

OPEN REQUEST FOR PROPOSALS FOR CLEAN ENERGY & ENVIRONMENTAL INFRASTRUCTURE INVESTMENT

I. PURPOSE

Through the Open Request for Proposals (“Open RFP” Program), the Connecticut Green Bank (“Green Bank”) seeks to provide access by project developers and capital providers / investors to Green Bank capital that will catalyze investment which – but for the Green Bank’s participation – would either not happen or be realized at a much slower pace or with less impact. This Open RFP for clean energy and environmental infrastructure investment is targeted towards proposals with financing requirements which are not met by existing Green Bank financing programs. Since inception, the Green Bank has demonstrated its ability to work with a variety of developers and capital providers to accelerate investment in clean energy, including energy efficiency as well as commercially deployed renewable technologies like solar PV, on-shore wind, run-of-the-river hydroelectric power, fuel cells and anaerobic digesters. The Green Bank Open RFP will:

- Receive proposals for Green Bank investment on an open and rolling basis, as received;
- Evaluate proposals in accordance with objective and transparent criteria;
- Be “market responsive” and adaptable – meaning that the Green Bank will endeavor to render preliminary responses to proposals in days and weeks rather than months and to offer guidance to those proposals that fall short of our criteria where the proposals by a commercially sophisticated counterparty offer the promise of significant market potential; and
- Have sufficient budget for investment in order to deliver significant impact quickly.

This Open RFP will support a variety of developers and capital providers – from emerging developers of commercially established technologies, to well-established manufacturers of emerging technologies, to lenders and investors of all types. It is important to note that the Open RFP is not intended to be a venture capital program, nor will it seek to assume risks that are more appropriate for other elements of a project’s or business’s capital stack. At its core, the Green Bank is a special purpose financial institution, with a responsibility to be good stewards of funds committed to it by statute to promote the clean energy and environmental infrastructure goals of the state.

II. GREEN BANK BACKGROUND

The Green Bank is a quasi-public state agency. As the nation's first full-scale green bank, it is leading both the clean energy and environmental finance movements by leveraging public and private funds to scale-up projects to confront climate change by reducing greenhouse gas emissions and increasing climate adaptation and resilience across Connecticut. The Green Bank's success in increasing and accelerating private investment in clean energy and environmental infrastructure is helping Connecticut create jobs, increase economic prosperity, promote energy security, and address climate change. In 2017, the Green Bank received the Innovations in American Government Award from the Harvard Kennedy School Ash Center for Democratic Governance and innovation for their "Sparkling the Green Bank Movement" entry. And in 2020, the Green Bank was named Bond Buyer's Deal of the Year for Innovative Financing for the Green Liberty Bonds modelled after the Series-E War Bonds of the 1940's. For more information about the Green Bank, please visit www.ctgreenbank.com.

III. ELIGIBLE TECHNOLOGIES AND METHODS

In order to not limit access to promising technologies or business models, some of which may be on the verge of becoming commercially established, this Open RFP is available to any technology, method, or business model that is able to help the Green Bank achieve its statutory mandate as voiced through its Comprehensive Plan which staff reasonably determines: (a) is either already commercially viable (based on success in markets other than Connecticut or even other than the United States) and (b) has demonstrated clear potential for commercial viability through, for instance, well-documented feasibility studies and pilot programs where there is clear evidence of a viable business model and demonstrable cash flows as well as a path to substantial impact.

In June 2021, the green bank model was expanded beyond clean energy to include environmental infrastructure. The Green Bank's investment focus on "clean energy" and "environmental infrastructure" is statutorily defined in Section 16-245n of the General Statutes of Connecticut and set forth below.

Clean Energy – "clean energy" means solar photovoltaic energy, solar thermal, geothermal energy, wind, ocean thermal energy, wave or tidal energy, fuel cells, landfill gas, hydropower that meets the low-impact standards of the Low-Impact Hydropower Institute, hydrogen production and hydrogen conversion technologies, low emission advanced biomass conversion technologies, alternative fuels, used for electricity generation including ethanol, biodiesel or other fuel produced in Connecticut and derived from agricultural produce, food waste or waste vegetable oil, provided the Commissioner of Energy and Environmental Protection determines that such fuels provide net reductions in GHG emissions and fossil fuel consumption, usable electricity from combined heat and power systems with waste heat recovery systems, thermal storage systems, other energy resources and emerging technologies which have significant potential for commercialization and which do not involve the combustion of coal, petroleum or petroleum products, or nuclear fission, financing of energy efficiency

projects, projects that seek to deploy electric, electric hybrid, natural gas or alternative fuel vehicles and associated infrastructure, any related storage, distribution, manufacturing technologies or facilities and any Class I renewable energy source, as defined in CGS 16-1(a)(2).

