Overview of the Connecticut Green Bank

Testimony to the AK Senate Finance Committee (Senate Bill 123)

Bert Hunter
Chief Investment Officer
Connecticut Green Bank

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Connecticut Green Bank

About Us

- **Quasi-public organization** – Created in 2011 and successor to the Connecticut Clean Energy Fund.
- **Focus** – Finance clean energy (i.e. renewable energy, energy efficiency, energy storage, alternative fuel vehicles and infrastructure, etc.).
- **Balance Sheet** – Approx $77m net position & $213m assets FY20
- **Revenue & Funding** – from a variety of sources, including:
  - **State Support** – $0.001/kWh surcharge on electric ratepayer bills (about $7-$10 per household per year ≈ **$24-26**M per year) and Regional Greenhouse Gas Initiative about **$3-5M** per year (for renewable energy)
  - **Federal Support** – competitive solicitations (e.g., SunShot, USDA, etc.) and non-competitive resources (e.g., ARRA-SEP)
  - **Portfolio Cash Flow** – Approx **$8M** / year
  - **Bonds & Borrowing** – issue "green liberty bonds," bank loan facilities, tax equity investors, and foundations (e.g., PRI's)

Connecticut Green Bank

Board of Directors

Chair
Lonnie Reed
Former State Rep.

