As is the case with all materials resulting from meetings held at The Pocantico Center, the views expressed in this report are not necessarily those of the Rockefeller Brothers Fund, its trustees, or its staff.
Connecticut Green Bank 2.0

From 1 to 2 Orders of Magnitude

The third aim of the Paris Agreement is “making finance flows consistent with a pathway towards low greenhouse gas emissions and climate resilient development.” With this in mind, the Connecticut Green Bank convened Connecticut leaders in February of 2019 to establish another ambitious strategy - for the Connecticut Green Bank to mobilize greater investment in Connecticut’s green energy economy to combat climate change.

The conference was held with three objectives in mind:
1. Assessing progress achieved by Connecticut Green Bank to date;
2. Engaging staff, board members, and stakeholders in a facilitated dialogue to solicit insights and new ideas; and
3. Using key insights and ideas to help develop a framework for a multi-year comprehensive plan

Through numerous “green storming” sessions, these leaders laid out a vision for an ideal sustainable future in Connecticut, exploring current and future products and programs and sources of funding, and identifying ways to “scale up” the Green Bank’s impact. Their visions went beyond just growing the green energy economy, but encapsulated a better and more sustainable future for humanity. Together, we envisioned a future that not just recognizes the importance of green energy, but one that embraces the significance of inclusive prosperity.

In memorializing our discussions and outputs from this strategic retreat, we have the pieces needed to forge a clearer path forward to realize this future.

Bryan Garcia, CEO, Connecticut Green Bank
Participants in the main meeting room at the Pocantico Center of the Rockefeller Brothers Fund

Participants during the Welcome & Introductions session
Welcome & Introductions

Connecticut Green Bank staff and stakeholders first gathered at the Pocantico Center of the Rockefeller Brothers Fund in November 2011 to establish a vision for the Green Bank in 2020. More than seven years later, the Green Bank reconvened at the Pocantico Center to reflect on the past and envision an even bigger future. The Connecticut Green Bank 1.0 to 2.0 conference included stakeholders across a broad continuum, from senior staff and board members of the Green Bank, to leaders of financial service companies, utilities and state agencies, and other statewide leaders. Constant across this spectrum was a vision for a more sustainable future for Connecticut. Participants were asked what they saw as the most important ingredients for Connecticut to be on a glide path to a sustainable future by 2030 and the biggest potential impediments. While many themes emerged, the role the Green Bank can play in order to ensure such a future was woven throughout the conversation.

Ingredients for Success. Attendees identified a number of important ingredients for success including a sense of urgency, increased awareness and engagement, better access to capital and innovative financing, scalable and impactful ideas, smart transitions and more attractive markets for investors and innovators.

Potential Impediments. The State budget, political will, a focus on financial sustainability, a broadening scope, customer acquisition, rigid regulatory framework, and the myth of scarcity were all identified by the group as possible impediments to success and progress.
As we think about the future, it's a key time for us.
From Green Bank 1.0 to Green Bank 2.0

Following a review of Green Bank 1.0 - the history, purpose, vision, mission and goals, as well as the structure, business units and performance of Connecticut Green Bank from July 2011 through December 2018 - participants were presented with a vision for Green Bank 2.0. This vision included:

**Increasing investment in Connecticut.** Scaling up investment another order of magnitude from $80/person/year to $850/person/year for Connecticut to meet the level of investment highlighted by the UN Sustainable Development Goals;

**Carbon neutrality by 2050.** Supporting Governor Lamont’s vision of carbon neutrality by 2050, building on the leadership of his predecessors in establishing policies and framework to support clean energy deployment and mitigate climate change; and

**Environmental sustainability.** Recognizing the work of others (NY, RI, UK, etc.) in adapting the green bank model to other environmental infrastructure sectors (waste and recycling, water, agriculture, land conservation, parks, resiliency, etc.).
Participants were enthusiastic about the ongoing leadership role that Connecticut Green Bank must play in creating innovative, scalable solutions that can be replicated in the state and around the world. The vision for Green Bank 2.0 sparked a discussion among participants with many themes emerging:

**Financial sustainability.** The Green Bank, now facing new constraints and under pressure to make financial returns that lead to organizational sustainability, needs to establish investment targets that 1) drive ROI and 2) continue to leverage public funds with multiples of capital investment.

