



**BOARD OF DIRECTORS OF THE
CONNECTICUT GREEN BANK**
Regular Meeting Minutes

Friday, October 25, 2024
9:00 a.m. – 11:00 a.m.

A regular meeting of the Board of Directors of the **Connecticut Green Bank** (the “Green Bank”) was held on October 25, 2024.

Board Members Present: Joseph DiNicola, Dominick Grant, John Harrity, Kimberly Mooers, Allison Pincus, Lonnie Reed, Joanna Wozniak-Brown

Board Members Absent: Adrienne Farrar Houël, Thomas Flynn, Matthew Ranelli, Brenda Watson

Staff Attending: Emily Basham, David Beech, Priyank Bhakta, Joe Boccuzzi, Joe Buonannata, Sergio Carrillo, Shawne Cartelli, Janice Cheng, Louise Della Pesca, James Desantos, Catherine Duncan, Mackey Dykes, Austin Dziki, Emma Ellis, Brian Farnen, Bryan Garcia, Sara Harari, Bert Hunter, Stefanie Keohane, Alex Kovtunencko, Edward Kranich, Stephanie Layman, Alysse Lembo-Buzzelli, Cheryl Lumpkin, Jane Murphy, Tyler Rubega, Ariel Schneider, Eric Shrago, Dan Smith, Heather Stokes, Marianna Trief, Christina Tsitso, Leigh Whelpton

Others present: None

1. Call to Order

- Lonnie Reed called the meeting to order at 9:04 am.

2. Public Comments

- No public comments.

3. Consent Agenda

a. Meeting Minutes of July 26, 2024

Resolution #1

Motion to approve the meeting minutes of the Board of Directors for July 26, 2024.

b. Progress to Targets for FY24

Resolution #2

WHEREAS, in July of 2011, the Connecticut General Assembly passed Public Act 11-80 (the Act), “AN ACT CONCERNING THE ESTABLISHMENT OF THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION AND PLANNING FOR CONNECTICUT’S ENERGY FUTURE,” which created the Connecticut Green Bank (the “Green Bank”) to develop programs to finance and otherwise support clean energy investment per the definition of clean energy in Connecticut General Statutes Section 16-245n(a);

WHEREAS, the Act directs the Green Bank to develop a comprehensive plan to foster the growth, development and commercialization of clean energy sources, related enterprises and stimulate demand clean energy and deployment of clean energy sources that serve end use customers in this state;

WHEREAS, on June 21, 2024, the Board of Directors (“Board”) of the Green Bank approved of the annual budgets, targets, and investments for FY 2025;

WHEREAS, on July 26, 2024, the Board approved a Comprehensive Plan for FY 2025; and,

WHEREAS, on July 26, 2024, the Board of Directors of the Connecticut Green Bank approved of the draft Program Performance towards Targets for FY 2025 memos for the Incentive Programs, Financing Programs, and Investments.

NOW, therefore be it:

RESOLVED, that Board has reviewed and approved the restated Program Performance towards Targets for FY 2025 memos dated October 18, 2024, which provide an overview of the performance of the Incentive Programs, Financing Programs, and Investments with respect to their FY 2025 targets.

c. Position Descriptions

Resolution #3

Motion to approve the position specification for the Director of Innovation and position descriptions for the Director of Legislative and Regulatory Affairs and Deputy General Counsel (Director Level).

d. EM&V Methodology – Smart-E Loan

Resolution #4

WHEREAS, the Smart-E Loan continues to be a tool for Connecticut Homeowners to finance energy efficiency measures to reduce their energy burdens;

WHEREAS, the Connecticut Green Bank has an established evaluation framework with approved methodologies that allow us to speak to the impact of our programs and which have built our track record of transparency;

WHEREAS, the Connecticut Energy Efficiency Board regularly establish and review methodologies for energy savings and approve estimations made by the utilities for these savings;

WHEREAS, Audit, Compliance, & Governance Committee did not have quorum, but committee members did review and provide feedback this methodology at their most recent meeting;

NOW, therefore be it:

RESOLVED, the Connecticut Green Bank Board of Directors approves of staff using the utility estimates as the updated way to estimate energy savings for Smart-E energy efficiency measure and to update these numbers on an annual basis.

e. 2025 Regular Meeting Schedules

Resolution #5

Motion to approve the Regular Meeting Schedules for 2025 for the Board of Directors, ACG Committee, BOC Committee, Deployment Committee, and Joint Committee.