Secretary
Matthew Ranelli
Shipman & Goodwin

Vice Chair
Michael Li
DEEP

Member
Shawn Wooden
Treasurer
State of Connecticut

Member
Binu Chandy
DECD

Member
Brenda Watson
Operation Fuel

Member
John Harrity
Connecticut Roundtable on Climate and Jobs

Member
Eric Brown
CBIA

Member
Kevin Walsh
Stonepeak Infrastructure Partners

Member
Thomas Flynn
Coral Drive Partners

Member
Adrienne Farrar Houël
Greater Bridgeport Community Enterprises

Committees

Deployment
Michael Li
DEEP

BO&C
John Harrity
Connecticut Roundtable on Climate and Jobs

AC&G
Matthew Ranelli
Shipman & Goodwin

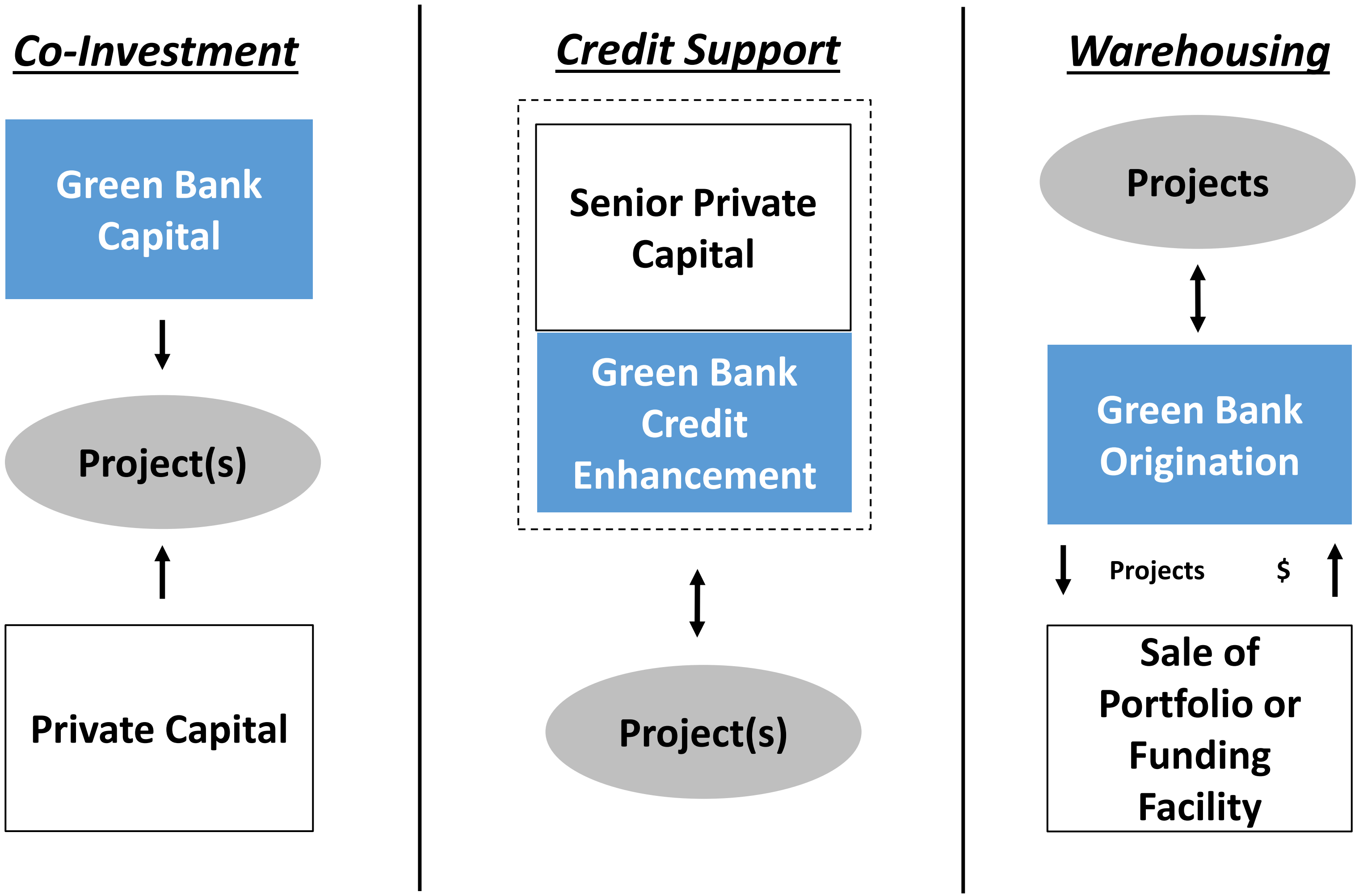
Joint CEEF-CGB
Eric Brown
CBIA

Connecticut Green Bank
Our focus…

CONNECTICUT GREEN BANK

- **create affordable long-term, sustainable financing**
- **energy efficiency and clean energy (solar, hydro, wind)**
- **support residential, commercial, industrial + government (Muni / State) sectors**
- **leverage private sector capital**

How Green Banks
Leverage Public Capital with More Private Capital
(methodologies…)



How Green Banks
Leverage Public Capital with More Private Capital
(our current programs/products…)

