

CONNECTICUT GREEN BANK
(A Component Unit of the State of Connecticut)

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FISCAL YEAR ENDED JUNE 30, 2015
(With Summarized Totals as of and for Fiscal Year Ended June 30, 2014)

Department of Finance and Administration
845 Brook Street
Rocky Hill, Connecticut

CONNECTICUT GREEN BANK

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INTRODUCTORY SECTION

January 28, 2016

We are pleased to present a Comprehensive Annual Financial Report (CAFR) of the Connecticut Green Bank (“Green Bank”) for the fiscal year ending June 30, 2015 accompanied by summarized totals as of and for the fiscal year ended June 30, 2014.

Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal controls that it has established for this purpose. To provide a reasonable basis for making these representations, the management of Green Bank has established a comprehensive internal control framework that is designed both to protect the entity’s assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of Green Bank’s financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh the benefits, Green Bank’s comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As such, management asserts that this financial report is complete and reliable in all material respects to the best of managements’ knowledge and belief.

Marcum LLP has issued an unmodified opinion on the Green Bank’s financial statements for the fiscal year ending June 30, 2015. The independent auditors’ report is presented in the financial section of this report. This letter of transmittal is designed to complement the Management’s Discussion and Analysis (MD&A) and should be read in conjunction with it. The Green Bank’s MD&A can be found immediately following the report of the independent auditors.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Connecticut Green Bank for its comprehensive annual report for the fiscal year ended June 30, 2014. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Profile of the Connecticut Green Bank

The Green Bank¹ was established in a bipartisan manner by the Governor and Connecticut's General Assembly on July 1, 2011 through Public Act 11-80 as a quasi-public agency that supersedes the former Connecticut Clean Energy Fund. As the nation's first state green bank, the Connecticut Green Bank makes green energy more accessible and affordable for all Connecticut citizens and businesses by creating a thriving marketplace to accelerate the growth of green energy. We facilitate green energy deployment by leveraging a public-private financing model that uses limited public dollars to attract private capital investments. By partnering with the private sector, we create solutions that result in long-term, affordable financing to increase the number of green energy projects statewide.

The Green Bank's vision is to lead the green bank movement by accelerating private investment in clean energy deployment for Connecticut to achieve economic prosperity, create jobs, promote energy security and address climate change. By accelerating the growth of green energy we contribute to a better quality of life, a better environment and a better future for Connecticut. The Green Bank's mission is to 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.

To achieve its vision and mission, the Green Bank has established the following three goals:

1. To attract and deploy capital to finance the clean energy² goals for Connecticut, including:
 - a. Help Connecticut in becoming the most energy efficient state in the nation;
 - b. Scale-up the deployment of renewable energy in Connecticut; and
 - c. Provide support for the infrastructure needed to lead the clean energy economy.
2. To develop and implement strategies that bring down the cost of clean energy in order to make it more accessible and affordable to consumers.
3. To reduce reliance on grants, rebates, and other subsidies and move towards innovative low-cost financing of clean energy deployment.

These goals support the implementation of Connecticut's clean energy policies be they statutory (i.e., Public Act 11-80, Public Act 13-298, Public Act 15-194), planning (i.e., Comprehensive Energy Strategy, Integrated Resources Plan), or regulatory in nature. The powers of the Green Bank are vested in and exercised by a Board of Directors that is comprised of eleven voting and two non-voting members each with knowledge and expertise in matters related to the purpose of the organization. The Board of Directors and Staff are governed through the statute, as well as an [Ethics Statement](#) and [Ethical Conduct Policy](#), [Resolutions of Purposes](#), [Bylaws](#), and [Comprehensive Plan](#).

¹ Public Act 11-80 repurposed the Connecticut Clean Energy Fund (CCEF) administered by Connecticut Innovations, into a separate quasi-public organization called the Clean Energy Finance and Investment Authority (CEFIA). Per Public Act 14-94, CEFIA was renamed to the Connecticut Green Bank.

² Public Act 11-80 defines "clean energy" broadly and includes familiar renewable energy sources such as solar photovoltaic, solar thermal, geothermal, wind and low-impact hydroelectric energy, but also includes fuel cells, energy derived from anaerobic digestion (AD), combined heat and power (CHP) systems, infrastructure for alternative fuels for transportation and financing energy efficiency projects.

Initiatives and Results

Accelerate the Growth of Green Energy

The Green Bank makes green energy more accessible and affordable for all Connecticut citizens and businesses by creating a thriving marketplace to accelerate the growth of green energy. As a result of the efforts undertaken over the past four years, we are deploying more green energy in our state than ever before (see Table 1).³

Table 1. Project Investments between FY 2012 through FY 2015⁴

	FY 2012	FY 2013	FY 2014	FY 2015	Total
Total Investment	14,964,413	110,491,743	176,745,827	360,997,462	663,199,456
Green Bank Investment	4,818,389	19,551,561	46,273,068	95,129,679	165,772,696
Leverage Ratio	2.1 : 1.0	4.7 : 1.0	2.9 : 1.0	2.8 : 1.0	3.0 : 1.0
% of Funding Approved as Grants	100%	64%	37%	38%	42%
Installed Capacity (MW)	2.9	23.5	29.1	79.0	134.5

By using \$165.8 million of ratepayer funds, we have attracted over \$491.2 million of private investment in clean energy for a total investment of \$663.2 million. This is supporting the deployment of 134.5 MW of renewable energy and producing and saving an estimated 1.3 million MMBtu of clean energy while creating over 3,000 job-years and reducing an estimated 1.4 million tons of CO2 emissions over the life of the projects.

We Grow Businesses and We Help People Thrive

As leaders in the green bank movement – through innovation, education, and activation – we accelerate the growth of green energy. By generating a robust, flourishing green energy marketplace, we grow businesses and help people thrive. Within this marketplace the Green Bank partners with contractors and capital providers to offer a diverse portfolio of programs that benefit homeowners, businesses, and institutions. The Green Bank is demonstrating how public resources can be better invested in ways that attract more private investment in our communities, lead to the deployment of more green energy by local contractors, and most importantly providing positive value to our consumers.

The Green Bank helps make homes more energy efficient and sustainable by promoting awareness and offering flexible financing solutions to homeowners and multifamily building owners who seek assistance to make green energy upgrades. We make green energy more attractive to everyone so that residents can integrate it into their lives. The benefits are many – from reducing the burden of energy costs, to improving comfort and health in the home, to a cleaner environment. More green homes mean greener, healthier communities.

The Green Bank makes green energy investments smarter and safer for businesses, including commercial and industrial customers, and institutions, including multifamily and not-for-profit organizations, with affordable, long-term financing for energy upgrades. We demonstrate how green energy improvements are smart investments that lower operating costs. We inspire them to

³ Connecticut Green Bank – Investment and Public Benefit Performance from Clean Energy Projects from FY 2012 through FY 2015 – Board of Director Memo of October 16, 2015

⁴ Includes approved, closed and completed transactions approved by the Board of Directors consistent with its Comprehensive Plan and Budget.

embrace cleaner and more reliable sources of energy to power their buildings which stimulates a healthier local economy. Healthy buildings mean healthy businesses and institutions.

The Green Bank makes green energy more accessible and affordable to grow businesses and help people thrive.

Leading the Green Bank Movement

The Connecticut Green Bank is a leader in the green bank movement. The Connecticut Green Bank and its programs serve as models for other states across the country.

This year, we have seen several of our programs serving as replicable and scalable models, including:

- Commercial Property Assessed Clean Energy (C-PACE)
- Solarize Connecticut with SmartPower and Yale University
- CT Solar Loan with Sungage Financial and the Digital Federal Credit Union

The Connecticut Green Bank is leading a movement to use public funds more responsibly by attracting and deploying more private investment in green energy for the state's economy and environment.

In a study done by the Center for America Progress,⁵ it is estimated that the U.S. needs at least \$200 billion in efficient and renewable energy annually for 20 years to reduce carbon emissions and avert climate disaster. The Natural Resources Defense Council and Coalition for Green Capital estimate that based on Connecticut, its market size, growth rate, and private-public leverage ratio, that a green bank – like the Connecticut Green Bank – successfully operating in every state in America would yield \$200 billion in national annual investment within 5 years, with 90% of funds coming from private sources and all public contributions returned over 10 to 20 years.

Responsible Public Investment in Green Energy

The Green Bank receives funding through a number of sources, including a Systems Benefit Charge, the Regional Greenhouse Gas Initiative (RGGI), renewable energy certificate (REC) sales and the federal government. The Green Bank's predecessor organization's programs were all structured as grants, which meant the funds were spent with no expectation of return. This model put the organization at the mercy of these funding streams which, while reliable, are largely determined by activities outside of our control such as levels of state electricity use and RGGI allowance prices. With the transition to a new financing model, the Green Bank is able to invest its funds in activities that earn a return and begin to build revenue streams that can be reinvested in green energy in Connecticut.

⁵ Green Growth: A U.S. Program for Controlling Climate Change and Expanding Job Opportunities by the Center for American Progress (September 2014)

Acknowledgements

First and foremost, we would like to thank the Staff of the Connecticut Green Bank. In our first four years, through their hard work, commitment and innovation, we have built a model that is delivering results for our state and serving as a model across the country and around the world.

We are grateful to our independent auditors, Marcum LLP, for their assistance and advice during the course of this audit, and for supporting our interests in continuing to disclose not only our financial position, but also the public benefits to society resulting from our public-private investments.

Finally, we thank the Board of Directors for their continued leadership and guidance as we continue to prove that there is a new model for how government is able to play a part in deploying more green energy at a faster pace while using public resources responsibly.

Respectfully submitted,



Bryan T. Garcia
President and CEO



George Bellas
Vice President – Finance and Administration

Board of Directors

Connecticut Green Bank

Position	Status	Voting	Name	Organization
State Treasurer (or designee)	Ex Officio	Yes	Bettina Ferguson	Treasurer's Office
Commissioner of DEEP ⁶ (or designee)	Ex Officio	Yes	Robert Klee ⁷	DEEP
Commissioner of DECD ⁸ (or designee)	Ex Officio	Yes	Catherine Smith ⁹	DECD
Residential or Low Income Group	Appointed	Yes	Pat Wrice	Operation Fuel
Investment Fund Management	Appointed	Yes	Norma Glover	NJG Associates
Environmental Organization	Appointed	Yes	Matthew Ranelli ¹⁰	Shipman & Goodwin
Finance or Deployment	Appointed	Yes	Thomas Flynn	Environmental Data Resources
Finance of Renewable Energy	Appointed	Yes	Reed Hundt ¹¹	Coalition for Green Capital
Finance of Renewable Energy	Appointed	Yes	Kevin Walsh	GE Energy Financial Services
Labor	Appointed	Yes	John Harrity	IAM Connecticut
R&D or Manufacturing	Appointed	Yes	Mun Choi	University of Connecticut
President of the Green Bank	Ex Officio	No	Bryan Garcia	Connecticut Green Bank
Board of Connecticut Innovations ¹²	Ex Officio	No	(unfilled)	(unfilled)

Discretely Presented Component Units

Position	Name
President	Bryan Garcia
Treasurer	George Bellas
Secretary	Brian Farnen
Chief Investment Officer	Roberto Hunter

⁶ Department of Energy and Environmental Protection

⁷ Vice Chairperson of the Board of Directors and Chairperson of the Budget and Operations Committee

