sup> Green Bank provides a credit enhancement in the form of a Loan Loss Reserve to lenders who provide Smart-E loans to residential customers. As of 12/31/2025, Green Bank had \$2,979,896 in restricted cash on the balance sheet dedicated for Loan Loss Reserves. As of 12/31/2025, Green Bank has paid out \$73,542 in Loan Loss Reserves to third party lenders.

- **Capital Assets:** Capital Assets consist of solar projects which the Green Bank has developed and currently own (approximately \$63,971,818 book value/ 26.5% of overall portfolio as of 12/31/2025). These assets have a dedicated team at the Green Bank responsible for managing portfolio performance and do not contain any ongoing financial or covenant reporting requirements since they are not loans to third parties.
  - For FY25, actual production of the commercial solar portfolio was 21.6 GWh. The weather adjusted expected production was 21.8 GWh, resulting in achievement of 110% of the production target. The Commercial portfolio consists of 19.97 MW of solar across 143 assets.
  - For FY25, actual production of the residential solar portfolio was 9.0 GWh. The weather adjusted expected production was 9.7 GWh, resulting in achievement of 103% of the production target. The Residential portfolio consists of 9.12 MW of solar across 1,135 assets.
  - For FY25, the renewable energy credit (REC) portfolio, which includes the Residential Solar Incentive Program (RSIP) assets, actual revenue was \$14.6 million. The budget revenue target was \$12.5 million, resulting in achievement of 117% of the budgetary target. The REC portfolio consists of 474 MW of solar across 46,345 assets.

#### **MONTHLY DELINQUENCY REVIEW MEETING (APPLICABLE TO ENTIRE PORTFOLIO)**

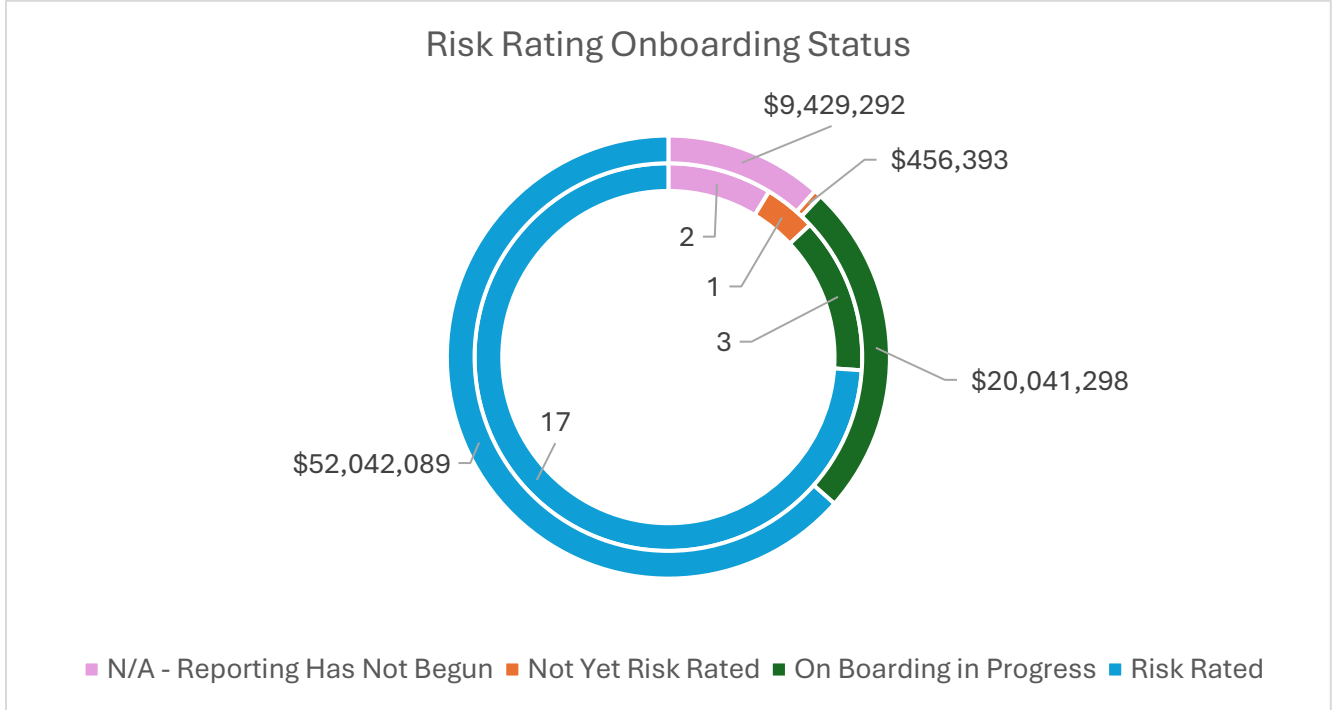
Green Bank staff have a recurring monthly meeting, with representatives from Legal, Operations, Financing Programs and Investments to discuss problem credits, emerging risks and create an action plan towards a resolution. Staff reconvene monthly to discuss progress of steps taken towards a resolution and will pivot to an alternative approach in the event progress is not satisfactory. Staff will provide the ACG Committee, via email, with a copy of the meeting notes (and relevant analysis, as applicable) from the most recent monthly delinquency review meeting covering the entire portfolio in accordance with the timing proposed on the table on Page 2 of this memo.