**Addressing climate change “wedges.”** The development of markets for technologies that have the potential to help Connecticut meet its 2050 climate change goals present big opportunities. These market “wedges” include zero emission vehicles, battery storage and carbon free clean energy, renewable heating and cooling, and resiliency infrastructure (such as fuel cells and microgrids).

**“Green” leadership and advocacy.** Connecticut Green Bank’s role as a catalyst and leader, raising awareness for and defining “green” in the U.S., will continue to be important. The ability to expand awareness of green bonding mechanisms, collect and analyze data, develop impact metrics, and communicate results to investors and citizens can have far-reaching effects.

**Underserved Markets.** Low income households, nonprofits, small businesses, and other underserved markets need the Green Bank’s support in attracting private investment and ensuring inclusive prosperity. The Green Bank can make big impacts by reducing perceived risks by private investors, piloting and scaling programs, and eliminating barriers to clean energy improvements.

**Scale and Scope.** The Green Bank has a unique ability to evolve and adapt by building on its strength’s in financing and clean energy policy to scale-up investments in clean energy. However, broadening scope to include new markets (e.g., environmental infrastructure) would present new challenges.
Existing Products and Programs

After participants had outlined both challenges and opportunities in transitioning to Green Bank 2.0, the focus turned to existing products and programs offered by Connecticut Green Bank in partnership with private investments, including:

- **Residential Solar Investment Program** - a statutorily required program that uses a declining incentive block structure to support 300 MW of behind-the-meter residential solar PV;
- **Solar for All** - an innovative solar PV lease and energy efficiency energy savings agreement financing product targeted at low-to-moderate income families using a special RSIP incentive;
- **Energize CT Smart-E Loan** - a credit enhancement program with community banks & credit unions offering low cost, long-term financing for measures supporting the Comprehensive Energy Strategy;
- **Multifamily Programs** - a program that includes a variety of pre-development and term loan financing products for affordable multifamily properties;
- **C-PACE** - a commercial, industrial and institutional financing program that uses a benefit assessment mechanism to provide low cost, long-term financing for measures supporting the Comprehensive Energy Strategy;
- **Green Bank Solar PPA** - a commercial, industrial and institutional financing product that uses an innovative power purchase agreement structure, in combination with C-PACE where appropriate, to reduce the burden of energy costs through the deployment of solar PV; and
- **Project Finance** - specific opportunities created to support in-state large-scale projects, including anaerobic digesters, small run-of-the-river hydro, grid tied fuel cells and combined heat and power projects requiring structured financial agreements.
Following a discussion on the existing products and programs, participants tackled questions that will impact how the Green Bank considers future decisions regarding the existing product portfolio.

How should the Green Bank decide to expand programs vs. transitioning them to the private sector? What indicators can help make these decisions? How should sustainability factor into the process? Participants agreed that the Green Bank would need to consider investment criteria in order to determine when to enter, expand, or exit a product or program and introduced a number of other important themes:

**Risk and Return.** Participants recognized the importance of risk and return to ensure the Green Bank’s financial sustainability, while at the same time ensuring that private capital is not crowded out as the Green Bank’s leverage ratio may decline.

**Speed and Penetration.** The market potential across the Green Bank’s suite of products and program is still substantial. Participants recognized that there are increasing customer acquisition challenges and costs, but that the Green Bank needs to accelerate activities and achieve deeper penetration in the markets it serves.

**Replicability and Scalability.** The climate crisis is an urgent one, and in order to make a substantial impact, participants acknowledged that products and programs needed to be replicable and scalable across the country.
Alex Kovtunenko, CT Green Bank

Kerry O'Neill, Inclusive Prosperity Capital and Brenda Watson, Operation Fuel

Pat McDonnell, Avangrid and Stuart Decew, CBRY
ITS PROGRAMS

Lenders
- Lenders really took the role of rolling out
- Critical partnership needed for making this work
- Energy going into grid + then credits used

New England Hydro Power
- Great way to teach lenders
- Use as a scale example

Foundation Capital + Change Multifamily
- Right fit for consumer
- Ren share recap in the real
- Long term PPA
- Think of parent
  - lifecycle
  - when to stay
  - when to invest more
  - PPA concept to grown

Solar Implementation Program
- Solar implementation program
- It's working

Solar PPA
- Solar PPA
- Used for non-profits
- Opened markets for solar
- Good collaboration of incentive + finance program

C-PACE
- Huge energy reduction
- Lending + financing securing megawatts
- Security platform can be leveraged

Comprehensive Energy
- Education early in design phase
- Impact high return
- High risk
- Don't crowd out private capital
- Create enough rate of return for our risk

What are the indicators that could help make decisions?
- Expansion vs. exciting? Sustainability?

