



SPARKED BY
CONNECTICUT GREEN BANK

C-PACE PROGRAM GUIDELINES

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Article I. INTRODUCTION

In 2012, the Connecticut legislature passed Public Act 12-2, codified in Connecticut General Statutes Section 16a-40g (as amended, the “C-PACE Legislation”), which authorized the commercial sustainable energy program more commonly known as the Commercial & Industrial Property Assessed Clean Energy Program (“C-PACE”). C-PACE is a financing program that allows Connecticut building owners to access cleaner, cheaper, and more reliable energy. The C-PACE Legislation authorized Connecticut Green Bank, a Connecticut quasi-public agency (“Green Bank”), to administer C-PACE and establish program guidelines for the implementation of the program.

C-PACE allows qualifying commercial real property owners to access financing to undertake qualifying energy efficiency and clean energy improvements on their buildings and repay the investment through an additional charge/assessment along with their real property tax bill. Similar to a sewer assessment, project financed through C-PACE are secured by a benefit assessment lien on the improved real property, which lien is repaid over time. Like other benefit assessments, C-PACE is a non-accelerating, senior lien secured by the property. The repayment obligation transfers automatically to the next owner if the property is sold and in the event of default, only the payments in arrears come due. This arrangement spreads the cost of clean energy improvements – such as energy efficient boilers, upgraded insulation, new windows, or solar installations – over the expected life of the measure. Because the payment is tied to the property’s real property tax billing, a secure payment stream, C-PACE projects are seen as less risky than typical loans, and low interest capital can be raised from the private sector with little or no government financing required.

Benefit assessments are a familiar tool which municipalities levy on real estate parcels to finance projects including street paving, water and sewer systems, and street lighting. C-PACE builds on a long history of using such benefit assessments and serves a public purpose through reducing energy costs, stimulating the economy, improving property valuation, reducing greenhouse gas emissions and creating jobs. C-PACE is a proven and effective tool to attract private capital into the clean energy and energy efficiency market.

This document sets forth the program guidelines established by Green Bank for the implementation of C-PACE (the “Program Guidelines”), which Program Guidelines govern all C-PACE participants.

All Appendixes attached are supplemental program documents used by Green Bank in implementation of the Program Guidelines and may be modified or amended by Green Bank, in its sole discretion, from time to time. Current versions of all Appendixes may be found [\[website link\]](#).

Article II. OUTLINE OF C-PACE BENEFITS

C-PACE offers multiple benefits to a broad range of stakeholders, including but not limited to: building owners, municipalities, mortgage holders, lenders and energy efficiency/renewable energy contractors.

Section 1. For Building Owners: C-PACE helps minimize the up-front investment, installation, and performance risk of energy upgrades, while helping owners lower their operating costs, improve the value and market competitiveness of their asset, and comply with energy mandates. C-PACE does this in several ways:

- *Many owners lack capital to do energy improvements.* C-PACE provides up to 100% up-front, long-term financing to property owners for qualified energy upgrades. Audits, construction costs and M&V can be wrapped into C-PACE financing.
- *Owners often want to sell the building before an energy upgrade loan is repaid.* The C-PACE assessment obligation is attached to the property and transfers to the new owner. Payments do not accelerate in case of default.
- *Many owners feel energy improvements do not yield an adequate return on investment.* The C-PACE program requires that the estimated energy savings from a project exceed the up-front investment and financing costs, leading the expected cash flow to be positive over the useful life of the equipment. Deeper energy upgrades and savings are possible because assessments match the useful life of equipment, which for certain improvements can extend up to 25 years.
- *Other owners are uncertain that energy savings will perform as advertised.* C-PACE helps building owners understand their future energy savings by requiring that an energy audit and/or feasibility study be done to estimate energy savings **and** that a Commissioning, Measurement & Verification plan be in place to ensure that equipment is installed correctly and that energy consumption or production may be tracked by the owner over time.
- *Owners need tenants to share in the costs of energy upgrades.* As a benefit assessment repaid through the property tax bill, under typical leases, C-PACE payments – as well as energy savings – can often be passed along to tenants.

