



Connecticut Green Bank

Unlocking Capital for Climate Solutions

Environmental and Energy Study Institute

June 8, 2021

Connecticut Green Bank



About Us

- **Quasi-public organization** – broad enabling statute and powers set forth in Conn. General Statute 16-245n
- **Focus** – Finance clean energy (e.g., renewable energy, energy efficiency, and alternative fuel vehicles and infrastructure) by leveraging public capital with multiples of private capital
- **Support** – from a variety of sources, including:
 - **State Support** – \$0.001/kWh surcharge (i.e., Clean Energy Fund) on electric ratepayer bills (about \$7-\$10 per household per year \approx \$25 MM per year) and RGGI allowance proceeds about \$3-5 MM per year (renewable energy)
 - **Federal Support** – competitive solicitations (e.g., SunShot, SEEDS), non-competitive resources (e.g., ARRA-SEP, etc.), and maybe Accelerator
 - **Other Support** – issue “green bonds,” interest income, and foundations (e.g., PRI’s)

Connecticut Green Bank

Mission Statement and Goals

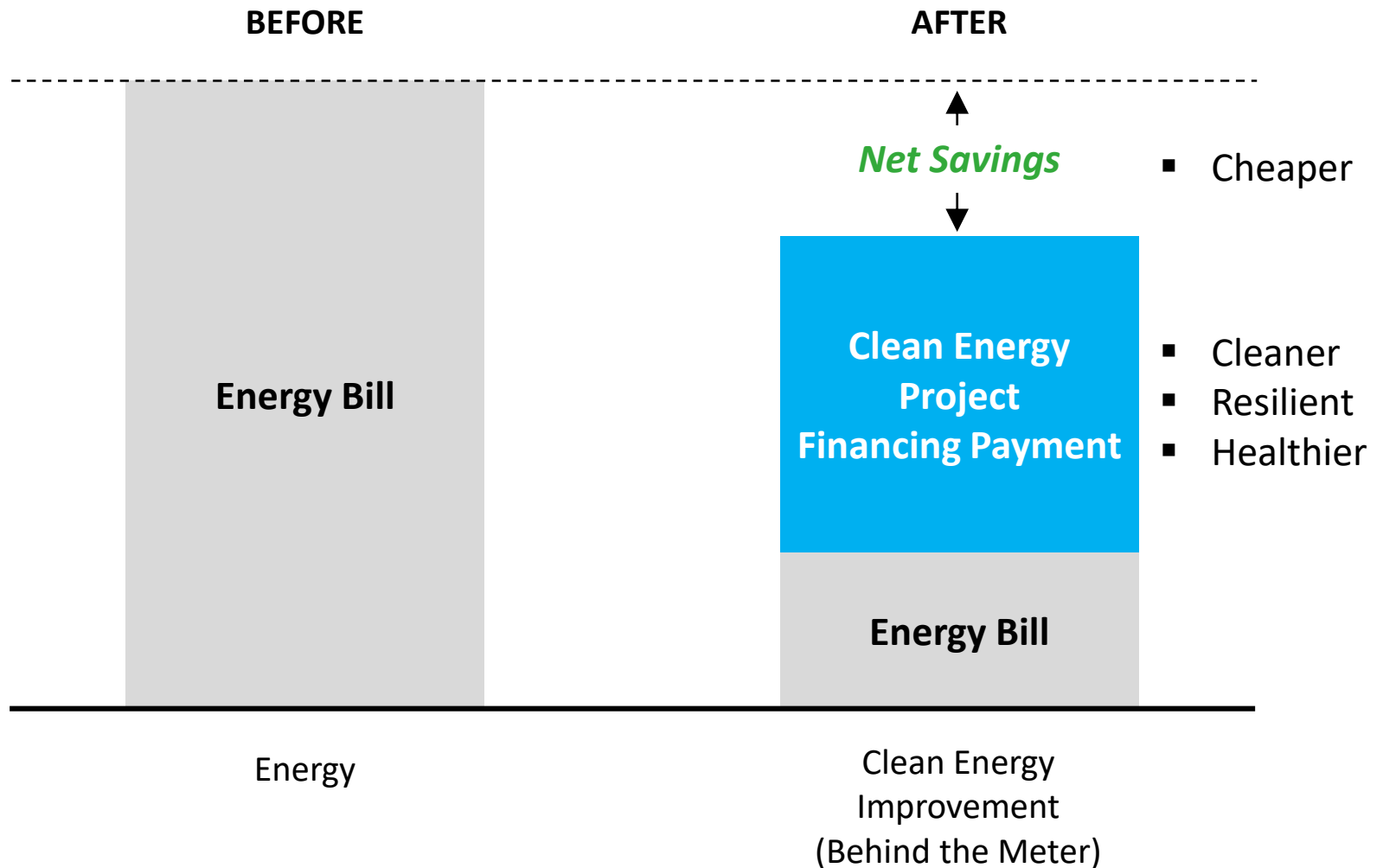


Confront climate change and provide all of society a healthier and more prosperous future by increasing and accelerating the flow of private capital into markets that energize the green economy.