Environmental Infrastructure – “environmental infrastructure” means structures, facilities, systems, services, and improvement projects related to (A) water, (B) waste and recycling, (C) climate adaptation and resiliency, (D) agriculture, (E) land conservation, (F) parks and recreation, and (G) environmental markets, including, but not limited to carbon offsets and ecosystem services. Carbon offsets means an activity that compensates for the emission of carbon dioxide or other greenhouse gases by providing for an emission reduction elsewhere. Ecosystem services means benefits obtained from ecosystems, including, but not limited to, (A) provisioning services such as food and water, (B) regulating services such as floods, drought, land degradation and disease, and (C) supporting services such as soil formation and nutrient cycling.

IV. REQUIREMENT FOR CLEAN ENERGY OR ENVIRONMENTAL INFRASTRUCTURE AND FINANCIAL IMPACT

Of considerable importance to the program will be achieving leverage of private capital with its limited public resources as the Green Bank seeks to act in furtherance of Connecticut’s ambitious environmental / GHG and CO₂ reduction goals, Green Bank clean energy or environmental infrastructure deployment objectives to “scale up” to achieve the market potential, and in support of public health outcomes, jobs and economic development.

V. FINANCING ARRANGEMENTS AND CAPITAL SUPPORT

The Green Bank does not intend for its role to be prescriptive, but to be determined in a manner that maximizes the potential for leverage of Green Bank resources while balancing the need for risk containment and Green Bank sustainability (i.e., the Green Bank’s financial returns vs. the potential for financial losses). As such, the Green Bank expects investments to take the usual forms, such as:

- Senior and Subordinate loans
 - Bridge loans
 - Construction loans
 - Term loans
 - Working capital loans
- Loan loss reserves
- Loan guarantees
- Other forms of credit enhancement
- Participation in other lender’s loans
- Equity (including participation as a member of a limited liability company, holder of preferred stock or other instruments that could be a hybrid of debt and equity, debt with conversion rights, debt with warrants for equity, etc.)

- Access to federal tax-exempt Private Activity Bonds for qualified private activities

All the above is to be considered in accordance with Green Bank operating procedures and its enabling statute.

The most successful proposals to this Open RFP will demonstrate the ability to make a significant impact across the desired outcomes and the ability to measure and track such performance over time. Examples of clean energy performance-tracking metrics are renewable kWh produced, CO2 equivalent avoided, number of jobs created, public health savings, state and local revenues and private investment generated. Examples of environmental infrastructure performance-tracking metrics are CO2 equivalent avoided, number of jobs created, acreage preserved or restored, ecosystem service benefits such as water quality or quantity benefits, public health savings, state and local revenues and private investment generated.

VI. GREEN BANK CAPITAL COMMITMENT

All staff recommended proposals to this open RFP are subject to all necessary approvals, including but not limited to the board of directors of the Green Bank or other governing body approval, bylaws, and Section 16-245n of the Connecticut General Statutes. Please see the Comprehensive Plan and Budget for further details on the type and scale of previously approved proposals.

VII. ELIGIBLE PROPOSERS

The Open RFP will accept proposals from:

- 1) Private sector financial institutions or other third-party capital providers that finance, or intend to finance, clean energy or environmental infrastructure projects in State of Connecticut (although proposals that are part of a “multi-state” concept whereby the competitive procurement benefits reside with Connecticut ratepayers or there is a demonstrable benefit to Connecticut communities and ecological systems will also be welcomed and encouraged); and/or
- 2) Industry participants including project developers, energy service companies ("ESCOs"), building and facility owner/operators, equipment manufacturers, or others that provide equipment, materials and/or services where the object of the activity being proposed is entirely or meaningfully related to the State of Connecticut.

Proposers can apply on a standalone basis or as part of a team, such as a developer/sponsor, lead equipment provider, lead equity and/or debt provider.

