BUDGET, OPERATIONS, AND COMPENSATION COMMITTEE OF THE CONNECTICUT GREEN BANK
Regular Meeting Minutes

Wednesday, January 15, 2025
2:00 p.m. – 3:30 p.m.

A regular meeting of the Budget, Operations, and Compensation Committee of the **Connecticut Green Bank (the "Green Bank")** was held on January 15, 2025.

Committee Members Present: John Harrity, Adrienne Houël, Allison Pincus, Lonnie Reed, Brenda Watson

Committee Members Absent: None

Staff Attending: Joe Buonannata, Sergio Carrillo, Shawne Cartelli, Brian Farnen, Bryan Garcia, Cheryl Lumpkin, Jane Murphy, Ariel Schneider, Eric Shrago, Dan Smith, Leigh Whelpton

Others present: None

1. Call to Order

- John Harrity called the meeting to order at 2:12 pm.

2. Public Comments

- No public comments.

3. Approve Meeting Minutes from June 5, 2024 and October 8, 2024

Resolution #1

Motion to approve the meeting minutes of the Budget, Operations, and Compensation Committee from the meetings on June 5, 2024 and October 8, 2024.

Upon a motion made by Brenda Watson and seconded by Lonnie Reed, the Budget, Operations, and Compensation Committee voted to approve Resolution 1. None opposed or abstained. Motion approved unanimously.

4. Correction to the Employee Handbook

- Joe Buonannata summarized the proposed change to the Employee Handbook, which was rejecting edits to the vacation and bereavement policies that were incorrectly included in the draft, redline version of the Handbook submitted for Committee approval in October 2024. These edits were not presented and not meant to be voted on. The Committee was being asked to restore the previous policies as written prior to the October 2024 meeting.

Resolution #2

WHEREAS, pursuant to Section 5.2.2 of the Connecticut Green Bank (Green Bank)Bylaws, the Budget, Operations, and Compensation ("BOC") Committee is charged with recommending the establishment of and monitoring compliance with policies, programs, procedures, and practices to assure optimal organizational development, the recruitment and retention of qualified personnel and the just and fair treatment of all employees of the Green Bank, including employment policies and practices, employee training, development, evaluation and advancement, employee compensation and benefits, and matters of employee separation and severance, including but not limited to the Employee Handbook;

NOW, therefore be it:

RESOLVED, that the BOC Committee hereby recommends that the Board of the Green Bank approve of the revisions to the Green Bank Employee Handbook as described in the memorandum to the BOC Committee dated January 8, 2025.

Upon a motion made by Adrienne Houël and seconded by Lonnie Reed, the Budget, Operations, and Compensation Committee voted to approve Resolution 2. None opposed or abstained. Motion approved unanimously.

5. FY 2025 – Targets and Budget

- Eric Shrago summarized the currents status towards the FY25 targets, which overall has seen steady progress. He noted Smart-E has seen slow uptake, especially within the HVAC section, though there is still progress.
- Eric Shrago summarized the proposed changes to the targets which includes one for the Marketplace Assistance Program and one for the PPA program. The MAP program change is to bring things in line with what is actually set to close and the PPA program change is being lowered due to the third-party developers advising what is expected within the pipeline this year.
    - John Harrity asked for clarification for the types of projects that State Projects and Loans funding goes to. Eric Shrago responded it is predominantly solar but there is at least one fuel cell project. John Harrity asked why the target is being decreased when the number of state buildings that need renewable energy projects is considerable. Eric Shrago responded that overall, the number of projects isn't decreasing, it is just adjusting the projects that are set to be complete this fiscal year due to the long project timeline. Just the capital deployment has decreased. The projects reduced from this fiscal year are expected to close in the future and have not been completely abandoned. Bryan Garcia commented that the team could bring more attention to projects outside of the NRES program, meaning it would be outside of the 100 MW capacity. The group discussed the issue further.
    - Lonnie Reed asked if the NRES increased competition is seen as a positive or negative impact. Bryan Garcia responded it is seen as a good thing from the policy perspective, but as it becomes more competitive, the partners that the Green Bank is

trying to assist could fall out and lose. So the team is trying to find other ways for those partners to remain competitive so that the State can save.

  - John Harrity asked what would happen if the NRES cap was removed. Bryan Garcia responded it depends on the types of incentives the non-NRES incentives are taking (i.e., tariff and/or netting), and it could either benefit ratepayers or be a detriment. He noted that PURA was requested to look into the NRES expansion by the leadership of the Energy & Technology Committee.

- Eric Shrago summarized the updates to the Revenues, which includes increases in income from the System Benefit Charge, from the GGRF grant, and inclusion of income from subsidiaries. Bryan Garcia expanded on the reasons for some of the changes.
- Eric Shrago summarized the updates to the Operating Expenses, which includes increases due to some items needing to be included as the subsidiaries are now wholly owned, for new positions, for research and development, and more. He continued with the Non-Operating Expense updates.
  - John Harrity asked if there were any other states with practices that could be looked at in relation to battery disposal, and Eric Shrago responded there aren't any other states nearby that are ahead of Connecticut.
  - Lonnie Reed asked if there was any viability with sending old equipment that is still potentially usable to other markets outside of the United States. Bryan Garcia responded that it is something that the advisory process that the Green Bank coordinated thought about, but didn't pursue. There would need to be an examination of the economic benefits of doing so vs. the costs going through a disposal process needs to be performed and analyzed.
- Eric Shrago summarized the Incentive Compensation proposal for part of the federal grant funds of $93 million. The group agreed that it seems like a good opportunity to incentivize and reward the talent that the Green Bank currently has beyond what they would normally receive especially as they are using the funds to grow the Green Bank's balance sheet and to move into more challenging parts of the Green Economy.

<u>Resolution #3</u>

WHEREAS, Section 5.2.2 of the Bylaws of the Connecticut Green Bank's requires the recommendation of the Budget, Operations, and Compensation Committee of the annual

budget to the Connecticut Green Bank Board of Directors;

NOW, therefore be it:

RESOLVED, that the Budget Operations, and Compensation Committee Green Bank Board hereby recommends approval to the Board of Directors the: (1) the revisedFY2025 Targets and Budget, and (2) the direction to staff to create an incentive compensation plan that incentivizes staff to optimize the deployment of the Greenhouse Gas Reduction Fund award for the National Clean Investment Fund consistent with the

aforementioned goals.

Upon a motion made by Brenda Watson and seconded by Lonnie Reed, the Budget, Operations, and Compensation Committee voted to approve Resolution 3. None opposed or abstained. Motion approved unanimously.

6. Adjourn

John Harrity adjourned the Budget, Operations, and Compensation Committee Meeting at 3:03 pm.