



**Joint Committee of the CT Energy Efficiency Board and the
Connecticut Green Bank Board of Directors
10 Franklin Square, New Britain, CT
Tuesday, September 8, 2015
10:00-11:00 a.m.**

MINUTES¹

In Attendance

Voting Members: John Harrity, Amanda Fargo-Johnson, Norma Glover, Diane Duva (DEEP Designee), and Eric Brown

Non-Voting Members: Bryan Garcia, Ron Araujo, Pat McDonnell

Others: Kerry O'Neill, Mackey Dykes, Steve Bruno, Andy Brydges, Brian Farnen, Genevieve Sherman, Anthony Clark, Christine Koch, Craig Diamond, and Barbara.

1. Call to Order

Eric Brown called the meeting to order at 10:03 a.m.

2. Public Comments

There were no public comments.

3. Review and approval of Meeting Minutes for July 22, 2015 meeting

Upon a motion made by John Harrity, seconded by Amanda Johnson with an abstention by Norma Glover the Committee voted in favor to approve the minutes.

Resolution #1

Motion to approve the minutes of the Joint Committee Regular Meeting for July 22, 2015.

4. Priorities for the Joint Committee

Eric Brown provided an overview on the priorities for the Joint Committee. He advised that at the July 22, 2015 meeting the Joint Committee requested that priorities be consolidated to three points per area of focus. He stated that any questions or comments be brought back to the Joint Committee. He explained that the objective was to be as consistent as possible throughout the different sectors. He also said the goal statements

¹ Materials for this meeting can be accessed at Box.net:

should use “active” words as much as possible. He suggested that they combine Item #1 and Item #2 for the Government section. He explained that this allow for three priorities – consistent with the other sections. Diane Duva felt it was a good idea to combine the two and requested input from Andy Brydges. Andy Brydges stated that it makes sense as long as the information is in the priorities and that doing so makes it easier to understand. Amanda Johnson stated that she felt that technical issues were separate and different. She stated that she wanted to make sure that they were not taking away the importance on the technical part. Diane Duva agreed and stated that she didn’t want to see it get lost in the shuffle. Diane Duva stated that it should be kept separate from the first one.

Eric Brown went on to small business and alternative sources. He stated that they should add the word “capital” in to be a bit more specific as to the types of alternative sources being sought. Diane Duva requested input from Mackey Dykes, Bryan Garcia, and Genevieve Sherman. Bryan Garcia explained that they would be fine with that and would work with the chair, Craig Diamond, and Diane Duva to revise the priority accordingly.

Eric Brown went on to medium and large businesses and stated that priority #1 should be modified to reflect a combined goal. He explained that all cost effectiveness is a specific EEB goal. He explained his interest that each priority reflect combined goals. He went on to #2 suggesting a format change there. He suggested the statement be more specific with respect to the types of strategy or strategies involved – and suggesting “communications and marketing” strategies.

Eric Brown moved to Residential questioning whether “strategy” should be changed to “strategies”, in the event the committee felt more flexibility was needed. Diane Duva explained that it is important to provide a coordinated strategy. Ron Araujo explained that they don’t identify if it’s multiple or singular strategies. He questioned if they are trying to expand the use of the loans. Eric Brown stated that they are trying to expand the quantity of comprehensive loans. Kerry O’Neill explained that they had covered all their bases in the detailed notes. She stated that adding the term “expanding” in priority #1 works fine. She stated that they might need to add something at the end of the first item taking a little bit from the second item.

Upon a motion made by Amanda Johnson, seconded by Diane Duva the Committee voted unanimously in favor of the changes/edits.

Resolution #2

WHEREAS, per Section 16-245m(d)(2) of the Connecticut General Statutes, the Joint Committee of the Energy Efficiency Board (EEB) and the Connecticut Green Bank (Green Bank) are to examine opportunities to coordinate the programs and activities contained in the plan developed under Section 16-245n(c) of the General Statutes with the programs and activities contained in the plan developed under Section 16- 245m(d)(1) of the Connecticut General Statutes and to provide financing to increase the benefits of programs funded by the plan developed under Section 16-245m(d)(1) of the General

Statutes so as to reduce the long-term cost, environmental impacts and security risks of energy in the state;

WHEREAS, the Joint Committee on January 21, 2015 mutually determined five areas of priority focus with respect to financing, including Small Business Energy Advantage (SBEA), Commercial Property Assessed Clean Energy (C-PACE), Lead by Example (LBE), Single Family, and Multifamily;

WHEREAS, the Joint Committee on April 22, 2015 established the following principle statement to guide its activities “The Energy Efficiency Board and the Green Bank have a shared goal to implement state energy policy throughout all sectors and populations of Connecticut with continuous innovation towards greater leveraging of ratepayer funds and a uniformly positive customer experience”; 2

WHEREAS, the Joint Committee on April 22, 2015 charged the staff of the Green Bank and electric distribution companies (i.e., Eversource Energy and United Illuminating), as well as the Department of Energy and Environmental Protection (DEEP) and consultants of the EEB, to organize into groups to draft collaborative documents on each area of priority focus as it applies to gaps and opportunities, coordinated goals and objectives, measuring progress, and areas of disagreement and pathways forwards, and be prepared to present and discuss findings at the July 22, 2015 Joint Committee meeting; and

WHEREAS, the staff of the Green Bank, electric distribution companies, DEEP, and consultants of the EEB are revising the document to include the feedback of the Joint Committee from the July 22, 2015 meeting.

NOW, therefore be it:

RESOLVED, that the Joint Committee recommends that the EEB and Board of Directors of the Green Bank approve of the Joint Committee Coordination on Goals and Priorities/All sectors document as revised and presented to the Joint Committee; and

RESOLVED, that the Joint Committee recommends that the EEB and Green Bank incorporate these goals and priorities into their respective Conservation and Load Management Plan and Comprehensive Plan.