Upon a motion made by John Harrity and seconded by Kimberly Mooers, the Board of Directors voted to approve the Consent Agenda which includes Resolutions 1 through 5. None opposed and or abstained. Motion approved unanimously.

4. Committee Updates and Recommendations

a. Audit, Compliance, and Governance Committee

i. FY24 Annual Comprehensive Financial Report

- Jane Murphy summarized the general highlights for the ACFR including an update to CT Solar Lease 2 and 3 due to a change in their ownership and categorization. They are now presented as blended components in the financial statements. The Green Bank is receiving an unmodified opinion. She summarized the financial highlights for revenues, expenses, and changes in net position.

- John Harrity asked about the retirement benefits for employees. Jane Murphy responded that there are defined benefits based on the tier the employee falls into. John Harrity asked if the amount changes based on the fund that supports it and Jane Murphy responded there are cost of living adjustments (COLAs) for the payments but overall, it is based on the formula at time of retirement.

- Jane Murphy reviewed the required communications from the auditors. Overall disclosures are neutral, consistent, and clear and there were no material uncorrected misstatements.

- John Harrity commended Jane and the team for their hard work.

Resolution #6

WHEREAS, Article V, Section 5.3.1(ii) of the Connecticut Green Bank (“Green Bank”) Operating Procedures requires the Audit, Compliance, and the Governance Committee (the “Committee”) to meet with the auditors to review the annual audit and formulation of an

appropriate report and recommendations to the Board of Directors of the Green Bank (the “Board”) with respect to the approval of the audit report;

WHEREAS, the Committee met on October 8, 2024 and recommends to the Board the approval of the proposed draft Annual Comprehensive Financial Report (ACFR) contingent upon no further adjustments to the financial statements or additional required disclosures which would materially change the financial position of the Green Bank as presented.

NOW, therefore be it:

RESOLVED, that the Board approves of the proposed draft Annual Comprehensive Financial Report (ACFR) contingent upon no further adjustments to the financial statements or additional required disclosures which would materially change the financial position of the Green Bank as presented.

Upon a motion made by John Harrity and seconded by Dominick Grant, the Board of Directors voted to approve Resolution 6. None opposed or abstained. Motion approved unanimously.

ii. FY22 – FY23 Auditors of Public Account Audit

- Jane Murphy presented that the Auditors of Public Accounts had no findings for the FY22 – FY23 report and all prior audit recommendations have been implemented. This is the first no findings result for the Green Bank.

b. Budget, Operations, and Compensation Committee

i. Employee Handbook – Proposed Revisions

- Eric Shrago summarized the changes to the Employee Handbook including small edits and clarifications and more substantial changes to the telecommuting policy and a new paid parental leave policy. Joe Buonannata continued to further explain the new telecommuting policy structure.
 - Joseph DiNicola asked if it is a dramatic change from the prior policy and what employee feedback has been received so far. Joe Buonannata responded that the current policy is similar to what is being presented but this formalizes it more while retaining the flexibility employees are currently used to.
- Joe Buonannata summarized the proposed paid parental leave policy to allow employees to care for and bond with a newborn, newly adopted, or newly placed child to run concurrently with other leave options. After looking at other major CT employers, 8 weeks within the first 12 months of the new child’s introduction was determined.
 - John Harrity commented his support of the new parental paid leave policy, especially for fathers to give them time to bond.
 - Joanna Wozniak-Brown asked if there is currently a flex-time policy. Eric Shrago responded that there is a flex-time policy within each day to allow employees to balance their needs.
 - Joanna Wozniak-Brown asked if the new telecommuting categories are consistent across job specifications and Eric Shrago responded generally yes.