Section 2. For Energy Auditors and Contractors: The biggest barrier to converting leads to deals for energy upgrades is the lack of access to up-front financing. C-PACE solves this. By allowing a property owner to access 100% up-front financing for up to 25 years, deeper energy efficiency and clean energy improvements are now affordable. The demand for building energy improvements will grow in Connecticut and jobs will be created. The Green Bank also provides energy auditors and contractors access to training, market research, and marketing materials.

Section 3. For Municipalities: C-PACE is an economic development tool for municipalities. Energy upgrades create a more competitive environment for retaining and attracting new businesses by lowering energy costs. Energy upgrades also create jobs and reduce greenhouse gases and other pollutants.

Section 4. For Third Party Capital Providers: C-PACE has created a very secure, clean energy financing product for Third Party Capital Providers (TPCD). The security comes from its position similar to a tax lien on a property. The lien, like other public benefit assessments, sits in a senior position to other encumbrances on the

property, including mortgage debt and liens other than municipal real property tax liens. The repayment is also tied to property taxes, which are a very secure stream of payment.

Finally, Connecticut statutes require C-PACE approved projects to have a “Savings to Investment Ratio” (SIR) greater than one, meaning that projected estimated lifetime savings from the measures must exceed the total investment, inclusive of financing costs, over the lifetime of the measures. Connecticut streamlined the C-PACE program by establishing a single statewide C-PACE program administered by the Green Bank. Connecticut’s C-PACE maintains an open market approach to its C-PACE program, encouraging private capital to be the primary financier of these assessments and supporting building owners who wish to source their own C-PACE lender (see Article V below). Additionally, the Green Bank currently has dedicated capital to invest in C-PACE projects. At certain intervals through the year, the Green Bank may periodically “sell-down” its portfolio of C-PACE transactions to qualified Capital Provider(s) (as defined herein) who desire to be the secondary financiers of these assessments. The sell-down process replenishes the Green Bank’s capital, enabling a sustainable source of funding for C-PACE projects.

Section 5. For Mortgage Holders: The structure of C-PACE allows participating buildings to pay for improvements to their property out of the savings the project creates. Connecticut statutes require C-PACE approved projects to have a SIR greater than 1, meaning that projected lifetime savings from the energy measures must exceed the total investment, inclusive of financing costs, over the lifetime of the measures. The Green Bank has instituted technical underwriting standards for C-PACE that provides a robust framework for measuring the estimated SIR (Appendix D), which all C-PACE Projects must meet. Under the C-PACE financing structure, the building should experience increased net operating income, often an immediate return on investment, and therefore becomes more attractive to current and potential tenants and future buyers. Additionally, C-PACE Assessments do not accelerate. In the event of a foreclosure of the property for any reason, only the amount of the C-PACE assessment currently due and/or in arrears, a relatively small proportion of the entire C-PACE assessment, would come due. In the event of a property sale, C-PACE assessments automatically transfer to the new property owner unless the buyer or seller decides to prepay the assessment. Finally, the Connecticut statute require that property owners receive the written consent of their existing mortgage holder before being eligible for C-PACE financing (Appendix C). Mortgage lenders will be at the table helping to determine whether a property can undertake this voluntary assessment.

Article III. C-PACE STATUTORY AND PROGRAMMATIC REQUIREMENTS

The following is an outline of the various C-PACE requirements in the C-PACE Statute as well as those established by the Green Bank.

Section 1. Mortgage Lender Consent

The C-PACE Legislation requires that the property owner (A) provide written notice to any existing mortgage holder of the Qualifying Property (as defined below), at least thirty days before the recording of a benefit assessment lien on such property, of the property owner's intent to finance a project through C-PACE, and (B) obtain the written consent to the C-PACE financing from any existing mortgage holder of the Qualifying Property. Green Bank's model mortgage holder notice and consent is attached as Appendix C. C-PACE participants may elect to use a different form of documents for the purposes of evidencing mortgage holder consent, any other such document will be subject to review and approval by Green Bank in its sole discretion.

