



**Joint Committee of the CT Energy Efficiency Board and the
Connecticut Green Bank Board**

10 Franklin Square, New Britain, CT

Wednesday, October 22, 2014
1:30-3:30 p.m.

MINUTES¹

In Attendance

Voting Board Members: Norma Glover, John Harrity, Eric Brown, Amanda Fargo-Johnson, Diane Duva

Non-Voting Board Members: Bryan Garcia, Matt Gibbs, Pat McDonnell

Others: Brian Farnen, Ron Araujo Kerry O'Neill, Bert Hunter Andy Brydges, Macky Dykes, Chris Kramer, Ravi Gorthala, Bill Dornbos, Jessica Bailey, Les Tumidaj, Jeff Schlegel, Craig Diamond

1. **Call to Order.** The meeting was called to order at 1:30 pm.
2. **Public Comments.** None.
3. **Approval of Minutes for July 16, 2014 Meeting.** Ms. Glover moved, Mr. Harrity 2nd. Ms. Duva, Ms. Glover and Mr. Harrity voted to approve, Mr. Brown and Ms. Fargo-Johnson abstained. Minutes approved.
4. **Governance – Review and Approve Joint Committee Bylaws** - Mr. Farnen provided an overview of the draft bylaws and the process to date in preparing the document. He noted that the Green Bank needed to appoint its non-voting board members. He said that those would be Mr. Garcia and either Mr. Hunter or himself. **A vote was taken to approve the bylaws. All voting members voted in favor, except for Mr. Brown who abstained. Bylaws approved.** Mr. Farnen recommended that the committee discuss appointments of additional non-voting members and officers at the next meeting. Mr. Brown said he would like to discuss at next EEB meeting the issue that the EEB Board could be an impediment to progress in the joint committee. He said he would like the EEB to potentially consider delegating certain authorities to EEB voting members of the joint committee.
5. **Financing Issues**
 - a. **Green Bank Response to EEB Request for Assistance – Update on Progress.** Mr. Schlegel commented on the discussion at the last joint committee meeting on the role of incentives in C-PACE. He said that the Green Bank and the EEB need to work together to find the optimal mix of incentives and private sector financing.

¹ Materials for this meeting can be accessed at Box.net: <https://app.box.com/s/ng6sxn4cnxrnhxikj4tu>

- b. **Residential Financing Update.** Ms. O'Neill discussed the HES Loan Capitalization and the Cozy Loan. Mr. Brydges and Mr. Kramer noted that they had put together a joint working group to discuss a residential financing market assessment. They said that they would report back progress at the next joint committee meeting.
- c. **Commercial and Industrial Financing Update.** Ms. Bailey reported that the initial findings were that about 1/2 of all C-PACE projects so far would not have gone forward without incentives. Mr. Garcia suggested that the EEB and Green Bank staffs meet to discuss the data and findings. Mr. Kramer suggested that we should understand what types of ECMs the incentives encourage. He said he would also like to discuss how the financing and incentives gets reported, and make sure the contributions are made clear. Mr. Schlegel said that the C&I Committee had some questions about how the projects are reported. Mr. Kramer then provided an overview of the C11 market assessment (Barriers to Energy Efficiency, including Financing). He said there were still questions that will require further research to answer. Mr. Brown mentioned the discussions that have been on-going at the EEB and the EEB committees regarding the possibility of doing market research through the EEB committees. Mr. Garcia suggested that the draft C11 report be shared with the joint committee. Mr. Gibbs then gave update on the SBEA loan sale agreements. He said that for older loans, they will not be able to do a "true sale," so they will need to treat those as long-term debt; therefore, they might need to file with PURA. For new loans, he said that defaults are covered by CEEF, but with private sector capital. Mr. Garcia mentioned potentially tapping into the Green Loan Guarantee Fund. Ms. O'Neill noted that the Green Bank is also thinking about this fund for the CHIF loan re-capitalization. Mr. Brydges then provided an overview of bank RFQ in regard to financing for ESPC projects. He mentioned that the incentives for the ESPC program need to be re-thought. Mr. McDonnell noted that CT Executive Branch agencies would be treated as a large C&I customers under new Customized Solutions Partnership offered by the C&I Program. He said that DEEP is encouraging the Green Bank to continue looking for bond financing, but private financing is necessary for the existing pipeline.
- d. **New Developments in Financing** - Mr. Hunter provided some insights on financing trends. In regard to the CT Solar Loan, Sungage received \$100M in financing, so they no longer need support from the Green Bank. That is an important development because it is an example of the market becoming self-sustaining. Another trend is Solar Mosaic (crowd funding, or peer to peer) becoming more popular for residential and small business. Some people are starting to think about a small business application for the crowd funding model. Mr. Hunter then mentioned that, in regard to C-PACE, there was currently \$40M in the Green Bank's warehouse, and they will need to bring in more capital starting in 2015 (they hope to issue an RFP for capital providers soon). He then mentioned that in California, residential PACE is floating asset-backed securities. He said that is a low-cost option with a lot of capital available. The Green Bank is exploring residential PACE.

6. Updates

- a. **On Bill Repayment** - Mr. O'Neill provide a brief update.
- b. **Green Bank Comprehensive Plan (FY 2015-FY 2016)** - Mr. Dykes provided a brief update.

7. **Other Business.** 2015 schedule of meetings. Mr. Garcia suggested we continue the quarterly meetings. We will propose dates, probably 3rd or 4th Wednesday every 3rd month.
8. **Adjourn** - the meeting adjourned at 3:00 pm.