Resolution #7

WHEREAS, Audit, Compliance, & Governance Committee and Budget, Operations, & Compensation Committee did not have quorum, but committee members did review and provide feedback on the above noted revisions to the Green Bank Employee Handbook;

NOW, therefore be it:

RESOLVED, that the Board of Directors hereby approves of the revisions to the Green Bank Employee Handbook presented on October 25, 2024.

Upon a motion made by Joe DiNicola and seconded by Dominick Grant, the Board of Directors voted to approve Resolution 7. None opposed or abstained. Motion approved unanimously.

5. Financing Programs Updates and Recommendations
a. FY 2025 Report Out – Financing Programs

- Mackey Dykes summarized the progress to targets for Quarter 1 of FY25. He highlighted the effort to better establish the goal structures to reflect how the teams and programs are structured.

b. C-PACE Transaction - Danbury

- Alysse Lembo-Buzzelli summarized a transaction for conditional approval for an almost 300kw car port solar PV. David Beech summarized the project underwriting, including that the property does not have a mortgage as it was recently repaid. As well, the DSCR is 5.14x. He explained that the project approval is conditional upon one last item being reviewed in the next week or so, but wanted to present it to the Board today due to some delays.

- Alysse Lembo-Buzzelli summarized the energy metrics including the SIR of 1.17, savings, annual savings, and eligible incentives. She reviewed the cash flows which are strong.
 - Kimberly Mooers asked for clarification regarding Lien-to-Value and David Beech responded what the calculated value is. Kimberly Mooers asked if there is a specific percentage to be under and David Beech responded that generally the team is looking for a Lien-to-Value under 35% but could be up to 65% under certain conditions.
 - Joseph DiNicola asked what is used for the forecasted electricity price and how often are they updated. Alysse Lembo-Buzzelli responded it is a combination of what the contractor supplies based on the customer's electric bill, a third party group of engineers who review the calculations to ensure accuracy, and an industry-standard escalation of 2.99% every year. The escalation rate was reviewed within the last 3 years and it is analyzed regularly despite staying consistent in the last decade.

Resolution #8

WHEREAS, pursuant to Connecticut General Statute Section 16a-40g (the "Statute"), the Connecticut Green Bank (Green Bank) has established a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE");

WHEREAS, the Green Bank Board of Directors (the "Board") has approved a \$40,000,000 C-PACE construction and term loan program; and,

WHEREAS, the Green Bank seeks to provide a \$1,220,280 construction and term loan under the C-PACE program to Portuguese Cultural Center, the building owner of 65 Sand Pit Rd Danbury, CT 06810 , Danbury, Connecticut (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan as more particularly described in the memorandum submitted to the Green Bank Board of Directors dated October 23, 2024 (the "Memo").

NOW, therefore be it:

RESOLVED, that the President of the Green Bank and any other duly authorized officer of the Green Bank is authorized to execute and deliver the Loan in an amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the Memo , and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from the date of authorization by this resolution;

RESOLVED, that before executing the Loan, the President of the Green Bank and any other duly authorized officer of the Green Bank shall receive an explanation to explain an underwriting issue identified during the diligence process, from a Certified Public Accountant ("CPA") that is satisfactory to staff and does not result in a material change to the financial statements of the Center as represented in the Diligence Memo;

RESOLVED, that before executing the Loan, the President of the Green Bank and any other duly authorized officer of the Green Bank shall receive confirmation that the C-PACE transaction meets the statutory obligations of the Statute, including but not limited to the savings to investment ratio and lender consent requirements; and,

RESOLVED, that the duly authorized Green Bank officers are authorized and empowered to do all other acts and execute and deliver all other documents and instruments as they shall deem necessary and desirable to affect the above-mentioned legal instruments.

Upon a motion made by Kimberly Mooers and seconded by John Harrity, the Board of Directors voted to approve Resolution 8. None opposed or abstained. Motion approved unanimously.