Green Bank Funds
- Not meeting need
- Expand the program
- Higher or lower demand

New market open: private players
- New market open: private players
- Tough to close the door when still a need

Energize CT Smart Loans
- Near 300 megawatt target
- Unsecured loans

Household incentives
- Household incentives
- Won recovery + incentive
- Not spending a lot per project

How should the organization's sustainability be integrated into the decision making?
- Evaluate targets based on impact
- Leverage through the lifecycle
- Innovation
- Metrics matter
- Transition is key
- Don't want to be in space that isn't working or is not in our vision/mission/strategy

Transition is key
- Transition is key
- Don't want to be in space that isn't working or is not in our vision/mission/strategy

Think about speed... and trade-offs
Potential New Products and Services

After discussing existing products and programs, participants turned to an exploration of potential new products and services. A couple of “big ideas” were presented to spark the discussion and push participant’s thinking outside of the box:

- **Grid Modernization and Decarbonization.** This technology-focused vision leverages behind-the-meter renewable energy resources such as solar PV in combination with battery storage to maximize benefits for customers and ratepayers. Including zero emission vehicles and zero emission heating and cooling technologies such as air source and ground source heat pumps could be integral in addressing climate change;

- **Citizen Engagement and Investment Platform.** By creating a public awareness and engagement program in partnership with Sustainable CT, the Green Bank could enlist local citizens to financially support community-based projects, building off the Green Bank’s crowd investing experience. This would providing impact investing opportunities that raise capital to support projects, while also defending the Green Bank through bond issuances and growing a supportive base of citizens;

- **Environmental Infrastructure.** Leveraging a public finance approach to scale-up the Green Bank’s investment model beyond “clean energy” through use of its public financing capabilities - such as bonding - that would support “environmental infrastructure” projects (water, waste, recycling, etc.).
Participants had no shortage of “big ideas” of their own. When asked what the best candidates for potential new Green Bank products and programs were and why, and whether these ideas could fit with the Green Bank’s needs for organizational sustainability, they outlined a number of concepts for further exploration regarding new products that would serve the Green Bank’s objectives:

- **Address Climate Change “Wedges”** - given the urgency of the climate change problem, solutions that address key, substantial market “wedges” with financial innovation including community solar, zero emission buses and refueling infrastructure and heat pumps;
- **Deploy Technologies that Empower and Motivate Customers** - energy usage meters and devices that can enable customers to better understand their needs based on season and time, supporting time of use rates and other strategies that help customers realize and verify savings opportunities;
- **Bonding** - use of the Green Bank’s bonding capability to raise capital, while ensuring that environmental infrastructure projects are viewed through the lens of mitigating climate change;
- **Insurance** - an insurance product that insures energy savings could help increase adoption among customers concerned about investment and technology risks;
- **Energy Savings Agreements** - pay as you save model can be more palatable to customers and could help with customer acquisition challenges;
- **Packages** - financing solutions and insurance or savings guarantees that increase customer confidence and reduce their risk;
- **Bundling** - technology and solution bundling (such as a Smart-E bundle);
- **R-PACE** - potential future solution requiring regulatory clarity at the federal level and comfort from the mortgage industry;
- **Investment Criteria** - an important next step for decision making in introducing new products.
POTENTIAL NEW PRODUCTS + SERVICES

- **Mobility**
  - Focus on big picture
  - Transportation
    - Smart - partner with EV auto makers
    - CMi space - battery buses lease as you go
    - Charging infrastructure
    - Emissions
      - Fleets (e.g., Transite: resiliency)
      - Support EV credits for gas
    - Electric fuel cells
      - Revenue stream
      - Energy use

- **Grid Modernization**
  - Better data work with utilities
  - Use our bonding capability to mobilize investment
  - Grid modernization behind the meter

- **Solar excess to battery storage catalyst to new**
  - Increased efficiency
  - Carbon neutral
    - Efficient sectors
      - Incentives
      - Geothermal: encourage getting out of fossil
      - Solar storage residential + commercial
      - Building
        - Heat pump lease
        - Green redevelopment
          - Next - C. PACE = still need a new
            - Focus on 1 city: integration at design + planning phase
            - No energy as an afterthought
            - Insurance
              - Incentive bundling (still need to look at partners)
            - IoT for building: training
            - Focus on state buildings: lead by example!
Inclusive Capitalism: Faith and Finance in the Green Economy
Mary Evelyn Tucker

