MINUTES

In Attendance

Voting Members: Eric Brown, Amanda Fargo-Johnson (by phone), Diane Duva, and John Harrity

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

Others: Tracy Babbidge, Andy Brydges, Chris Plecs, Mackey Dykes, Anthony Clark, Donna Wells, George Lawrence (by phone), Chris Kramer (by phone), Brian Farnen (by phone), Kerry O’Neill (by phone), Chris McGallis (by phone), Mary Sotos (by phone), and Marissa Westbrook (by phone)

1. Call to Order

   Eric Brown called the meeting to order at 1:42 p.m.

2. Public Comments

   There were no public comments.

3. Review and approval of Meeting Minutes for January 18, 2017 and April 19, 2017 meeting

   Upon a motion made by, John Harrity, and seconded by Diane Duva, the Meeting Minutes for January 18, 2017 and, April 18, 2017 passed unanimously.

4. Sector Working Group Reports

   a. Deep Dive: C&I – Government

   Diane Duva presented [with slides] an overview on the Government sector. She stated that for small projects they are relying on SBEA for financing municipal
and small state projects, though rationing is occurring in these sectors due to
constrained capital. She stated that financing need to be developed for projects
that are too large for the SBEA program.

Diane Duva provided an overview of the government sector. She stated that the
key focus was on identifying and implementing financing mechanisms for the
state. She stated that there is some activity federally, and that they do
participate in efficiency upgrades.

Diane Duva discussed the key changes on the municipal side. She stated that
there is activity in terms of efficiency, renewables, and financing. She stated that
the Clean Energy Communities web page has been updated, and that there is an
Excel chart for towns to download with their energy data. She stated that the
utility data will be flowing electronically directly to the US EPA Portfolio Manager
data platform. She stated that each locality can see this data and can request
that the data flow directly to Portfolio Manager.

She stated that the financing challenges of state buildings needs to be seen from
a market assessment point of view.

She presented the data on total energy consumption for all state buidlings, about
half of which is UConn, the state universities, and the community. She stated
that this coming fiscal year the state will be saving over $1 million, by changing to
a competitively procured electricity supplier. She stated that putting a target on
how much they will save means that you need to have complete consumption
data. She stated that they are putting an energy data platform in place. She
stated that they are working on an agency by agency portfolio, how much is
spent per commodity. She stated that they will be able to look on a building by
building basis as well. She stated that this will enable this sub sector to plan for
reducing energy. John Harrity questioned if it would be individual building or site.
Diane Duva explained that it would be for both, but that they must have individual
meters to identify the energy use for individual buildings.

With the small projects in place there is a savings of over $1 million. She stated
that the larger projects will be paid for by future savings. Andy Brydges stated
that the Master Agreement doesn’t limit the size of the building, just the size of
the energy usage. He stated that they can do small projects at big facilities that
are under the energy usage cap.

Diane Duva stated that there is $3 million in savings being realized annually on
mid-sized projects. She stated that half of the projects are completed.

She stated that CT Valley Hospital is an example of a large-scale comprehensive
project that will save a lot of money. There will be $31 million in energy and
maintenance savings over 15 – 20 years.

She stated that the next step will be the financing. She stated that they need
capital into the small business program for smaller projects and that medium
size projects need to find a financing mechanism. She stated that the Green
Bank is working on financing for large scale. They are developing a Green
Capital Lease. Mackey Dykes stated that it could have applicability for other projects. He stated that they have some ideas around utilizing the state’s Clean Water funds. Diane Duva noted those funds are fully expended and there is a queue of projects planned for that funding.

for executive branch state facilities, though need funding or competitively procured contracts in place to proceed. She stated that the plan is to get appropriate financing in place. She stated that they will start to conduct a feasibility analysis. Mackey Dykes stated that they have already closed on a couple of projects with the Connecticut State Colleges and Universities (CSCU). He stated that they already have the funding for PPAs and the contractor network. Amanda Fargo-Johnson questioned if it is PPA or Virtual Net Metering. Diane Duva stated that they have a few facilities that might use Virtual Net Metering and PPAs can be used if contracts are approved and a procurement is in place. Mackey Dykes stated that they haven’t gotten to the list to figure out all of the criteria for site selection as of yet.