## Resolutions

**RESOLVED**, that the Audit, Compliance and Governance (“ACG”) Committee recommends to the Board of Directors approval of the processes and procedures outlined above related to the ongoing compliance and risk management procedures of the Green Bank’s portfolio, including the timeline for which staff will deliver portfolio compliance and delinquency reports to the ACG Committee; and

**RESOLVED**, that staff may alter the above-mentioned procedures from time to time as they deem appropriate and will promptly notify the ACG Committee of any material changes to these processes or procedures.

**Exhibit 1A: Capital Solutions Loan Compliance Status**



*Note: The data above covers all loans (Capital Solutions & Residential Loans) which feature quarterly compliance reporting. Some loans that have unique features (such as multiple tranches etc) have been consolidated in the list above for presentation purposes. As of February 2026, all loans in the table above are current.*

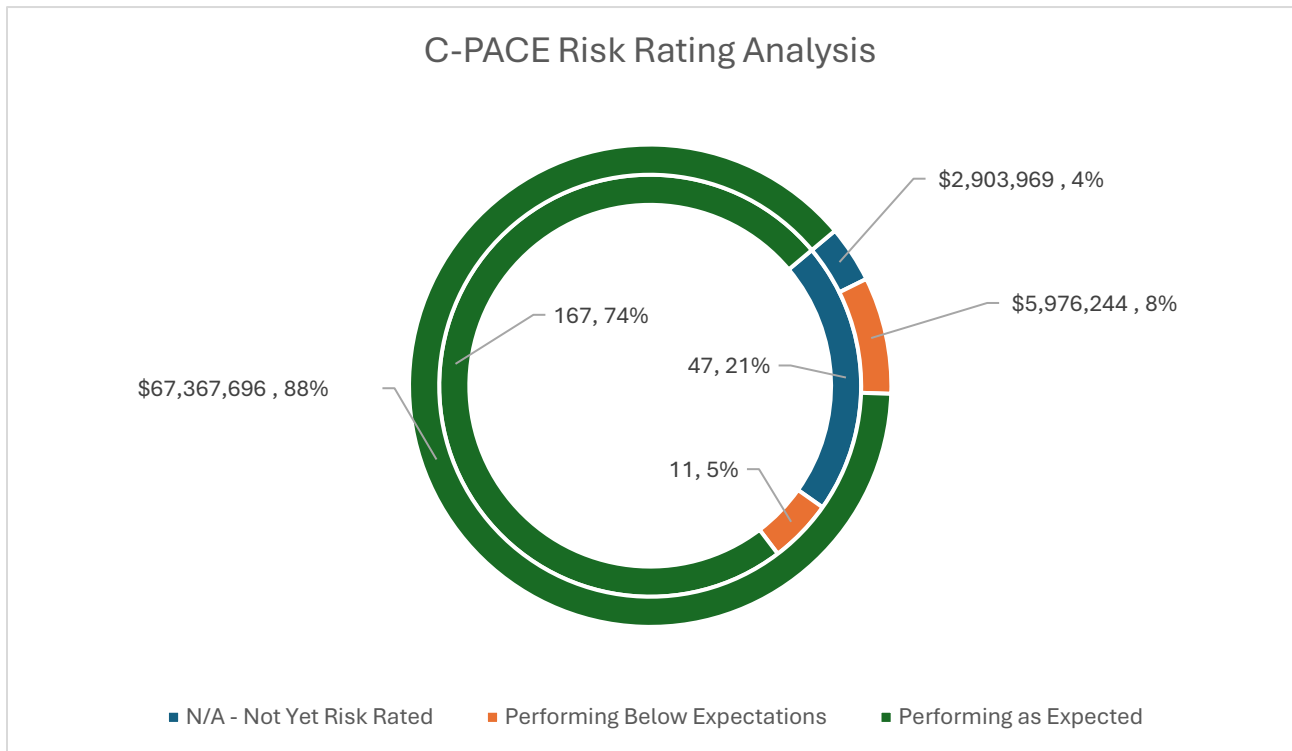
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Fund Name	Loan Amount (as of 12/31/2025)	Last Risk Rating Period?	Risk Rating (Pass / Fail)	Risk Rating Status
<b>Total</b>	<b>\$79,456,622</b>			