⁸ Department of Economic and Community Development

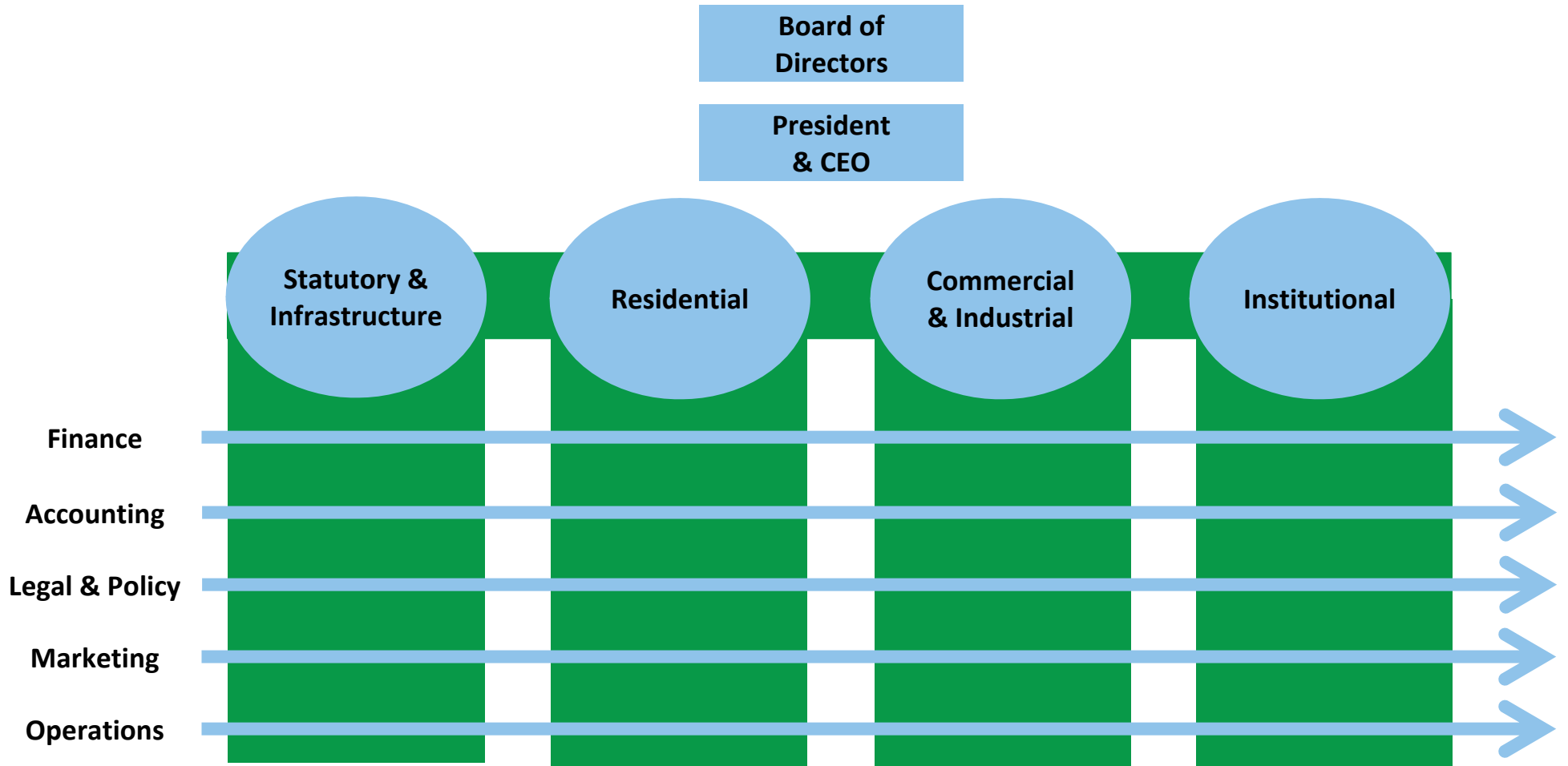
⁹ Chairperson of the Board of Directors

¹⁰ Secretary of the Board of Directors and Chairperson of the Audit, Compliance and Governance Committee

¹¹ Chairperson of the Deployment Committee

¹² It should be noted that several members of the Board of Directors of the Green Bank currently serve on the Board of Directors of Connecticut Innovations, including Mun Choi and Catherine Smith.

Organizational Chart





**The Government Finance Officers Association
of the United States and Canada**

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Department Finance and Administration
Connecticut Green Bank



The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

Executive Director

Date August 12, 2015

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Connecticut Green Bank

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and discretely presented component units of the Connecticut Green Bank (CGB) (a component unit of the State of Connecticut) as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise CGB's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component units of the Connecticut Green Bank as of June 30, 2015, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Method of Accounting for Pensions

As described in Note 2 to the financial statements, CGB changed its method for accounting and financial reporting for pensions as a result of the adoption of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Report Reporting for Pensions – an Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent To the Measurement Date – an Amendment of GASB Statement No. 68*, both effective July 1, 2014. Our opinion is not modified with respect to this matter.

Restatement of Net Position

As described in Note 1, net position of the total reporting entity and a discretely presented component unit has been restated at July 1, 2014 to reflect the capitalization of certain costs related to financing activities and the adoption of the new accounting methods discussed above. Our opinion is not modified with respect to those matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and schedule of Green Bank's proportionate share of the net pension liability and proportionate share of contributions to the state employees' retirement system (SERS) be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

Other Matters (Continued)

Other Information

The introductory section, financial statistical section and other statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Matter – 2014 Financial Information

As described in Note 1, the financial statements include prior-year summarized information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. This information has been derived from CGB's 2014 complete financial statements on which our audit report dated December 23, 2014 expressed unmodified opinions on the primary government and its discretely presented component units. Accordingly, such information should be read in conjunction with CGB's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2016, on our consideration of the Connecticut Green Bank's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Connecticut Green Bank's internal control over financial reporting and compliance.

Marcum LLP

Hartford, CT
January 28, 2016

CONNECTICUT GREEN BANK

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (MD&A) provides an overview of the financial performance of the Connecticut Green Bank (CGB), formerly known as the Clean Energy Finance and Investment Authority, (a component unit of the State of Connecticut) for the fiscal year ended June 30, 2015. The information contained in this MD&A should be considered in conjunction with the information contained in the financial statements and notes to the financial statements included in the "Financial Statements" section of this report.

CBG as a reporting entity is comprised of the primary government and two discretely presented component units as defined under Government Auditing Standards Board Statement No. 61: *The Financial Reporting Entity: Omnibus and Amendment of GASB Statements No. 14 and No. 34*.

FINANCIAL STATEMENTS PRESENTED IN THIS REPORT

On June 6, 2014, Public Act 14-94 of the State of Connecticut changed the name of the Clean Energy Finance and Investment Authority to the Connecticut Green Bank.

CGB is a quasi-public agency of the State of Connecticut established on July 1, 2011 by Section 16-245n of the Connecticut General Statutes, created for the purposes of, but not limited to: (1) implementing the Comprehensive Plan developed by CGB pursuant to Section 16-245n(c) of the Connecticut General Statutes, as amended; (2) developing programs to finance and otherwise support clean energy investment in residential, municipal, small business and larger commercial projects, and such others as CGB may determine; (3) supporting financing or other expenditures that promote investment in clean energy sources to foster the growth, development and commercialization of clean energy resources and related enterprises; and (4) stimulating demand for clean energy and the deployment of clean energy sources within the state that serve end-use customers in the State. CGB constitutes the successor agency to Connecticut Innovations for the purposes of administering the Connecticut Clean Energy Fund in accordance with section 4-38d of the Connecticut General Statutes and therefore the net position of such fund were transferred to the newly created CGB as of July 1, 2011.

The financial statements include: Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. The Statement of Net Position provides a measure of CGB's economic resources. The Statement of Revenues, Expenses and Changes in Net Position measures the transactions for the periods presented and the impact of those transactions on the resources of CGB. The Statement of Cash Flows reconciles the changes in cash and cash equivalents with the activities of CGB for the period presented. The activities are classified as to operating, noncapital financing, capital and related financing, and investing activities.

Notes to the financial statements provide additional detailed information to supplement the basis for reporting and nature of key assets and liabilities.

CONNECTICUT GREEN BANK

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS OF FISCAL 2015

NET POSITION

Net position increased by \$8.4 million to \$109.1 million at June 30, 2015 and cash and cash equivalents decreased by \$32 million in 2015 to \$48.7 million.

The acquisition of \$1.6 million in bonds was a part of the proceeds received by CGB as a result of the sale of CPACE program loans in 2014. See Note 6. Solar lease notes decreased \$0.7 million as a result of scheduled principal repayments. See Note 7. The increase in program loans in 2015 to \$40.5 million as compared to \$13.4 million in 2014 was primarily a result of increased CGB financings of CPACE and Grid Tied projects. See Note 8. Capital assets increased to \$27.0 million from \$3.1 million in 2015 as a result of the continued acquisition of solar equipment by CT Solar Lease 2 LLC. See Note 1 for further discussion of CT Solar Lease 2 LLC's operations.

As of June 30, 2015, the Board of Directors designated \$89.5 million in net position to fund contingent grant, loan and investment commitments as described in Note 15. These grants, loans and investments are expected to be paid or funded over the next one to six fiscal years. In addition to these commitments, an additional \$23 million has been designated by the Board to fund future program commitments.

The following table summarizes the net position of the reporting entity at June 30, 2015 and 2014 (in thousands):

CONNECTICUT GREEN BANK

MANAGEMENT'S DISCUSSION AND ANALYSIS

	2015	2014	Increase (Decrease)
Cash and cash equivalents	\$ 48,693	\$ 80,925	\$ (32,232)
Bonds receivable	1,600	1,600	--
Portfolio investments	1,000	1,000	--
Solar lease notes	9,819	10,544	(725)
Program loans	40,518	13,403	27,115
Capital assets, net	26,971	3,074	23,897
Other assets	8,972	9,943	(971)
Total Assets	<u>137,573</u>	<u>120,489</u>	<u>17,084</u>
Deferred Outflows of Resources			
Deferred amount for pensions	1,669	--	1,669
Total Deferred Outflows of Resources	<u>1,669</u>	<u>--</u>	<u>1,669</u>
Current liabilities	6,825	4,801	2,024
Unearned revenue	2,519	469	2,050
Pension liabilities	14,900	14,305	595
Other long term liabilities	1,093	--	1,093
Long term debt, less current maturities	3,546	121	3,425
Total Liabilities	<u>28,883</u>	<u>19,696</u>	<u>9,187</u>
Deferred Inflows of Resources			
Fair value of interest rate swap	660	--	660
Deferred amount for pensions	532	--	532
Total Deferred Inflows of Resources	<u>1,192</u>	<u>--</u>	<u>1,192</u>
Investment in capital assets	26,971	3,074	23,897
Restricted Net Position:			
Non-expendable	1	1	--
Restricted - energy programs	8,799	9,096	(297)
Unrestricted	73,396	88,622	(15,226)
Total Net Position	<u>\$ 109,167</u>	<u>\$ 100,793</u>	<u>\$ 8,374</u>

CONNECTICUT GREEN BANK

MANAGEMENT'S DISCUSSION AND ANALYSIS

CHANGES IN NET POSITION

Revenue from interest on cash deposits and promissory notes increased \$1.2 million to \$2.3 million in 2015. CGB received \$16.6 million from the State in RGGI auction proceeds during the year as compared to RGGI auction proceeds of \$20.1 million in 2014. Public Act 13-247, see Note 11, allowed the Commissioner of the Connecticut Department of Energy and Environmental Protection to transfer additional RGGI auction proceeds to CGB to be used to support energy efficiency financing opportunities. This increase in RGGI auction proceeds helped offset payments to the State by CGB required under Public Act 13-247.

