DEPLOYMENT COMMITTEE OF THE
CONNECTICUT GREEN BANK
Regular Meeting Minutes

Wednesday, November 13, 2024
2:00 p.m. – 3:00 p.m.

A regular meeting of the Deployment Committee of the **Connecticut Green Bank (the "Green Bank")** was held on November 13, 2024.

Committee Members Present: Joseph DeNicola, Kimberly Mooers, Allison Pincus, Matthew Ranelli, Lonnie Reed

Committee Members Absent: Dominick Grant

Staff Attending: Stephanie Attruia, Emily Basham, Priyank Bhakta, Larry Campana, Sergio Carrillo, Shawne Cartelli, Louise Della Pesca, Catherine Duncan, Mackey Dykes, Brian Farnen, Bert Hunter, Alex Kovtunenko, Ed Kranich, Stephanie Layman, Alysse Lembo-Buzzelli, Cheryl Lumpkin, Jane Murphy, Ariel Schneider, Eric Shrago, Dan Smith, Heather Stokes, Barbara Waters, Leigh Whelpton

Others present: Vijay Gopalakrishnan

1. Call to Order

- Joseph DeNicola called the meeting to order at 2:03 pm.

2. Public Comments

- No public comments.

3. Consent Agenda

a. Meeting Minutes from May 22, 2024

Resolution #1

Motion to approve the minutes of the Deployment Committee meeting for May 22, 2024.

Upon a motion made by Lonnie Reed and seconded by Matthew Ranelli, the Deployment Committee voted to approve Resolution 1. None opposed and Joseph DeNicola abstained. Motion approved.

b. Under $100,000 and No More in Aggregate than $500,000 – Staff Approved Restructure/Write-Offs

c. **Under $500,000 and No More in Aggregate than $1,000,000 – Staff Approved Financing and Incentive Programs Transactions**

4. Incentive Programs Updates and Recommendations

a. **ESS Transaction (Modification) – ESS-00968 – Bristol**

- Ed Kranich summarized the project which includes 7 Home Depot locations and the proposed change, which is a resize of the battery including adjustments to the incentives of about $70,000. Brian Farnen further explained the reason for presenting it for approval.
  - Joseph DiNicola asked for a bit more context as to the Redaptive partnership with Home Depot. Ed Kranich explained Redaptive's history and reasoning.
  - Matthew Ranelli asked if the increase was formulaic, and Ed Kranich responded yes. Matthew Ranelli asked for more clarity when writing the Resolved sections of the Resolution to include more history as to what it was and what it is being changed to. Brian Farnen responded that it is possible to include that in the future.

Resolution #2

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, 2002 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 (7) projects sought by Redaptive International consistent with the approved Procedures.

NOW, therefore be it:

RESOLVED, that the Deployment Committee 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.

Upon a motion made by Matthew Ranelli and seconded by Lonnie Reed, the Deployment Committee voted to approve Resolution 2. None opposed or abstained. Motion approved unanimously.

[1] * - indicates project located in a "vulnerable community"

5. Environmental Infrastructure Programs Updates and Recommendations
a. Smart-E Loan – Additional Environmental Infrastructure Measures

- Eric Shrago summarized the launch of Phase 3 Smart-E measures and gave an update on the progress on Septic and Dams measures to remain in alignment with State policies. The team has worked with DPH and DEEP to better understand the requirements to implement these measures appropriately. Barbara Waters commented about efforts to stay in alignment with FEMA requirements as well.
    - Joseph DiNicola asked about the list of dams that are being targeted for removal. Eric Shrago responded that he does not have that list and Joseph DiNicola stated he would try to get that list to Eric and the team.
    - Lonnie Reed asked if the team has encountered any issues with riparian rights. Eric Shrago responded he isn't as aware of any issues with that but that the team is also relying on DEEP for permitting larger scale projects and if that would have any impact on other existing dams.
    - Joseph DiNicola asked for clarification about the expected process and where DEEP will become involved. Eric Shrago responded with what the general process is expected to be. Brian Farnen added that the types of repairs the program would cover would not be to materially change the water flow and is aimed more for repairing existing dams to maintain existing functions.