*Note: The data above covers all loans (Capital Solutions & Residential Loans) which feature quarterly compliance reporting. Some loans that have unique features (such as multiple tranches etc) have been consolidated in the list above for presentation purposes. As of February 2026, all loans in the table above are current.*

### Exhibit 1B: C-PACE Loan Compliance Status (Preliminary Analysis – subject to change)



\*The data in the above chart is based off a preliminary analysis and is subject to change upon further validation of data and the evolution of the risk rating model.



### Exhibit 2A: Capital Solutions Risk Rating Model

#### Capital Solutions Risk Rating Rubric

Category	Metric	Category Weighting:	Score			Guidance
			1 (very poor/unacceptable)	3 (average/acceptable)	5 (excellent)	
Financial Metrics	Historical EBITDA	75%	Declining Trends	Stable Trends	Significant Growth	Based on T12. Make an upward/downward adjustment if there is a +/- 5% variance.
	DSCR		Fail	DSCR is below requirement in loan but above 1.00x	Pass	Make a note of improving or deteriorating trends Score of 3 if DSCR is below requirement in loan but above >1.00x
	Covenant Compliance		Not In Compliance / Severe Violation(s)	Out of compliance on 1 or more covenants, CGB may or may not have granted a waiver	In Compliance	Compliance with covenants and timely reporting Score of (1) or (2) Severe Violation(s) Score of (3) or (4) Out of compliance on 1 or more covenants, CGB may or may not have granted a waiver Score of (5) In compliance with all covenants
	Liquidity: Current Ratio		< 1.00x	≥ 1.00x	≥ 1.50x	Most recent Quarter Current Assets / Current Liabilities
	Production		Fall Short	Between 80% to 90% of expected production	Meet	Actual vs Expected. Score of (5) Meeting expectation Score of (4) Between 90% to 100% of expected production Score of (3) Between 80% to 90% of expected production Score of (2) Between 70% to 80% of expected production Score of (1) Anything below 70% of expected production
Repayment	Repayment History	15%	Default/Delinquency	Acceptable	Zero Delinquencies	Score of (1) Current default or delinquency or 1 delinquency within the past year Score of (3) May have had a delinquency in the past, but not within 2 years Score of (5) Never delinquent, or not delinquent within 4 years
	Repayment Risk Profile		Weak	Acceptable	Strong	Credit of the offtaker (i.e. State, commercial, non profit), Contracted vs non-contracted (RECs), what's the quality of the revenue stream.
Collateral	Lien Perfection	10%	Unable / Lapsed	-	UCC Filed	
	Reserve Account		Not Funded	Underfunded	Fully Funded	Score of "N/A" if there is no DSRA requirement.