Total expenditures for grants and programs in 2015 were \$22.1 million, a decrease of \$1.3 million from the prior year. Grant and program expenditures fluctuate from year to year as they are based on the achievement of contract milestones by the grantee.

General and administrative expenses increased by \$580 thousand from \$2.5 million to \$3.1 million.

The following table summarizes the changes in net position between June 30, 2015 and 2014 (in thousands):

	2015	2014	Increase (Decrease)
Revenues	<u>\$ 46,294</u>	<u>\$ 48,754</u>	<u>\$ (2,460)</u>
Operating Expenses			
Grants and programs	22,131	23,439	(1,308)
General and administrative expense	<u>3,117</u>	<u>2,537</u>	<u>580</u>
Total Operating Expenses	<u>25,248</u>	<u>25,976</u>	<u>(728)</u>
Operating Income	21,046	22,778	(1,732)
Non-Operating Revenues (Expenses)			
Interest earned	2,312	1,142	1,170
Interest expense	(119)	--	(119)
Investment loss	(1,180)	--	(1,180)
Unrealized loss on interest rate swap	(660)	--	(660)
Provision for loan losses	(564)	(1,311)	747
Capital contribution	6,844	201	6,643
Distribution to member	(105)	(12)	(93)
Payments to State of Connecticut	<u>(19,200)</u>	<u>(6,200)</u>	<u>(13,000)</u>
Net Change	<u>\$ 8,374</u>	<u>\$ 16,598</u>	<u>\$ (8,224)</u>

CONNECTICUT GREEN BANK

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS OF FISCAL 2014

NET POSITION

Net position increased by \$2.3 million to \$100.8 million at June 30, 2014 and cash and cash equivalents increased by \$3.3 million in 2014 to \$80.9 million.

The acquisition of \$1.6 million in bonds was a part of the proceeds received by CGB as a result of the sale of CPACE program loans in 2014. See Note 6. Solar lease notes decreased \$0.7 million as a result of scheduled principal repayments. See Note 7. The increase in program loans in 2014 to \$13.4 million as compared to \$3.8 million in 2013 was primarily a result of increased CGB financings of CPACE and Grid Tied projects. See Note 8. Capital assets increased to \$3.1 million from \$0.4 million in 2014 as a result of the acquisition of solar equipment by CT Solar Lease 2 LLC. See Note 1 for further discussion of CT Solar Lease 2 LLC's operations.

As of June 30, 2014, the Board of Directors designated \$63.5 million in net position to fund contingent grant, loan and investment commitments as described in Note 15. These grants, loans and investments are expected to be paid or funded over the next one to six fiscal years. In addition to these commitments, an additional \$34 million had been designated by the Board to fund future program commitments.

The following table summarizes the net position at June 30, 2014 and 2013 (in thousands):

	<i>(as restated)</i> 2014	<i>(as restated)</i> 2013	Increase (Decrease)
Cash and cash equivalents	\$ 80,925	\$ 77,642	\$ 3,283
Bonds receivable	1,600	--	1,600
Portfolio investments	1,000	1,000	--
Solar lease notes	10,544	11,240	(696)
Program loans	13,403	3,788	9,615
Capital assets, net	3,074	362	2,712
Other assets	9,943	6,284	3,659
Total Assets	<u>120,489</u>	<u>100,316</u>	<u>20,173</u>
Current liabilities	4,801	1,816	2,985
Pension liabilities	14,305	--	14,305
Unearned revenue	469	--	469
Long term debt, less current maturities	121	--	121
Total Liabilities	<u>19,696</u>	<u>1,816</u>	<u>17,880</u>
Investment in capital assets	3,074	362	2,712
Restricted net position:			
Non-expendable	1	1	--
Restricted - energy programs	9,096	9,144	(48)
Unrestricted	88,622	88,993	(371)
Total Net Position	<u>\$ 100,793</u>	<u>\$ 98,500</u>	<u>\$ 2,293</u>

CONNECTICUT GREEN BANK

MANAGEMENT'S DISCUSSION AND ANALYSIS

CHANGES IN NET POSITION

Revenue from interest on cash deposits and promissory notes increased \$455 thousand to \$1.14 million in 2014. CGB received \$20.1 million from the State in RGGI auction proceeds during the year as compared to RGGI auction proceeds of \$4.7 million in 2013. Public Act 13-247, see Note 11, allowed the Commissioner of the Connecticut Department of Energy and Environmental Protection to transfer additional RGGI auction proceeds to CGB to be used to support energy efficiency financing opportunities. This increase in RGGI auction proceeds helped offset payments to the State by CGB required under Public Act 13-247.

Total expenditures for grants and programs in 2014 were \$23.4 million, a decrease of \$196 thousand from the prior year. Grant and program expenditures fluctuate from year to year as they are based on the achievement of contract milestones by the grantee.

General and administrative expenses decreased by \$128 thousand from \$2.6 million to \$2.5 million.

The following table summarizes the changes in net position between June 30, 2014 and 2013 (in thousands):

	<i>Changes in Net Position</i>		
	<i>(in thousands)</i>		
	2014	(as restated) 2013	Increase (Decrease)
Revenues	<u>\$ 48,754</u>	<u>\$ 43,343</u>	<u>\$ 5,411</u>
Operating Expenses			
Grants and programs	23,439	23,635	(196)
General and administrative expense	<u>2,537</u>	<u>2,665</u>	<u>(128)</u>
Total Operating Expenses	<u>27,287</u>	<u>26,300</u>	<u>987</u>
Operating Income	21,467	17,043	4,424
Non-Operating Revenues (Expenses)			
Interest earned	1,142	689	453
Investment loss	--	(657)	657
Capital contribution	201	238	(37)
Distribution to member	(12)	--	(12)
Payments to State of Connecticut	<u>(6,200)</u>	<u>--</u>	<u>(6,200)</u>
Net Change in Net Position	<u>\$ 16,598</u>	<u>\$ 17,313</u>	<u>\$ (715)</u>

CONNECTICUT GREEN BANK

MANAGEMENT'S DISCUSSION AND ANALYSIS

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of CGB's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Office of Finance and Administration, 845 Brook Street, Rocky Hill, Connecticut 06067.

CONNECTICUT GREEN BANK

STATEMENT OF NET POSITION

JUNE 30, 2015

(With Summarized Totals for June 30, 2014)

	Total Primary Government	Discretely Presented Component Units		Eliminating Entries	2015 Total Reporting Entity	2014 Total Reporting Entity
		CT Solar Lease 2 LLC	CEFIA Solar Services Inc.			
Assets						
Current Assets						
Cash and cash equivalents	\$ 39,603,682	\$ 220,716	\$ 69,252	\$ --	\$ 39,893,649	\$ 71,411,034
Accounts receivable	25,916	9,239	--	--	35,155	4,547,770
Utility remittance receivable	2,518,850	--	--	--	2,518,850	3,402,401
Other receivables	313,228	--	243,000	(243,000)	313,228	303,147
Due from component units	27,489,915	--	3,025,000	(30,514,915)	--	--
Prepaid expenses and other assets	284,262	745,990	--	--	1,030,251	619,639
Contractor loans	3,112,663	--	--	--	3,112,663	--
Current portion of solar lease notes	803,573	--	--	--	803,573	766,086
Current portion of program loans	10,264,825	--	--	--	10,264,825	652,447
Total Current Assets	<u>84,416,913</u>	<u>975,944</u>	<u>3,337,252</u>	<u>(30,757,915)</u>	<u>57,972,194</u>	<u>81,702,524</u>
Noncurrent Assets						
Portfolio investments	1,000,000	--	--	--	1,000,000	1,000,000
Bonds receivable	1,600,000	--	--	--	1,600,000	1,600,000
Solar Lease Notes, less current portion	9,015,437	--	--	--	9,015,437	9,778,315
Program loans, less current portion	30,253,119	--	--	--	30,253,119	12,750,457
Renewable Energy Certificates	933,054	--	--	--	933,054	1,069,390
Investment in component units	100	--	11,507,153	(11,507,253)	--	--
Capital assets, net of depreciation and amortization	263,839	30,830,671	--	(4,123,423)	26,971,087	3,074,337
Asset retirement obligation, net	--	1,029,196	--	--	1,029,196	--
Restricted assets:						
Cash and cash equivalents	4,299,005	4,500,000	--	--	8,799,005	9,513,715
Total Noncurrent Assets	<u>47,364,554</u>	<u>36,359,867</u>	<u>11,507,153</u>	<u>(15,630,676)</u>	<u>79,600,898</u>	<u>38,786,214</u>
Total Assets	<u>\$ 131,781,467</u>	<u>\$ 37,335,811</u>	<u>\$ 14,844,405</u>	<u>\$ (46,388,591)</u>	<u>\$ 137,573,092</u>	<u>\$ 120,488,738</u>
Deferred Outflows of Resources						
Deferred amount for pensions	\$ 1,669,961	\$ --	\$ --	\$ --	\$ 1,669,961	\$ --
Total Deferred Outflows of Resources	<u>\$ 1,669,961</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,669,961</u>	<u>\$ --</u>

The accompanying notes are an integral part of these financial statements.

CONNECTICUT GREEN BANK

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2015

(With Summarized Totals for June 30, 2014)

	Total Primary Government	Discretely Presented Component Units		Eliminating Entries	2015 Total Reporting Entity	2014 Total Reporting Entity
		CT Solar Lease 2 LLC	CEFIA Solar Services Inc.			
Liabilities, Deferred Inflows, and Net Position						
Liabilities						
Current maturities of long-term debt	\$ 47,103	\$ 260,100	\$ --	\$ --	\$ 307,203	\$ 6,280
Accounts payable and accrued expenses	5,326,112	733,195	4,200	(243,338)	5,820,169	3,946,372
Due to component units	--	15,899,126	14,615,451	(30,514,577)	--	--
Due to outside agency	49,516	--	--	--	49,516	439,643
Custodial liability	647,964	--	--	--	647,964	408,979
Unearned revenue	<u>1,696,785</u>	<u>821,752</u>	<u>--</u>	<u>--</u>	<u>2,518,537</u>	<u>469,009</u>
Total Current Liabilities	7,767,480	17,714,174	14,619,651	(30,757,915)	9,343,389	5,270,283
Asset retirement obligation	--	1,094,125	--	--	1,094,125	--
Long-Term Debt, less current maturities	806,421	2,739,900	--	--	3,546,321	119,808
Pension liability	<u>14,899,766</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>14,899,766</u>	<u>14,305,410</u>
Total Liabilities	<u>23,473,667</u>	<u>21,548,199</u>	<u>14,619,651</u>	<u>(30,757,915)</u>	<u>28,883,602</u>	<u>19,695,501</u>
Deferred Inflows of Resources						
Fair value of interest rate swap	--	660,073	--	--	660,073	--
Deferred amount for pensions	<u>532,135</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>532,135</u>	<u>--</u>
Total Deferred Inflows of Resources	<u>532,135</u>	<u>660,073</u>	<u>--</u>	<u>--</u>	<u>1,192,208</u>	<u>--</u>
Net Position						
Investment in capital assets	263,839	30,830,671	--	(4,123,423)	26,971,087	3,074,337
Restricted Net Position						
Non-expendable	1,000	8,007,153	100	(8,007,253)	1,000	1,000
Restricted for energy programs	4,299,005	4,500,000	--	--	8,799,005	9,095,715
Unrestricted (deficit)	<u>104,881,783</u>	<u>(28,210,286)</u>	<u>224,654</u>	<u>(3,500,000)</u>	<u>73,396,151</u>	<u>88,622,185</u>
Total Net Position	<u>\$ 109,445,626</u>	<u>\$ 15,127,539</u>	<u>\$ 224,754</u>	<u>\$ (15,630,676)</u>	<u>\$ 109,167,243</u>	<u>\$ 100,793,237</u>

The accompanying notes are an integral part of these financial statements.

