



# GREEN BONDS US

2019 ANNUAL REPORT



# The Next Order of Magnitude: Green Bonds US

“There can be no renewal of our relationship with nature without a renewal of humanity itself. There can be no ecology without an adequate anthropology.”

Pope Francis, *Laudato si’ – On Care for Our Common Home* (p. 88)

In February 2019, the Connecticut Green Bank convened leaders in an offsite strategic planning event<sup>1</sup> to establish an ambitious plan for its future through numerous “green storming” sessions. With the third aim of the Paris Agreement as a foundation (“...making finance flows consistent with a pathway towards low greenhouse gas emissions and climate resilient development...”), we began to forge our “Connecticut Green Bank 2.0” mission and vision statements to guide us into the future.

Our updated mission statement is to “confront climate change and provide all of society a healthier, more prosperous future by increasing and accelerating the flow of private capital into markets that energize the green economy.” Intentionally, we lead with the focus of confronting climate change – an existential threat to humanity. We follow that up with providing all of society the benefits from a burgeoning green economy to emphasize the need for equity and inclusion in our efforts to mobilize private capital investment. We will continue to do this by: using a limited amount of public dollars to attract and leverage multiples of private investment into our products and programs; engaging more families, businesses, and institutions; creating good paying jobs; and reducing energy burdens. This is all accomplished through the bonds we foster with our partners including the utilities, contractors, and local and regional lenders.



Bryan Garcia, President and CEO  
Connecticut Green Bank

We will do all this to scale up and achieve the next order of magnitude with our impact. Our action will be guided by our new vision: “...a world empowered by the renewable energy of community.” This sentiment for a new vision was inspired by many sources including: Maya Angelou’s “On the Pulse of Morning”; the powerful words spoken by Mary Evelyn Tucker on Pope Francis’s *Laudato si’* and on inclusive capitalism; and by Washington, DC Mayor Muriel Bowser and her call for a green bank in the nation’s capital to deliver “inclusive prosperity” to its residents.

As we review our success in FY19, it’s worth noting that we were still working to overcome a setback from October 2018, when the Connecticut General Assembly passed a two-year budget that swept more than 50 percent of our funds. We have weathered this difficult storm, but the impact has been far-reaching and has inspired us to look ahead at the issuance of “mini” green bonds. In the not so distant future, we expect to issue green bonds to the citizens of Connecticut to engage them in investing in our state’s efforts to advance the green economy.

This report serves to highlight the intersection where projects and people meet, and where a real, measurable difference is made on lives in Connecticut and beyond.

Overall, in FY19, we continued to prove that our Green Bank model works, through economic, environmental, and health metrics. There is, of course, still much to do to spread inclusive prosperity to more families, businesses, and institutions in the state, but we are committed to a vision where together we can achieve extraordinary things. And that is the next order of magnitude... Green Bank 2.0.

A handwritten signature in black ink, appearing to read "B. Garcia".

<sup>1</sup> [https://ctgreenbank.com/wp-content/uploads/2019/08/Green-Bank\\_Strategic-Retreat\\_Summary\\_February-2019.pdf](https://ctgreenbank.com/wp-content/uploads/2019/08/Green-Bank_Strategic-Retreat_Summary_February-2019.pdf)

## OUR MISSION

Confront climate change and provide all of society a healthier and more prosperous future by increasing and accelerating the flow of private capital into markets that energize the green economy.

# Highlights & Milestones

In FY 2019, our eighth year of operation, we continued to write new highlights and reach new milestones. Despite the challenges of operating on reduced revenues, the Green Bank enjoyed a year of successes in our investment and incentive businesses. We played a direct or indirect role in mobilizing more than \$300 million of private investment in clean energy financing. Some highlights include:

- **More solar on more homes** — The Residential Solar Investment Program (RSIP) surpassed \$1 billion of capital invested as progress continues toward its statutory goal of 350 megawatts (MW) deployed. (See page 11)
- **Support for commercial properties and small businesses** — Through the C-PACE program, the Green Bank continued to provide a financing option for commercial property owners to make clean energy improvements while staying cash flow positive (see page 6). Also, the Green Bank helped establish a new source of capital with Amalgamated Bank for Eversource's Small Business Energy Advantage (SBEA) program that provides zero interest loans to small businesses. (See page 5)
- **Growing our presence in the bond market** — In a milestone transaction, the Green Bank issued our first asset-backed bond by securitizing the income from long term purchase contracts for the Solar Home Renewable Energy Credits (SHRECs) generated by the RSIP. This success opens the doors for future sales. (See page 5)
- **An "inclusive" new partnership** — Working with Inclusive Prosperity Capital (IPC), a mission driven 501(C)3 lender with significant energy program management and capital raising experience, the Green Bank, in partnership with the Department of Energy and Environmental Protection and several foundations, continues our commitment to reaching all underserved market segments. (See page 8)
- **Fuel cell leadership** — We continued to support the local fuel cell industry with financing for a project at the U.S. Navy Submarine Base in Groton, and the refinancing of the Bridgeport Fuel Cell Park with Liberty Bank and Fifth Third Bank. (See page 11)
- **Flowing capital into hydro** — Green Bank financing helped two hydroelectric projects at sites in Canton and Putnam (See page 5).
- **Engaging future leaders** — The Aspen Institute's MBA Case Study competition featured a Yale School of Management case about the Green Bank. Participants presented strategies to advance the organization. (See page 12)