New Approach
Need fresh approaches
Need values and philosophy

Because of programs
Able to connect and heal programs for the elderly and young

We know technology
Do we want to create

Step back and think...
What kind of world does China + India change the world changes

Principles, strategy, tactics
Create an inter-generational handshake

Meet at a real network event
Environmental humanitarianism
They go hand in hand
Inclusive Capitalism: Faith and Finance in the Green Economy

At the conclusion of the first day, Mary Evelyn Tucker, Senior Lecturer and Senior Research Scholar at Yale University delivered a keynote address entitled “Inclusive Capitalism: Faith and Finance in the Green Economy.” Drawing on her spiritual knowledge of the world’s religions, she provided a powerful vision of “hope.” The themes and messages delivered through this keynote will inform the creation of a vision statement for the Green Bank’s 2020 Comprehensive Plan. Mary Evelyn has been involved in ongoing conversations through the Renewable Energy and International Law Network on the role of faith and finance, and was uniquely positioned to discuss the convergence of faith, finance, and sustainability - energizing the group for the next day of the conference. A number of powerful themes wove through Mary Evelyn’s narrative:

Build
Care
Community
Compass
Compassion
Connectedness
Creativity
Earth
Hope

Humanity
Inclusive
Inspire
Intergenerational
Moral
Movement
Nature
Peace
Planet

Prosperous
Responsibility
Spark
Spirit
Stories
Symbiotic
Together
Value
World

Bryan Garcia, CT Green Bank and Mary Evelyn Tucker, Yale University
EVERY SECTOR REPRESENTED — WOMEN
AT THE SUMMITS FOCUSED ON THE WHOLE
SPIRITUAL POLICY

PEOPLE INSPIRE
EVERYTHING MATTERS
DIS... DIS... DIS
GET OUT OF THIS MINDSET
IT ISN'T SUPPORTING OUR GOALS + DIRECTION

PEOPLE WANT TO FIGURE OUT THE POSITIVE
PLANTING TREES IS PARAMOUNT

CREATE A FIELD OF CHANGE

ECOLOGY
POLICY
PEACE

INTERCONNECTED IS KEY

NOT JUST VALUE OR NATURE
MONETARILY

ENCYCLICAL IS THE MOST IMPORTANT

THE WILD PLACES IN THE WORLD ARE IMPORTANT

WE NEED TO GRIEVE OUR DYING WORLD!

IT IS WHY PARIS WAS SUCCESSFUL

NOT JUST SCIENCE

I CALL IT HOPE
Need long term focus and long term change. The spark is the creativity.

Energy is key. What will we give our lives to... what drives us?!

Tap into energy. Aligning the elements: the energy of the earth. Ask the environmental question.

Connect to our spirit. Peace, value.
Come together in hope. It won't be easy. This is the work we must be called to do! There will be things that pull us apart. We need to build a community.

Have something pairing. People, science, economics + compassion. What will this mean to our children and the next generations?

Need to share the stories. There is no silver bullet. Literature on the environment. Enviro changes.

Leaders and the next generations. People are bad about planning for the future. This is more dire. Seen as more dire. Maybe the more obvious it is, people will act!

Read a Mary Elliott poem. She was the poet of the environment.
Looking for connectedness
They focus on the movement
Corporate social responsibility

People are looking for greater hope

Why don't more people change—ie EVs?

Sustainability process + tactics

Why are changes so slow?

Need to have a fundamental shift to industries

Tell the people story

Our systems are harming so many people!

If we don't communicate how we are changing peoples lives...they won't get it!

The shift will only happen when corporate America changes
Investment Criteria

Participants started the second day delving further into investment criteria, a reoccurring theme from the first day. Determining what investment criteria should be applied to discern when to enter, expand or exit a product or program was outlined as a critical next step.

The groups sought to rate (low, medium, high) four different investment criteria:
- GHG reduction;
- Return on investment for the Green Bank; and
- Underserved populations (e.g., LMI), and
- Cost savings.

The groups then applied these investment criteria to three addressable “wedges” for climate change:
- Grid scale solar PV or wind;
- High efficiency heat pumps for buildings, including renewable heating and cooling; and
- Electric and fuel cell buses and infrastructure.