1. Leverage limited public resources to scale-up and **mobilize private capital investment** in the green economy of Connecticut.
2. Strengthen Connecticut's communities, **especially vulnerable communities**, by making the benefits of the green economy inclusive and accessible to all individuals, families, and businesses.
3. Pursue investment strategies that **advance market transformation in green investing** while supporting the organization's pursuit of financial sustainability.

Green Bank Model

Reduce Costs – Increase Customer Demand

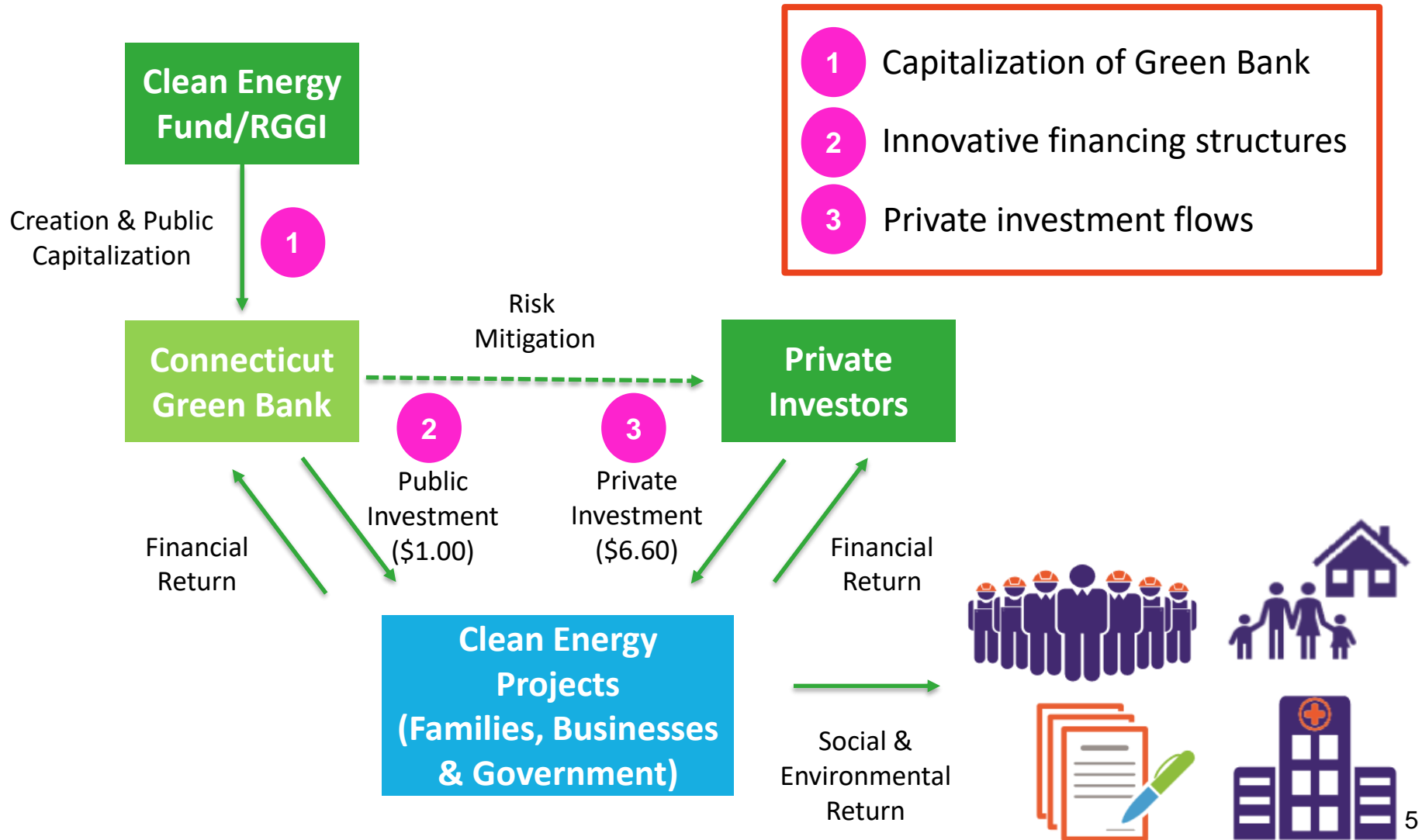


REFERENCE

Definition provided by the Coalition for Green Capital and adapted by the Connecticut Green Bank