CONNECTICUT GREEN BANK

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2015

(With Summarized Totals for the Year Ended June 30, 2014)

	Total Primary Government	Discretely Presented Component Units		Eliminations	2015 Total Reporting Entity	2014 Total Reporting Entity
		CT Solar Lease 2 LLC	CEFIA Solar Services Inc.			
Operating Revenues						
Utility remittances	\$ 27,233,987	\$ --	\$ --	\$ --	\$ 27,233,987	\$ 27,779,345
Grant revenue	192,274	--	--	--	192,274	321,642
RGGI auction proceeds	16,583,545	--	--	--	16,583,545	20,074,668
Energy system sales	25,912,414	--	--	(25,895,726)	16,689	--
REC sales	1,474,488	--	--	--	1,474,488	378,444
Other income	641,763	210,869	123,000	(182,196)	793,435	200,114
Total Operating Revenues	<u>72,038,472</u>	<u>210,869</u>	<u>123,000</u>	<u>(26,077,922)</u>	<u>46,294,418</u>	<u>48,754,213</u>
Operating Expenses						
Cost of goods sold - energy systems	22,526,874	--	--	(22,526,874)	--	--
Grants and program expenditures	21,111,751	1,201,123	--	(182,196)	22,130,678	23,439,362
General and administrative expenses	2,984,178	124,748	8,450	--	3,117,376	2,536,603
Total Operating Expenses	<u>46,622,803</u>	<u>1,325,871</u>	<u>8,450</u>	<u>(22,709,071)</u>	<u>25,248,053</u>	<u>25,975,965</u>
Operating Income	<u>25,415,669</u>	<u>(1,115,002)</u>	<u>114,550</u>	<u>(3,368,852)</u>	<u>21,046,365</u>	<u>22,778,248</u>
Nonoperating Revenue (Expenses)						
Interest income - promissory notes	2,217,368	--	--	--	2,217,368	1,043,595
Interest income - short term cash deposits	83,760	9,208	981	--	93,949	98,383
Interest expenses long term debt	(26,985)	(92,360)	--	--	(119,345)	--
Interest income - component units	58,511	--	--	(58,511)	--	--
Interest expense - component units	--	(58,511)	--	58,511	--	--
Payments to State of Connecticut	(19,200,000)	--	--	--	(19,200,000)	(6,200,000)
Distributions to member	--	(104,579)	--	--	(104,579)	(12,584)
Realized loss on investments	(1,180,285)	--	--	--	(1,180,285)	(1)
Unrealized gain (loss) on interest rate swap	--	(660,073)	--	--	(660,073)	--
Provision for loan losses	(563,825)	--	--	--	(563,825)	(1,310,933)
Total Nonoperating Revenue (Expenses)	<u>(18,611,455)</u>	<u>(906,315)</u>	<u>981</u>	<u>--</u>	<u>(19,516,789)</u>	<u>(6,381,540)</u>

The accompanying notes are an integral part of these financial statements.

CONNECTICUT GREEN BANK

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

(With Summarized Totals for the Year Ended June 30, 2014)

	Total Primary Government	Discretely Presented Component Units		Eliminations	2015 Total Reporting Entity	2014 Total Reporting Entity
		CT Solar Lease 2 LLC	CEFIA Solar Services Inc.			
Change in Net Position before						
Capital Contributions	\$ 6,804,214	\$ (2,021,317)	\$ 115,531	\$ (3,368,852)	\$ 1,529,576	\$ 16,396,708
Capital contributions	--	13,556,783	--	(6,712,353)	6,844,430	201,334
Change in Net Position	6,804,214	11,535,466	115,531	(10,081,205)	8,374,006	16,598,042
Net Position - Beginning of Year	102,641,412	3,592,073	109,223	(5,549,471)	100,793,237	84,195,195
Net Position - End of Year	\$ 109,445,626	\$ 15,127,539	\$ 224,754	\$ (15,630,676)	\$ 109,167,243	\$ 100,793,237

The accompanying notes are an integral part of these financial statements.

CONNECTICUT GREEN BANK

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2015

(With Summarized Totals for the Year Ended June 30, 2014)

	Total Primary Government	Discretely Presented Component Units		Eliminating Entries	2015	2014
		CT Solar Lease 2 LLC	CEFIA Solar Services Inc.			
Cash Flows from Operating Activities						
Sales of energy systems	\$ 20,221,847	\$ --	\$ --	\$ (20,210,904)	\$ 10,943	\$ --
Sales of Renewable Energy Certificates	1,705,932	--	--	--	1,705,932	378,444
Utility company remittances	28,117,538	--	--	--	28,117,538	26,981,768
Grants	139,487	--	--	--	139,487	400,766
RGGI auction proceeds	21,078,165	--	--	--	21,078,165	17,520,889
Other income	629,748	59,196	--	--	688,944	204,322
Lease payments received	--	519,377	--	--	519,377	451,339
Grant and program expenditures	(10,626,103)	(705,110)	--	--	(11,331,214)	(7,897,133)
Grants, incentives and credit enhancements	(9,800,594)	--	--	--	(9,800,594)	(13,313,611)
Purchases of energy equipment	(19,989,550)	--	--	--	(19,989,550)	--
General and administrative expenditures	(3,673,878)	(128,693)	(4,250)	--	(3,806,822)	(2,354,525)
Net Cash Provided by (Used in) Operating Activities	<u>27,802,591</u>	<u>(255,230)</u>	<u>(4,250)</u>	<u>(20,210,904)</u>	<u>7,332,207</u>	<u>22,372,259</u>
Cash Flows from Non-capital Financing Activities						
Payments to State of Connecticut	(19,200,000)	--	--	--	(19,200,000)	(6,200,000)
Advances to CGB component units	(9,809,750)	(2,406,106)	(5,431,106)	17,646,961	--	--
Advances from CGB and component units	(0)	5,431,106	12,215,856	(17,646,961)	--	--
Net Cash Provided by (Used in) Non-capital Financing Activities	<u>(29,009,750)</u>	<u>3,025,000</u>	<u>6,784,750</u>	<u>--</u>	<u>(19,200,000)</u>	<u>(6,200,000)</u>
Cash Flows from Capital and Related Financing Activities						
Purchase of capital assets	(89,808)	(20,210,904)	--	20,210,904	(89,808)	(79,713)
Proceeds from long-term debt	932,272	3,000,000	--	--	3,932,272	122,463
Repayment of long-term debt	(232,432)	--	--	--	(232,432)	--
Interest expense	(26,985)	(62,600)	--	--	(89,585)	--
Capital contributions from/(to) component entities	--	6,712,353	(6,712,353)	--	--	--
Capital contributions from Firststar Development, LLC	--	6,844,430	--	--	6,844,430	201,434
Return of capital to Firststar Development, LLC	--	(86,336)	--	--	(86,336)	(12,584)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>583,047</u>	<u>(3,803,057)</u>	<u>(6,712,353)</u>	<u>20,210,904</u>	<u>10,278,542</u>	<u>231,600</u>
Cash Flows from Investing Activities						
Return of principal on investments	2,332,356	--	--	--	2,332,356	7,022,954
Interest on short-term investments, cash, solar lease notes and loans	877,269	9,207	981	--	887,457	450,899

The accompanying notes are an integral part of these financial statements.

CONNECTICUT GREEN BANK

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

(With Summarized Totals for the Year Ended June 30, 2014)

	Total Primary Government	Discretely Presented Component Units		Eliminating Entries	2015	2014
		CT Solar Lease 2 LLC	CEFIA Solar Services Inc.			
Cash Flows from Investing Activities (Continued)						
CPACE program loan disbursements	\$ (22,181,032)	\$ --	\$ --	\$ --	\$ (22,181,032)	\$ (14,700,337)
Grid Tied program loan disbursements	(1,166,205)	--	--	--	(1,166,205)	(2,375,000)
AD/CHP program loan disbursements	--	--	--	--	--	(150,000)
Alpha/Operational Demo program loan disbursements	(100,000)	--	--	--	(100,000)	(516,200)
Energy Efficiency program loan disbursements	(89,000)	--	--	--	(89,000)	(75,000)
Campus Efficiency NOW program loan disbursements	(396,662)	--	--	--	(396,662)	(315,669)
HOPBI program loan disbursements	(4,443,148)	--	--	--	(4,443,148)	--
Residential Solar Loan program disbursements	(5,486,610)	--	--	--	(5,486,610)	(805,484)
Net Cash Provided by (Used in) Investing Activities	<u>(30,653,030)</u>	<u>9,207</u>	<u>981</u>	<u>--</u>	<u>(30,642,842)</u>	<u>(11,463,837)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(31,277,142)	(1,024,080)	69,129	--	(32,232,093)	4,940,022
Cash and Cash Equivalents - Beginning of Year	<u>75,179,830</u>	<u>5,744,796</u>	<u>123</u>	<u>--</u>	<u>80,924,749</u>	<u>77,641,671</u>
Cash and Cash Equivalents - End of Year	<u>\$ 43,902,688</u>	<u>\$ 4,720,716</u>	<u>\$ 69,252</u>	<u>\$ --</u>	<u>\$ 48,692,656</u>	<u>\$ 82,581,693</u>
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities:						
Operating income (loss)	\$ 25,415,669	\$ (1,115,002)	\$ 114,550	\$ (3,368,853)	\$ 21,046,364	\$ 22,221,885
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:						
Depreciation	115,900	403,602	--	--	519,502	141,343
Provision for loan losses	--	--	--	--	--	1,310,933
Discount on asset sales	--	--	--	--	--	235,239
Other	--	--	--	--	--	436,755
Changes in operating assets and liabilities:						
Other assets	--	--	--	--	--	--
Increase in receivables and other assets	(145,754)	367,704	(123,000)	(16,842,052)	(16,743,102)	(9,123,183)
Increase in accounts payable, accrued expenses, deferred revenue and other liabilities	2,416,776	88,466	4,200	--	2,509,442	7,149,287
Net Cash Provided by (Used in) Operating Activities	<u>\$ 27,802,591</u>	<u>\$ (255,230)</u>	<u>\$ (4,250)</u>	<u>\$ (20,210,905)</u>	<u>\$ 7,332,206</u>	<u>\$ 22,372,259</u>

The accompanying notes are an integral part of these financial statements.