Section 2. Real Property Eligibility

To be considered a "Qualifying Property" eligible for C-PACE Financing, a Qualifying Commercial Real Property (as defined below) must meet the following requirements:

- A. Must be located within the boundaries of a Participating Municipality (as defined below).¹
- B. Must be owned by a Benefited Property Owner (as defined below), who is not a state, municipality, or any political subdivision thereof.
- C. Must not contain a Residential Dwelling (as defined below) of four units or less. Multifamily properties containing five dwelling units or more are eligible. Not-for-profit and agricultural properties may also be eligible. If the eligibility of a certain property is not clear, Green Bank may determine property eligibility in its reasonable discretion based on site specific considerations including, but not limited to, zoning designation and current/past/future land use. Multiple abutting parcels may be included in the legal description of one Benefit Assessment Lien (as defined below) if (1) each parcel, by itself, is a Qualifying Property (2) each parcel is owned by the same Benefited Property Owner, and (3) each parcel benefits from the same Qualifying Project.

Section 3. Project Eligibility

To be considered a "Qualifying Project" eligible for C-PACE Financing, an energy improvement project must meet the following requirements:

- A. Contain at least one Energy Improvement (as defined below).

¹ Green Bank facilitates municipal outreach and coordination with municipalities, and their legislative bodies, interested in entering into the Participation Agreement.

- B. All costs associated with the Energy Improvement and the financing thereof (e.g. closing/lender fees, consultant/development fees, soft costs, or other associated project costs, each being an “Associated Cost”) may, subject to Green Bank approval, be included in the Financed Amount.
- C. Energy Improvement(s) which have already been made to a Qualifying Property may be eligible for financing if such Energy Improvement(s) were completed less than a calendar year prior to Green Bank approval of such Qualifying Project. Additionally, subsequent Energy Improvement(s) made to a Qualifying Property which has previously received C-PACE financing for previous Energy Improvement(s), made within one calendar year from the close of C-PACE financing for the initial Energy Improvement(s), may be considered as one Qualifying Project for the purposes herein.
- D. Obtain an energy audit or feasibility study for the proposed Energy Improvement(s).
- E. The term of the Benefit Assessment associated with the Qualifying Project may not exceed the weighted average expected useful life (“EUL”) of the Energy Improvement(s). EUL is determined through the energy audit and is subject to approval by (1) either the Technical Administrator or a Technical Reviewer, and (2) the Green Bank. Regardless of a Project’s EUL, the term of the Benefit Assessment may not exceed 25 years unless approved by Green Bank, in its sole discretion.
- F. Projected Total Cost Savings must exceed the Projected Financing Cost. In other words, the savings-to-investment ration (“SIR”) of the Project must be SIR of greater than one. To demonstrate that SIR requirement has been satisfied the project must be either (1) reviewed and approved by the Technical Administrator, (2) reviewed and approved by a Technical Reviewer, (3) be certified as Investor Confidence Project “Investor Ready Energy Efficiency”² Project, or (4), for certain projects which include third party-owned renewable energy system(s), reviewed and approved by Green Bank, as more particularly described in Appendix E. For the avoidance of doubt, the SIR calculation for the Project must meet the requirements set forth in Article IV below.
- G. All Projects require the written approval of the Green Bank, as the statewide administrator of the C-PACE Program.
- H. All Benefited Property Owner(s) associated with the project must sign a Disclosure of Risk Form.
- I. Notwithstanding subparagraph C above, Projects which closed on C-PACE financing may not be eligible for refinancing through the C-PACE Program.
- J. If the Energy Improvement(s) are wholly owned by any party or parties which is/are not the Benefited Property Owner(s), then such project must meet the requirements set forth in Section 4 of Appendix E.

² For more information on Investor Ready Energy Efficiency certification, please visit <http://www.eepformance.org/iree-certification.html>.