## Who We Are

The Connecticut Green Bank is a quasi-public state agency that promotes green energy deployment in Connecticut by using public dollars to attract private investment. Launched in 2011, we are the nation's first green bank, and we continue to be a leader in America's clean energy movement.



**12,992**

Number of Approved  
Projects in FY 2019

**\$353,512,226**

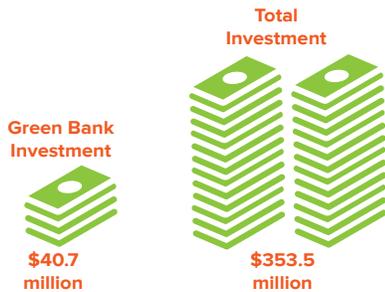
Total Public & Private  
Investment in FY 2019

# FY19 By the Numbers

Since the Connecticut Green Bank's inception through the bipartisan passage of Public Act 11-80 on July 1, 2011, we have accelerated the deployment of clean energy to benefit families, businesses, and our communities. The impact of our green bank innovation is shown below in terms of investment, economic development, and environmental protection in FY19 (July 1, 2018 - June 30, 2019).

## INVESTMENT IN CONNECTICUT

**Investment** In FY19, the Green Bank used **\$40.7 million** to attract **\$312.7 million** in private investment into the State's economy.



**Leverage ratio** The Green Bank's leverage ratio is the relationship between private investment and Green Bank investment.



For every **\$1** of Green Bank investment, we attract **\$8.7** of private investment.

**Tax revenues** The Green Bank's activities have helped generate an estimated **\$17.8 million** in state tax revenues in FY19.



## ECONOMIC DEVELOPMENT

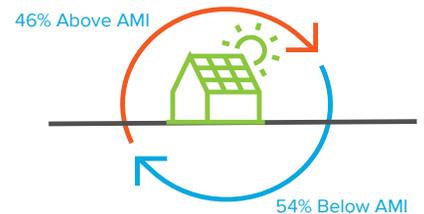
**Jobs** The Green Bank has supported the creation of over 3,300 direct, indirect, and induced job-years.



**Energy burden** In FY19, the Green Bank reduced the energy costs on more than 10,000 families and businesses in our communities.

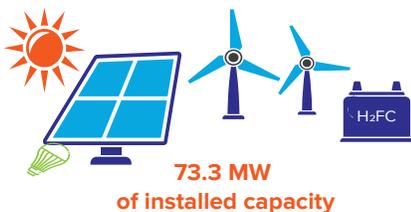


**Accessible and affordable** The Green Bank has supported residential solar PV installation to reach income parity, a statistic that bucks national trends.

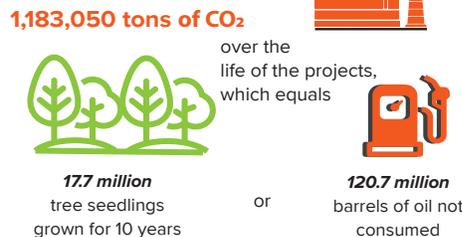


## ENVIRONMENTAL PROTECTION

**Deployment** The Green Bank has accelerated the growth of clean energy to surpass 350 MW in total, with 73.3 MW installed in FY19.



**Pollution** The Green Bank has helped reduce air emissions that cause climate change and worsen public health. In FY19, this equaled 662,949 pounds of SOx, 1,013,419 pounds of NOx, and



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



\* More data can be found in the Connecticut Green Bank Comprehensive Annual Financial Report for FY19

# Creation of Private Investment Opportunities

The Connecticut Green Bank's approach to leveraging limited public resources has created new opportunities for private market investment. These financial innovations have broad impact in Connecticut and beyond.