The participants identified that it is difficult to prioritize and rate investment criteria with a simple rating system from high to low, as it did not allow for enough differentiation. In addition, the three examples given didn’t allow for project or program level specificity (such as grid-scale solar PV vs. community solar).
Participants also identified other potential challenges for the criteria themselves:

<table>
<thead>
<tr>
<th>Investment Criteria</th>
<th>Challenges of Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>GHG Reduction</td>
<td>Total vs. Per Capita vs. Per $ Spent vs. Lifetime</td>
</tr>
<tr>
<td>Return on Investment for the Green Bank</td>
<td>Interest Rate and Tenor vs. Cash Flow vs. P&amp;L</td>
</tr>
<tr>
<td>Underserved Populations</td>
<td>(none noted)</td>
</tr>
<tr>
<td>Cost Savings</td>
<td>• Customer or Ratepayer</td>
</tr>
<tr>
<td></td>
<td>• Annual vs. lifetime</td>
</tr>
<tr>
<td></td>
<td>• Positive cash flow</td>
</tr>
</tbody>
</table>

Throughout the discussions, participants came up with additional investment criteria that could be used to make decisions regarding products and programs in the future. Some of the criteria that participants believed should be considered included:

- Additionality
- Administrative Costs
- Benefits
- CO2 Reduced / $1
- Catalytic
- Cost / Benefit (e.g., $ / GHG)
- Create Jobs
- Demand

- Development Costs
- Ease
- Economic Impact
- Financial Risk
- Generate political capital
- Health impact
- Human capital
- Market need

- Political risk
- Reductions in “wedge”
- Replicability
- Reputational Risk
- Reputational Benefit
- Scalability
- Speed
- Time
HELPFUL EXERCISE
ABLE TO COMMON SIZE IN BUNCHES
GRID-SCALE
LESS BENEFIT DIRECTLY TO UNDER-SERVED POPULATION'S OWN END
OUTCOME -

PRODUCTS
PRODUCTS AND SERVICES
CRITERIA
H, M, L NOT ENOUGH DIFFERENTIATION

DIFFERENTIATION IS KEY E MEDIUM (HIGH)

LOOKS GOOD BUT WOULD BE HARD
MARKET NEED: VERY HIGH
LOW ROI: EXPENSIVE TECH
DEPENDS ON USE PAYBACK WOULD BE LONG

HIGH EFFICIENCY HEAT PUMPS
MADE ASSUMPTION AIR TO AIR (NOT GEO THERMAL)
DIFFICULT TO SELL + IMPLEMENT

BUSINESSES
ELECTRIC
FUEL CELL
ACCESS IMPROVED
MUNICIPAL RATES II ONE OFF
SOLVE THIS FOR PUBLIC SECTOR IN CT
UNSURE FINANCIAL BENEFIT TO US
GAP IN THE MARKETPLACE
EASY TO GET RUSH INTO REPLACEMENT STREAM
LOWER ROI

COULD BE IMPACTED BUT ALL IMPACTED
PROJECTS NOW
POTENTIAL GREEN BANKS CHIEF COULD BE DIFFERENT GREEN RANK FIN.
COMMUNITY SOLAR OR LARGE SCALE PROGRAM
POSSIBILITY FOR LOSS

ROI TO GREEN BANK IMPACTS OUR SCORE
DEPENS ON LINKS AND BENEFIT FOR CUSTOMER

ECONOMIC IMPACT
CRITERIA DRIVEN BY MISSION
THINK MORE COMPREHENSIVE

COST SAVING A BIT BETTER
GOOD
Current and Potential Funding Sources

With several ideas for new products and programs, as well as suggestions for criteria to evaluate investment opportunities, participants turned their attention to funding future Green Bank activities. After reviewing existing funding sources and exploring how similar organizations are funded, participants were asked how reliable the current funding sources are and if there were ways to protect them. Participants agreed on many points:

<table>
<thead>
<tr>
<th>Investment Criteria</th>
<th>Reliability</th>
<th>Risks</th>
<th>Actions to Protect</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Clean Energy Fund</strong></td>
<td>• Low fluctuation</td>
<td>• Unreliable</td>
<td>• Securitization and blocking raids through CHFA-like bond indenture</td>
</tr>
<tr>
<td></td>
<td>• Electrification of vehicles and heating/cooling could increase</td>
<td>• Political Risk</td>
<td>• Amend legislation based on the finds of lawsuit</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Declining in Nature</td>
<td>• Strengthen grassroots support</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Mini-green bonds to build citizen investors</td>
</tr>
<tr>
<td><strong>RGGI Allowance Proceeds</strong></td>
<td></td>
<td>• Unreliable</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Revenues are unpredictable</td>
<td>• Revenues are unpredictable</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Low revenues</td>
<td>• High effort required to compete for</td>
<td></td>
</tr>
<tr>
<td><strong>Grants</strong></td>
<td>• Can’t be raided</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Strong relationships with foundations</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Federal government increase opportunities</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Investment Income (Interest)</strong></td>
<td>• Steady portfolio growth</td>
<td>• Cash could be swept</td>
<td>• Securitize</td>
</tr>
<tr>
<td></td>
<td>• Predictable</td>
<td>• Subject to investment risk</td>
<td>• Blocking raids through indenture</td>
</tr>
<tr>
<td><strong>Investment Income (Fees)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Investment Income (FCM)</strong></td>
<td>• Market value in the future difficult to predict</td>
<td>• Cash could be swept</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Subject to public policy changes</td>
<td>• Subject to public policy changes</td>
<td></td>
</tr>
<tr>
<td><strong>Investment Income (RECs)</strong></td>
<td>• Market value in the future difficult to predict</td>
<td>• Cash could be swept</td>
<td></td>
</tr>
</tbody>
</table>
Considering the challenges facing current funding, participants were asked if there were other funding sources that would facilitate moving the Green Bank from 1 to 2 orders of magnitude. Several ideas were captured:

**Bonding.** Explore bonding capabilities to raise funds and protect income from existing sources (including minibonds, where the Green Bank sells a portion of a bond that encumbers revenue to the Green Bank to the citizens of Connecticut). This requires the Green Bank to identify uses of funds and be ready to deploy capital quickly.

**Private Activity Bond Conduit.** The Green Bank has statutory authority to issue bonds on behalf of others (while earning fees). This will require identifying borrowers with buyers that need this conduit.

**USDA and Other Federal Funds.** Continuing to pursue low cost capital for loans from USDA, DOT and DOD, and seeking legislative fixes that will make this process easier.

**Impact Investment / Corporate Partners.** Pursuing more impact investments and partner with corporations and community foundations and endowments seeking to make sustainability investments.

**Electric Efficiency Partners Program.** Bring additional programmatic solutions to PURA or use EEP funds as a sweetener alongside existing Green Bank or third-party investments.

**Transportation Climate Initiative.** Seek policy that directs a portion of these RGGI like funds to the Green Bank to fund transportation investments.

**Transaction Fees.** Build stream of income from investment banking-like transactions (e.g., Fuel Cell Energy deal).

**Community Reinvestment Act.** Using Inclusive Prosperity Capital, attract capital from CRA lenders.

**Alternative Compliance Payments.** Pursue policy that redirects the ACP back to the Green Bank, reducing public policy cost exposure on ratepayers from the RPS

**Opportunity Zone Fund.** Launch a fund that attracts funds earmarked for opportunity zones.

**Lockbox.** Pursue a strategy that restricts investment of ratepayer funds towards their intended purpose (similar to Special Transportation Fund).
As a wrap-up exercise, participants broke into groups for a session referred to as “Headlines,” where participants attempt to envision a future scenario by identifying a headline for a 2030 article in an in-state and out-of-state publication. Some examples included:

**In-State Headlines:**

“1 Million Connecticut Households Become ‘Carbon Neutral’ as a Result of Green Bank Programs” - Jan Ellen Spiegel, CT Mirror, 2030

“Connecticut Green Bank Makes Connecticut a Better Place to Live” - Hartford Courant, 2030
Out-of-State Headlines:

“As a result of the National Green Bank, the U.S. is on track to exceed the Paris Agreement” - The Economist, 2030

“Last Diesel Bus Scrapped, Will Live in the Carriage Barn at Pocantico” - BuzzFeed News, 2030

“New London Offshore Wind Port Manufactures and Assembles 10 GW of Power” - Wall Street Journal, 2030

“Connecticut Green Bank Teams up with Cows and Machinists to Power State’s Fleet of Electric Buses” - New York Times, 2030
TIONS for SUCCESS

OUT OF STATE

PARIS ACCORD

DRIVE NATIONAL SCALE

DETERMINE HEADLINE

EDUCATED THRU MINI GREEN BANK RETURNS

LEADS GREEN BANK

METH UN GOAL

$300 PER PERSON PER YEAR

CN NATIONAL

VISION SUCCESS

2030

IDENTIFY THREE THINGS THAT OCCURRED AND RELATED CHALLENGES WE WERE ABLE TO OVERCOME!