Category	Metric	Category Weighting:	Score			Guidance
			1 (very poor/unacceptable)	3 (average/acceptable)	5 (excellent)	
Misc/Additional Project Support (if Applicable)	Management Strength	25%	Poor	Acceptable	Strong	Experience of Management/Guarantor
	Guarantor/Parent: EBITDA	25%	Declining Trends	Stable Trends	Significant Growth	Based on T12. Make an upward/downward adjustment if there is a +/- 5% variance.
	Guarantor/Parent: Current Ratio	25%	< 1.00x	≥ 1.50x	≥ 2.00x	Most recent Quarter Current Assets / Current Liabilities
	Guarantor/Parent: Leverage (Liabilities/NW)	25%	> 5.00x	< 2.50x	< 1.25x	Most recent Quarter

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### Example Capital Solutions Project Risk Rating

Project Name:	Project Name	Reporting Period:	Q3 2025	Green Bank Current Exposure to Project:	[REDACTED]	Salesforce ID:	[REDACTED]
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<b>Project Overview:</b>							
Technology:	[REDACTED]	Type of Facility:	Non-Revolving Term Facility	Senior/Subordinate:	[REDACTED]	Facility Status:	In repayment
# of Projects:	1	Guarantor/Parent:	N/A	Green Bank Exposure to Guarantor/Parent:		Total Portfolio Size:	N/A

Category	Metric	Category Weighting:	Results	Score	Category	Metric	Category Weighting:	Results	Score
Financial Metrics	Historical EBITDA	75%	[REDACTED]	3	Misc/Additional Project Support	Management Strength	25%	Acceptable	N/A
	DSCR			1		Guarantor/Parent: EBITDA	25%	N/A	N/A
	Covenant Compliance			2		Guarantor/Parent: Current Ratio	25%	N/A	N/A
	Liquidity: Current Ratio			3		Guarantor/Parent: Leverage (Liabilities/NW)	25%	N/A	N/A
	Production			2		Guarantor/Parent Credit Score:		N/A	N/A
Repayment	Repayment History	15%	[REDACTED]	2					
	Repayment Risk Profile			5					
Collateral	Lien Perfection	10%	[REDACTED]	5					
	Reserve Account			N/A					
Project Credit Score:			Performing Below Expectation	2.7					
Overall Credit Score: (Weighting: 75% Project / 25% Parent)			Performing Below Expectation	2.7					

**Notes:**  
 - Compliance Violations:

[REDACTED]

**-Outlook/Next Steps:**

[REDACTED]



### Exhibit 2B: C-PACE Risk Rating Model

Category	Financial Metrics				
Sub-Category	LiTV	Repayment History	Insurance	Property Type	Co-Borrower
<b>1</b> (very poor/unacceptable)	≥ 50%	Delinquent (Current/within 3 years)	Not In Compliance	-	-
<b>3</b> (average/acceptable)	> 35% and < 50%	Delinquency History but not within 3 years	Exception	Non-profit, office, retail, specialty	N/A
<b>5</b> (excellent)	< 35%	Zero Delinquencies	In Compliance	Owner occupied, multifamily, industrial	Yes
Category Weighting:	30%	30%	20%	5%	15%
Category Weighting (No Co-Borrower):	35%	35%	25%	5%	0%



### Exhibit 3: Portfolio Delinquency Snapshot

- C-PACE:** As of March 1, 2026, there are (10) uncured delinquencies totaling \$221,443 inclusive of late fees. The outstanding loan balance of those ten delinquent customers amounts to \$2,219,212. This represents approximately 2.9% of the \$76,247,910 C-PACE portfolio. Staff are actively working on outreach with borrowers and their mortgage holders to manage delinquencies. In the case of certain outlier scenarios, staff are exploring redirecting solar tariff revenue to the Green Bank in efforts to cure delinquencies.

C-PACE Delinquencies				
Opportunity	Days Late	Loan Balance	Total Past Due	Property Type
[REDACTED]				
<b>Total:</b>		\$2,219,212	\$221,443	