Article IV. TECHNICAL STANDARDS OVERVIEW

The Green Bank requires a third-party review of the proposed Project to demonstrate that the SIR requirement has been met. The following provides a summary of the technical review process. Please refer to the Technical Standards (Appendix D) for a full description of audit requirements, technical review methodology and standards, and eligible and ineligible measures. Technical review may be completed by the Green Bank's selected Technical Administrator or Technical Reviewer. As an alternative to this process, the Green Bank will also accept Investor Confidence Project-certified Investor Ready Energy Efficiency Projects that demonstrate the SIR is greater than one. Additionally, Green Bank may, in its sole discretion, perform technical review for projects which include third party-owned renewable energy system(s), as more particularly described in Section 4 of Appendix E.

Section 1. Defining a Scope of Work

Building owners should work with a qualified energy auditor and/or contractor with demonstrated experience to define a scope of work for their proposed project. This scope can range from installation of a single Energy Improvement, such as a new high efficiency boiler or a renewable energy system, to a whole building energy upgrade involving multiple, interactive Energy Improvements. A general list of eligible Energy Improvements and their typical energy saving characteristics can be found in the Technical Standards. The scope of work for the proposed project must be prepared and submitted by a Qualified Contractor or Registered Contractor. Projects require the applicant to conduct an energy audit or renewable energy feasibility study. For all projects involving the installation of Energy Improvements, depending on project type, size and complexity, the energy audit may range from a simple walkthrough of the building to an investment grade audit.³ The Qualified Contractor or Registered Contractor will determine the minimum required energy audit level consistent with the C-PACE program technical standards. The audit should identify the building's representative baseline energy use, identify and recommend Energy Improvements, estimate the useful life of each Energy Improvement, determine total project capital cost and the projected energy savings that can be confidently achieved, evaluate key financial metrics, and provide an energy savings equipment commissioning (Cx) and measurement and verification (M&V) plan. All projects involving a renewable energy system are required to complete a feasibility study, Green Bank recommends that any feasible study follow the guidelines set forth in Appendix D.

Section 2. Standard SIR Technical Review

The Technical Administrator and/or Technical Reviewer will conduct a technical review, the purpose of which is to validate the reasonableness of project costs and energy savings projections. The Technical Administrator and/or Technical Reviewer will also confirm the projected SIR of the project is greater than one.

³ Connecticut utilities may provide what can be considered an ASHRAE Level I audit at no cost to applicants. The Green Bank can provide applicants referrals to qualified energy auditors to do higher level audits, the costs of which may be included in C-PACE financing.

In addition, the methodology for tracking energy savings over an agreed upon term will be reviewed, thereby verifying for project stakeholders the extent to which projected energy savings are being achieved in an ongoing fashion.

Technical Review consists of four tasks:

- A. Establish the building's representative energy consumption baseline,
- B. Validate the reasonableness of projected energy savings;
- C. Confirm that an adequate commissioning plan exists; and
- D. Confirm that an adequate M&V plan exists to assess the effectiveness of the energy conservation measures and/or renewable energy system after project completion.

The first two tasks are necessary to determine the SIR on the project and verify that it is greater than 1. The third task ensures a property owner and the contractor have planned to confirm the correct installation and operational performance of the installed measures. The last task ensures that the property owner and the contractor have planned to evaluate the energy savings effectiveness of the measures after they have been installed.

The Green Bank has developed a methodology for this technical review process, which relies upon three established industry protocols:

Baseline Energy Use: ASTM E2797-15, Building Energy Performance Assessment (BEPA) Standard directed at data collection and baseline calculations for the energy audit;

Energy Improvement & Energy Savings: ASHRAE Level I, Level II and Level III Energy Audit Guidelines;

Measurement and Verification: International Performance Measurement and Verification Protocol (IPMVP) providing guidance for measurement and verification of the energy savings.

The Technical Administrator or Technical Reviewer will qualify the proposed Energy Improvement(s) and validate the projected energy savings consistent with these protocols and, in conjunction with the applicant, will confirm a baseline financing scenario that meets the SIR criteria.