George Lawrence questioned if there is going to be a dashboard online for state buildings energy data. Diane Duva stated that there will be an online platform available, and that they will be able to do this on a building and agency basis. George questioned if that will be available to the public. Diane stated that it will be available to agency facility managers to manage the data, and there will also be a public view to view the data.

b. Brief Report: C&I – Small and Medium/Large Business

Donna Wells provided the Small Business review. She stated that they have been focused on bringing private capital into the SBEA program. She stated that they continue to look at how to better collaborate, and look at joint projects using CPACE. She stated that they are attempting to identify low cost capital.

Donna Wells provided an overview on Large Business. She stated that they are working together well, in terms of targeting certain segments. She stated that they are very involved in nursing homes. She stated that they had an event recently for nursing homes. She stated that it was well received, and that they will continue to work on that, bringing customers, the Green Bank, and the utilities together.

Mackey Dykes stated that they have done a ton of work together. He stated that they are looking to communicate and track everything together. He stated that they are also working on a partnership of reaching out through towns to businesses, and making sure that the right people are talking.

Pat McDonnell stated that he would like to have a prompt for the Wise Use call center operators. Donna Wells stated that there are people there committed to answering those phones. She stated that they can provide them with scripts.

Donna Wells discussed doing marketing to towns. She stated that they already have a process set up to track marketing leads.
Anthony Clark discussed the meeting after the solar event that was held for nursing homes. He stated that they spoke about doing a lunch with the staffers, regarding Wise Use. He stated that they developed an FAQ for the event. He stated that it provided a lot of information on how to go solar in CT. He stated that the information is not on Energize CT, and that they filled a gap where information was not available. Kerry O’Neill stated that most of the solar information is geared towards the residential market on Energize CT.

Diane Duva stated that they need to look at the website to make sure that the CT Green Bank website information is linked to the EnergizeCT website. She stated that this should be a follow up for the next meeting to make sure that the site is updated.

Eric Brown questioned if those are conversations that are done through the Marketing Committee. Ron Araujo stated that they do a lot of working together on redoing the multi-family page, to have consistent terminology. He stated that they will be using that for all materials going forward. Diane Duva provided an example of the combined information for multi-family efficiency. She stated that it’s a step-by-step guide for assistance. She stated that for the financing product, and Catalyst financing document, as well as, the Housing Authority financings, that you are not able to get to these from the Green Bank webpage. She stated that they need to double check on that being updated. Kerry O’Neill stated that they are in queue to update the website. Diane Duva stated that they need to follow up for the next meeting to make sure that the websites have been updated and that they have connected with the WISE USE Call Center.

Donna Wells stated that they have started the process to get the material in one place. She stated that there has not been a good place to put the materials. Mackey Dykes stated that data sharing with the utilities is in the works. He stated that they will figure out ways to go after those segments. He stated that CPACE has been the solution for everything that is larger than the SBEA. He stated that they are thinking about alternatives. Donna Wells stated that they need to see if there’s a better way to see who best fits the CPACE Model. Eric Brown questioned if that was something that was listed for quarter three. He also questioned if they knew how they were going to achieve that. Mackey Dykes stated that they are going to share things right away. Donna Wells stated that depending on how well it all matches up, it may be an easy task or a difficult one, but that they plan to overlay the data.

c. Brief Report: Residential – Single Family and Multi-Family

Ron Araujo provided an update on residential. He stated that this is the most mature area that they’ve been working on. He stated that the action items were to integrate CHIF into the Smart E Lending Program. He stated that that has essentially been accomplished. He stated that they are still waiting on some of the reporting. Kerry O’Neill stated that the data is looking great. She stated that they’ve seen an increase in volume.
Ron Araujo stated that they are tracking various aspects on loan activity vs goals. He stated that they are looking at add-on measures. He stated that this is a very mature topic, and this will be ongoing, but they are completing it. He stated that they will see what adjustments might need to be made in the loan products. He stated that they are making sure the offer for the Smart-E Bundle interest rate is reduced.

Ron Araujo stated that they had an action item to secure bonding proceeds for Smart-E. He stated that bonding ability is gone, so that is not going to happen. Kerry O’Neill stated that they do have $6 million in ARRA dollars available for interest rate buy downs for the Smart-E Program.

Ron Araujo stated that the utilities and the Green Bank are working jointly on a new zero energy retrofit pilot. He stated it’s an idea to switch homes from fossil fuel to heat pump technology. He stated that it’s not a mass market program. He stated that it’s going to be a particular niche.

Diane Duva questioned what the marketing is on the zero-energy heat pump. Kerry O’Neill stated that the zero energy retrofit is just a pilot and that it has not yet launched. She stated that the heat pump offer is a special offer that they went out with this past May, as a standalone offer. She stated that there is nothing different, just that the rate dropped when they dropped the bundle offer and the natural gas offer. She stated that their campaigns are generally more cooling oriented right now.