## **First-of-Its-Kind Issuance: SHREC Backed Green Bond**

In April 2019, the Green Bank sold \$38.6 million of investment-grade rated ABS notes in a first-of-its-kind issuance that monetized 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 that were sold to Connecticut's two investor-owned utilities, Eversource Energy and United Illuminating Company. The financing was certified against the Climate Bonds Standard by Kestrel Verifiers, providing investors with assurance of the deal's green credentials, and an independent review of the beneficial impacts of the RSIP was provided by Climate Action Reserve. The funds raised through this sale will recover the costs of administering and managing the RSIP, including the incentives offered to program participants. Liberty Bank and Webster Bank provided a \$16 million bridge loan facility for the securitization.

## **Leveraging Partnerships with Other Lenders**

In May 2019, the Green Bank worked with two of its lending partners, Capital for Change (C4C) and Amalgamated Bank, to unlock financing dollars to everyone's benefit.

C4C, a Connecticut Community Development Financial Institution, has long partnered with the Green Bank and the Connecticut Energy Efficiency Fund in the administration of programs. C4C sought out the Green Bank's expertise to source capital in FY2019 to continue to operate as a lender for the energy efficiency fund, the Green Bank's Smart-E program, and its Low Income Multifamily Energy (LIME) loan program. While working on long-term solutions, the Green Bank provided C4C a \$1.5 million bridge loan.

## **Small Business Energy Advantage Financing**

The Green Bank and Amalgamated Bank collaborated on a new financing source for the successful Energize CT Small Business Energy Advantage (SBEA) program, which provides loans for energy efficiency retrofit projects at commercial, industrial, and institutional properties. This \$56 million facility serves as a template for the future structuring of solutions to serve Connecticut ratepayers, including more low-cost capital available to reduce the burden of energy costs for State and municipal facilities.

# Easing the Energy Burden on Commercial Properties

From houses of worship to non-profits to manufacturers and offices buildings, commercial properties are the heartbeat of a community. They provide jobs and services, and keep the local economy moving. In FY2019, the Green Bank closed 38 Commercial Property Assessed Clean Energy (C-PACE) financing transactions for \$7.2 million in investment in Connecticut commercial properties. Since the program's inception in 2013, more than 270 building owners have used C-PACE, helping them focus on fulfilling their missions while saving on energy costs (more than \$244 million in lifetime costs savings combined).



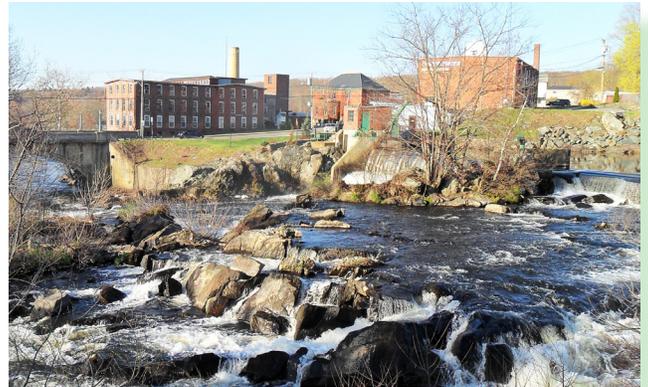
In FY19 we also successfully repurchased C-PACE transactions from our financing facility with Hannon Armstrong which was allowed to expire. As part of this transaction, the Green Bank bought \$13.5 million of C-PACE loans to strengthen our balance sheet.

*Properties ranging from industrial facilities and warehouses to offices and retail spaces, as well as non-profits and houses of worship have used C-PACE. We are also seeing property developers and portfolio owners accessing C-PACE dollars to improve multiple properties.*

## Financing Flows into Clean Hydro

In October 2018, the Green Bank provided \$1.5 million in C-PACE gap financing to the multifamily housing and commercial development at Cargill Falls in Putnam. The project includes the refurbishment of the historic powerhouse and dam, along with deep energy efficiency retrofits for the mixed-use property, which will include 82 residential units when completed.

In May 2019, the Green Bank participated in the \$6.6 million capital stack for the development of a dam in Canton. The construction of a 1 megawatt (MW) hydroelectric facility at the Upper Collinsville Dam on the Farmington River is the result of more than a decade of work. The Green Bank's subordinated loan and limited guaranty leveraged Provident Bank's loan through the U.S. Small Business Administration's 504 Loan Program and will preserve the historic dam and powerhouse.



*Cargill Falls (above) and Canton (below)*



“In addition to the generation of clean energy and reduction of carbon emissions, this hydro project will provide long-term benefits to Canton residents, the state, the environment and the wildlife,” said Canton First Selectman Beth Kandryshaw. “Some of the other positive outcomes will be the construction of an upstream fish and eel passage, enhanced recreational possibilities due to the increased water level in the upper impoundment area, the improvement of flood control, and the creation of jobs. Not to mention the preservation of the historic powerhouse which was built in the 1930s.”