6. Investment Programs Updates and Recommendations

a. Capital for Change and Smart-E Loan – Transaction Modification

- Bert Hunter summarized the history of the Smart-E loan facility with Capital for Change, the impact of their funding facility being frozen, and the proposed change due to the declining interest rates and permission for the Green Bank to advance up to \$5 million "disproportionate" to private funds.
 - John Harrity commented his surprise at how long Capital for Change has been out of the market given the importance of the situation.

Resolution #9

WHEREAS, the Connecticut Green Bank ("Green Bank") entered into a Smart-E Loan program financing agreement with Capital for Change ("C4C");

WHEREAS, C4C is the largest Smart-E lender on the Green Bank Smart-E platform;

WHEREAS, C4C and Green Bank have an existing medium term loan facility to C4C's CEEFCo subsidiary to fund C4C's Smart-E Loan and other residential energy efficiency loan portfolio growth and C4C's executive leadership has requested a refinancing of said facility as explained in the memorandum dated October 18, 2024 to the Green Board (the "Revolving Facility Memo"); and,

WHEREAS, Green Bank staff recommends approval by the Board for an new short term revolving loan facility for C4C/ CEEFCo (the "CEEFCo Revolving Loan") in order to refinance existing indebtedness from Amalgamated Bank and Green Bank in partnership with Webster Bank and M&T Bank as explained in the Revolving Facility Memo.

NOW, therefore be it:

RESOLVED, that the Board approves the CEEFCo Revolving Loan in an amount of up to \$25 million in capital from the Green Bank balance sheet in support of energy efficiency and Smart-E Loans in partnership with Webster Bank and M&T Bank generally consistent with the Revolving Facility Memo as a Strategic Selection and Award pursuant to the Green Bank Operating Procedures Section XII given the special capabilities, strategic importance, urgency and timeliness, and multi-phase characteristics of the CEEFCo Revolving Loan transaction;

RESOLVED, that the President of the Green Bank; and any other duly authorized officer of the Green Bank, is authorized to execute and deliver, any contract or other legal instrument necessary to affect the CEEFCo Revolving Loan on such terms and conditions as are materially consistent with the Modification Memo; and

RESOLVED, that the proper Green Bank officers are authorized and empowered to do all other acts and execute and deliver all other documents as they shall deem necessary and desirable to affect the above-mentioned legal instrument.

Upon a motion made by John Harrity and seconded by Dominick Grant, the Board of Directors voted to approve Resolution 9. None opposed or abstained. Motion approved unanimously.

b. Scale Microgrid and Bridgeport Fuel Cell Thermal Loop Project – Transaction Modification

- David Beech summarized the project's progress, the recent compliance filing to PURA, and a proposed change to participate in an expansion of the bridge loan. The proposal would increase the Green Bank's participation from \$2.5 million to \$3.4 million in the bridge loan.
 - Lonnie Reed commented her support, especially given the project's long history and support from State Representative Ezequiel Santiago before his death.

Resolution #10

WHEREAS, in accordance with (1) the statutory mandate of the Connecticut Green Bank ("Green Bank") to foster the growth, development, and deployment of clean energy sources that serve end-use customers in the State of Connecticut, (2) the State's Comprehensive Energy Strategy ("CES") and Integrated Resources Plan ("IRP"), and (3) Green

Bank's Comprehensive Plan in reference to the CES and IRP, Green Bank continuously aims to develop financing tools to further drive private capital investment into clean energy projects;

WHEREAS, Scale Microgrid Solutions LLC ("Scale") and Investec have requested financing in support of private capital from the Green Bank to purchase, finance, and construct a 9.66-megawatt Fuel Cell and Thermal Loop project (the "Project") in Bridgeport, Connecticut;

WHEREAS, Green Bank provided a pre-development loan to NuPower to develop the Project, which was repaid when the Project was sold to Scale;

WHEREAS, Scale and Investec have structured credit facilities whereby the Green Bank would participate on an equivalent security basis with other senior lenders;

WHEREAS, staff has considered the merits of the credit facilities and the ability of the project and finance stakeholders to construct, operate and maintain the facility, support the obligations under the Credit Facilities throughout their respective terms, and as set forth in the due diligence memorandum dated July 23, 2024 (the "Original Board Memo"), has recommended this support be in the form of funding not to exceed \$9,900,000, secured by all project assets, contracts and revenues as described in a memorandum to the Board dated October 18, 2024 (the "Updated Board Memo");