SMART WORKFORCE

GREEN VERSION OF THIS OLD HOME

CONNECTICUT GREEN

HG TV

12 YR TIMELINE TO RETIREMENT

LAST DIESEL BUS SCRAPED

0% ZERO EMISSIONS

ZERO WASTE BANK

GREEN BANK

ONTO NEXT BIG CHALLENGE

INNOVATED BY CT GREEN BANK

WIN FOR MANUFACTURE

OFFSHORE WIN

MACHINE WORKERS REACH NEW HEIGHTS

CLEAN CITIES WORLDWIDE

FLOCK TO CLEAN CITIES
Key Findings and Recommendations

The two-day conference was an effective exercise, identifying several key pieces of information integral to moving from Green Bank 1.0 to 2.0:

Commitment to Address Climate Change.

Given the urgency of the issue (demonstrated by the onset of natural disasters, polar vortex, etc.) the Green Bank must be committed and focused on strategies to address climate change mitigation (such as addressing climate change wedges) and adaptation (resiliency).

Scaling Up Investment and Impact in Connecticut and Beyond.

In order to achieve Connecticut’s climate change and economic goals, more investment from private capital sources which is sparked and leveraged by innovative public sector financing that is affordable and of long duration, will be needed in order for the state to realize the environmental, economic and job benefits and opportunities from the climate economy. While focusing on benefits to Connecticut, the Green Bank can also take actions that influence and increase investment in and help address climate change nationally and globally.

Pursuit of Financial Sustainability.

With the status of the long-term state budget situation creating ongoing challenges to ratepayer funds (i.e., Clean Energy Fund, RGGI, etc.) there is a pressing needed for the Green Bank to:
- Use its full suite of public policy tools (such as bonding capabilities) to access other sources of funding that will better ensure its financial sustainability
- Adopt investment criteria that allow for better tracking and measurement of the Green Bank portfolio with respect to multiple objectives including financial sustainability.
- Address customer acquisition challenges to increase transaction volumes to levels needed for sustainability.
As a follow-up to the conference, the following recommendations will be pursued in order to facilitate progress towards Green Bank 2.0:

**Bonding.**

The Green Bank will develop a bond indenture, including the incorporation of non-impairment, to begin to develop its bond rating while accessing capital through public finance markets that can be used to augment its investment strategy. This recommendation will require 3 to 6 months to execute and include:

- **Building a Team.** Identifying legal counsel, financial advisor, underwriter and trustee for bond issuances;
- **Developing a Bond Indenture.** Including provisions to protect the Green Bank’s assets and sources of revenues (such as system benefit funds); and
- **Issuing Bonds.** Leading the “green bond movement” across the U.S. through use of proceeds, best-in-class EM&V, and innovation of mini-green bonds to engage all citizens in investment to confront climate change.

**Investment Strategy.**

Integrating the bond funding structure into the investment planning and operations of the organization, while developing the following:

- **Portfolio Investment Target.** Establishing a near and midterm portfolio investment target (i.e., amount, interest, risk and maturity);
- **Leverage Ratio Target.** Determining a reasonable leverage ratio target that supports the pursuit of financial sustainability, while at the same time leveraging public funds with multiples of private capital investment; and
- **Investment Criteria.** Defining and prioritizing investment criteria to serve as a screen for supporting the investment strategy.

**Comprehensive Plan.**

Developing the Green Bank 2.0 Comprehensive Plan that reflects the key findings of the conference, while providing guidance and direction to the operation of the organization, including:

- **Vision Statement.** Develop a short and powerful vision statement, from the powerful words used in the keynote address, that inspires our current and future supporters;
- **“Wedges” Structure.** Build the plan around the three key climate change GHG emission mitigation wedges (zero carbon grid, zero emission vehicles, and zero emission heating) and climate change adaptation (microgrid and grid modernization); and
- **Community Engagement.** Rebuild our ability to engage and inspire the citizens of Connecticut in taking action to confront climate change through innovative campaigns (e.g. Clean Energy Communities, Solarize, etc.) products (e.g., mini green bonds, community solar, etc.), and programs (e.g. Solar for All). Evolve our messaging and communications in a way that our customers and stakeholders can more easily understand and connect with what we do.