## Reuse + Renewables = A Win for Everyone

The repurposing of properties, otherwise known as “adaptive reuse,” is on the rise as buildings become obsolete, and Norwalk-based Spinnaker Real Estate Partners see C-PACE financing for solar a great fit in these types of projects. Three properties in particular, a former Phillips’ Milk of Magnesia factory, an unused warehouse, and an outdated engineering plant in southern Connecticut, were given a new lease on life thanks to Spinnaker’s savvy use of solar through C-PACE.



Across these three solar projects designed/installed by 64 Solar, Spinnaker will realize more than \$4 million in total estimated energy savings over the financing term.

These revitalized properties are now home to makers, artisans, manufacturing firms, industrial businesses, and a state-of-the-art sports facility with two ice rinks. This shows that smart business decisions can benefit the environmental and the community.

*“Spinnaker is committed to meeting or exceeding standards in green building development. And the Connecticut Green Bank is an excellent partner in that mission.” Clay Fowler, Chairman and CEO, Spinnaker Real Estate Partners*

## Getting Municipal Leaders Involved

Municipal officials and volunteers play a major role in the success of many programs, including green initiatives. For example, municipalities must opt into the C-PACE program by passing an enabling resolution so property owners can access it. Currently, over 75 percent of the state’s municipalities are participating in the program. The Green Bank is dedicated to providing more information about how C-PACE can help to improve communities and is focused on outreach to municipal officials (including chief elected officials, energy coordinators, economic development officials, and staff or volunteers serving on energy task forces) to promote C-PACE to property owners, nonprofits, and other vital community organizations.



At a well-attended event last year, a panel discussed the importance of C-PACE financing from multiple perspectives and illustrated how C-PACE can be leveraged to spark the growth of green energy in communities across the state.



*Panel participants Michael Harris, Energy Coordinator for City of Middletown; Jessica LeClair, Program Manager, Community Engagement & Outreach for Sustainable CT; Jim Bellano, Director of Economic Development for Town of Windham; Jack Banks, Owner Operator of Malibu Fitness in Farmington; and Mackey Dykes, Vice President of Commercial, Industrial and Institutional Programs at the Green Bank.*

The Green Bank is also dedicated to partnering with Sustainable CT a program run by the Institute for Sustainable Energy at Eastern Connecticut State University and designed to make an impact on sustainability in communities across the state. Municipalities that use or promote Green Bank programs can earn recognition through Sustainable CT..

# Home is where green energy savings begins

With energy costs a constant pressure on homeowners in Connecticut, it's important for residents to know that there are programs designed to help reduce this burden. In addition to other programs offered through Energize CT, including the Home Energy Solutions (HES) and Home Energy Solutions - Income Eligible (HES-IE) programs, the Smart-E Loan was created to make it easy and affordable for homeowners to make energy efficiency and clean energy improvements to their homes. Smart-E loans are unsecured, require no down payment, offer low interest rates and repayment terms long enough to make the upgrades pencil out financially.

In Fiscal Year 2019, Inclusive Prosperity Capital (IPC) was engaged to manage the day-to-day operations of the Green Bank's single- and multifamily programs, including the Smart-E Loan. There were 838 energy efficiency and renewable energy projects completed for \$11.4 million of investment into Connecticut homes. It's worth noting that all of these funds come through our network of community banks, local credit unions and lenders, not from the Green Bank. Since the program's start in 2014, more than 3,800 projects have been completed, exceeding \$68 million of private investment.

## Growing Solar in Low- and Moderate-Income Communities in State and Beyond

The Green Bank's work with PosiGen has proven effective in reaching households in low- to moderate-income communities (see next page). In order to help PosiGen continue in this work, a three-year, \$90 million credit facility was structured by LibreMax Capital, a New York based asset management firm, the Green Bank and IPC, and provided to PosiGen. The facility allowed PosiGen to continue to lease solar systems and provide energy efficiency upgrades to low-to-moderate income homeowners in Louisiana, Connecticut, New York and New Jersey. It also enabled the company to expand its footprint into additional markets and states.



*"No money down, no credit check means no brainer. If you can save a penny with PosiGen, then why wouldn't you do it? Going solar had an earthquake of an impact on my bill." — Peter*

# Saving with Solar is Good for All

While national trends suggest that there is a disparity in adoption of solar among homeowners in communities of color, Connecticut is an exception. The Green Bank has successfully made solar energy more accessible and affordable for homeowners in communities of color and low-to-moderate income (LMI) households.

