

# Connecticut Green Bank

## About Us



- **1<sup>st</sup> State-Level Green Bank in the United States** (quasi-public organization) created to “use private sector disciplines to achieve public sector goals”
- **Focus** – finance clean energy (e.g. renewable energy, energy efficiency, and alternative fuel vehicles and infrastructure)
- **Support** – surcharge on electric ratepayer bills (~\$28 MM per year), RGGI (~\$5 MM per year), federal competitive solicitations (i.e. SunShot) and non-competitive resources (i.e. ARRA-SEP), private capital, and private foundations

# Connecticut Green Bank

## Mission and Goals



### MISSION

Support the Governor's and Legislature's energy strategy to achieve **cleaner, cheaper and more reliable** sources of energy while **creating jobs** and **supporting local economic development**

### GOALS

Attract and deploy private capital investment to finance the clean energy policy goals for Connecticut

Leverage limited public funds to attract multiples of private capital investment while returning and reinvesting public funds in clean energy deployment over time

Develop and implement strategies that bring down the cost of clean energy to make it more accessible and affordable to customers

Support affordable and healthy buildings in LMI and distressed communities by reducing the energy burden and addressing health and safety issues

# Public-Private Partnerships

## Investment Transactions



**\$65 MM**  
CLOSED  
10:1



Grid-Tied

**\$6 MM**  
CLOSED  
6:1



Residential Solar

**\$75 MM**  
CLOSED  
7.5:1



Residential Solar  
Commercial Solar

**\$30 MM**  
CLOSED  
4:1



Commercial Energy

**\$30 MM**  
OPEN  
10:1<sup>1</sup>



Residential Energy

**\$20 MM**  
OPEN  
4:1



Residential Solar &  
Energy Efficiency

**\$50-100 MM**  
OPEN  
9:1



Commercial Energy

**\$5 MM**  
OPEN  
100%<sup>2</sup>



Multifamily Energy

**\$60+ MM**  
OPEN  
6:1<sup>3</sup>



Commercial Solar

**\$3 MM**  
CLOSING  
100%<sup>4</sup>



Residential Storage  
Commercial Storage

**\$10 MM**  
IN PROCESS  
100%

**COMING  
SOON**

**\$75 MM**  
IN PROCESS  
>20:1

**COMING  
SOON**

### REFERENCES

1. LLR yields high leverage – and it is 2<sup>nd</sup> loss and thus with no to low defaults, we haven't used to date. IRB's not considered in the leverage ratio.
2. Foundation PRI is to HDF, guaranteed by the CGB in the case of MacArthur Foundation.
3. Onyx Partnership has no upper limit and CGB currently has authorization to commit up to \$15mm. The team expects to commit \$5mm for the first \$60-70mm.
4. Foundation PRI backed by CGB balance sheet for Kresge Foundation