Section 3. Project Verification and Measurement and Verification

In order to verify that the project was installed according to the evaluated scope and evaluate the energy savings effectiveness of projects after they have been installed, all project applications are required to include a Cx and M&V plan to ensure that the property owner is in a position to collect energy consumption and/or clean energy production data. A report by a Qualified Contractor or Registered Contractor that confirms the measures were properly installed and that the project is operated as intended must be submitted to the Green Bank once project construction is complete.

The Green Bank requires C-PACE applicants to develop an M&V plan consistent with guidance provided by the International Performance Measurement and Verification Protocol (IPMVP) *or propose an alternative methodology* as appropriate for the project size and Energy Improvements installed (which proposal may be to

simply not develop an M&V plan). The Green Bank may elect to facilitate M&V on projects submitted to the Green Bank for financing. Property owners and/or TPCP may request M&V services from the Green Bank, for more details see the Third-Party Capital Provider Term Sheet. M&V activities may be financed as an Associated Cost of any Qualifying Project.

Section 4. Alternative to Standard SIR Technical Review Process

As an alternative to the Standard SIR Technical Review process set forth in Section 2 above, and more particularly described in the Technical Standards, Green Bank will also consider projects which meet one of the following requirements as having met the technical review requirement of this Article:

- A. Projects which demonstrate a receipt of an Investor Ready Energy Efficiency certification from the Investor Confidence Project (“ICP”) and provide a letter from the ICP Quality Assurance Provider stating that the SIR for the project is greater than one; or
- B. Certain projects which include third party-owned renewable energy system(s), reviewed and approved by Green Bank, as more particularly described in Appendix E.

Section 5. Technical Review Auditing

Green Bank may select and retain a Technical Review Auditor or Technical Review Auditors to conduct periodic reviews of the technical review work performed by any Technical Reviewer, the Technical Administrator or the Green Bank to evaluate compliance with the Program Guidelines and Technical Standards.

Article V. C-PACE OPEN MARKET AND ELIGIBILITY CRITERIA FOR C-PACE CAPITAL PROVIDERS

Section 1. Concept of ‘Open Market’

Connecticut maintains an “open market” approach to its C-PACE program, encouraging capital providers to be the primary financier of Qualifying Projects and supporting Benefited Property Owners who wish to source their own capital provider. For capital providers wishing to directly offer C-PACE financing, thereby becoming an “Approved Third-Party Capital Provider” or “ATPCP”, the Green Bank has created a term sheet, attached hereto as Appendix F (the “Third-Party Capital Provider Term Sheet”), which outlines the key material terms of the relationship between the Third-Party Capital Provider and the Green Bank as the program administrator. Only Qualifying Capital Providers (as defined below) may execute the Third-Party Capital Provider Term Sheet with Green Bank.

Additionally, the Green Bank currently maintains dedicated capital to finance C-PACE projects. Benefited Property Owner looking to finance any Qualifying Project with Green Bank sourced capital may apply directly to Green Bank and follow the process outlined in Appendix F. From time to time and through the RFP process, the Green Bank may “sell-down” portfolios of its C-PACE transactions to Qualifying Capital Providers (s) or partner with Qualifying Capital Providers for the purpose of originating transactions, which Qualifying Capital Providers desire to be the secondary or co-financiers of these assessments. The “sell-down” process replenishes or leverages the Green Bank’s capital, enabling a sustainable source of funding for C-PACE projects.

The ‘open market’ program offers multiple financing options to Benefited Property Owners, enabling the Green Bank to achieve its mission of making financing accessible and affordable.