Two drivers of this success are the Green Bank's Solar for All program and a special LMI incentive established through the RSIP in 2015. In partnership with PosiGen, the Solar for All program leverages the elevated incentive to offer LMI homeowners a solar lease paired with energy efficiency upgrades customized for each home including measures such as air sealing, LED light bulbs, pipe wrap and programmable thermostats. These measures are in addition to the energy efficiency measures that are installed as part of the state's HES and HES-IE program.

Today, on a per owner-occupied household basis, there are 86% more RSIP installations in majority Black neighborhoods, 18% more in majority Hispanic neighborhoods, and 20% more in No Majority race neighborhoods than majority White neighborhoods (neighborhood is equivalent to a census tract).

PosiGen's Solar for All program has been even more successful than the overall RSIP program in reaching communities of color. PosiGen has more projects per owner-occupied home in majority Black (1,275%), Hispanic (408%) and No Majority race (427%) neighborhoods than in majority White neighborhoods.

PosiGen installed over 845 solar systems in FY19.

To access the full report, "Sharing Solar Benefits: Reaching Households in Underserved Communities of Color in Connecticut," please visit: <https://www.ctgreenbank.com/sharing-solar-benefits-may2019/>



*"Everyone said it was crazy to go solar, now they all want it. People don't realize there are savings. Our bill during the winter was \$460 and now it is \$15." — Melvin, who convinced three neighbors to also go solar with PosiGen*



*"We have got to do it [go solar] for the grandkids. We've got to save the earth one person at a time." — Coretta*



*"I went solar because my bills were so high and I heard good referrals about PosiGen." — Chad with son Justin*

# Improving Affordability and Energy Efficiency in Multifamily Housing

The Green Bank's Multifamily Housing Program continued to make strides serving properties for low- and moderate-income residents through loans and solar financing agreements. In total, we helped reduce the energy burden at properties serving more than 2,200 families.

We are helping property owners and managers

take a holistic look at their buildings and focus on deeper energy efficiency measures. With the state's old and aging housing stock, significant capital improvements, including health and safety remediation, are often needed. We are catalyzing projects that reap the benefits of significant energy and operating cost savings, which can be used to finance other capital improvements.

## Health and Safety Issues: Removing a Barrier to Energy Upgrades

As we work across Connecticut, we are finding the need for energy improvements in multifamily properties is great. And while many property owners have an interest in exploring their opportunities for energy-related upgrades, there are often barriers preventing implementation of these updates. For example, health and safety issues, such as asbestos, can stop energy upgrades before they happen.

This was the case at Success Village Cooperative in Bridgeport. This 900-plus unit property was built in the 1940s and is the largest cooperative in the state. Residents were facing very high heating costs due to an outdated, inefficient central heating plant. Before changes could be made, however, the presence of asbestos was discovered and a lack of capital would have stopped the project. Through the Energize CT Health & Safety Revolving Loan Fund, in partnership with the state's Department of Energy and Environmental Protection, the Green Bank was able to provide a \$165,000 loan for the removal of the asbestos and \$150,000 as a predevelopment loan to begin the analysis and

### ***The Energize CT Health & Safety Loan Fund can help finance:***

- *Measures to contain, address, remove, or remediate mold, sources of mold, asbestos, lead paint, or other hazards.*
- *Amelioration or replacement of leaking pipes, failed roofs, defective combustion equipment, carbon monoxide sources, radon gas, knob and tube wiring, etc.*
- *Other health and safety measures that open the path and allow energy upgrades to be implemented and approved by Green Bank*

*Learn more at <https://ctgreenbank.com/health&safety/>*

design of a new heating system. These loans will cover the pilot phase in a much larger project, in which the implementation could cost upwards of \$15 million.

## RSIP meets another milestone

Clean energy can work for everyone, and harnessing the sun for your home is a great way to reduce your energy bills and reduce your carbon footprint. Through FY19, more than 34,000 Connecticut homeowners have added solar photovoltaic systems since 2012, benefiting from the Residential Solar Investment Program (RSIP). More than 80 percent of these homes have also had a Home Energy Solutions (HES) audit conducted to help them reduce their energy consumption.

In FY19, more than 7,600 projects were approved, the most in any year for the program, with a total investment of \$229 million.

This impressive year pushed the RSIP beyond \$1 billion of total capital deployed into residential solar, , leveraging nearly \$900 million of private capital and closer to the statutory goal of 350 megawatts (MW) of energy deployed by 2022 (the original program goal of 300 MW was increased through recent legislation, Public Act 19-35).