# Reducing Energy Burdens in CT

## For all types of building owners



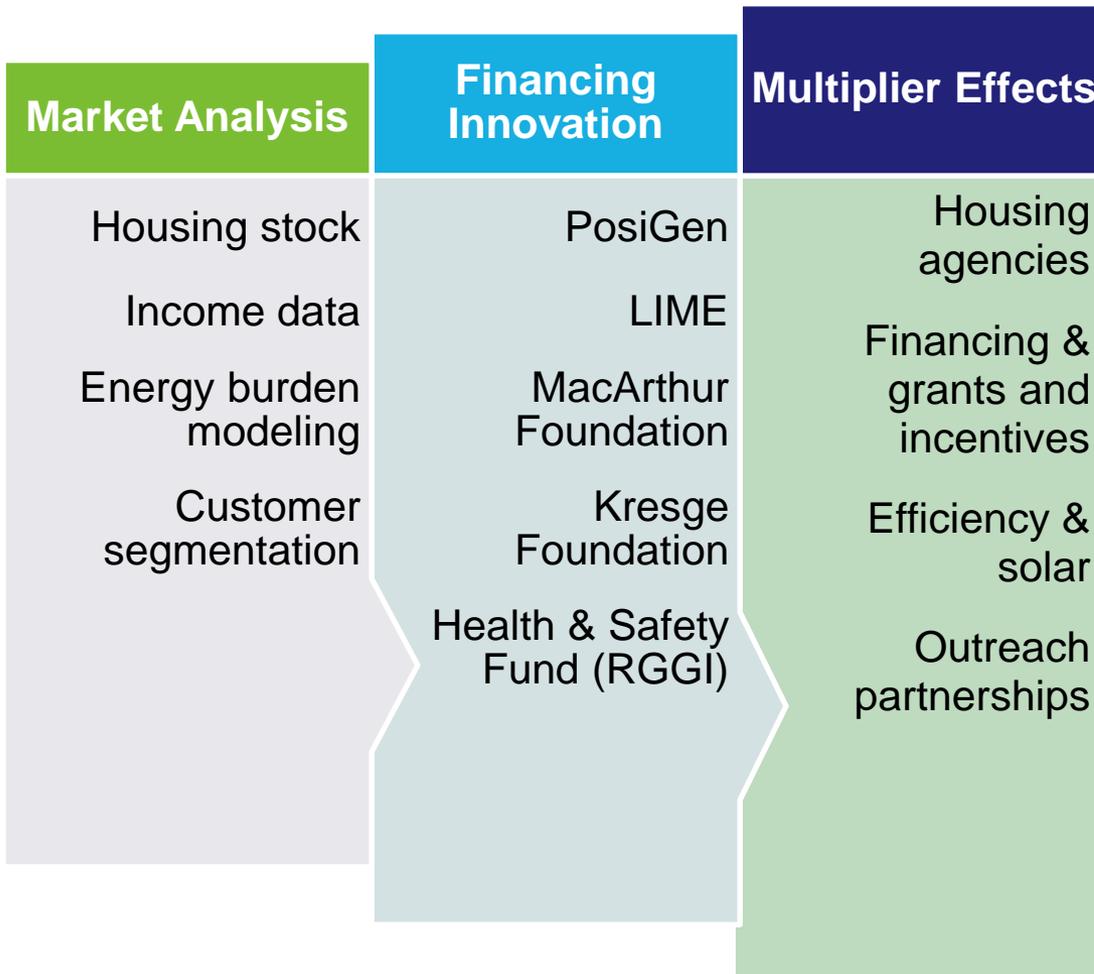
### Energy costs are a significant portion of household expenses

- CT residents spend \$5.2 billion to heat, cool, light and provide hot water – more than the state’s budget for health care or education
- More than half our low income residents suffer a **high energy cost burden** (>10% of income)
- “Energy Affordability Gap” ranges from \$1,250 to \$2,500 per year for households up to 200% of the Federal Poverty Level
- Aging homes and buildings are often energy inefficient and have significant health and safety issues



# Reducing Energy Burdens

## Low-to-Moderate Income Communities



2800% increase in lower income census tracts – 3,400 homes

835 projects in 17 mos., 5.8MW of PV – 70% LMI, 2/3rds deeper EE, 62 jobs created

**Multifamily Programs**

CHFA: 10 HA's/1,300 units, solar  
LIME Loan: 18 projects/1,292 units, solar and efficiency

# Multifamily Approach Spurred by MacArthur Investment



1. New, clearly defined process to incorporate utility incentives into state funded multifamily projects
  - Created and streamlined utility incentive application forms
2. Utility incentives now required with all DOH/CHFA funding applications
  - Ensures utility incentives are included in initial project capital stack
3. Changes to LIHTC Qualified Allocation Plan
4. Loans for pre-development, technical assistance, gap financing and health & safety
5. New process to incorporate utility incentives into mid-cycle naturally occurring affordable multifamily projects