Ron Araujo discussed multifamily stating that it’s not as mature as single family. He stated that they developed a matrix on what they want to track to look at various metrics. He stated that that still needs to be reviewed, with most of the emphasis on alignment of terminology. He stated that they are now focusing on what they should be monitoring in the area. He stated that they did go through and create a matrix on financing options available. He stated that they need to fund and complete a market analysis of the multifamily sector. He stated that they hope to reconvene at the end of the summer to issue something out later this year. Marissa stated that the last few items are connected. She stated that they need to understand the metrics that they want to track, including their actual performance to understand the energy savings. She stated that this will help understand where there might be some gaps.

Kerry O’Neill stated that on the Green Bank side they have been very focused on the affordable multifamily market. She stated that they won’t have comp data on all of the market. Ron Araujo stated that without a market study they will need to focus on what may be good. He stated that this is why they need to put the matrix together to see if they are hitting the market or not.

Kerry O’Neill stated that DEEP has made available to the Green Bank $1.5 million of RGGI funds for a Revolving Loan Fund for health and safety measures. She stated that they are using the money in the Catalyst Fund Program. She stated that they are first using the funds in the multifamily segment because they will have to figure out how to deliver that in the single-family marketplace. She stated that they don’t do direct lending there currently. She stated that they have identified about ten multifamily properties that are candidates. Eric Brown
questioned if Asbestos was an example of this. Kerry O’Neill stated that yes, it is. Ron Araujo stated that the top three are, Asbestos, Mold, and pests. Eric Brown questioned if this is in place now. Kerry O’Neill stated that yes, it’s in place on the affordable multifamily side, and also if the property owner needs predevelopment support. She stated that they can help on the assessment side in conjunction with the utilities and on the financing side for health and safety as well. Pat McDonnell questioned if the RGGI money supplements the Catalyst Fund. Kerry stated yes, they have $1.5 million from DEEP and that it will revolve, in addition to $1.5 million from the Green Bank. John Harrity questioned if there are other states working on this and if they have looked at what others are doing. Kerry O’Neill stated that they have been looking at an organization, Green and Healthy Homes Initiative (GHHI), that has been working in many different places. She stated that in the last year they have begun working in NY. In NY, they’ve partnered with the Department of Health, Housing, and NYSERDA to design pilots, in an effort to get State Medicaid, hospital systems, or insurers to pay for required remediation. The Green Bank and the Department of Public Health has partnered with GHHI to bring the model to CT. Eric Brown suggested that they make an Agenda item for this discussion.

5. SBEA Financing – presentation and discussion

Anthony Clark discussed the SBEA recapitalization. He stated that key goals are lowering the overall unit cost of SBEA financing, moving SBEA loans off the utilities’ balance sheets, and reducing capital constraints in the program. He stated that Eversource used CEEF and Eversource money to fund those loans. He stated that for Eversource it is also a priority to move away from serving as a financial institution.

Chris Plecs stated that they are looking to engage with a financial institution to take away from Eversource some of the bank-like functions. He stated that they are not set up to take care of the loans. He stated that they want to hire a financial institution so that they can focus on running the programs. Anthony Clark stated that they are determining which of the goals they can meet in the initial recapitalization of the SBEA program. He stated that they have focused on swapping the capital while keeping other aspects of the program largely unchanged. Chris stated that this has to be a good deal for the customer. We want to make sure whatever is done is best for the customer.

Anthony Clark stated that the key benefits are eliminating the capital constraints, and removing the loans from the utilities’ balance sheets. He stated that one of the ways that this facility is different than the utilities granting the loan, is that in the new facility, JP Morgan has asked that the entire interest expense be prefunded when the loan is given to the customer. He stated that this isolates the major interest buy-down cost to the year that the loan is granted. He stated that the cash flow impact of pre-funding the interest expense or paying annually actually levels off to be similar a couple of years out given the way that SBEA works. Diane Duva questioned if they can build it into the Green Bank’s budget in the future. Anthony stated that the Green Bank would not absorb that cost without receiving funding for that purpose. Mackey Dykes stated that the Green Bank’s balance sheet is built on financing. Diane Duva questioned if JP Morgan would take on that aspect. Mackey Dykes stated no, they will not buy down their own interest rate.
Anthony Clark stated that JP Morgan asked for a 10% loan loss reserve. He stated that the last time the Committee met, the proposal was for the CEEF to fund that loan loss reserve. Now the Green Bank will put in $3 million of its money in place of the loan loss reserve. This way we mitigate the risk that JP Morgan has asked for. Diane Duva questioned if the $3 million is rate payer money the Green Bank uses for its operations. Anthony stated that no, it's the Green Bank's mix. Diane questioned the source of the money being used, whether it is from the 1 mil charge, RGGI, or another source. Anthony stated that the details of the updated proposal are to have $3 million of subordinated capital from the Green Bank in the SBEA facility with the Green Bank putting in its $3 million first.