## Fuel Cells Add Resiliency to Sub Base

Connecticut has a long history in the successful development of the fuel cell industry. That tradition grew in the spring of 2019 through two transactions with Danbury-based FuelCell Energy (FCE).

In September 2018, the Green Bank and IPC advised FCE on a request for proposals for financing facilities for a proposed project the Connecticut Municipal Electric Energy Cooperative (CMEEC).

As a result, in March 2019, FCE announced the signing of a construction financing facility with Fifth Third Bank. The proceeds are being used by FCE to finance the construction, installation and commissioning of the fuel cell power plant being built at the U.S. Navy Submarine Base in Groton. The facility structure originally provided for aggregate principal commitments of up to \$23 million.

This financing enables the installation of two power plants with total output of 7.4 megawatts. The fuel cell plant is part of a multifaceted plan to provide new power resources and add resiliency and grid independence this key military installation.

In May 2019, FCE acquired a 14.9 megawatt fuel cell park in Bridgeport, for \$35.5 million from Dominion Energy, in a step towards diversification of their generation portfolio. FCE funded the acquisition with a combination restricted cash on hand, third-party financing arranged by the Green Bank comprised of a senior project-level debt facility of \$25 million from Liberty Bank and Fifth Third Bank, and additional subordinated capital from the Green Bank.

# Presenting a Case for the Future

The Connecticut Green Bank was the focus of the Aspen Institute's Business & Society International MBA Case Competition, where students representing 23 top international business schools analyzed a Yale School of Management (SOM) authored case study centered on the Green Bank's future sustainability. The five highest scoring teams recently presented their proposals and the winner, Boston University Questrom School of Business, was announced at a ceremony at the Yale Club in New York City where Connecticut Governor Ned Lamont was the keynote speaker. Students were tasked with helping the Green Bank and Inclusive Prosperity Capital by proposing a new program or an enhancement to an existing program that would position both organizations to become sustainable. The teams' proposals were judged on the depth and breadth of their



analysis, the development of the rationale for their recommended action, the impact on affected constituencies, and the anticipation of challenges.

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## Air Quality Improvements Make Residents Healthier

The Green Bank's programs are created for the direct benefit of all state residents, and an important measurement of our success is how our investment activity improves air quality. The changes in quantities of emissions, such as nitrogen oxides (NO<sub>x</sub>), sulfur dioxide (SO<sub>2</sub>) and carbon dioxide (CO<sub>2</sub>), impacts the quality of health. Pollution influences the prevalence and severity of asthma, bronchitis, coronary disease, and even death.

We measure the decrease in NO<sub>x</sub>, SO<sub>2</sub> and CO<sub>2</sub> emitted by the region's fossil fuel electric generation due to Green Bank projects.

To do this, we use the U.S. Environmental Protection Agency's (EPA) Avoided Emissions and Generation Tool (AVERT) to calculate environmental benefits. We use the EPA's Co-Benefit Risk Assessment (CoBRA) model to calculate and report on the public health benefits. The CoBRA tool reports low and high estimates of avoided incidents, locations, and associated costs of the health outcomes described above. These public health impacts are quantified and presented as total estimated public health savings of the policies in dollars.

You can find more about our evaluation efforts at [ctgreenbank.com/strategy-impact/impact/](https://ctgreenbank.com/strategy-impact/impact/)

**Read more at [ctgreenbank.com/news-events/media-coverage/](https://ctgreenbank.com/news-events/media-coverage/)**

In FY19, the Green Bank and related projects were frequently covered in the news media. There are too many articles to mention, but you can see the full list at the link above.

# From the Governor

Connecticut is well established as a leader among states in its ability to integrate environmental, clean energy, and economic goals. As we strive to become greener and more energy efficient to meet our statutory goals, we have seen that the choice between the environment and economic growth is no longer an issue, as the Green Bank has proven. Sustainability is good for our planet, and good for ratepayers, too.

Our state has been and must remain a hub for clean energy innovation — an effort strengthened through my first executive order as governor, which expanded Connecticut’s “Lead By Example” initiative to make government more efficient in its use of resources. Proposals like these not



## **Connecticut Governor Ned Lamont**

only help us become more resilient by streamlining operations, but they also support project opportunities for sustainable businesses as they help us further safeguard our environment.

Our green bank is a model for others across this country – demonstrating the smarter use of public funds to increase and accelerate the flow

of private capital into markets that energize the green economy, create jobs, and reduce energy costs for residents and businesses. National proposals have also used our success in Connecticut as a template.

This model will continue to be important as we work to reach our goals for state sustainability, including a 45 percent reduction in greenhouse gas emissions below 2001 levels by 2030. These goals are more important than ever as we strive to protect the economic prosperity, health and safety of Connecticut residents.