Regardless of whether the proposal comes from a standalone entity or as part of a team, proposers must have directly relevant experience in the transaction/project type being submitted, and the relevant technologies or project design.

VIII. PROPOSAL REQUIREMENTS

Each Proposer shall carefully examine the RFP and all amendments, exhibits, revisions, and other data and materials provided with respect to this RFP process. Proposers should familiarize themselves with all requirements in that contract prior to submitting their proposal. Should a Proposer have any questions or require clarifications or wish to request interpretations of any kind, the Proposer shall submit a written request to RFP@ctgreenbank.com. Green Bank shall respond to such written requests in kind and may, if it so determines, disseminate such written responses to other prospective Proposer(s) or post to Green Bank's website, subject to section H of Article XII.

A. Investment Focus

List the primary category of investment focus, either clean energy or environmental infrastructure. List and describe all applicable categories of investment (e.g., solar photovoltaic energy, water).

B. Proposer Qualifications

The Proposer shall include the following:

Corporate:

- Company overview and relevant experience, which shall include at a minimum (A) the number of employees, (B) the office locations, (C) and an outline of any clean energy or environmental infrastructure operational projects showing (as relevant) project locations, technology or technologies involved, project design, system output, host/offtaker, utility service area, whether such projects were developed under a state energy or environmental infrastructure program (and if so, a description of that program or webpage/URL).

Team:

- Highlight key personnel and (if known) subcontractors who will be assigned to the project.
- Describe their respective experiences and skills with the development, engineering and installation of similar projects.
- Highlight the relevant licenses and certifications held by these key personnel.
- Highlight any initiatives or partnerships with disadvantaged business enterprises as defined under 40 CFR Part 33 for the U.S. Environmental Protection Agency or whether the Proposer is certified as a small or minority business enterprise per the Connecticut Department of Administrative Services.

Project Experience:

- Provide track record of actual annual generation relative to projected generation for proposed clean energy project or actual annual carbon offset or ecosystem service to projected for environmental infrastructure project within the Proposer's operational projects (if applicable).

- Outline approach Proposer takes to ensure the installed Systems meets the projected generation or environmental market values.
- Experience, if any dealing with prevailing wage requirements or the federal Davis-Bacon Act. This is not a requirement under this RFP, but such experience could provide access to even lower cost federal capital for the Proposer's consideration.

Preferred qualifications

- Years of experience – five years minimum in the proposed project's field of expertise.

C. Project Scope and Schedule

Include a general scope of the Project the Proposer intends to provide upon selection and execution of Green Bank financing arrangements. The scope narrative shall outline (as relevant) all major tasks and milestones necessary to design and obtain permits to construct, coordinate with utility company and/or landowner, mobilize, construct and commission the project. Proposals should include a complete project schedule indicating major project milestones and durations, such as engineering, construction, and siting council approval, where applicable. Indicate if the project requires the award of any other Federal or State grants or financing awards (e.g., USDA financing, ZREC award, DECD brownfield remediation program award, etc.)

This Open RFP is geared towards projects requiring a financing requirement of \$250,000 or greater from the Green Bank, though smaller sized projects could be considered on a case-by-case basis.

D. Project Design and Equipment

Depending upon the nature of the financing request for a clean energy project, proposals shall provide a design layout for each project (e.g., a solar project would include the make/model, wattage and quantity for both inverters and modules, racking product, azimuth, tilt and system size kW-AC and kW-DC, and DC:AC ratio), or typical design layout for a portfolio of projects seeking financing. Proposals shall provide specified equipment manufacturer data sheets, warranties, pricing, etc. All equipment shall be new with warranties that meet industry standards and (as appropriate) be UL Listed.

Depending upon the nature of the financing request for an environmental infrastructure project, proposals shall provide a project or transaction design layout (e.g., a land conservation project by a land trust would include the organization's service area, parcel data, borrowing history and track record, takeout strategy, and development plan if applicable to loan repayment), or typical project or transaction design layout for a portfolio of projects seeking financing.

E. Project Production

Where relevant, clean energy proposals shall provide details about the estimated kWh-AC to be generated by the project, or a portfolio of projects, including all necessary assumptions. A solar project, for example, would include: Insolation (or sunlight availability), maintenance down time, soiling losses, shading losses, efficiency losses, AC losses, etc. Copies of PVSyst or Helioscope reports used to estimate production for each proposed solar system design should be included with the proposal.