CONNECTICUT GREEN BANK

Co-Investment

PosiGen Solar Solutions

Small Business Energy Advantage

Credit Support

smart-e loan
energize CT
energize CONNECTICUT

Warehousing

cpace
Putting building owners in control with green energy

Statewide EE Programs *working with our energy utilities…*

energize CONNECTICUT CT™

Empowering you to make smart energy choices

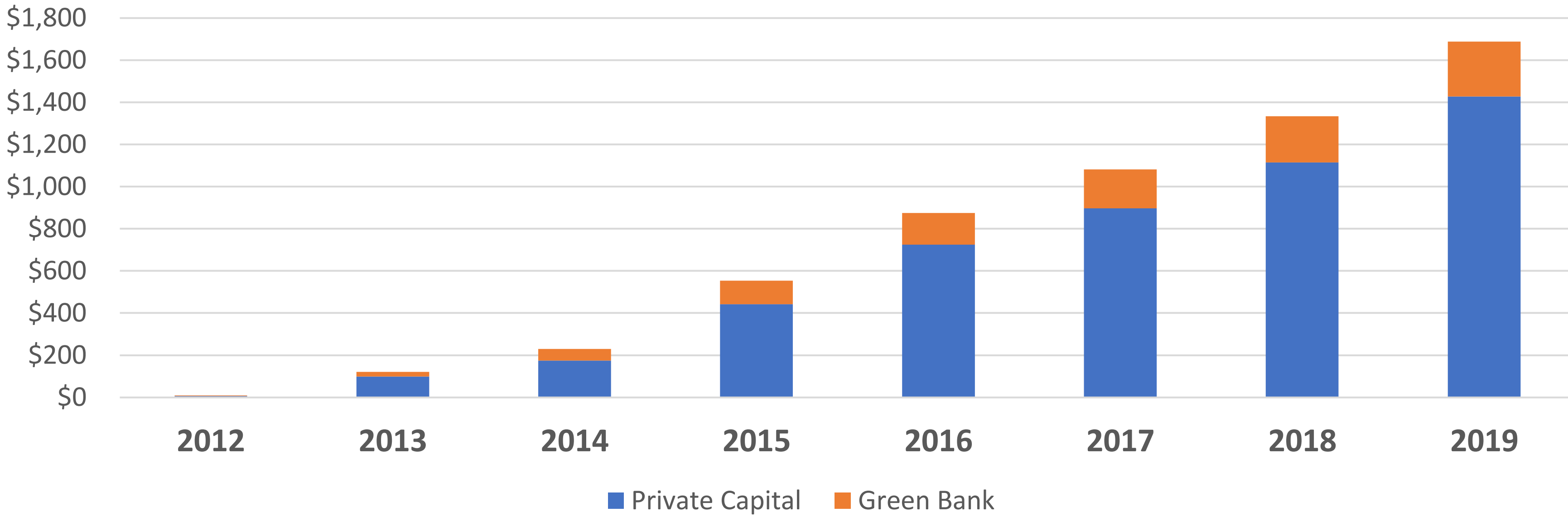
In-Home Services

Municipal Utility Customers

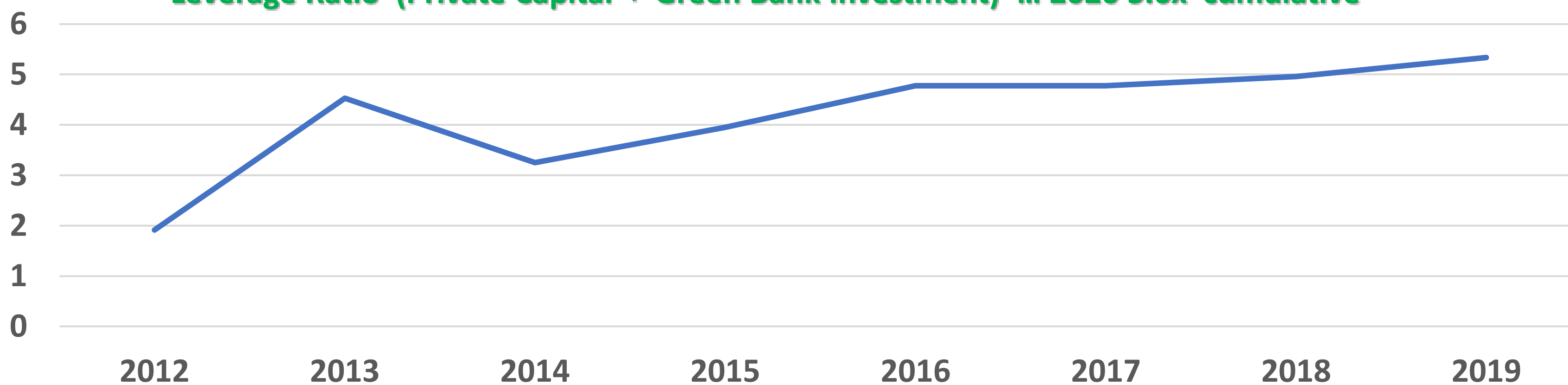
Home Energy Solutions-Core Services

Small Businesses

Green Bank Clean Energy Aggregate Investment by Source - Public and Private (cum millions … 2020 = $1.95Bn)