Green Bank Model

Reduce Risk – Increase Supply of Private Capital

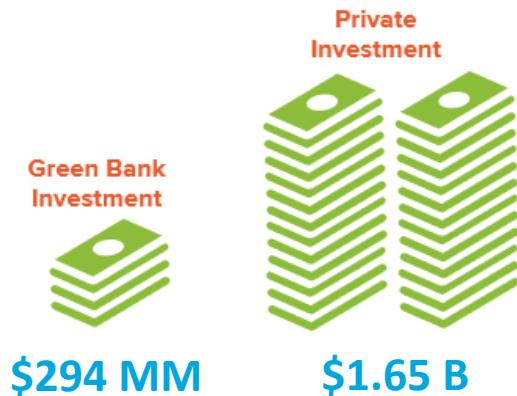


Connecticut Green Bank



Impact Investment – Social and Environmental

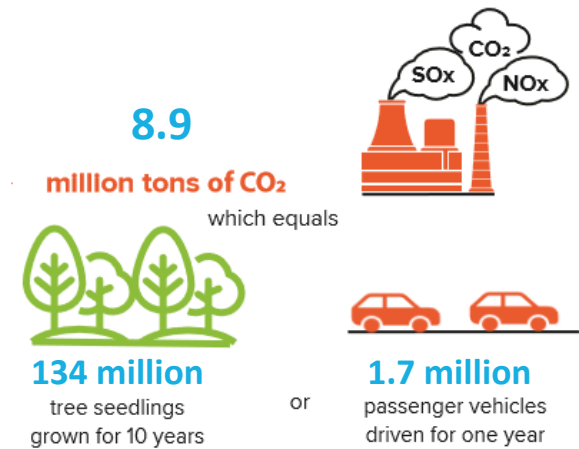
INVESTMENT



ECONOMIC DEVELOPMENT



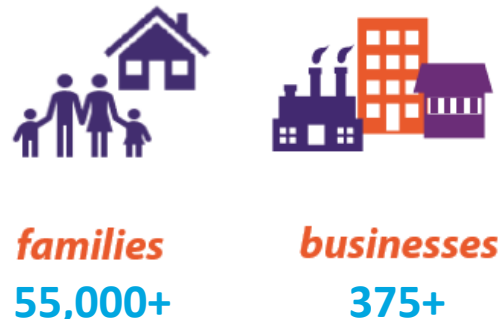
ENVIRONMENTAL PROTECTION



TAX REVENUES



ENERGY BURDEN REDUCED



PUBLIC HEALTH SAVINGS



REFERENCES

Comprehensive Annual Financial Report for FY2020 (p. 110)

Public-Private Partnerships



>\$800 Million¹ in Private Capital Raised (5 Years)

\$80 MM
CLOSED
15:1



Grid-Tied

\$60 MM
CLOSED
4:1



Residential Solar & Energy Efficiency

\$105 MM
CLOSED
7.5:1



Residential Solar Commercial Solar

\$30 MM
CLOSED
4:1



C-PACE

\$60 MM
OPEN
17:1²



Residential Energy

\$100 MM
OPEN
5:1



Residential Solar

\$50-100 MM
CLOSED
9:1



C-PACE

\$60+ MM
CLOSED
6:1³



Commercial Solar

\$77 MM
PROJECT FINANCE
8:1



\$40 MM
CLOSED
100%



CT Green Bank REC Securitization

\$67 MM
Open
10:1



Small Business Energy Advantage

\$17 MM
CLOSED



CT Green Bank Green Liberty Bonds

REFERENCES

- Several transactions such as small hydro, wind, microgrid, CHP and anaerobic digestors not represented on slide
- LLR of \$3.3 MM yields high leverage – and it is 2nd loss and thus with no to low defaults (i.e., 10 loans out of 3,447 have defaulted as of 12/31/18 with \$22K in LLR). IRB's using ARRA-SEP not considered in the leverage ratio.