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

The Connecticut Green Bank (CGB) was established in July 2011 under Title 16, Sec. 16-245n of the General Statutes of the State of Connecticut as the successor entity of the Connecticut Clean Energy Fund. CGB, a component unit of the State of Connecticut, was created to promote energy efficiency and investment in renewable energy sources in accordance with a comprehensive plan developed by it to foster the growth, development and commercialization of renewable energy sources and related enterprises and stimulate demand for renewable energy and deployment of renewable energy sources which serve end-use customers in the State. CGB constitutes the successor agency to Connecticut Innovations Incorporated (CI), a quasi-public agency of the State of Connecticut, for the purposes of administering the Clean Energy Fund in accordance with section 4-38d of the Connecticut General Statutes and therefore the net position of such fund were transferred to the newly created CGB as of July 1, 2011. Pursuant to Connecticut General Statute 4-38f, CGB is within CI for administrative purposes only.

On June 6, 2014 Public Act 14-94 of the State of Connecticut changed the name of the Clean Energy Finance and Investment Authority to the Connecticut Green Bank.

PRIOR-PERIOD SUMMARIZED FINANCIAL INFORMATION

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with CGB's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68). The primary objective of this Statement is to improve the accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that are provided by other entities. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014. The implementation of this standard resulted in an adjustment to reduce CGB's beginning net position by \$15,430,912 as of July 1, 2014.

In November 2013, GASB issued Statement No. 71, *Pension Transaction for Contributions Made Subsequent to the Measurement Date, an amendment of GASB 68* (GASB 71). The objective of this statement is to address an issue regarding application of the transition provisions of GASB 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer on non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of this Statement are effective for financial statements for the periods beginning after June 15, 2015. The implementation of this standard resulted in an adjustment to increase CGB's beginning net position by \$1,125,502 as of July 1, 2014.

PRINCIPAL REVENUE SOURCES

The Public Utility Regulatory Authority (PURA) assesses a charge per kilowatt-hour to each end-use customer of electric services provided by utility companies (excluding municipally owned entities) in the state, which is paid to CGB and is the principal source of CGB's revenue. CGB may deploy the funds for loans, direct or equity investments, contracts, grants or other actions that support energy efficiency projects and research, development, manufacture, commercialization, deployment and installation of renewable energy technologies.

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PRINCIPAL REVENUE SOURCES (CONTINUED)

CGB also received payments from the Regional Greenhouse Gas Initiative (RGGI) for the financing of energy efficiency and renewable energy projects through CGB's CPACE program.

REPORTING ENTITY

CGB, as the primary government, follows the reporting requirements of Governmental Accounting Standards Board (GASB) Statement No. 61 (*The Financial Reporting Entity Omnibus – an Amendment of GASB Statements No. 14 and No. 34*) (the Statement) regarding presentation of component units. The Statement modifies certain requirements for including component units in the reporting entity, either by blending (recording their amounts as part of the primary government), or discretely presenting them (showing their amounts separately in the reporting entity's financial statements). To qualify as a blended component unit, the unit must meet one of the following criteria: (1) have substantively the same governing body as that of the primary government, and either (A) a financial benefit or burden relationship exists between the unit and the primary government, or (B) management of the primary government (below the level of the governing body) has operational responsibility of the unit; (2) the unit provides services or benefits exclusively or almost exclusively to the primary government; or (3) the unit's total debt outstanding, including leases, is expected to be repaid by resources of the primary government. A unit which fails to meet the substantively the same governing requirement may still be included as a discretely presented component unit, if the primary government has appointed the voting majority of the component unit's governance or met other criteria specified in the Statement such as whether or not it would be misleading were the entity to be excluded.

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REPORTING ENTITY (CONTINUED)

CGB established four legally separate for-profit entities whose collective purpose, at the present time, is to administer the CGB’s solar energy programs. CGB believes to exclude any of the entities from these financial statements would be misleading. Each entity is listed below, along with whether it is included as a blended component unit (blended) or qualifies as a discretely presented component unit (discrete) within these financial statements based on the criteria previously described.

CEFIA Holdings LLC (blended)

A Connecticut limited liability company (LLC), 99% owned by CGB (1% owned by CI), established to fund a portfolio of residential solar loans and, through its CT Solar Lease 2 program, to enable investment in solar photovoltaic and solar thermal equipment for the benefit of Connecticut homeowners, businesses, not-for-profits and municipalities (the “End Users”). CEFIA Holdings LLC acquires the initial title to the solar assets and contracts with independent solar installers to complete the installation of the solar assets and arrange for the leasing of the solar assets (or sale of energy under power purchase agreements) to the End Users. CEFIA Holdings LLC is also responsible for procuring insurance for the solar assets, operation and maintenance services as well as warranty management services for the ultimate owner of the solar assets, CT Solar Lease 2 LLC, to which CEFIA Holdings LLC sells the residential and commercial projects before the projects are placed in service. After acquiring the residential and commercial projects, CT Solar Lease 2 LLC administers the portfolio of projects with the assistance of AFC First Financial Corporation. CGB’s board of directors acts as the governing authority of CEFIA Holdings LLC. CGB appoints CGB employees to manage the operations of CEFIA Holdings LLC. CGB is also financially responsible (benefit/burden) for CEFIA Holdings LLC’s activities.

CT Solar Loan I LLC (blended)

A limited-liability company, wholly-owned by CEFIA Holdings LLC, CT Solar Loan I LLC was established to make loans to residential property owners for the purpose of purchasing and installing solar photovoltaic equipment. CGB’s board of directors acts as the governing authority of CT Solar Loan I LLC. CGB appoints CGB employees to manage the operations of CT Solar Loan I LLC. CGB is also financially responsible (benefit/burden) for CT Solar Loan I LLC’s activities.

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REPORTING ENTITY (CONTINUED)

CEFIA Solar Services, Inc. (discrete)

A Connecticut corporation, 100% owned by CEFIA Holdings LLC, established to share in the ownership risks and benefits derived from the leasing of solar photovoltaic and solar thermal equipment and the sale of energy under power purchase agreements as managing member of CT Solar Lease 2 LLC. CEFIA Solar Services, Inc. (“Solar Services”) has a one percent ownership interest in CT Solar Lease 2 LLC and is its managing member. Solar Services is responsible for performing all management and operational functions pursuant to the Operating Agreement of CT Solar Lease 2 LLC. CGB through CEFIA Holdings LLC directly appoints the board of directors of Solar Services. The primary government’s intent for owning a controlling interest in Solar Services is to enhance its ability to offer financing options to commercial entities and residents of Connecticut wishing to install renewable energy equipment. CGB believes that to exclude Solar Services from these financial statements would be misleading.

CT Solar Lease 2 LLC (discrete)

A Connecticut limited-liability company, CT Solar Lease 2 LLC acquires title to the residential and commercial solar projects from the developer, CEFIA Holdings LLC, using capital from its members along with non-recourse funding from participating banks. Repayment to participating banks is predicated upon the property owners payment to CT Solar Lease 2 LLC of their obligations under leases and power purchase agreements, as well as revenue earned from production-based incentives. CT Solar Lease 2 LLC is owned ninety-nine percent (99%) by Firststar Development, LLC, a Delaware limited liability company, as the Investor Member and one percent (1%) by CEFIA Solar Services Inc., as the Managing Member. The primary government’s intent to provide management services through Solar Services is to directly enhance its ability to provide financing options to commercial entities and residents of Connecticut wishing to install renewable energy equipment. Although CGB has a minority membership interest in CT Solar Lease 2 LLC, CGB believes that to exclude it from these financial statements would be misleading.

Advances between the primary government (CGB) and its component units, or between the component units themselves, involved establishment of funds to provide for loan loss reserves as well as pay certain organizational costs. Advances were eliminated in preparing the combining and reporting entity financial statements.

Condensed combining information for the primary government (CGB) and its two blended component units (CEFIA Holdings LLC and CT Solar Loan I LLC) is presented as follows:

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CONDENSED, COMBINING INFORMATION – STATEMENT OF NET POSITION

	CGB	CT Solar Loan I LLC	CEFIA Holdings LLC	Eliminating Entries	Total Primary Government
Assets					
Current Assets					
Cash and cash equivalents	\$ 36,023,857	\$ 419,061	\$ 3,160,764	\$ --	\$ 39,603,682
Accounts receivable	25,916	--	--	--	25,916
Utility remittance receivable	2,518,850	--	--	--	2,518,850
Other receivables	313,228	--	--	--	313,228
Due from component units	25,142,651	--	19,226,458	(16,879,194)	27,489,915
Prepaid expenses and other assets	94,433	19,249	170,580	--	284,262
Contractor loans	3,112,663	--	--	--	3,112,663
Current portion of solar lease notes	803,573	--	--	--	803,573
Current portion of portfolio investments	9,194,196	1,070,629	--	--	10,264,825
Total Current Assets	<u>77,229,367</u>	<u>1,508,939</u>	<u>22,557,801</u>	<u>(16,879,194)</u>	<u>84,416,913</u>
Noncurrent Assets					
Portfolio investments	1,000,000	--	--	--	1,000,000
Bonds receivable	1,600,000	--	--	--	1,600,000
Solar Lease Notes, less current portion	9,015,437	--	--	--	9,015,437
Program loans, less current portion	26,846,054	3,407,066	--	--	30,253,119
Renewable Energy Certificates	933,054	--	--	--	933,054
Investment in component units	99,000	--	100	(99,000)	100
Capital assets, net of depreciation and amortization	263,839	--	--	--	263,839
Restricted assets:					
Cash and cash equivalents	3,999,005	300,000	--	--	4,299,005
Total Noncurrent Assets	<u>43,756,388</u>	<u>3,707,066</u>	<u>100</u>	<u>(99,000)</u>	<u>47,364,554</u>
Total Assets	<u>\$ 120,985,756</u>	<u>\$ 5,216,004</u>	<u>\$ 22,557,901</u>	<u>\$ (16,978,194)</u>	<u>\$ 131,781,467</u>
Deferred Outflows of Resources					
Deferred amount for pensions	\$ 1,669,961	\$ --	\$ --	\$ --	\$ 1,669,961
Total Deferred Outflows of Resources	<u>\$ 1,669,961</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,669,961</u>

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CONDENSED, COMBINING INFORMATION – STATEMENT OF NET POSITION (CONTINUED)

	CGB	CT Solar Loan I LLC	CEFIA Holdings LLC	Eliminating Entries	Total Primary Government
Liabilities, Deferred Inflows, and Net Position					
Liabilities					
Current maturities of long-term debt	\$ --	\$ 47,103	\$ --	\$ --	\$ 47,103
Accounts payable and accrued expenses	1,763,619	47,857	3,514,637	--	5,326,112
Due to component units	--	4,063,850	12,815,344	(16,879,194)	--
Due to outside agency	49,516	--	--	--	49,516
Custodial liability	292,000	--	355,964	--	647,964
Deferred revenue	9,340	--	1,687,445	--	1,696,785
Total Current Liabilities	2,114,475	4,158,810	18,373,390	(16,879,194)	7,767,480
Long-Term Debt, less current maturities	--	806,421	--	--	806,421
Pension liability	14,899,766	--	--	--	14,899,766
Total Liabilities	17,014,241	4,965,230	18,373,390	(16,879,194)	23,473,667
Deferred Inflows of Resources					
Deferred amount for pensions	532,135	--	--	--	532,135
Total Deferred Inflows of Resources	532,135	--	--	--	532,135
Net Position					
Investment in capital assets	263,839	--	--	--	263,839
Restricted Net Position					
Non-expendable	--	--	100,000	(99,000)	1,000
Restricted for energy programs	3,999,005	300,000	--	--	4,299,005
Unrestricted (deficit)	100,846,498	(49,226)	4,084,511	--	104,881,783
Total Net Position	\$ 105,109,341	\$ 250,774	\$ 4,184,511	\$ (99,000)	\$ 109,445,626

