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Connecticut Green Bank sells \$38.6 million in monetized solar home renewable energy credits (SHRECs)

First-of-its-kind issuance is backed by more than 14,000 residential solar systems

Rocky Hill, CT (April 9, 2019) – The Connecticut Green Bank is pleased to announce the sale of \$38.6 million investment-grade rated ABS notes. This innovative first-of-its-kind issuance monetizes the solar home renewable energy credits (SHRECs) generated through the Residential Solar Investment Program (RSIP). The sale was comprised of two tranches of SHRECs produced by more than 105 megawatts of 14,000 residential solar photovoltaic (PV) systems. The SHRECs were aggregated by the Green Bank and sold in annual tranches to Connecticut's two investor-owned utilities, Eversource Energy and United Illuminating Company, at a fixed, predetermined price over 15 years. The funds raised through this sale will recover the costs of administering and managing the RSIP, including the incentives offered to residential participants in the program.

The Green Bank worked with Kestrel Verifiers to certify that this issuance conforms with the Climate Bonds Standard. Further, it partnered with the Climate Action Reserve (CAR) to independently assess the impact of the systems in tranches one and two of the SHRECs. CAR estimates that these systems will produce 238,000 MWh of electricity each year, avoiding the emission of approximately 749,494 tonnes carbon dioxide equivalents (tCO₂e) of greenhouse gases (GHGs). CAR leveraged the Environmental Protection Agency's (EPA) Avoided Emissions Generation Tool (AVERT) and Co-Benefits Risk Assessment (CoBRA) in their assessment of air quality and public health impacts respectively.

"The proceeds from this green bond support the many families reducing the burden of energy costs by putting solar PV systems on the rooftops of their homes," states Bryan Garcia, President and CEO of the Connecticut Green Bank. "By attracting more private investment into Connecticut's growing green energy economy, we are creating jobs in our communities while at the same time confronting global climate change."

"This groundbreaking transaction, the first rated issuance for the Green Bank and the first ever solar ABS transaction by a green bank, demonstrates how governments can leverage public funds to harness the tremendous depth of the capital markets to accelerate investment in clean renewable energy. The innovative structure of the SHREC program enables the Green Bank to reach a new class of investors seeking to achieve steady long-term returns while at the same time supporting the state's energy, environment and economic development policies," states Bert Hunter, Executive Vice President and Chief Investment Officer of the Connecticut Green Bank. "Working with the RBC Capital Markets as our underwriter, we were able to sell our green bonds and continue to support Connecticut's growing green economy."

RBC Capital Markets was the sole book runner in this transaction.

"RBC is thrilled to partner with Connecticut Green Bank on this first securitization exclusively backed by renewable energy credits," said Nick Rogers, Director, Securitization Finance at RBC Capital Markets. "Achieving a higher advance rate and lower cost-of-funds than other recent solar production ABS speaks to the strength of the SHREC program and its resonance in the market."

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COMPANY PROFILE

The Connecticut Green Bank is the nation's first green bank. We're creating a thriving marketplace to accelerate green energy adoption in Connecticut by making green energy financing accessible and affordable for homeowners, businesses and institutions.