I applaud the Green Bank on its successes in FY 2019, and look forward to their continued leadership in combatting climate change.

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## Board of Directors

**Catherine Smith, Board Chair<sup>1</sup>,**  
Commissioner, Connecticut  
Department of Economic and  
Community Development (DECD)

**Robert Klee, Board Vice Chair,<sup>2</sup>**  
Commissioner, Connecticut  
Department of Energy and  
Environmental Protection (DEEP), as Ex  
Officio

**Matthew Ranelli, Board Secretary,**  
Partner, Shipman & Goodwin, LLP

**Eric Brown, VP, Manufacturing Policy  
& Outreach, Connecticut Business &  
Industry Association (CBIA)**

**Binu Chandu<sup>3</sup>,** Deputy Director of  
the Office of Brownfield Remediation  
& Development at the DECD, as Ex  
Officio

**Betsy Crum,** Housing Director, Town  
of Snowmass Village, CO

**Thomas M. Flynn,** Senior Director,  
Private Equity Services Operation Group  
Alvarez & Marsal

**John Harranty,** Former President,  
Connecticut State Council of  
Machinists

**Gina McCarthy<sup>4</sup>,** Former  
Administrator of the Environmental  
Protection Agency

**Mary Sotos<sup>5</sup>,** Deputy Commissioner  
for Energy at CT DEEP, as Ex Officio

**Kevin Walsh,** Former Managing  
Director and Group Head, Power and  
Renewable Energy, GE Capital, Energy  
Financial Services

**Shawn Wooden,** Treasurer, State of  
Connecticut, as Ex Officio

*1 Commissioner Smith served through the end of her term as DECD Commissioner, Dec. 31, 2018. New Board Chair Lonnie Reed was appointed on Oct. 25, 2019*

*2 Commissioner Klee served through the end of his term as DEEP Commissioner, Dec. 31, 2018.*

*3 Ms. Chandu was appointed on Feb. 21, 2019.*

*4 Administrator McCarthy served through Dec. 31, 2018.*

*5 Deputy Commissioner Sotos was appointed on Jan. 16, 2019.*

# Connecticut Green Bank

## STATEMENTS OF NET POSITION

	2019	2018 <sup>1</sup>	Increase (Decrease)
Cash and cash equivalents - unrestricted	\$ 18,947	\$ 19,830	\$ (883)
Other current assets	15,187	10,191	4,996
Program loans & other long term assets	79,703	58,175	21,528
Capital assets, net	80,523	73,417	7,106
Cash and cash equivalents - restricted	16,668	24,368	(7,700)
<b>Total assets</b>	<b>\$ 211,028</b>	<b>\$ 185,981</b>	<b>\$ 25,047</b>
Deferred amount for pensions	\$ 7,756	\$ 8,779	\$ (1,023)
Deferred amount for OPEB	1,732	1,999	(267)
Deferred amount for asset retirement obligations	2,829	2,927	(98)
Deferred payments to State of Connecticut	--	14,000	(14,000)
<b>Total deferred outflows of resources</b>	<b>\$ 12,317</b>	<b>\$ 27,705</b>	<b>\$ (15,388)</b>
Current liabilities	\$ 17,716	\$ 14,119	\$ 3,597
Long term liabilities	77,042	44,049	32,993
Fair value of interest rate swap	523	--	523
Pension liability	25,805	24,636	1,169
OPEB liability	24,000	24,876	(876)
Payable to State of Connecticut	--	14,000	(14,000)
<b>Total liabilities</b>	<b>\$ 145,086</b>	<b>\$ 121,680</b>	<b>\$ 23,406</b>
Deferred amount for pensions	\$ 81	\$ 47	\$ 34
Deferred amount for OPEB	1,896	625	\$ 1,271
<b>Total deferred inflows of resources</b>	<b>\$ 1,977</b>	<b>\$ 672</b>	<b>\$ 1,305</b>
<b>Net position, unadjusted</b>			
Invested in capital assets	\$ 3,794	\$ 2,251	\$ 1,543
Restricted Net Position:			
Non-expendable	66,902	66,496	406
Restricted - energy programs	11,537	19,250	(7,713)
Unrestricted Net Position	(5,951)	3,337	(9,288)
<b>Total net position, unadjusted</b>	<b>\$ 76,282</b>	<b>\$ 91,334</b>	<b>\$ (15,052)</b>
<b>Net position, adjusted</b>			
Unrestricted Net Position	\$ (5,951)	\$ 3,337	\$ (9,288)
Contingent liabilities - programs and projects <sup>2</sup>	(76,578)	(62,457)	(14,121)
<b>Total net position, adjusted</b>	<b>\$ (82,529)</b>	<b>\$ (59,120)</b>	<b>\$ (23,409)</b>

<sup>1</sup> 2018 has been restated to agree to the 2019 Comprehensive Annual Financial Report (June 30, 2019).