Resolution #3

WHEREAS, Connecticut Public Act 21-115 expanded the scope of the Connecticut Green Bank ("Green Bank") beyond "clean energy" to include "environmental infrastructure";

WHEREAS, the Deployment Committee of the Green Bank Board of Directors has reviewed and approved environmental infrastructure measures for the Smart-E loan program in November 2022 and May 2023;

WHEREAS, the Deployment Committee instructed staff to formulate a plan for the rollout and implementation of the new measures prior to their launch;

NOW, therefore be it:

RESOLVED, the Deployment Committee approves of this implementation plan and instructs staff to implement the new Smart-E measures for Phase 3 consistent with this memorandum to the Deployment Committee dated November 8, 2024, and to provide the committee with updates as implementation progresses; and,

RESOLVED, that Green Bank staff will continue to seek guidance and input from external stakeholders including but not limited to other state agencies regarding additional measures and will provide an update as to those measures, their concurrence with state policies, regulations and objectives, and their rollout to the Deployment Committee early next fiscal year.

Upon a motion made by Matthew Ranelli and seconded by Lonnie Reed, the Deployment Committee voted to approve Resolution 3. None opposed or abstained. Motion approved unanimously.

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Upon a motion made by Joseph DeNicola and seconded by Matthew Ranelli, the Deployment Committee voted to amend the Agenda to have item 6d be presented before 6a.

6. Financing Programs Updates and Recommendations

a. C-PACE Project – 20-28 Thompson Rd, Branford

- Catherine Duncan presented a project for a 299 kW Solar PV system. Larry Campana summarized the financial metrics including the Loan-to-Value ratio of 62.9%, Lien-to-Value ratio of 19.1%, and DSCR of 1.38x. Catherine Duncan noted the SIR is 1.06 and their eligible incentives.
  - Matthew Ranelli expressed concern with the cashflow analysis on this project due to the cashflow being negative from year 7 onward. Catherine Duncan responded that efforts are made to make sure the owners are aware of the cashflows and to offer sculpted amortization options. She also noted these investors are sophisticated and should be capable of handling the cashflow changes.
  - Matthew Ranelli said he was surprised that the owners have not yet seen the sculpted cashflow, which Catherine Duncan is sending this coming Friday, and as to why the Committee is being asked to vote on it before the owners are given the information. Mackey Dykes explained the presented cashflow is a standard C-PACE approval and with the understanding that if the project's risk improves from a sculpted amortization schedule, then the owners could move forward with that so long as approval is given for the standard C-PACE approval. Matthew Ranelli stated that he thinks the owners should have the opportunity to see that before the Committee is asked to vote on it. Catherine Duncan explained further that the owners have 4 projects, 2 which are being presented today and 2 which will be presented at the next Deployment Committee meeting and are waiting to have the sculpted schedules presented once all 4 are available but emphasized the importance of getting the standard approvals today.
- Joseph DeNicola asked if the other projects that the owner is advancing have a similar profile and what other lien restrictions are in place. Catherine Duncan responded that the second project of theirs being presented today does not have a roof component and therefore has a much better cashflow. She noted that if the owners were to leave the property, they would be leaving behind a new roof in addition to the solar PV system. Matthew Ranelli emphasized his desire to have the owners shown the cash flow analysis before its presented to the Committee or Board. He stated he couldn't support the project with how it's being presented today. The group discussed the cashflow issues at length.

<u>Resolution #4</u>

WHEREAS, pursuant to Connecticut General Statute Section 16a-40g (the "Statute"), the Connecticut Green Bank (the "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 $889,795 construction and term loan under the C-PACE program to 20 Thompson Road LLC, the building owner of 20 Thompson Road, Branford, Connecticut (the "Loan"), to finance the construction of specified clean energy

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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 Deployment Committee dated November 8, 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 one hundred twenty (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 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.