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CONDENSED, COMBINING INFORMATION – STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	CGB	CT Solar Loan I LLC	CEFIA Holdings LLC	Eliminating Entries	Total Primary Government
Operating Revenues					
Utility remittances	\$ 27,233,987	\$ --	\$ --	\$ --	\$ 27,233,987
Grant revenue	192,274	--	--	--	192,274
RGGI auction proceeds	16,583,545	--	--	--	16,583,545
Energy system sales	--	--	25,912,414	--	25,912,414
REC sales	1,474,488	--	--	--	1,474,488
Other income	641,577	186	--	--	641,763
Total Operating Revenues	<u>46,125,872</u>	<u>186</u>	<u>25,912,414</u>	<u>--</u>	<u>72,038,472</u>
Operating Expenses					
Cost of goods sold - energy systems	--	--	22,526,874	--	22,526,874
Grants and program expenditures	20,904,376	195,981	11,394	--	21,111,751
General and administrative expenses	2,954,971	263	28,944	--	2,984,178
Total Operating Expenses	<u>23,859,346</u>	<u>196,244</u>	<u>22,567,212</u>	<u>--</u>	<u>46,622,802</u>
Operating Income	<u>22,266,525</u>	<u>(196,059)</u>	<u>3,345,203</u>	<u>--</u>	<u>25,415,669</u>
Nonoperating Revenue (Expenses)					
Interest income - promissory notes	2,031,578	185,790	--	--	2,217,368
Interest income - short term cash deposits	81,891	486	1,383	--	83,761
Interest expenses LT debt	--	(26,985)	--	--	(26,985)
Interest income - component units	58,511	--	--	--	58,511
Payments to State of Connecticut	(19,200,000)	--	--	--	(19,200,000)
Realized loss on investments	(1,180,285)	--	--	--	(1,180,285)
Provision for loan losses	(563,825)	--	--	--	(563,825)
Total Nonoperating Revenue (Expenses)	<u>(18,772,129)</u>	<u>159,291</u>	<u>1,383</u>	<u>--</u>	<u>(18,611,455)</u>

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CONDENSED, COMBINING INFORMATION – STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONTINUED)

	CGB	CT Solar Loan I LLC	CEFIA Holdings LLC	Eliminating Entries	Total Primary Government
Change in Net Position	3,494,396	(36,767)	3,346,586	--	6,804,215
Net Position - Beginning of Year	<u>101,614,944</u>	<u>287,542</u>	<u>837,926</u>	<u>(99,000)</u>	<u>102,641,412</u>
Net Position - End of Year	<u>\$ 105,109,340</u>	<u>\$ 250,775</u>	<u>\$ 4,184,512</u>	<u>\$ (99,000)</u>	<u>\$ 109,445,627</u>

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CONDENSED, COMBINING INFORMATION – STATEMENT OF CASH FLOWS

	CGB	CT Solar Loan I LLC	CEFIA Holdings LLC	Eliminating Entries	Total Primary Government
Cash Flows from Operating Activities					
Sales of energy systems	\$ --	\$ --	\$ 20,221,847	\$ --	\$ 20,221,847
Sales of Renewable Energy Certificates	1,705,932	--	--	--	1,705,932
Utility company remittances	28,117,538	--	--	--	28,117,538
Grants	139,487	--	--	--	139,487
RGGI auction proceeds	21,078,165	--	--	--	21,078,165
Other income	629,748	--	--	--	629,748
Lease payments received	--	--	--	--	--
Grant and program expenditures	(10,473,287)	(126,430)	(26,386)	--	(10,626,103)
Grants, incentives and credit enhancements	(9,800,594)	--	--	--	(9,800,594)
Purchases of energy equipment	--	--	(19,989,550)	--	(19,989,550)
General and administrative expenditures	(3,603,017)	(5,021)	(13,583)	--	(3,621,621)
Net Cash Provided by (Used in) Operating Activities	<u>27,793,972</u>	<u>(131,451)</u>	<u>192,328</u>	<u>--</u>	<u>27,854,849</u>
Cash Flows from Non-capital Financing Activities					
Payments to State of Connecticut	(19,200,000)	--	--	--	(19,200,000)
Advances to CGB component units	(15,728,249)	--	(1,688,425)	7,606,924	(9,809,750)
Advances from CGB and component units	--	3,205,000	4,401,924	(7,606,924)	(0)
Net Cash Provided by (Used in) Non-capital Financing Activities	<u>(34,928,249)</u>	<u>3,205,000</u>	<u>2,713,499</u>	<u>--</u>	<u>(29,009,750)</u>
Cash Flows from Capital and Related Financing Activities					
Purchase of capital assets	(89,808)	--	--	--	(89,808)
Proceeds from long-term debt	--	932,271	--	--	932,271
Repayment of long-term debt	--	(232,432)	--	--	(232,432)
Interest expense	--	(26,985)	--	--	(26,985)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(89,808)</u>	<u>672,854</u>	<u>--</u>	<u>--</u>	<u>583,046</u>
Cash Flows from Investing Activities					
Return of principal on investments	1,404,738	927,618	--	--	2,332,356
Interest on short-term investments, cash, solar lease notes and loans	744,977	130,909	1,383	--	877,269

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CONDENSED, COMBINING INFORMATION – STATEMENT OF CASH FLOWS (CONTINUED)

	CGB	CT Solar Loan I LLC	CEFIA Holdings LLC	Eliminating Entries	Total Primary Government
Cash Flows from Investing Activities (Continued)					
CPACE program loan disbursements	\$ (22,181,032)	\$ --	\$ --	\$ --	\$ (22,181,032)
Grid Tied program loan disbursements	(1,166,205)	--	--	--	(1,166,205)
Alpha/Operational Demo program loan disbursements	(100,000)	--	--	--	(100,000)
Energy Efficiency program loan disbursements	(89,000)	--	--	--	(89,000)
Campus Efficiency NOW program loan disbursements	(396,662)	--	--	--	(396,662)
HOPBI program loan disbursements	(4,443,148)	--	--	--	(4,443,148)
Residential Solar Loan program disbursements	(900,000)	(4,586,610)	--	--	(5,486,610)
Net Cash Provided by (Used in) Investing Activities	<u>(27,126,331)</u>	<u>(3,528,083)</u>	<u>1,383</u>	<u>--</u>	<u>(30,653,030)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(34,350,416)	218,321	2,907,210	--	(31,224,886)
Cash and Cash Equivalents - Beginning of Year	<u>74,373,278</u>	<u>500,740</u>	<u>253,554</u>	<u>--</u>	<u>75,127,572</u>
Cash and Cash Equivalents - End of Year	<u>\$ 40,022,862</u>	<u>\$ 719,061</u>	<u>\$ 3,160,764</u>	<u>\$ --</u>	<u>\$ 43,902,686</u>
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	\$ 22,266,525	\$ (196,059)	\$ 3,345,203	\$ --	\$ 25,415,669
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:					
Depreciation	115,900	--	--	--	115,900
Changes in operating assets and liabilities:					
Increase in receivables and other assets	5,544,999	(186)	(5,690,567)	--	(145,754)
Increase in accounts payable, accrued expenses, deferred revenue and other liabilities	(185,711)	64,794	2,537,693	--	2,416,776
Net Cash Provided by (Used in) Operating Activities	<u>\$ 27,741,713</u>	<u>\$ (131,451)</u>	<u>\$ 192,329</u>	<u>\$ --</u>	<u>\$ 27,802,591</u>

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

All entities are enterprise funds. Enterprise funds are used to account for governmental activities that are similar to those found in the private sector in which the determination of net income is necessary or useful to sound financial administration.

BASIS OF PRESENTATION

These financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when the liability is incurred, regardless of the timing of the related cash flows.

REVENUE RECOGNITION

CGB, in addition to utility assessments and RGGI auction income, recognizes revenue from grants as expenses are incurred.

CT Solar Loan I LLC derives revenue from interest earned on residential solar loan products.

CEFIA Holdings LLC derives revenue from the sales of photovoltaic energy systems to CT Solar Lease 2, LLC. This amount was eliminated to arrive at the total reporting entity revenue.

CEFIA Solar Services, Inc. revenue consists of an administrative fee from CGB. This amount was eliminated to arrive at the total reporting entity revenue.

CT Solar Lease 2 LLC derives revenue from the following sources: operating leases, energy generation, performance based incentives (PBIs) and the sale of Solar Renewable Energy Certificates (SRECs) to third parties.

Rental income from operating leases for residential and certain commercial scale solar facilities is recognized on a straight-line basis over the term of each underlying lease.

Energy generation revenue will be recognized as electricity is generated, based on actual output and contractual prices set forth in long term PPAs associated with certain commercial scale facilities.

Revenue from the sale of SRECs to third parties is recognized upon the transfer of title and delivery of the SRECs to third parties and is derived from contractual prices set forth in SREC sale agreements associated with commercial scale facilities.

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 – NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

OPERATING VS. NON-OPERATING REVENUE (EXPENSE)

All entities distinguish operating revenues and expenses from non-operating items. Operating revenues consist of utility customer assessments, grants for operating activities, and other revenue generated in connection with investments in clean energy programs. Operating expenses consist of operating costs, including depreciation on capital assets and grants and programs. Non-operating revenue (expense) consists of investment earnings, and other items not considered operational by management.

USE OF ESTIMATES

Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect certain reported amounts and disclosures in the financial statements. Actual results could vary from the estimates that were used.

USE OF RESTRICTED VS. NON-RESTRICTED RESOURCES

When both restricted and unrestricted amounts are available for use, the policy is to use restricted resources for their intended purposes first and then unrestricted resources.

CASH AND CASH EQUIVALENTS

Cash equivalents consist of cash and highly liquid short-term investments with an original term of 90 days when purchased and are recorded at cost, which approximates fair value.

CAPITAL ASSETS

Capital asset acquisitions exceeding \$500 are capitalized at cost. Maintenance and repair expenses are charged to operations when incurred. Depreciation is computed using straight-line methods over the estimated useful lives of the assets, which range from two to thirty years. Leasehold improvements are amortized over the shorter of their useful life or the lease term.

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 – NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAPITAL ASSETS (CONTINUED)

The estimated useful lives of capital assets are as follows:

Asset	Years
Solar lease equipment	30 years
Furniture and equipment	5 years
Leasehold improvements	5 years
Computer hardware and software	2-3 years

For capital assets sold or otherwise disposed of, the cost and related accumulated depreciation and amortization are removed from the accounts, and any related gain or loss is reflected in income for the period.

All solar facilities are owned by CT Solar Lease 2 LLC and are stated at cost and include all amounts necessary to construct them. Systems are placed in service when they are ready for use and all necessary approvals have been received from local utility companies. Additions, renewals, and betterments that significantly extend the life of an asset are capitalized. Expenditures for warranty maintenance and repairs to solar facilities are charged to expense as incurred. Solar facilities in process represent facilities which are in various stages of construction or have not yet received the necessary utility company approvals.