- Commercial PPA & Leases:** As of February 2026, there is one delinquency that is due to an administrative issue related to the PPA documentation and staff are actively working towards a resolution. Staff do not anticipate that the delinquent status of this PPA will migrate to a loss to the Green Bank.
- Smart-E:** As of February 2026 the outstanding principal balance of the Smart-E portfolio was \$74,606,09. As of this date, there were 190 delinquencies reported by the participating lenders, amounting to a total delinquent balance of \$2,009,547 or 3.2% of the portfolio. To date the secondary loan loss reserve provided by the Green Bank in accordance with the Smart-E program loan agreement with the lenders has been used to reimburse two participating lenders for nine defaulted loans totaling \$73,542 or 0.043% of the portfolio or 0.098% of the outstanding principal.
- Multifamily / LIME Loans:** As of February 2026 there were no delinquencies.
- CT Solar Loan:** As of February 2026, there were two delinquencies in the portfolio. One borrower is 39 days past due and has a balance of \$139 (loan outstanding \$6,228) and the second borrower is 8 days past due and has a balance of \$30 (loan outstanding \$10,484). Staff do not anticipate the delinquent status of this loan will migrate to a loss to the Green Bank.
- Small Business Energy Advantage Program (“SBEA”):** As of February 2026, there are no delinquencies. When underlying loans progress from nonperforming to write-off, Green Bank recovers the write-off from Eversource in accordance with the SBEA program.



### Exhibit 4A: Portfolio Analytics

Loan Classification	Amount Outstanding	% of Portfolio	Loan Loss Reserves	LLR / AMT Outstanding
C-PACE	76,247,910	31.5%	2,512,267	3.3%
Capital Solutions	59,264,728	24.5%	3,415,540	5.8%
Residential	34,563,090	14.3%	20,464,983	59.2%
Environmental Infrastructure	260,000	0.1%	-	0.0%
SBEA Loans	7,497,413	3.1%	-	0.0%
Capital Assets (Leases & PPAs)*	63,971,818	26.5%	-	0.0%
<b>Total:</b>	<b>241,804,960</b>	<b>100.0%</b>	<b>26,392,790</b>	<b>10.9%</b>

as of 12/31/2025  
 \*Book Value as of 12/31/2025

Loan Classification	Amount Outstanding	% of Portfolio	Loan Loss Reserves	LLR / AMT Outstanding
Senior & Capital Assets	198,190,323	82.0%	5,000,821	2.5%
Subordinated	43,614,638	18.0%	21,391,969	49.0%
<b>Total:</b>	<b>241,804,960</b>	<b>100.0%</b>	<b>26,392,790</b>	<b>10.9%</b>

as of 12/31/2025

Technology Type	Loan Outstanding	%
Solar	143,899,165	59.5%
Fuel Cell	29,006,660	12.0%
Various	55,108,003	22.8%
Hydro	12,320,929	5.1%
Wind	1,013,810	0.4%
Anaerobic Digester	456,393	0.2%
<b>Total:</b>	<b>241,804,960</b>	<b>100%</b>

as of 12/31/2025

Top Exposure (Overall)	Amount Outstanding	% of Portfolio	Loan Loss Reserves	LLR / AMT Outstanding	# of Projects
<b>Total:</b>	<b>97,954,170</b>	<b>40.5%</b>	<b>23,446,936</b>	<b>23.9%</b>	

as of 12/31/2025  
 \*Estimate

Top Exposure (Subordinated)	Amount Outstanding	% of Portfolio	Loan Loss Reserves	LLR / AMT Outstanding	# of Projects
<b>Total:</b>	<b>43,614,638</b>	<b>18.0%</b>	<b>21,391,969</b>	<b>49.0%</b>	

as of 12/31/2025  
 \*Estimate

### Exhibit 4B: Portfolio Analytics (Proforma)

Loan Classification	Amount Outstanding	% of Portfolio	Loan Loss Reserves	LLR / AMT Outstanding
C-PACE	76,247,910	34.7%	2,512,267	3.3%
Capital Solutions	59,264,728	27.0%	3,415,540	5.8%
Residential	12,521,461	5.7%	956,394	7.6%
Environmental Infrastructure	260,000	0.1%	-	0.0%
SBEA Loans	7,497,413	3.4%	-	0.0%
Capital Assets (Leases & PPAs)*	63,971,818	29.1%	-	0.0%
<b>Total:</b>	<b>219,763,331</b>	<b>100.0%</b>	<b>6,884,201</b>	<b>3.1%</b>