Leverage Ratio (Private Capital ÷ Green Bank Investment) … 2020 5.6x cumulative



Connecticut Green Bank

Impact Investment – Social and Environmental

INVESTMENT

Green Bank Investment

$294 MM

Private Investment

$1.65 B

ECONOMIC DEVELOPMENT

23,387 direct, indirect, and induced job-years

ENVIRONMENTAL PROTECTION

SO_x CO_2 NO_x

8.9 million tons of CO_2

which equals

134 million tree seedlings grown for 10 years

or

1.7 million passenger vehicles driven for one year

TAX REVENUES

$47.8 MM individual income tax

$24.7 MM corporate taxes

$24.2 MM sales taxes

ENERGY BURDEN REDUCED

families **55,000+**

businesses **375+**

PUBLIC HEALTH SAVINGS

$232 to $525 million of public health value created

Connecticut Green Bank

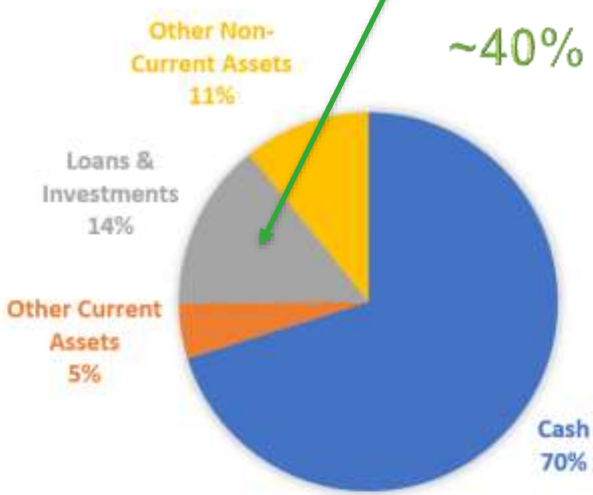
Balance Sheet Evolution

2012
$13,200,000

2020
$179,872,000

14x

~40% pa



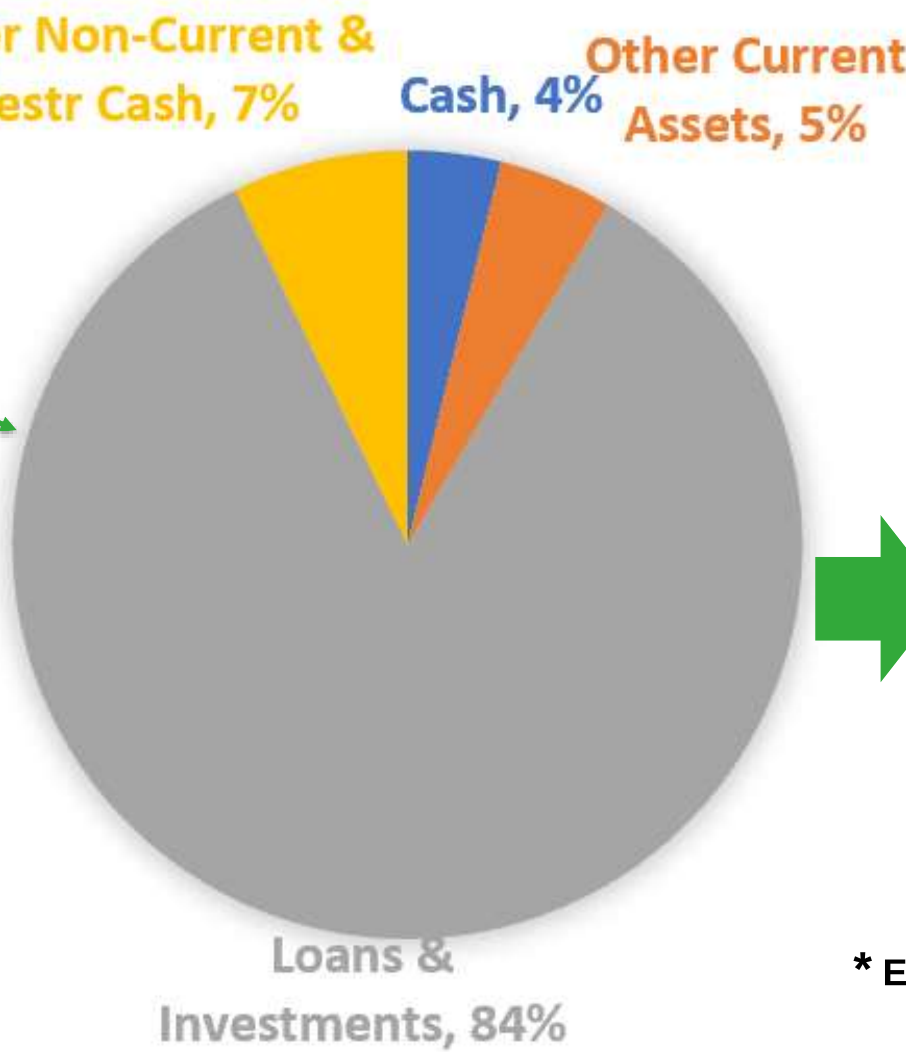
2012
$92,176,000

2020
$213,297,000

Connecticut Green Bank

Balance Sheet Evolution

2020
$179,872,000

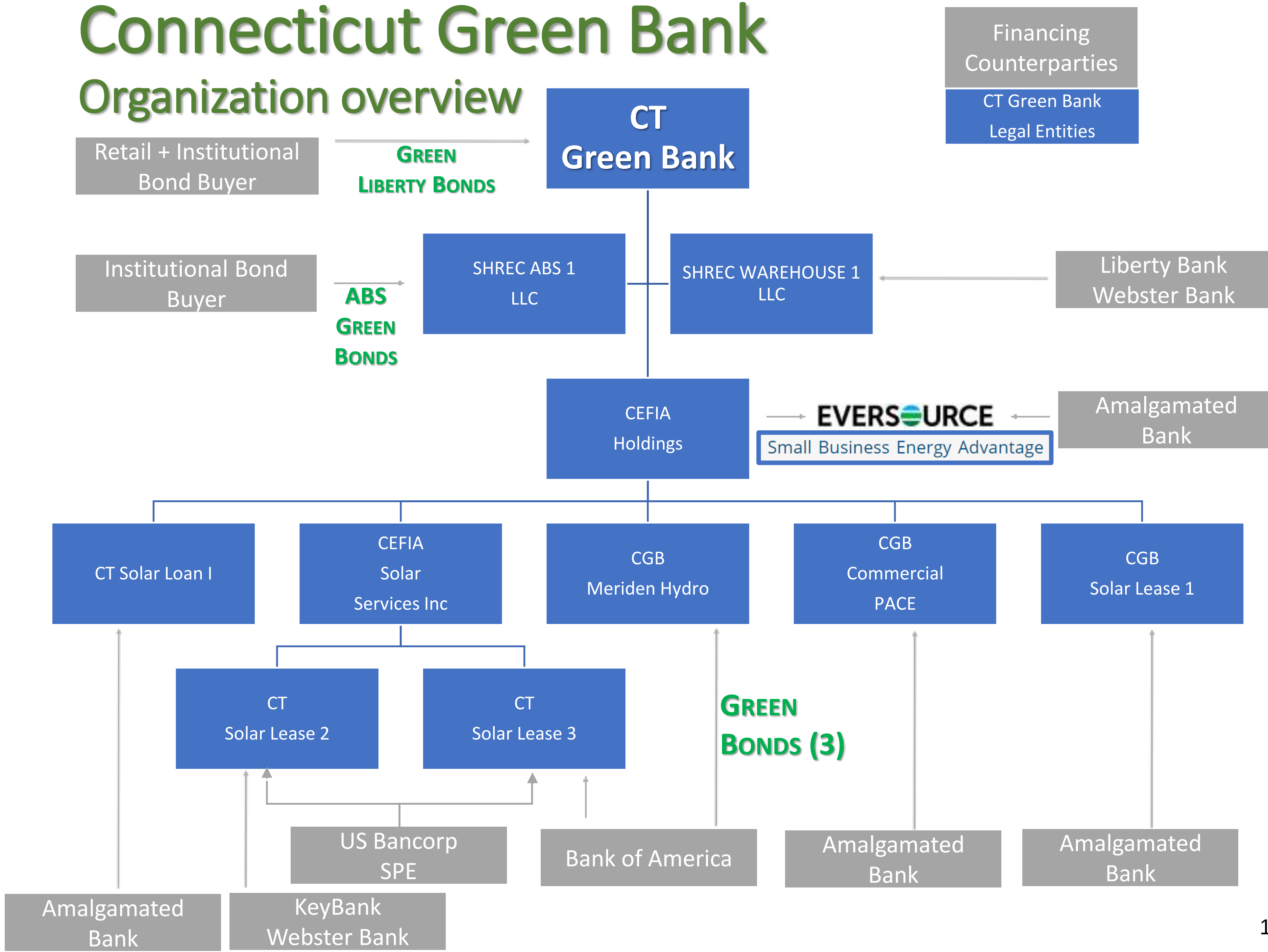


2020
$213,297,000

Portfolio Component	Percentage
C-PACE	30%
Commercial Solar & EE	35%
Residential Solar Funds*	27%
Grid Tied Projects	8%

*** Excludes $44mm of Residential EE & Solar financing (4,000 loans) outstanding via partner lenders (originally $70mm & 4,600 loans)**

Connecticut Green Bank
Organization overview



Public-Private Partnerships

>$800 Million[1] in Private Capital Raised (5 Years)