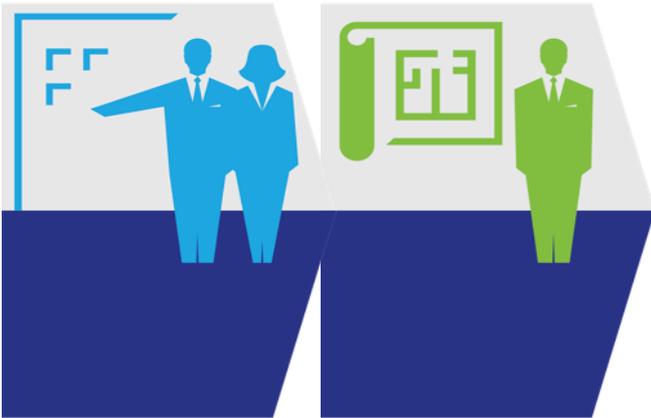


# Green Bank Pre-Dev Loans

## Two Paths



### Pre-Development Financing



### Navigator Loan

- Owner managed contractor(s)
- Customized technical services
- Affordable properties 0%
- Market-rate properties 2.99%
- Owner pays 25%; program loans 75%
- Existing properties & new construction



### Sherpa Loan

- Designated service provider, New Ecology
- Standardized process & fee schedule
- Affordable properties 0%
- Market-rate properties 2.99%
- Owner pays 25%; program loans 75%
- Existing properties



# Catalyst Fund Pilot Program

## Gap Financing + Health & Safety



## Case Studies

### Seabury Coop, New Haven

- 88 units, adj. to Yale campus
- Annual energy costs: \$226K (2015)
- Potential Energy Upgrades: electric boiler replacement, lighting, windows, roof insulation
- H&S: Electrical hazards/exposed wires and other various



### Success Village Coop, Bridgeport

- 964 units, former Army reserve campus
- Annual heating costs: \$1.8M (2015)
- Potential Energy Upgrades: failing central steam boiler system, degraded steam pipe network, unit insulation
- H&S: Asbestos contamination



# Energy Meets Housing

## The Ultimate Multiplier



### PARTNERSHIP DEVELOPMENT:

- CGB/DEEP/CHFA/utilities begin to meet regularly
- CHFA-CGB announce 5 property pilot

2014

### PROGRAM DEVELOPMENT:

- Inter-agency working group
- **LEAN process** – to capitalize on \$300M opportunity

2015

2016

### PROGRAM LAUNCHES:

- Integrated utility application process
- BenchmarkCT with WegoWise
- Pre-development loan, health & safety term loans

2017

- **Underwriting based on energy savings?**
- Revisiting handling of utility allowances?
- C-PACE for CHFA?

2018 and Beyond

### CONTINUED PROGRAM DEV:

- Integrated process for mid-cycle naturally occurring MF
- **Kresge PRI for Solar + Storage**
- Solarize State Sponsored Housing v2.0
- GRID Alternatives enters CT

2011-2013

### CATALYST:

- Governor's \$300M 10-yr capital plan for state housing



# Our Partners



Empowering you to make smart energy choices



MacArthur Foundation



SOCIAL INVESTMENT PRACTICE

# Connecticut Green Bank Solar + Storage Partnership



- PRI and grant funding from Kresge will support deployment of **resilient solar + storage systems** in multifamily housing and other community buildings serving **low-income communities in coastal and urban Connecticut**
- Kresge PRI to complement existing Green Bank products and federal and state funding sources
- Technical assistance partnerships and funding critical for success during this stage of solar + storage deployment



**KRESGE COMMUNITY FINANCE**  
SOCIAL INVESTMENT PRACTICE

**RESILIENT  
POWER**  
A Project of Clean Energy Group

**CleanEnergyGroup**  
Innovation in Finance, Technology & Policy

**BRIGHT POWER**

# Thank You!

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