Anthony stated the next steps for this proposal are to come up with realistic expectations of savings for different scenarios using the JP Morgan and Green Bank facility, utility capital and CEEF capital. We will then work with the utilities on a final proposal to present to the full Board. Eric Brown questioned what the timeline would be. Anthony stated that they should have the first pass to share with the utilities completed this week.

Eric Brown stated that he doesn't feel that this Committee plays a formal role in this. He stated that the most important thing is for them to make sure that there is communication and collaboration amongst those involved.

Eric Brown questioned if there was a timeframe with respect to JP Morgan's participation. Mackey Dykes stated that they have already gone through several extensions. Bryan Garcia stated that the Green Bank's Budget and Operations Committee allocated funding to this. He stated that that side is ready to go, other than going to the Board for approval.

6. Issues for Resolution

Diane Duva identified a topic that had been identified as needing coordination or issue resolution. She discussed Commercial and Industrial (C and I) and the offerings to municipalities. Donna Wells stated that it is a collaboration in progress. She stated that the biggest concerns were how to treat all of the vendors equitably. Mackey Dykes stated that they are trying two different approaches. He stated that the utilities are going to send out a certain message to C and I customers in West Hartford, and that the Green Bank is going to send out a different message and they will see who gets the best approach. He stated that they will share the results to see if there are in fact different responses. He stated that they are still working on figuring out the details of that. Andy Brydges stated that the Green Bank will most likely target CPACE customers. Tracy Babbidge stated that the existing channel identifies CPACE customers. Andy Brydges stated that they can use that information.

Diane Duva questioned if they are using rate payer monies for the Green Bank portion of this marketing idea. Mackey Dykes stated that yes, it is Green Bank rate payer money, marketing money, from the Green Bank budget, as well as, CEEF program marketing.

Diane Duva questioned what vendors they are using. Donna Wells stated that they are using their own vendors, and that the Green Bank put out an RFP. Diane questioned if the RFP went out to the C and I contractors list. Brian Farnen stated that they don't have a set list of whom they notify of an RFP because the targeted audiences can vary greatly. He stated that the Green Bank teams typically get it out to a large audience and
our Operating Procedures require at least three bids whenever possible if the service agreement is over one hundred and fifty thousand dollars.

Ron Araujo stated that the Residential Committee Meeting is a public meeting and that there is usually a section of input that they go over what RFPs are coming up. He stated that any contractor or vendor can listen in on that meeting. Diane Duva stated that this is a good approach.

Eric Brown questioned since this is a pilot, how are they going to constrain it. Mackey Dykes stated that it’s just in one town. Donna Wells stated that due to customer information issues they are going to look at the customers in their database, and maintain control of their customer information. She stated that that’s part of the reason that they came up with this dual marketing plan. Eric questioned how long the pilot will be. Mackey stated that they do not have a definitive answer on that as of yet.

7. Planning for Next Meeting (10 min) a. Goals and preparation for October 18 quarterly meeting with EEB and CGB Board Chairs and Vice-Chairs

Eric Brown stated that he feels it is time to reconvene a meeting with the chairs of the EEB and the CGB board to get some guidance on the major goals, and to share what they are working on and what has been achieved. He stated that October 18, 2017 seems to be a date that works for all of the Board Chairs and Vice Chairs. He stated that he feels it shouldn’t be a lot of long formal presentations, just a brief report. Bryan Garcia stated that they can provide them with the most current background.

8. Other Business

Bryan Garcia discussed the retirement of Norma Glover, stating that they are working on a replacement for her.

Eric Brown discussed a project with Pratt and Whitney stating that he is looking for someone doing work in Water Sustainability, stating that he would like to be able to highlight someone.

Eric Brown commended the Committee on their level of communication and collaboration.

9. Adjourn

Upon a motion made by John Harrity, and seconded by Diane Duva, the meeting was adjourned at 3:48 p.m.

Respectfully Submitted,

Eric Brown, Chairperson