Amount	Status	Ratio	Partners	Program
$80 MM	CLOSED	15:1	fuelcellenergy, Dominion	Grid-Tied
$60 MM	CLOSED	4:1	PosiGen Solar Solutions, usbank, Enhanced Capital	Residential Solar & Energy Efficiency
$105 MM	CLOSED	7.5:1	usbank, KeyBank, Webster Bank	Residential Solar Commercial Solar
$30 MM	CLOSED	4:1	CLEANFUND Commercial PACE Capital	C-PACE
$60 MM	OPEN	17:1[2]	smart-e loan, energize CT	Residential Energy
$100 MM	OPEN	5:1	PosiGen Solar Solutions, ARES, Inclusive Prosperity Capital	Residential Solar
$50-100 MM	CLOSED	9:1	Hannon Armstrong	C-PACE
$60+ MM	CLOSED	6:1[3]	ONYX	Commercial Solar
$77 MM	PROJECT FINANCE	8:1	fuelcellenergy, Fifth Third Bank, Liberty Bank, amalgamated bank	
$40 MM	CLOSED	100%	RBC	CT Green Bank REC Securitization
$67 MM	Open	10:1	Eversource, amalgamated bank	Small Business Energy Advantage
$17 MM	CLOSED		Ramirez, Stifel	CT Green Bank Green Liberty Bonds

REFERENCES

1. Several transactions such as small hydro, wind, microgrid, CHP and anaerobic digestors not represented on slide
2. 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.

Green Liberty Bonds
http://www.greenlibertybonds.com/

CONNECTICUT GREEN BANK

We appreciate your interest in Connecticut Green Bank's Green Liberty Bonds, which will support critical investment in clean energy and energy efficiency projects and infrastructure throughout the State.