WHEREAS, staff has proposed donating a portion of the yield on the transaction to the South End Neighborhood Revitalization Zone (SE-NRZ) (or another worthy party if the SE-NRZ is unable to receive the donation), as set forth in the Original Board Memo;

WHEREAS, on the basis of that recommendation, the Green Bank Board of Directors ("Board") approved of the Credit Facilities, on July 26, 2024, in an amount not to exceed \$9,900,000 secured by all project assets, contracts and revenues as described in the Original Board Memo; and,

WHEREAS, staff has provided an update to the Board in the Updated Board Memo to modify the Credit Facilities and the Green Bank's respective commitments therein, and to participate fully in the expanded Bridge Loan, and thereby requests approval to increase the Green Bank's commitment under the Bridge Loan from \$2,500,000 to \$3,400,000, with total commitments in the Credit Facilities not to exceed \$9,900,000 during construction and not to exceed \$7,400,000 upon conversion to the Term Loan.

NOW, therefore be it:

RESOLVED, that the Board hereby approves the Green Bank's commitments in the Credit Facilities, not to exceed \$9,900,000 in aggregate during construction and not to exceed \$7,400,000 upon conversion to the Term Loan, as set forth in the memorandum dated October 18, 2024 (the "Updated Board Memo") including an increased commitment to the Bridge Loan from \$2,500,000 to \$3,400,000;

RESOLVED, that the President of the Green Bank and any other duly authorized officer is authorized to take appropriate actions to participate in the Credit Facilities in an amount not to exceed \$9,900,000 in with terms and conditions consistent with the Board Memo and the Board Update Memo, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 180 days from the date of authorization by the Board; and,

RESOLVED, that the proper Green Bank officers are authorized and empowered to do all other acts and execute and deliver all other documents and instruments as they shall deem necessary and desirable to affect the above-mentioned Credit Facilities and participation.

Upon a motion made by Dominick Grant and seconded by John Harrity, the Board of Directors voted to approve Resolution 10. None opposed and Joe DiNicola abstained. Motion approved.

7. Environmental Infrastructure Program Updates and Recommendations
a. FY 2025 Report Out – Environmental Infrastructure Programs

- Leigh Whelpton summarized history of the Environmental Infrastructure scope, the progress to sectors and primers, and what is in the Board Memo including strategy development, exploration of overarching and sector-specific financing opportunities, and some planned resources and activities to explore them. She reviewed some priority subcategories, definitions, strategies, and the newly developed 1-2-3 approach.
 - Lonnie Reed and Joanna Wozniak-Brown both commented their excitement for what comes next. Joanna Wozniak-Brown highlighted desire to dig deeper in relation to the metrics conversation and working with the DEEP Office of Climate Planning.

Joanna Wozniak-Brown left the meeting at 10:32 am.

8. Incentive Programs Updates and Recommendations
a. FY 2025 Report Out – Incentive Programs

- Sergio Carrillo reviewed the history of the battery storage program, deployment targets, and the progress to targets for Quarter 1 of FY2025 which is going well overall. He reviewed the progress to ESS Tranche 1 which has been slow to update in the Residential sector but continues to have large uptake in the Non-Residential sector. Completed installation is slow, however, due to interconnection queue issues, though the team continues to try to find solutions.
 - John Harrity asked for clarification about the interconnection queue issues. Sergio Carrillo responded that the queue is the study of the projects and their effect on the transmission and distribution networks. It's a complicated process that takes a lot of time, even years. John Harrity asked if the people involved in the process are trying to get it done or if there is more effort to obstruct it. Sergio Carrillo responded that he feels there is more the Utilities could do. Ed Kranich added more context to the interconnection timeline and perspective from the Utilities. John Harrity asked if there is anything that can be done in legislation that could help it along. Ed Kranich responded that PURA did create the Interconnection Working Group tasked with dealing with issues to the interconnection process, though unfortunately no major solutions have come from it so far.
 - Lonnie Reed asked where the optimistic models are, if any exist. Ed Kranich responded that unfortunately not as far as the team is aware of. Sergio Carrillo added that this is happening across the United States.
 - Joe DiNicola asked if there are any requirements for funding for battery performance and how its used in load management. Sergio Carrillo responded yes and explained the incentive structure for battery projects.

b. ESS Transaction (Modification) – ESS-00968 – Bristol

- Edward Kranich summarized the history of the project and proposed incentive adjustment from \$663,813 to \$737,438 due to a change in the equipment.

