



**Joint Committee of the CT Energy Efficiency Fund  
and the Connecticut Green Bank**  
10 Franklin Square, New Britain, CT

**Wednesday, July 16, 2014**  
1:30-3:30 p.m.

**MINUTES<sup>1</sup>**

**In attendance:** Bryan Garcia, Jamie Howland (phone), Bill Dornbos, Brian Farnen, Kerry O'Neill, Norma Glover, Jessica Bailey (phone), Andy Brydges, Matt Gibbs, Pat McDonnell, Joe Swift, Bert Hunter (phone), Diane Duva, Eric Brown, Chris Kramer (phone), Ron Araujo, Jeff Schlegel (phone), Katie Dykes, Craig Diamond.

1. **Call to Order.** The meeting was called to order at 1:36 pm.
2. **Public Comments.** None.
3. **Approval of Meeting Minutes for April 23, 2014.** Ms. Glover move, Ms. Duva 2nd. Mr. Araujo and Mr. Howland requested minor changes which will be incorporated into the minutes. All voted in favor. Minutes approved with requested changes.
4. **Governance.** Mr. Farnen provided an overview of the draft joint committee bylaws and the legislation requiring them (Public Act 11-80). He explained that the joint committee would vote to approve the bylaws after its members were appointed. Mr. Howland said that the EEB would need to approve the draft bylaws as well. Mr. Howland also said that the committee needed to specify who could be a non-voting member. He said that from the EEB, all non-voting committee members would be non-voting EEB members (i.e., the utilities). Mr. Farnen said that for the Connecticut Green Bank (CGB), non-voting members could be staff or somebody else. In regard to the non-voting EEB members, Mr. Araujo suggested one representative of a gas utility and one representative of an electric utility. Mr. Garcia agreed with that suggestion. He said that Catherine Smith would appoint the voting members for CGB. Mr. Garcia said the goal of the committee should be to have all of the appointments complete by the Oct. 22 meeting so that the committee can approve the bylaws at that meeting.
5. **Financing**
  - a. **EEB Memo Follow-Up – Proposed Connecticut Green Bank Next Steps.** Mr. Kramer provided an overview of the memo that EEB submitted to CGB in

---

<sup>1</sup> Materials for this meeting can be found at Box.net: <https://app.box.com/s/a5i2l1kg5kpwfexbd5jz> and at [CGB website link].

February of 2014. He also provided an overview of CGB's response to the EEB memo.

- *Beyond SBEA and C-PACE – C&I Financing Market Gaps.* Mr. Garcia discussed CGB's response to EEB's request related to small business and C-PACE. Mr. Garcia said he agreed with the EEB's request, and suggested that a market assessment be conducted soon (for example, by Sept. 30). He said that the Evaluation Committee study in progress on small business barriers to financing could be one basis for that. Mr. Garcia also suggested that product development proceed after the market assessment, with a possible completion date by around March 31, 2015. Mr. Kramer suggested a process to that would involve CGB staff, EEB members, consultants, and the Companies. He said the end point is a financing product, not a new program. Mr. Garcia suggested a team for this effort: Les Tumidaj, Chris Kramer, Jessica Bailey, Bert Hunter, Matt Gibbs, Tim Simmonds, Roy Haller, and Pat McDonnell. Ms. Bailey said that they might have one potential model to look at. She also said that she would like to apply the Evaluation Committee small business barriers study on project-to-project basis. Mr. Garcia suggested that Ms. Bailey be the point person to coordinate the group. Ms. Bailey said she could build on the existing group with CGB and Companies.
- *SBEA Lower Cost of Capital.* Mr. Kramer provided an overview of this issue. Mr. Gibbs noted that CL&P is confidentially negotiating with a financial partner. He said that the negotiations will likely be completed soon, and at that time CL&P will announce the new interest rate on the small business loan program. Mr. Garcia proposed that CGB and the EEB consultants work with UIL to lower cost of capital for UIL's SBEA financing program. Mr. Garcia said that CGB might be able to access the Green Loan Guarantee Fund, which would be a \$20 million bond issuance (\$5M per year); he said this would be difficult to do. Mr. Garcia said he would send out information on the Green Guarantee Loan Fund.

b. Updates

- *Maximize C-PACE and Optimize CEEF Incentives.* Mr. Kramer provided an overview of this topic. Mr. Howland said that one idea is to analyze the Savings to Investment Ratio (SIR) of projects both with and without incentives. Ms. Bailey said she believes that number of projects will go down without the incentive. Mr. Howland agreed, but he said it still would be helpful just do the analysis. Ms. Glover said that we need use best practices to assure funds are being optimally spent. Mr. Brydges suggested that might need to think about how we provide incentives for large projects due to resource constraints (as with energy savings performance contracting projects). Mr. Hunter asked why we are discussing potentially reducing incentives for CPACE, as it is clear that we need the current incentive levels to help projects move forward. Mr. Garcia said that CPACE could be a good case study and learning tool regarding how you can optimize the balance of private sector capital and rate-payer funds.
- *Energize CT Single Family Products.* Mr. Schlegel said that at a later time, the joint committee should discuss how to move forward with a joint

evaluation of single family financing programs. There was no further discussion on this topic.

- *Energize CT Multifamily Products* - there was no discussion on this topic.

6. **Measuring Success of Incentive and Financing Programs.** Mr. Gibbs provided an overview of the how the EEB measures success of incentives and financing programs. Mr. Gibbs provided some background on how cost-effectiveness is calculated, and on different types of cost-effectiveness (e.g., utility cost test (UTC) and total resource cost test (TRC)). Mr. Garcia asked if the utilities had tried to calculate job creation benefits. Mr. Gibbs said that the utilities had not done that to date. Mr. Gibbs then discussed how the EEB does planning and reporting related to cost-effectiveness, along with the importance of market transformation. Mr. Garcia then provided an overview of how CGB measures the success of its program. He discussed CGB's "objective function" which he said is defined as "maximizing the amount of clean energy generated (or energy saved) per dollar of Green Bank capital at risk" (not "ratepayer funds at risk" as shown on the slide). Ms. Duva said CGB might consider looking at infrastructure benefits (e.g., distributed generation). Mr. Garcia mentioned that the objective function is not the only metric CGB uses, but it is an important one. He said that he would send out the objective function protocol to the committee. Mr. Garcia said that CGB was working on improving the objective function to incorporate more variables. Mr. Brydges said that CGB was developing an overall model for success metrics. Mr. Brydges presented the Financing Program Logic Model, which was adopted from a model in California. Mr. Brydges said that they would like to adjust this model to make it more specific to CGB. Mr. Garcia suggested that there could be an additional meeting to discuss this in the future.

7. Other Business - none

8. Adjourn: 3:40 pm

The agenda noted the following:

The next Regular Meeting will be Wednesday, October 22, 2014 from 1:30-3:30 p.m. The location will be the Commissioners Conference Room, Department of Energy and Environmental Protection, 10 Franklin Square, New Britain, CT.