Our 2020 issuance of Green Liberty Bonds was a success, selling out of nearly $17 million of bonds, with priority given to retail investors. These bonds helped the Connecticut Green Bank energize the green economy and confront climate change to provide all of society a healthier and more prosperous future. Through our Green Liberty Bonds, we are empowering more people to support our transition to a zero carbon economy – creating the sustainable future and modern infrastructure we want to see in our society.

ISSUER OVERVIEW

NOTIFICATIONS ON

Connecticut Green Bank

Issuer Type: State/Province

BOND RATINGS

Green Liberty Bonds

S&P	S&P
A	A

BONDS 1 | DOCUMENTS

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CONNECTICUT GREEN BANK

Connecticut Green Bank
Bond Awards

- The Green Bank won two Environmental Finance Bond awards in 2020. The awards were judged by an independent panel comprising 30 of the world's largest green, social and sustainability bond investors

- The Green Bank also won the Bond Buyer Innovative Deal of the Year Award. The Deal of the Year awards recognize innovation in municipal finance and represent the full diversity of the communities and public purposes that are served by the municipal finance market.

THE BOND BUYER
DEAL of the YEAR 2020

Environmental Finance
Bond Awards 2020
Winner
Award for innovation – bond structure (green bond)

Environmental Finance
Bond Awards 2020
Winner
Green bonds – asset-backed/asset-based bond of the year