Resolution #11

WHEREAS, in its June 24, 2022 meeting the Connecticut Green Bank Board of Directors (Board) approved the implementation of an Upfront Incentive Project Approval procedures (“Procedures”) for non-residential projects under the Energy Storage Solutions Program (Program) with an estimated upfront incentive payment greater than \$500,000 and procedures for less than \$500,000;

WHEREAS, as part of the approved Procedures, Green Bank staff shall present Program projects via the consent agenda utilizing a standard form Tear Sheet process described in the memorandum to the Board dated June 24, 2022;

WHEREAS, in its December 9, 2022 meeting the Board approved updated Procedures to better align with the Program process; and,

WHEREAS, the Deployment Committee previously approved on May 22, 2024 seven projects sought by Redaptive International consistent with the approved Procedures;

NOW, therefore be it:

RESOLVED, that the Board of Directors hereby re-approves the Redaptive International project located at a Home Depot store in Bristol, CT in a new amount not-to-exceed \$737,438 consistent with the approved Procedures and this memorandum dated October 18, 2024; and,

RESOLVED, that the proper Green Bank officers are authorized and empowered to do all other acts and execute and deliver any and all documents and regulatory filings as they shall deem necessary and desirable to affect the above-mentioned incentives consistent with the Procedures.

Resolution #11 was not voted on as quorum was lost and will be voted on at the next Deployment Committee meeting on Wednesday, November 13, 2024.

9. Other Business

- Lonnie Reed summarized her experience accepting the Women of Innovation Award for 2024 on behalf of Sara Harari and excitement for Sara.
- Bryan Garcia highlighted the Secretary of the Energy Advisory Board, Secretary Jennifer Granholm, for her efforts overseeing the bipartisan infrastructure law and moving towards the restructuring of the DOE to be inclusive of deployment alongside its research and development efforts. He summarized a couple decisions that the Energy Advisory Board had recently tackled.

10. Executive Session

The meeting did not enter Executive Session as there wasn't a quorum for Resolution #12. This

item was deferred until the next Board of Directors meeting on December 13, 2024.

Resolution #12

WHEREAS, Section 3.1 of the Connecticut Green Bank (Green Bank) Bylaws provides that the Board of Directors (Board) shall be responsible for determining or approving compensation for the officers;

WHEREAS, on June 21, 2024, the Board approved a 5.0% merit pool in its FY 2025 budget for annual merit adjustments that can range from 0.0% to 8.0%;

WHEREAS, the Green Bank has completed its annual performance review process based on the Board approved annual goals and 360-degree performance reviews from the staff;

WHEREAS, the President and C.E.O. of the Green Bank recommends a 5.0% merit increase for the Officers other than himself and authorizing the Chair to determine the President and C.E.O.

NOW, therefore be it:

RESOLVED, that all Officers other than the President and C.E.O. shall receive a 5.0% merit increase for Fiscal Year 2024; and,

RESOLVED, that the Board authorizes the Chair of the Green Bank to determine the merit compensation adjustment for the President and C.E.O. for FY24 based on the (i) feedback of the Board members, (ii) performance towards meeting the Organizational and Team Goals for FY24 and (iii) his Individual Goals for FY24.

Resolution #12 was not voted on as quorum was lost and will be voted on at the next Board of Directors meeting on Friday, December 13, 2024.

11. Adjourn

Upon a motion made by John Harrity and seconded by Joe DiNicola, the Board of Directors meeting adjourned at 11:02 am.

Respectfully submitted,

Lonnie Reed, Chairperson