as of 12/31/2025  
 \*Book Value as of 12/31/2025

Loan Classification	Amount Outstanding	% of Portfolio	Loan Loss Reserves	LLR / AMT Outstanding
Senior & Capital Assets	198,190,323	90.2%	5,000,821	2.5%
Subordinated	21,573,008	9.8%	1,883,380	8.7%
<b>Total:</b>	<b>219,763,331</b>	<b>100.0%</b>	<b>6,884,201</b>	<b>3.1%</b>

as of 12/31/2025

Technology Type	Loan Outstanding	%
Solar	121,857,536	55.4%
Fuel Cell	29,006,660	13.2%
Various	55,108,003	25.1%
Hydro	12,320,929	5.6%
Wind	1,013,810	0.5%
Anaerobic Digester	456,393	0.2%
<b>Total:</b>	<b>219,763,331</b>	<b>100%</b>

as of 12/31/2025

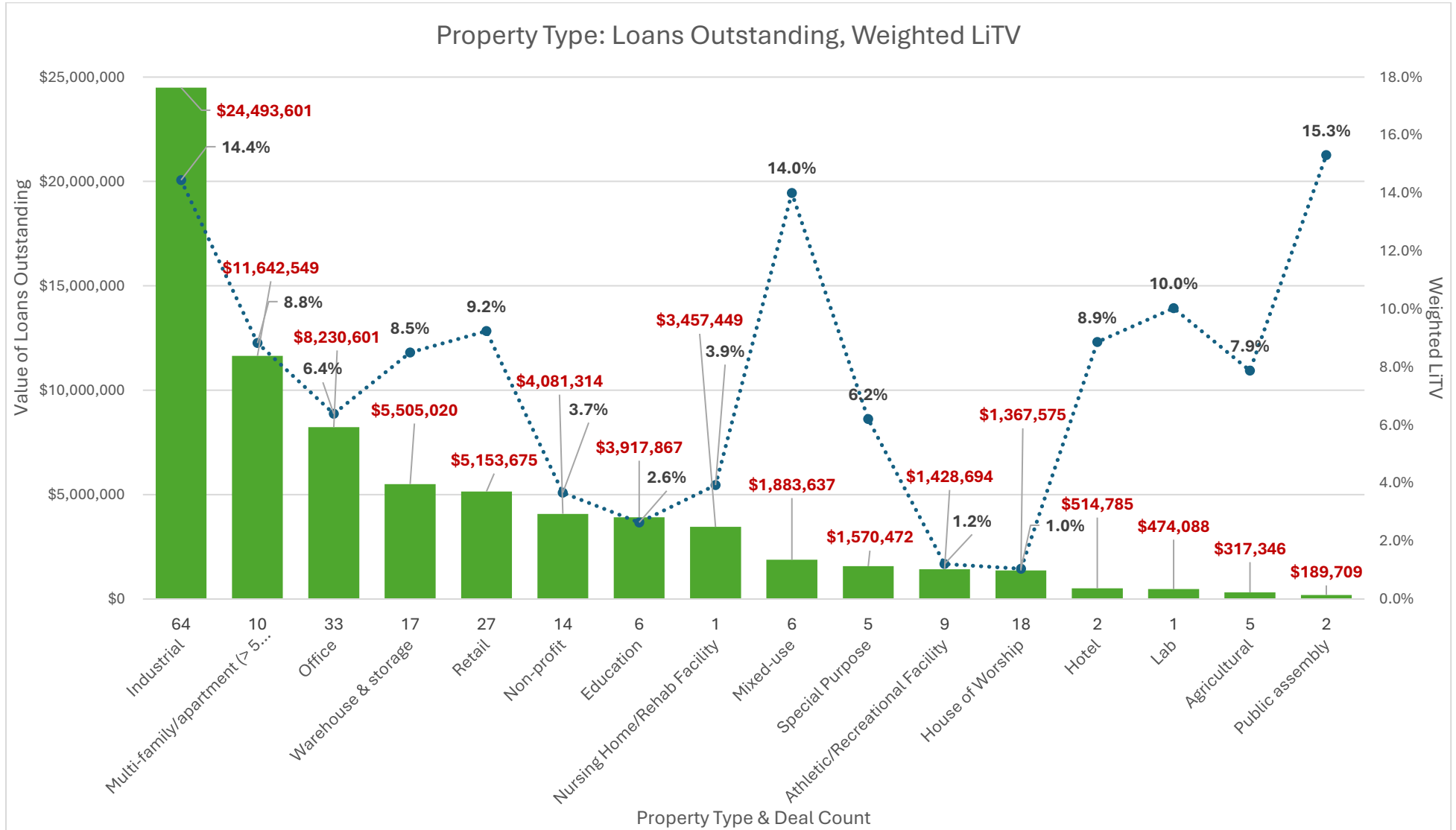
Top Exposure (Overall)	Amount Outstanding	% of Portfolio	Loan Loss Reserves	LLR / AMT Outstanding	# of Projects
<b>Total:</b>	<b>75,912,541</b>	<b>34.5%</b>	<b>3,938,346</b>	<b>5.2%</b>	