Section 2. Qualified Capital Provider

Any capital provider or other entity interested in purchasing C-PACE transactions from the Green Bank or offering C-PACE financing directly to borrowers must become a qualified Capital Provider through the C-PACE Program. The process for becoming a “Qualified Capital Provider” is as follows:

1. The interested capital provider must respond to the open [CGB Request for Qualifications from Interested Capital Providers](#).
2. Green Bank shall review the submission and may approve the capital provide. Upon approval, the capital provider will be considered a “Qualified Capital Provider”. Qualified Capital Providers are listed on Green Bank’s C-PACE website and receive information from the Green Bank regarding financing opportunities as well as pertinent information about C-PACE. Qualified Capital Providers wishing to directly offer C-PACE financing must also execute the Third-Party Capital Provider Term Sheet.

Section 3. C-PACE Approved Third-Party Capital Providers

Qualified Capital Provider should execute the Third-Party Capital Provider Term Sheet **ONLY** if they anticipate directly offering C-PACE financing to Benefited Property Owners in Connecticut. The Third-Party Capital Provider Term Sheet outlines the key material terms of the relationship between the ATPCP, the Green Bank, and the Benefited Property Owners. In summary, the process for project origination, funding and administration is as follows:

- A. The ATPCP or Benefited Property Owners may submit a completed C-PACE application and all associated documents necessary to demonstrate any project's compliance with the Program Guidelines and any other applicable requirements set forth in the Third-Party Capital Provider Term Sheet.
- B. Green Bank shall review such documents for compliance with the Program Guidelines and Third-Party Capital Provider Term Sheet, and, in its sole discretion, provide its approval of the Qualifying Project (thereby becoming an "Approved Project").
- C. The ATPCP may then enter into a Financing Agreement with Benefited Property Owner for such Approved Project (thereby becoming a "Closed Project").
- D. Concurrently or shortly thereafter, the ATPCP shall enter into an Administration Agreement with the Green Bank for such Closed Project.
- E. Green Bank will facilitate the filing and assignment to the ATPCP of a Benefit Assessment Lien, pursuant to the Administration Agreement.
- F. Green Bank will work with the Participating Municipality to collect any payments received pursuant the Benefit Assessment Lien and remit such payments to the ATPCP, pursuant to the Administration Agreement.

The ATPCP shall maintain its own financial underwriting criteria and financing terms and conditions for a C-PACE transaction, subject to the requirements set forth in the Program Guidelines.

Article VI. DEFINED TERMS

“Approved Third-Party Capital Provider” or “ATPCP” shall mean a Third-party Capital Provider, which (1) has been approved by Green Bank as a Qualifying Capital Provider, (2) has executed a Third-Party Capital Provider Term Sheet, and (3) is in good standing with the Green Bank.

“Associated Cost” shall have the meaning ascribed to it in Article III Section 3(b).

“Benefit Assessment” shall mean an assessment authorized by the C-PACE Legislation. In an event of a conflict between this definition and that which is ascribed in the C-PACE Legislation, the C-PACE Legislation shall govern.

“Benefit Assessment Lien” shall mean a lien which evidences a Benefit Assessment and is recorded by a Participating Municipality on the land records against a Qualifying Property at Green Bank’s direction pursuant to the Participation Agreement. The form of such Benefit Assessment Lien is attached hereto as Appendix K, as may be modified or amended by Green Bank, in its sole discretion, from time to time.

“Benefited Property Owner” shall mean an owner of Qualifying Commercial Real Property who desires to install Energy Improvements and provides free and willing consent to the Benefit Assessment against the Qualifying Commercial Real Property. In an event of a conflict between this definition and that which is ascribed in the C-PACE Legislation, the C-PACE Legislation shall govern.

“C-PACE Legislation” shall mean Section 16a-40g of the Connecticut General Statutes, as may be amended, attached hereto as Appendix A.

“Commercial or Industrial Property” shall mean any real property other than a Residential Dwelling containing less than five dwelling units. In an event of a conflict between this definition and that which is set forth in the C-PACE Legislation, the C-PACE Legislation shall govern.

“Disclosure of Risk Form” shall mean the disclosure of risk form associated with C-PACE, attached hereto as Appendix H, as may be modified or amended by Green Bank, in its sole discretion, from time to time..