IMPAIRMENT OF LONG-LIVED ASSETS

CT Solar Lease 2 LLC reviews its solar facilities for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by an asset is less than its carrying amount, management compares the carrying amount of the asset to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss was recognized during the fiscal year ending June 30, 2015.

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 – NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSET RETIREMENT OBLIGATIONS

CT Solar Lease 2 LLC (CT SL2) is required to recognize its liability related to asset retirement obligations when it has the legal obligation to retire long-lived assets. Upon the expiration of operating leases or a PPA's initial or extended terms, customers generally have the option to purchase the solar facilities at fair market value or require CT SL2 to remove the solar facilities at its expense.

Asset retirement obligations are recorded in the period in which they are incurred and reasonably estimable, including those obligations for which the timing method of settlement are conditional on a future event that may or may not be in the control of CT SL2. Retirement of assets may involve efforts to remove the solar facilities depending on the nature and location of the assets. In identifying asset retirement obligations, CT SL2 considers identification of legally enforceable obligations, changes in existing law, estimates of potential settlement dates, and the calculation of an appropriate discount rate to be used in calculating the fair value of the obligations. For those assets where a range of potential settlement dates may be reasonably estimated, obligations are recorded. CT SL2 routinely reviews and reassesses its estimates to determine if an adjustment to the value of asset retirement obligations is required.

The aggregate carrying amount of asset retirement obligations recognized by CT SL2 was \$1,094,125 at June 30, 2015. There were no asset retirement obligations recognized at June 30, 2014. The following table shows changes in the aggregate carrying amount of CT SL2's asset retirement obligation for the year ended June 30, 2015:

Balance - June 30, 2014	\$	--
Additional accruals		1,047,606
Accretion expense		<u>46,519</u>
Balance - June 30, 2015	\$	<u>1,094,125</u>

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 – NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PORTFOLIO INVESTMENTS

CGB carries all investments at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer liability by in an orderly transaction between market participants at the measurement date. As discussed in Note 4, CGB's portfolio investments are managed by CI. Fair value is determined by CI's independent valuation committee ("Committee") using United States Private Equity Valuation Guidelines promulgated by the Private Equity Investment Guidelines Group. In the absence of readily determinable market values, the Committee gives consideration to pertinent information about the companies comprising these investments, including, but not limited to, recent sales prices of the issuer's securities, sales growth, progress toward business goals and other operating data. CI has applied procedures in arriving at the estimate of the value of such securities that it believes are reasonable and appropriate. CGB management reserves the right to establish a reserve in addition to the reserve recommended by the Committee to further account for current market conditions and volatility. Due to the inherent uncertainty of valuation, those estimated values may differ significantly from the amounts ultimately realized from the investments, and the differences could be material. CGB reports gains as realized and unrealized consistent with the practice of venture capital firms. The calculation of realized gains and losses is independent of the calculation of the net change in investment value.

All of CGB's portfolio investments are uninsured against loss and unregistered, and are held in the administrator's name.

NET POSITION

Net position is presented in the following three categories:

- *Investment in Capital Assets* represent capital assets, net of accumulated depreciation and amortization that are attributable to those particular assets.
- *Restricted Net Position* represent assets whose use is restricted through external restrictions imposed by creditors, grantors, contributors and the like, or through restrictions imposed by laws or through constitutional provisions or enabling legislature, and includes equity interest within CGB's component units by outside entities.
- *Unrestricted Net Position* represents assets which do not meet the definition of the two preceding categories.

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 – NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GRANTS AND PROGRAMS

Expenditures for grants and programs are recorded upon the submission of invoices and other supporting documentation and approval by management. Salaries, benefits and overhead expenses are allocated to program expenses based on job functions.

RECLASSIFICATIONS

Certain amounts in the 2014 summarized information have been reclassified to conform to the 2015 presentation.

SUBSEQUENT EVENTS

CGB has performed a review of events subsequent to the statement of net position date through January 28, 2016, the date of the financial statements where available to be issued. Except as described below, no additional events requiring recording or disclosure in the financial statements were identified.

CGB entered into an agreement with a 3rd party capital provider to provide funding for the C-PACE loan program in December 2015. CGB will provide up to \$10,000,000, 10 percent, of the capital of NA C-PACE, LLC in the form subordinated debt. CGB will continue to act as an administrator of the C-PACE program. There were no contributions made to NA C-PACE, LLC as of January 28, 2016.

NOTE 2 – CHANGE IN METHOD FOR ACCOUNTING FOR PENSIONS

On July 1, 2014, CGB adopted GASB 68 and GASB 71. GASB 68 requires cost-sharing employers to recognize liabilities, deferred outflows of resources, deferred inflows of resources, and expenses for their proportionate share of the pension plan's total. As the State Employees' Retirement System (SERS) did not have a practical way to provide each of its cost-sharing employers with all of the information needed to fully restate their prior period financial statements, CGB has elected to apply the "cumulative effect" method, as discussed in GASB 68, by restating beginning net position as of July 1, 2014. As of July 1, 2014, CGB recorded an adjustment to reduce beginning net position by \$15,430,912 in accordance with GASB 68, as amended.

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 2 – CHANGE IN METHOD FOR ACCOUNTING FOR PENSIONS (CONTINUED)

GASB 71 requires that, at transition, a government recognize a deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the net pension liability and the end of the government’s report period. The provisions of the Statement are required to be applied simultaneously with the provisions of GASB 68. As of July 1, 2014, CGB recorded an adjustment to increase beginning net position by \$1,923,687 for contributions made to SERS from July 1, 2013 through June 30, 2014.

As of July 1, 2014, the cumulative effect of adopting GASB 68 was a \$14,305,410 reduction to beginning net position. The following table shows the impact of the “cumulative effect” method of adopting and implementing GASB 68 and GASB 71 on beginning net position.

Statement of Revenue, Expenses and Changes in Net Position

Net position, beginning of period, July 1, 2014 (as previously started)	\$ 98,500,605
Cumulative effect of adopting GASB 68 and GASB 71	<u>(14,305,410)</u>
Net position, beginning of period, July 1, 2014 (as restated)	<u>\$ 84,195,195</u>

NOTE 3 – FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). In determining fair value, CGB utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. CGB also considers nonperformance risk in the overall assessment of fair value.

Investments are measured at fair value utilizing valuation techniques based on observable and/or unobservable inputs. Observable inputs reflect readily obtainable data from independent sources, while unobservable inputs reflect market assumptions. These inputs are classified into the following hierarchy:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets of liabilities. CGB’s Level 1 securities were valued at the closing price reported on the active markets on which the individual securities are traded.

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 3 – FAIR VALUE MEASUREMENTS (CONTINUED)

Level 2 – Inputs other than quotes prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- Quotes prices for similar assets and liabilities in active markets
- Quotes prices for identical or similar assets or liabilities in markets that are not active
- Observable inputs other than quotes prices that are used in the valuation of the asset or liability (e.g., interest rate and yield curve quotes at commonly quotes intervals)
- Inputs that are derived principally from or corroborated by observed market data by correlation or other means

Level 3 – Unobservable inputs for the asset or liability (supported by little or no market activity). Level 3 inputs include management’s own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 3 – FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, CGB’s fair value measurements at June 30, 2015:

	<i>Investment assets at Fair Value as of June 30, 2015</i>			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 48,692,654	\$ --	\$ --	\$ 48,692,654
Portfolio investments	--	--	1,000,000	1,000,000
	<u>\$ 48,692,654</u>	<u>\$ --</u>	<u>\$ 1,000,000</u>	<u>\$ 49,692,654</u>
	Level 1	Level 2	Level 3	Total
Primary Government:				
Cash and cash equivalents	\$ 43,902,687	\$ --	\$ --	\$ 43,902,687
Portfolio investments	--	--	1,000,000	1,000,000
Discretely Presented				
Component Units:				
CEFIA Solar Services, Inc.	69,252	--	--	69,252
CT Solar Lease 2 LLC				
Cash and cash equivalents	<u>4,720,716</u>	<u>--</u>	<u>--</u>	<u>4,720,716</u>
	<u>\$ 48,692,654</u>	<u>\$ --</u>	<u>\$ 1,000,000</u>	<u>\$ 49,692,654</u>

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 3 – FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, CGB’s fair value measurements at June 30, 2014:

	<i>Investment assets at Fair Value as of June 30, 2014</i>			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 80,924,749	\$ --	\$ --	\$ 80,924,749
Portfolio investments	--	--	1,000,000	1,000,000
	<u>\$ 80,924,749</u>	<u>\$ --</u>	<u>\$ 1,000,000</u>	<u>\$ 81,924,749</u>
	Level 1	Level 2	Level 3	Total
Primary Government:				
Cash and cash equivalents	\$ 75,179,829	\$ --	\$ --	\$ 75,179,829
Portfolio investments	--	--	1,000,000	1,000,000
Discretely Presented Component Units:				
CEFIA Solar Services, Inc.	123	--	--	123
CT Solar Lease 2 LLC				
Cash and cash equivalents	<u>5,744,796</u>	<u>--</u>	<u>--</u>	<u>5,744,796</u>
	<u>\$ 80,924,748</u>	<u>\$ --</u>	<u>\$ 1,000,000</u>	<u>\$ 81,924,748</u>

There were no transfers between levels during the years ended June 30, 2015 and 2014.

Furthermore, there were no changes in level 3 assets during 2015 or 2014, respectively.

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 4 – CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents for the reporting entity at June 30:

	2015	2014
Checking	\$ 4,976,553	\$ 2,257,365
Money Market	2,612,096	--
State Treasurer's Short-Term Investment Fund	<u>32,597,000</u>	<u>69,688,946</u>
Unrestricted cash and cash equivalents	40,185,649	71,946,311
Checking - restricted	1,378,516	1,405,787
Money Market - restricted	3,500,000	3,500,000
State Treasurer's Short-Term Investment Fund - restricted	<u>3,628,489</u>	<u>4,072,652</u>
Total cash and cash equivalents	<u>\$ 48,692,654</u>	<u>\$ 80,924,750</u>

Cash and cash equivalents as of June 30, 2015

	Primary Government	CT Solar Lease 2 LLC	CEFIA Solar Services, Inc.	Total
Checking	\$ 4,495,299	\$ 166,135	\$ 23,120	\$ 4,684,554
Money Market	2,511,383	54,581	46,132	2,612,096
State Treasurer's Short-Term Investment Fund	<u>32,597,000</u>	<u>--</u>	<u>--</u>	<u>32,597,000</u>
Unrestricted Cash and Cash Equivalents	39,603,682	220,716	69,252	39,893,650
Restricted Cash				
Checking	670,515	1,000,000	--	1,670,515
Money market	--	3,500,000	--	3,500,000
State Treasurer's Short-Term Investment Fund	<u>3,628,489</u>	<u>--</u>	<u>--</u>	<u>3,628,489</u>
	<u>\$ 43,902,686</u>	<u>\$ 4,720,716</u>	<u>\$ 69,252</u>	<u>\$ 48,692,654</u>

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 4 – CASH AND CASH EQUIVALENTS (CONTINUED)

	<i>Cash and cash equivalents as of June 30, 2014</i>			
	Primary Government	CT Solar Lease 2 LLC	CEFIA Solar Services, Inc.	Total
Checking	\$ 1,012,446	\$ 1,244,796	\$ 123	\$ 2,257,365
State Treasurer's Short-Term Investment Fund	<u>69,688,946</u>	<u>--</u>	<u>--</u>	<u>69,688,946</u>
Unrestricted Cash and Cash Equivalents	70,701,392	1,244,796	123	71,946,311
Restricted Cash				
Checking	405,786	1,000,000	--	1,405,786
Money market	--	3,500,000	--	3,500,000
State Treasurer's Short-Term Investment Fund	<u>4,072,652</u>	<u>--</u>	<u>--</u>	<u>4,072,652</u>
	<u>\$ 75,179,830</u>	<u>\$ 5,744,796</u>	<u>\$ 123</u>	<u>\$ 80,924,749</u>

STATE TREASURER'S SHORT-TERM INVESTMENT FUND

The State Treasurer's Short-Term Investment Fund is a Standard & Poors AAAM investment pool of high-quality, short-term money market instruments managed by the Cash Management Division of the State Treasurer's Office, and operates in a manner similar to Money Market Mutual Funds. It is the investment vehicle for the operating cash of the State of Connecticut Treasury, state agencies and authorities, municipalities, and other political subdivisions of the State. The value of CGB's position in the pool is the same as the value of pool shares. Regulatory oversight is provided by an investment advisory council and the State Treasurer's Cash Management Board.