No action was taken for Resolution 4.

b. C-PACE Project – 27 NE Industrial Rd, Branford

- Catherine Duncan presented a project for a 99 kW Solar PV system. Larry Campana summarized the financial metrics including the Loan-to-Value ratio of 26.33%, Lien-to-Value ratio of 26.33%, and DSCR of 14.28x. Catherine Duncan noted the SIR is 1.49, their eligible incentives, and that they have seen a sculpted amortization schedule.

<u>Resolution #5</u>

WHEREAS, pursuant to Connecticut General Statute Section 16a-40g (the "Statute"), the Connecticut Green Bank (the "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 $295,000 construction and term loan under the C-PACE program to Wafios Machinery Corporation, the building owner of 27 NE Industrial Rd, Branford, 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 Deployment Committee dated November 8, 2024 (the "Memo").

NOW, therefore be it:

[1] * - indicates project located in a "vulnerable community"

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 one hundred twenty (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 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 Matthew Ranelli and seconded by Joseph DeNicola, the Deployment Committee voted to approve Resolution 5. None opposed or abstained. Motion approved unanimously.

c. C-PACE Project – 9 Baldwin Drive, Branford

- Catherine Duncan presented a project for a 299 kW Solar PV system and summarized the financial metrics including the Loan-to-Value ratio of 64.3%, Lien-to-Value ratio of 20%, and DSCR of 6.09x. She noted the SIR is 1.34 and their eligible incentives.

Resolution #6

WHEREAS, pursuant to Connecticut General Statute Section 16a-40g (the “Statute”), the Connecticut Green Bank (the “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 $706,450 construction and term loan under the C-PACE program to Massey Properties, LLC, the building owner of 9 Baldwin Drive, Branford, Connecticut and Massey’s Plate Glass and Aluminum, Inc., a tenant of such building (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 Deployment Committee dated November 8, 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 one hundred twenty (120) days from the date of authorization by this resolution;

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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 Matthew Ranelli, the Deployment Committee voted to approve Resolution 6. None opposed or abstained. Motion approved unanimously.

d. C-PACE Project – 20 Dodge Ave, North Haven

- Alysse Lembo-Buzzelli presented the project for a 235.44 kW DC solar PV system. Louise Della Pesca noted there is no debt on the property which leads to a Loan-to-Value ratio of 33.4% and a Lien-to-Value ratio also of 33.4%. The DSCR is 3.82x and there is no year where the DSCR would be below 2.6x. Alysse Lembo-Buzzelli noted the SIR is 1.52 and they are eligible for NRES and ITC incentives.
    - Joseph DeNicola asked for clarification between the SIR and DSCR. Louise Della Pesca responded with how the DSCR is calculated and Alysse Lembo-Buzzelli responded with how the SIR is calculated.

Resolution #7

WHEREAS, pursuant to Connecticut General Statute Section 16a-40g (the "Statute"), the Connecticut Green Bank (the "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 $499,554 construction and term loan under the C-PACE program to AMJ Realty LLC, the building owner of 20 Dodge Avenue, North Haven, 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 Deployment Committee dated November 8, 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 one hundred twenty (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 confirmation that the C-PACE

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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 Matthew Ranelli and seconded by Lonnie Reed, the Deployment Committee voted to approve Resolution 7. None opposed or abstained. Motion approved unanimously.

e. Multifamily Affordable Housing – Update

- This item was tabled due to lack of time. There was a suggestion to host an additional special meeting to present and discuss this and the following items.

f. Non-NRES C-PACE Projects – Overview

- This item was tabled due to lack of time. There was a suggestion to host an additional special meeting to present and discuss this and the following items.

7. Adjourn

Upon a motion made by Lonnie Reed and seconded by Matthew Ranelli, the Deployment Committee Meeting adjourned at 3:16 pm.

Respectfully submitted,

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Joseph DeNicola, Chairperson

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