<sup>2</sup> See Note 15 to CGB's 2019 audited financial statements for further detail.

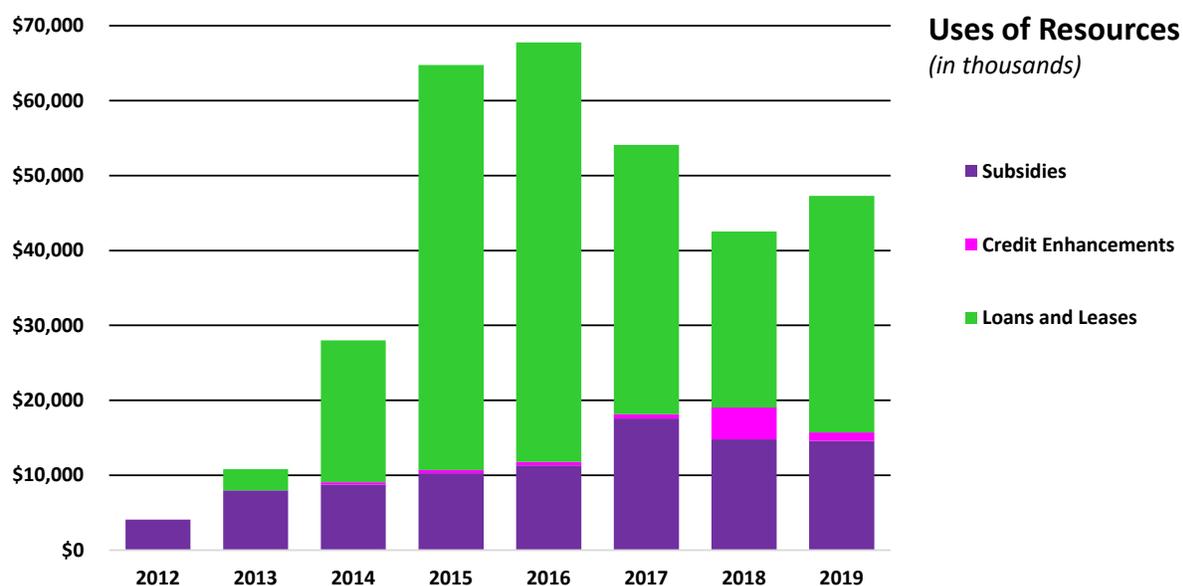
## FINANCIAL HIGHLIGHTS

For the years ended June 30, 2019 and 2018:  
(in thousands)

### STATEMENTS OF REVENUE, EXPENSE AND CHANGE IN NET POSITION

	2019	2018	Increase (Decrease)
<b>Revenues</b>	<b>\$ 41,723</b>	<b>\$ 36,882</b>	<b>\$ 4,841</b>
<b>Operating Expenses:</b>			
Grants and incentive programs	\$ 14,672	\$ 17,930	\$ (3,258)
Program administration expenses	17,505	16,883	622
Cost of Goods Sold - Energy Systems	2,877	2,998	(121)
General and administrative expense	5,722	5,630	92
<b>Total Operating Expenses</b>	<b>\$ 40,776</b>	<b>\$ 43,441</b>	<b>\$ (2,665)</b>
<b>Operating Income</b>	<b>\$ 947</b>	<b>\$ (6,559)</b>	<b>\$ 7,506</b>
Non-operating revenue (expense)	(196)	2,445	(2,641)
Payments to State of Connecticut	(14,000)	(14,000)	\$ --
Provision for loan losses	(2,909)	(362)	(2,547)
Capital contributions	1,696	2,176	(480)
Distributions	(590)	(540)	(50)
<b>Total Non-Operating Revenue (Expenses)</b>	<b>\$ (15,999)</b>	<b>\$ (10,281)</b>	<b>\$ (5,718)</b>
<b>Net Change</b>	<b>\$ (15,052)</b>	<b>\$ (16,840)</b>	<b>\$ 1,788</b>

For more details on the financial statements, please access the Comprehensive Annual Financial Report (June 30, 2019) at [www.ctgreenbank.com](http://www.ctgreenbank.com)



845 Brook Street, Rocky Hill, CT 06067  
300 Main Street, 4th Floor, Stamford, CT 06901  
(860) 563-0015