“District Heating and Cooling System” shall mean a local system consisting of a pipeline or network providing hot water, chilled water or steam from one or more sources to multiple buildings. In an event of a conflict between this definition and that which is ascribed in the C-PACE Legislation, the C-PACE Legislation shall govern.

“Energy Engineer” shall mean a professional or entity who/which meets one of the following: (1) holds a Certified Energy Manager or Certified Energy Auditor accreditation, (2) is a Professional Engineer with demonstrated relevant energy experience, or (3) a contractor with relevant demonstrated experience as determined by the Technical Administrator.

“Energy Improvement” shall mean (A) participation in a District Heating and Cooling System by Qualifying Commercial Real Property, (B) participation in a microgrid, as defined in Section 16-243y of the Connecticut

General Statutes, including any related infrastructure for such microgrid, by Qualifying Commercial Real Property, provided such microgrid and any related infrastructure incorporate clean energy, as defined in Section 16-245n of the Connecticut General Statutes, (C) any improvement, renovation or retrofitting of Qualifying Commercial Real Property to reduce energy consumption or improve energy efficiency, (D) installation of a renewable energy system to service qualifying commercial real property, or (E) installation of a solar thermal or geothermal system to service qualifying commercial real property, provided such renovation, retrofit or installation described in subparagraph (C), (D) or (E) is permanently fixed to such Qualifying Commercial Real Property. In an event of a conflict between this definition and that which is ascribed in the C-PACE Legislation, the C-PACE Legislation shall govern.

“Financed Amount” means the combined costs of the Energy Improvement(s) and Associated Cost(s) which has been or will be financed through C-PACE for any Qualifying Project.

“Financing Agreement” shall mean a written agreement between a Benefited Property Owner and either a Third-Party Capital Provider or the Green Bank, or any of its subsidiaries, for the financing, leasing or purchasing power from/of Energy Improvement(s). Such financing agreement shall contain, among other things, a provision which allows the Benefited Property Owner to rescind the agreement not later than three business days from the date of such agreement.

“Participating Municipality” shall mean a municipality, as defined in Section 7-369 of the Connecticut General Statutes, that has entered into a Participation Agreement. In an event of a conflict between this definition and that which is ascribed in the C-PACE Legislation, the C-PACE Legislation shall govern.

“Participation Agreement” shall mean a written agreement between Green Bank and a Participating Municipality, as approved by its legislative body, pursuant to which the municipality has agreed to assess, collect, remit and assign, Benefit Assessments to Green Bank in return for Energy Improvements for Benefited Property Owners within such municipality and costs reasonably incurred in performing such duties. The template participation agreement is attached hereto as Appendix B, as may be modified or amended by Green Bank, in its sole discretion, from time to time.

“Professional Engineer” shall mean an individual, or company which employs such individual, who is licensed as a professional engineer and in good standing with the relevant licensing authorities in the State of Connecticut.

“Projected Associated Savings” shall mean non-energy savings which have a close nexus to the Energy Improvement(s) which are part of a Project. Examples include, but are not limited to, federal tax credits, depreciation, and revenues from the sale of environmental attributes. Green Bank, in its sole discretion, may determine which types of savings may be considered to fall under this definition.

“Projected Energy Savings” shall mean the estimated energy savings, calculated in accordance with the Technical Standards, from any Energy Improvement(s) over the EUL of such improvements.

“Projected Financing Cost” shall mean the total projected debt service associated with the Financed Amount for a Qualifying Project including, but not limited to, all principal, interest, and any fees over the term of the financing. This does not include any potential late fees or penalties.

“Projected Total Cost Savings” shall mean the combined value of the Projected Energy Savings and the Projected Associated Savings for any Qualifying Project.

“Qualified Contractor” shall mean as a professional or entity who/which meets one of the following: (1) holds a Certified Energy Manager or Certified Energy Auditor accreditation, (2) is a Professional Engineer with demonstrated relevant energy experience, or (3) a contractor with relevant demonstrated experience.

“Qualifying Capital Provider” or “QCP” shall have the meaning ascribed to it in Article V Section 2.