as of 12/31/2025  
 \*Estimate

Top Exposure (Subordinated)	Amount Outstanding	% of Portfolio	Loan Loss Reserves	LLR / AMT Outstanding	# of Projects
<b>Total:</b>	<b>21,573,008</b>	<b>9.8%</b>	<b>1,883,380</b>	<b>8.7%</b>	

as of 12/31/2025  
 \*Estimate

**Exhibit 4C: C-PACE Portfolio Loan Exposure (Preliminary Analysis – subject to change)**



\*The data in the above chart is based off a preliminary analysis and is subject to change upon further validation of data and the evolution of the risk rating model.



# Memo

**To:** Audit, Compliance, & Governance (ACG) Committee  
**From:** Eric Shrago (Executive Vice President of Operations)  
**Date:** March 30, 2026  
**Re:** Information Security and Controls

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At our most recent meeting the ACG Committee recommended to the Board of Directors their approval of a handful of Information Technology-related policies and procedures, which they subsequently approved. We are currently in the process of implementing and refining the controls in these and other policies and are leveraging our new compliance tracking platform.

Previously this committee inquired about the Green Bank's technology controls. The Green Bank has a strong history of proactively mitigating our operating risks, including information security risk and cybersecurity risk. The Green Bank's manages this through our infrastructure and controls, testing, and audits, and insurance. This memo is intended to provide a high level of overview of the infrastructure that the organization has in place and how we are testing and monitoring it.

## **Infrastructure and Controls**

The Green Bank approaches 's information technology security includes controls on our physical office space, and on our network and computers.

The Green Bank's office in Hartford has physical security systems installed on site and all computer infrastructure is locked. Access to the space is permission based and there are cameras in the office. The current space in Stamford does have controlled access but the new office in South Norwalk will have a security system and cameras to be on par with Hartford. Further, the Green Bank has no physical servers onsite and maintain most of our infrastructure in the cloud.

The organization's network is primarily protected by managed firewalls and switches that are constantly monitored by our outsourced managed technology provider (Nexus)'s security operations center. Additionally, we have intrusion detection appliances and vulnerability

scanners that are also monitored and are continuously scanning our network. These ensure that if anyone is accessing our network in an unauthorized manner, it is caught very quickly.

The computers that the organization uses all have software on them that enables Nexus to detect and respond to threats, intrusions and unexpected or unusual activity. Nexus also employs compliance audit agents for aggregating and assimilating security events for their security operations center to respond to.

All computers and servers require Multifactor Authentication and have constant monitoring of log in events and mass change events provided. To track all our controls, we are implementing a compliance tracking platform (Vanta) that will allow a real time snapshot of our compliance and make our audits smoother.

### **Testing and Audits**

The Green Bank regularly performs security risk assessments and penetration testing to assess the robustness of our infrastructure and controls. We performed a security risk assessment in 2025 which highlighted some significant gaps in our policies, which have now been addressed. Additionally, we conducted an external penetration test in 2025. Both tests were performed by an independent third-party vendor.

The Green Bank uses the American Institute of Chartered Public Accountants' (AICPA) System and Organization Controls 2 (SOC2) as our standard for security and controls. We have been SOC2 compliant since 2019 and we are regularly audited against the effectiveness of these controls. The Green Bank is also exploring the need to demonstrate compliance with other information security standards.

### **Insurance**

The Green Bank purchases cybersecurity insurance in the event of an incident and the failure of our controls.

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