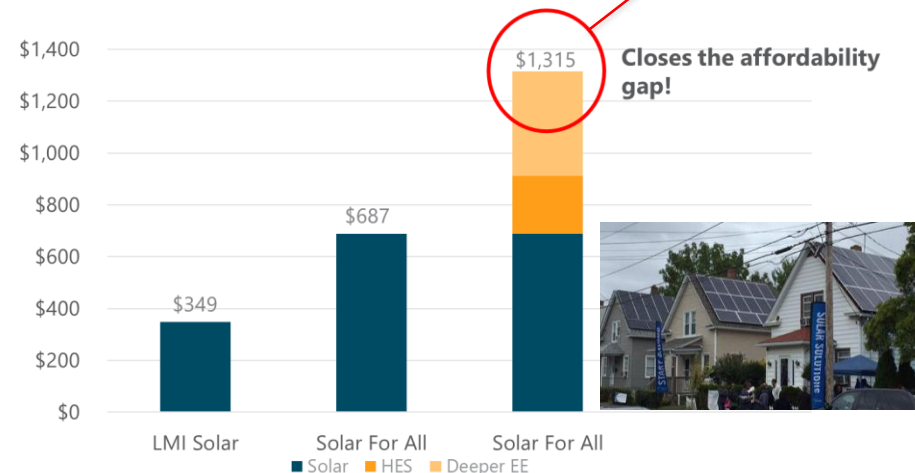
Energy Infrastructure

Residential Solar PV and Energy Efficiency Lease

| | |
|------------------------|---|
| Market Segment | Residential Single Family LMI (Co-Investment) |
| Product Summary | Solar lease + energy efficiency package (fixed 20 years) to reduce energy burden with alternative underwrite/no credit score using community based marketing approach |
| Support Needed | <ul style="list-style-type: none"> ▪ Good solar economics including tiered LMI incentive ▪ Municipal, community and nonprofit introductions ▪ Subordinated debt capital – if available, but not required |
| CT Results | 3,328 leases for \$91.8 MM investment, 21.9 MW, 99.9% get EE (HES), 63% ESA, and reached 75% LMI |



| Income Band (% State Median Income) | # Households | Energy Spending | Burden | Household Income | Affordability Gap per Household |
|-------------------------------------|--------------|-----------------|--------|------------------|---------------------------------|
| 0-30 | 201,146 | \$2,119 | 19% | \$11,152 | \$1,450 |
| >30-60 | 238,018 | \$2,550 | 8% | \$31,875 | \$638 |
| >60-80 | 93,792 | \$2,753 | 6% | \$45,883 | No gap |
| >80-100 | 149,272 | \$2,933 | 4% | \$73,325 | No gap |



REFERENCES

Waste Infrastructure

Food Waste to Energy AD Project

| | |
|------------------------|---|
| Market Segment | Project Finance (Co-Investment) |
| Project Summary | Provided long-term subordinated debt (i.e., 15 years) at low interest rate (i.e., 2%) for 20% of the capital structure to finance the 1 st AD project of its kind in CT |
| Support Needed | <ul style="list-style-type: none"> ▪ Links to food waste collection policy (PA 11-127) ▪ Attracted local lender as a senior debt provider (i.e., Peoples Bank) along with equity and tax equity |
| CT Results | \$10 MM project, 1 MW, diverts organic materials from waste stream while producing renewable energy |



Water Infrastructure

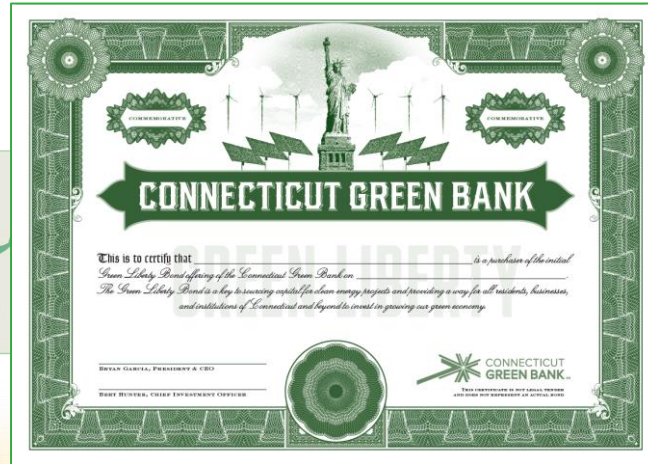
New England Hydropower

| | |
|------------------------|--|
| Market Segment | Virtual Net Metering – Municipality (Investment) |
| Project Summary | Long-term PPA (i.e., 30+ years) for behind the meter (VNM) for this run-of-the-river hydro facility in Meriden – first of its kind in the U.S. |
| Support Needed | <ul style="list-style-type: none">▪ Project finance▪ Support for start-up developer using European technology▪ Working capital (Webster Bank), construction financing (Key Bank), and green bonds (BAML) |
| CT Results | \$3 MM investment using federal CREBs and 193 kW hydro project |



Green Liberty Bonds

Celebrating the 50th Anniversary of Earth Day



Connecticut Green Bank

Vision Statement



...a planet protected
by the love of humanity



REFERENCES

Vision Statement inspired by the Innovations in American Government Awards at the Ash Center of Harvard University's Kennedy School of Government, Mayor Muriel Bowser of Washington, DC, Maya Angelou's "On the Pulse of Morning," and the powerful words of Mary Evelyn Tucker on "inclusive capitalism".

Green Bonds US



Thank You

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