5. Bond Authorization Initiative – Support for the Green Connecticut Loan Guaranty Program

Bryan Garcia provided an overview explaining that all of the priorities had been laid out. He explained that the Green Connecticut Loan Guaranty Program funds have been repurposed for use by the Connecticut Green Bank through the big Energy Bill. He explained that the funds are used for Energy Conservation Projects. He stated that the use of the funds requires that they consult with how they’re looking at utilizing the funds. He explained that \$18 Million is available with only access to \$5 Million each year. He explained that they are trying to expand the Smart-E product. He explained that they felt

that they had found a source of funding to do that. He explained that they are committed to the strategy. He explained that the request is driven by the fact that the Connecticut Green Bank and the Energy and Efficiency Board share the need for the additional interest rate buy down sources. He explained that they are also interested in lowering the cost of those buy downs. He explained that the longer the term the more expensive the buy down is.

Bryan Garcia stated that anytime they are using Federal funds they have to maintain Federal characteristics. He explained that they are using the funds as loss reserves right now and have only seen one delinquency to date. He explained that they don't want to have the Federal administration responsibility indefinitely. He explained that if there is a reallocation to using funds for the interest rate buy downs the funds get designated as expended. He explained that they will use State Bond Funds to replace the loan loss reserves. He explained that they will repurpose \$4.5 Million and that it will give the teams more interest rate buy down resources to continue to transition the market toward private capital for financing.

Bryan Garcia went on to discuss CT Solar Lease, which is an existing program with several local lenders. He explained that Connecticut Green Bank put in \$3.5 Million as a loan loss reserve and that it is a \$60 Million vehicle. He explained that the portfolio is holding well. They will replace the Federal Funds and that it can be used for interest rate buy downs. He explained that loss reserves are built into the Smart-E program. He explained that they will pull back \$1 Million and replace it with the Green Loan Guaranty Fund. He stated that Commissioner Smith wanted to see the market for Smart-E expanded more. He went on to explain that Commissioner Smith wanted to see lenders continue to put more in. He explained that they are looking to apply \$2.5 Million to leverage 3.5 to 1 private to public dollars and to get local lenders into the Small Business market. They would set aside funding to enable lowering the cost of capital by working with local lenders.

Bryan Garcia discussed PosiGen. He explained that they are looking to apply \$4.2 Million of the fund to attract total investment of \$32 Million. He explained that they are trying to get local lenders that are new to the market by showing them that it's a viable market.

Bryan Garcia summarized stating that they are trying to free up \$4.5 Million to use for the Smart-E Loan Program, using the remaining balance to expand the program. He explained that it gives them a year to figure out what to do with Small Business and trying to lower the cost of capital.

Diane Duva questioned how the money is accessed. Bryan Garcia stated that they will work through the Bond Commission process. He explained that the goal was to protect those funds and that they were able to maintain the Bond authorization. He explained that they will work through the Office of Policy and Management and get this moved this year. He explained if it doesn't come to fruition by the end of 2015, then they will attempt it in early 2016. He explained that this is the first time that the Connecticut Green Bank has ever used state taxpayer dollars. He explained that if they can free it up it will do a lot of good.

Eric Brown stated that the idea here is that the Joint Committee has the opportunity to support the initiative. Diane Duva stated that by using and repurposing the funds they will extend the amount of time that a reduced interest rate can be made available. She explained that the path is consistent. Amanda Johnson questioned if there will be some sort of notification to the customers. Diane Duva explained that the interest rate would just increase if buy down funds became unavailable.

Kerry O'Neill stated that there is \$1.4 Million in interest rate buy down funds currently. She explained that if they are successful in getting the additional funds it would work for about 6,200 loans. She explained if they are successful they could extend two to three years. She explained that they would notify the contractors who use the product of any changes in availability. She stated that they are aware that this offer will be in the market through the end of this calendar year.

Eric Brown stated that \$18 Million has already been authorized and is broken down across all sectors. Bryan Garcia explained that they will move private capital into the market and not have to guarantee it.

Upon a motion made by Norma Glover, seconded by John Harrity the Joint Committee voted unanimously in favor to approve.

Diane Duva stated that the next steps will be that she will recap the Joint Committees review and consolidation at their Board Meeting and that a comprehensive plan will be discussed at the next Joint Committee Meeting in October.

Resolution #3

WHEREAS, pursuant to 16a-40d through 40f of the Connecticut General Statutes, the legislature authorized up to \$18 million in bond proceeds to be used by the Connecticut Green Bank (Green Bank) for guaranteeing loans made by participating lending institutions to individual (single family homes), nonprofit organizations, or small businesses for eligible energy conservation projects through the Green Connecticut Loan Guaranty Fund Program (the Program);

WHEREAS, the Green Bank in consultation with the Energy Efficiency Board (EEB) and the Connecticut Health and Educational Facilities Authority, will establish priorities for financing eligible energy conservation projects under the Program; and

WHEREAS, the proposed use of funds from the Program supports the principle statement guiding the activity of the Joint Committee as well as the Joint Committee Coordination on Goals and Priorities/All sectors document recommended for approval by the Joint Committee to the EEB and the Board of Directors of the Green Bank.

NOW, therefore be it:

RESOLVED, that the Joint Committee supports the Green Bank in taking all necessary steps to secure the State bond funds for the Program to continue to make progress in advancing the coordination of programs and activities as required per Section 16-245m(d)(2) and the Bylaws of the Joint Committee.

I'm not clear on whether the votes of approval for all the resolutions are included. Please double-check.

6. Adjourn

Eric Brown adjourned the meeting at 11:01 a.m.

Respectfully Submitted,

Eric Brown, Chairperson