Where relevant, environmental infrastructure proposals shall provide details about the estimated conservation outcomes to be generated by the project, or a portfolio of projects, including all necessary assumptions. A land conservation project, for example, could include: acreage protection, habitat protection, public access and outdoor recreation opportunities, ecosystem services, water quality and/or quantity benefits, carbon sequestration or avoided emissions benefits, and threats to related conservation benefits if the project is not completed.

F. Project Model

Proposer shall submit a project model setting for the entirety of the project's economics, feasibility and stress-testing. Capital sourcing will include: the Proposer's cash financial commitment; other financing sourced (or to be sourced) – identifying any preferred/mezzanine equity, senior capital, tax equity, grants, as well as identifying each stakeholder providing such capital support and the nature of their commitment (i.e., committed, proposed, likely, or “initial feasibility stage”).

G. Other Relevant Information

Depending on the nature of the proposal, Proposer may be required to submit additional supporting information, such as audited financial statements, energy audits or project feasibility studies.

H. Clean Energy or Environmental Infrastructure Impact and Need for Green Bank Funding

The Proposer's proposal must demonstrate how the Green Bank's investment will leverage additional private capital and support the Green Bank's ambitious environmental / GHG and CO reduction goals, clean energy deployment objectives, public health outcomes, incremental jobs and economic development as outlined in its Comprehensive Plan.

I. Statement on Proposers Financial Strength

Preference is for Proposer to provide three years of audited financial statements and/or last 3 years tax returns.

J. Operations, Maintenance and Management Approach

The proposal should include approach to asset management, billing, preventative and corrective operations and management as is relevant to the project for the expected duration of the project's estimated useful life.

IX. Indicative Green Bank Financing Terms

Green Bank financing terms, including financial product type, interest rate and payback period can be tailored to suit each individual project. Green Bank financial terms will be the result of project need as determined by the Green Bank and will follow a satisfactory assessment and due diligence of the following indicative and non-exhaustive areas of review:

- Project and technology or method type
- Risk (technical, financial, delivery and implementation, and credit)
- Life of the project
- Anticipated energy and carbon savings or environmental infrastructure benefits
- Amount of finance being requested from the Green Bank
- Amount of finance sourced from parties external to the Green Bank

X. PROPOSAL PROCESS

A. Timeline

This is an Open RFP – submissions are to be accepted on a rolling basis until the program is withdrawn.

B. Submittal Process

In submitting a proposal, the following requirements should be observed:

- i. Proposals shall be submitted electronically to RFP@ctgreenbank.com. The subject line should be identified as: either “OPEN RFP FOR CLEAN ENERGY INVESTMENT” or “OPEN RFP FOR ENVIRONMENTAL INFRASTRUCTURE INVESTMENT”.
- ii. Proposers may be required to interview with Green Bank staff if deemed necessary.
- iii. Transactions which involve financing or investment by the Green Bank require approval by (a) the Deployment Committee of the Board (up to \$2,500,000) or (b) by the Board (over \$2,500,000).

C. Q&A

Respondents can submit questions to RFP@ctgreenbank.com.

XI. EVALUATION

Proposals will be evaluated on the following criteria:

A. Meeting Green Bank Goals – Will the potential activity achieve a meaningful level of energy efficiency, renewable energy deployment, resiliency goals, or environmental infrastructure goals, especially in vulnerable communities?

B. Green Bank Essentiality – to what extent is participation by the Green Bank essential to the success of the project? Please be explicit here – Proposers are expected to have sought out other capital (submit which capital providers were contacted, names and e-mail addresses and the response by the capital provider(s) (can be written or a summary of meeting notes)).

C. Project Feasibility – How feasible is the project to achieve its stated goals? What is the basis for this assessment? Has the proposed project been completed elsewhere? If so, provide project location and relationship of the project to the proposer. Provide details of any system performance guarantees.

D. Project Replicability – Could a similar project be replicated in Connecticut or elsewhere, or is this a unique opportunity?

E. Project timetable – total development and construction (or project execution) timeline

F. Relevant Experience – Does the proposer offer relevant and sufficient experience for the type of project being proposed?

G. References – List of three (3) clients for reference use for whom proposer has performed similar services as those contemplated by proposer's project. Include the name, e-mail address and telephone number(s) of the contact person at each reference.