“Qualifying Commercial Real Property” shall mean any Commercial or Industrial Property, regardless of ownership, that meets the qualifications established for the C-PACE program. In an event of a conflict between this definition and that which is ascribed in the C-PACE Legislation, the C-PACE Legislation shall govern.

“Qualifying Project” shall mean an energy improvement project which meets all the requirements set forth in Article III Section 3.

“Qualifying Property” shall mean a Qualifying Commercial Real Property which meets all the requirements set forth in Article III Section 2.

“Registered Contractor” shall mean a contractor who has registered with Green Bank, via the contractor registration process ([website link]), and remains in good standing with Green Bank.

“Residential Dwelling” shall mean a structure used or occupied, or intended to be used or occupied, in whole or in part, as the home or residence of one or more persons. Residential dwelling shall not include any structure which is:

1. A home or residence which is part of public or private institution, if such residence is incidental to provision of medical, geriatric, educational, counseling, religious, or similar services;
2. A campground, hotel, motel, extended stay facility, vacation residential facility, boardinghouse, fraternal or social organization, or similar lodgings; and
3. Primarily used for business, commercial, charitable, not-for-profit, or agricultural purposes.

“SIR” shall have the meaning ascribed to it in Article III Section 3(G).

“Technical Administrator” shall mean the entity, selected by Green Bank pursuant to an RFP process, which may conduct technical review as well as provide Green Bank with guidance and consolation in the development and implementation of the Technical Standards and Program Guidelines. The Technical Administrator may also work with contractors to help them develop a building’s baseline energy consumption and energy savings estimates for projects.

“Technical Reviewer” shall mean an entity which has been approved by and in good standing with Green Bank in accordance with the standard set forth in Appendix J. Technical reviewers may be proposed to Green Bank for approval by Third-Party Capital Providers. For a list of Technical Reviewers which are currently approved and in good standing with Green Bank, please visit [website link].

“Technical Review Auditor” shall mean an entity or entities, selected by Green Bank pursuant to an RFP process, which may conduct periodic reviews of the technical review work performed by any Technical Reviewer, the

Technical Administrator or the Green Bank to evaluate compliance with the Program Guidelines and Technical Standards.

“Technical Standards” shall mean the complete description of energy audit requirements, technical review methodology and standards, and eligible and ineligible measures for C-APCE, attached hereto as Appendix D, as may be amended or modified from time to time by Green Bank in its sole discretion.

"Third-Party Capital Provider" means an entity, other than the Green Bank or any of its subsidiaries, that enters into one or more Financing Agreement(s). In an event of a conflict between this definition and that which is ascribed in the C-PACE Legislation, the C-PACE Legislation shall govern.

Appendix A: C-PACE LEGISLATION

[attached separately]

[see website for current version]

Appendix B: PARTICIPATION AGREEMENT

[attached separately]

[see website for current version]

Appendix C: NOTICE AND REQUEST FOR LENDER CONSENT

[attached separately]

[see website for current version]

Appendix D: TECHNICAL STANDARDS

[attached separately]

[see website for current version]

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Appendix E: C-PACE FINANCING FOR SOLAR PV SYSTEMS AND FUEL CELLS

[attached separately]

[see website for current version]

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APPENDIX F: THIRD-PARTY CAPITAL PROVIDER TERM SHEET

[attached separately]

[see website for current version]

APPENDIX G: GREEN BANK C-PACE APPLICATION SUBMISSION & REVIEW PROCESS

[attached separately]

[see website for current version]

APPENDIX H: DISCLOSURE OF RISK FORM

[attached separately]

[see website for current version]

APPENDIX I: THIRD-PARTY CAPITAL PROVIDER ADMINISTRATION AGREEMENT

[attached separately]

[see website for current version]

APPENDIX J: TECHNICAL REVIEWER APPROVAL PROCESS

[attached separately]

[see website for current version]

APPENDIX K: FORM OF BENEFIT ASSESSMENT LIEN

[attached separately]

[see website for current version]