H. Pending Litigation – Description of any litigation, pending judgments, etc., which could affect the proposer's ability to enter into an agreement with Green Bank. A description of the circumstances involved in any defaults by the proposer. If you have been subjected to any outside performance or financial audits in the past three years, state by whom the audit was performed, for whom, the facility involved, and the results of the audit.

XII. GENERAL TERMS AND CONDITIONS

Submission of your proposal assumes the acceptance of the following understandings:

A. Green Bank reserves the right to reject any or all of the proposals received in response to the Open RFP, to waive irregularities or to cancel or modify the Open RFP in any way,

and at any Green Bank chooses, in its sole discretion, if Green Bank determines that it is in the interest of Green Bank.

- B. Green Bank further reserves the right to make selections under this Open RFP without discussion of the proposals received. Proposals should be submitted on the most favorable terms from a technical, qualifications, and price standpoint.
- C. Submissions must be signed by an authorized officer of the Proposer. Submissions must also provide name, title, address and telephone number for individuals with authority to negotiate and contractually bind Proposer, and for those who may be contacted for the purpose of clarifying or supporting the information provided in the proposal.
- D. Green Bank will not be responsible for any expenses incurred by any Proposer in conjunction with the preparation or presentation of any proposal with respect to this Open RFP. Legal fees of the Green Bank for the drafting of definitive loan documentation will be the responsibility of the Applicant.
- E. Green Bank's selection of a Proposer through this Open RFP is not an offer and Green Bank reserves the right to continue negotiations with the selected Proposer until the parties reach a mutual agreement.
- F. **Submission of Proposal by Proposer and Acceptance of Proposal by Green Bank does not constitute an agreement:** The actual terms and conditions under which the Green Bank may be willing to provide a financing facility or investment to the Proposer shall be subject to, inter alia, (i) satisfactory completion by the Green Bank of its due diligence process in scope and with results satisfactory to the Green Bank in the Green Bank's sole and absolute discretion, (ii) the accuracy and completeness of all representations that Proposer makes to the Green Bank, (iii) obtaining necessary internal credit approvals and Green Bank Board of Director authorization and the negotiation, execution and delivery of definitive documentation consistent with the terms ultimately agreed with Proposer and otherwise satisfactory to the Green Bank (iv) no change, occurrence or development shall occur or shall have occurred that has had or could reasonably be expected to have a material adverse effect on the Proposer, their respective businesses or any contemplated collateral for the proposed financing facility or investment (v)(1) all financial projections concerning the Proposer that have been or are hereafter made available to the Green Bank by the Proposer (the "Projections") have been or will be prepared in good faith based upon reasonable assumptions and (2) all information, other than Projections, which has been or is hereafter made available to the Green Bank by the Proposer in connection with any aspect of the proposed project(s) contemplated in the proposal, as and when furnished, is and will be complete and correct in all material respects and does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein not misleading.
- G. **State Contracting Obligations.** Consultant understands and agrees that the Green Bank will comply with Conn. Gen. Stat. Sections 4a-60 and 4a-60a and all other applicable state contracting requirements as a quasi-public state agency.
- H. **Confidentiality** – All proposals and associated information are treated as commercially confidential to the extent possible. Applicants supplying information to the Green Bank should be aware that we are subject to the provisions of the CT Freedom of Information Act (CT-FOIA) and information provided to us may become the subject of a CT-FOIA access request.

I. GREEN BANK IS SUBJECT TO THE REQUIREMENTS OUTLINED IN SECTIONS 16-245N OF THE CONNECTICUT GENERAL STATUTES. GREEN BANK SHALL HAVE NO LIABILITY OR OBLIGATION OF ANY SORT HEREUNDER, INCLUDING, WITHOUT LIMITATION, IF FOR ANY REASON OR NO REASON A BINDING AGREEMENT IS NOT ENTERED INTO WITH ANY PROPOSER. IN MAKING ITS SELECTION OF A SUCCESSFUL RESPONDENT, GREEN BANK MAY CONSIDER ANY AND ALL FACTORS AND CONSIDERATIONS WHICH GREEN BANK, IN ITS SOLE DISCRETION, DEEMS RELEVANT, THE RELATIVE IMPORTANCE OF WHICH SHALL BE IN THE SOLE DISCRETION OF GREEN BANK.