INVESTMENT MATURITIES

The State Treasurer's Short-Term Investment Fund itself has no maturity date and is available for withdrawal on demand.

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 4 – CASH AND CASH EQUIVALENTS (CONTINUED)

INTEREST RATE RISK

CGB manages its exposure to declines in fair value by limiting the average maturity of its cash and cash equivalents to no more than one year.

CREDIT RISK

Connecticut General Statutes authorize CGB to invest in obligations of the U.S. Treasury including its agencies and instrumentalities, commercial paper, banker's acceptance, repurchase agreements and the State Treasurer's Short-Term Investment Fund.

Investment ratings for the Fund's investment are as follows:

	<u>Standard & Poor's</u>
State Treasurer's Short-Term Investment Fund	AAAm

CONCENTRATION OF CREDIT RISK

CGB's investment policy does not limit the investment in any one investment vehicle. The State Treasurer's Short-term Investment Fund is not subject to this disclosure.

CUSTODIAL CREDIT RISK - DEPOSITS

In the case of deposits, this represents the risk that, in the event of a bank failure, CGB's deposits may not be returned to it. CGB does not have a deposit policy for custodial credit risk. As of June 30, 2015 and 2014, \$12,212,054 and \$6,554,413, respectively, of CGB's bank balances were exposed to custodial credit risk. Primary government consisted of \$7,795,388 and \$1,296,948 as of June 30, 2015 and 2014, respectively. CT Solar Lease 2, LLC consisted of \$4,416,666 and \$5,257,465 as of June 30, 2015 and 2014, respectively. Funds held by banks on behalf of CT Solar Lease 2 LLC include a contractual requirement to maintain \$4,500,000 in deposits with financial institutions participating in the CGB Solar Lease Program which represent loan loss and lease maintenance reserves.

CUSTODIAL CREDIT RISK - INVESTMENTS

For an investment, this represents the risk that, in the event of the failure of the counterparty, CGB will not be able to recover the value of the investment. CGB does not have a policy relating to the credit risk of investments. As of June 30, 2015 and 2014, CGB had no reportable credit risk.

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 5 – PORTFOLIO INVESTMENTS

The former Connecticut Clean Energy Fund (CCEF) invested in emerging technology companies as equity and debt investments in Operational Demonstration projects. Based on a memorandum of understanding between CGB and CI, CI manages these investments on behalf of CGB.

NOTE 6 – BONDS RECEIVABLE

This amount represents two \$800,000 bonds received in connection with the CGB’s May 2014 sale of C-PACE Loans to Clean Fund Holdings, LLC (CFH). CFH paid CGB approximately \$6.4 million in cash along with two bonds issued to CGB through Public Finance Authority (Subordinate Series 2014B-1 and 2014C-1). Each bond carries interest of 5.30% per annum with a maturity date of September 10, 2034. The bonds are secured by the C-PACE Loans sold to CFH. At June 30, 2015, management believes no valuation allowance is necessary on these bonds.

Each bond requires semi-annual interest-only payments to CGB starting September 10, 2014 and continuing to September 10, 2029. Starting March 10, 2030 and every six months thereafter, principal payments, along with the required interest is to be paid to CGB.

Principal maturities of these bonds are as follows:

Year ended June 30,	2014B-1	2014C-1	Total
2015	\$ --	\$ --	\$ --
2016	--	--	--
2017	--	--	--
2018	--	--	--
2019	--	--	--
2020 - 2024	--	--	--
2025 - 2029	--	--	--
2030 - 2034	792,500	792,500	1,585,000
2035	7,500	7,500	15,000
	<u>\$ 800,000</u>	<u>\$ 800,000</u>	<u>\$ 1,600,000</u>

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 7 – SOLAR LEASE NOTES

In June of 2008 the predecessor of the CGB, the Connecticut Clean Energy Fund (CCEF) entered into a Master Lease Program Agreement with CT Solar Leasing LLC, a third party leasing company, AFC First Financial Corporation, a third party servicer, and Firststar Development LLC, the tax equity investor, to develop a residential solar PV leasing program in Connecticut. CCEF purchased a total of \$13,248,685 of promissory notes issued by CT Solar Leasing LLC during the period commencing in April of 2009 and ending in February of 2012 to fund the program. Each nonrecourse promissory note is secured by the payments under a specific PV equipment lease, with a rate of interest of 5% and a term of 15 years. Future principal repayments under the program and the current loss reserve are as follows:

	2016	\$ 803,573
	2017	846,480
	2018	889,788
	2019	935,311
	2020	983,163
	2021-2024	<u>5,459,877</u>
		9,918,192
Less reserve for losses:		<u>(99,182)</u>
		<u>\$ 9,819,010</u>
Current portion		\$ 803,573
Non-current portion		<u>9,015,437</u>
		<u>\$ 9,819,010</u>

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 8 – PROGRAM LOANS

Outstanding principal balances by program for the years ending June 30, 2015 and 2014 are as follows:

	2015	2014
Connecticut Green Bank		
CPACE Program benefit assessments	\$ 29,379,287	\$ 6,902,682
Gried-Tied Program term loans	7,722,894	6,025,782
Pre Development/Operational Demonstration program loans	836,421	2,338,046
Other program loans	1,746,443	437,031
CT Solar Loan I LLC		
Residential Solar PV Program loans-WIP	892,866	250,309
Residential Solar PV Program loans-Complete	3,584,829	530,026
	44,162,740	16,483,876
Reserve for loan losses	(3,644,796)	(3,080,972)
	\$ 40,517,944	\$ 13,402,904

Scheduled repayments of principal under these loans as of June 30, 2015 is as follows:

	2016	2017	2018	2019	2020	Thereafter	Total
Connecticut Green Bank							
CPACE Program benefit assessments - in construction	\$ 8,050,041	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 8,050,041
CPACE Program benefit assessments - in repayment	655,286	806,641	834,316	881,969	932,160	17,218,872	21,329,244
Gried-Tied Program term loans	--	--	--	--	--	7,722,894	7,722,894
Pre Development/ Operational Demonstration program loans	--	--	501,421	--	--	335,000	836,421
Other program loans	925,458	15,760	15,760	5,731	--	783,734	1,746,443
CT Solar Loan I LLC							
Residential Solar PV Program loans - in construction	892,866	--	--	--	--	--	892,866
Residential Solar PV Program loans - in repayment	177,763	190,025	202,807	216,562	229,005	2,568,667	3,584,829
	10,701,414	1,012,426	1,554,305	1,104,262	1,161,165	28,629,167	44,162,739
Reserve for loan losses	(436,589)	(41,120)	(543,925)	(44,335)	(46,608)	(2,532,218)	(3,644,795)
	\$ 10,264,825	\$ 971,306	\$ 1,010,380	\$ 1,059,927	\$ 1,114,557	\$ 26,096,949	\$ 40,517,944

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 8 – PROGRAM LOANS (CONTINUED)

Benefits assessments under the C-PACE program will finance energy efficiency upgrades and the installation of renewable energy equipment on non-residential property. The assessments carry interest rates ranging from 5.0% to 6.0% with terms ranging from 10 to 20 years.

The grid-tied term loan represents the financing of two projects. The first project is the 15 megawatt Dominion Bridgeport Fuel Cell Park from Project 150. Interest is paid monthly on the outstanding principal balance at a rate of 5.0% until 2022 when principal payments commence over a 48-month period. The second project is the 5 megawatt wind turbine project in Colebrook. Interest on the revolving term loan is paid quarterly at prime plus 3%. Interest on the non-revolving term loan is paid quarterly based on the project's cash flows. The minimum rate of interest on the non-revolving term loan is 10%. Principal under both loans is repaid at maturity which is 15 years from the date the project was placed in service. The project was placed in service in November of 2015.

Pre development loans finance a clean energy facility developer's costs associated with acquiring site control, environmental assessments, impact studies, permitting costs and facility design. Repayments of principal begin when one of the following milestones is achieved: the closing of permanent financing of the project, commencement of commercial operation, or the sale of the project or its assets. Interest on repayments is at a rate of prime plus 1%. The projects financed continue to be under development and are investments of the organization that are consistent with its Comprehensive Plan and budget.

Operational demonstration program loans are residual transactions of the programs of the Connecticut Clean Energy Fund. The loans finance the development of emerging clean energy technologies. Repayment of each loan is based upon the commercial success of the technology and carries an interest rate of 6%. If commercial success is not achieved after ten years from the date of the loan agreement, the loan converts to a grant. Connecticut Innovations assists in overseeing these loans.

Other program loans represent the financing of feasibility studies for various renewable energy projects or energy efficiency upgrades and bridge loans to developers of solar PV projects for low to moderate income housing that fall inside the organization's Comprehensive Plan and Budget.

The residential solar PV loan program administered by CT Solar Loan I LLC, makes loans to residential property owners for the purpose of installing solar photovoltaic equipment. Loans carry an interest rate ranging from 6.49% to 6.75% with a term of 15 years.

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 9 – FINANCING ACTIVITIES

LONG-TERM DEBT - LINE OF CREDIT – PRIMARY GOVERNMENT

During 2014, CT Solar Loan 1 LLC entered into a \$4,000,000 line of credit (LOC) with Solar Mosaic, Inc. (Mosaic). The LOC was amended in June 2015 to \$1,100,000. Borrowings on the LOC immediately turn into a term note with predefined repayment terms at the time of borrowing. No further borrowings are available after June 30, 2015. The LOC had \$3,873,912 available at June 30, 2014. Borrowings on the LOC bear interest at 6.4586% (Base Rate) and have the option to buy-down the interest rate to 6.00% (Reduced Rate) by making a payment on the borrowing date of 2.875% of the principal amount of the loan (Rate Buy-down Amount). As of June 30, 2015 and 2014 there was \$853,525 and \$126,088, respectively, outstanding which matures in March 2029.

In connection with the LOC, CT Solar Loan 1 LLC is required to establish and maintain a collections account, debt service reserve account and a loan loss reserve account. Deposits shall be made into the collections account for all payments received by residential borrowers. The debt service reserve account is required to have no less than six months forward-looking principal and interest payments for the loans outstanding. The loan loss reserve account required a one-time deposit of \$300,000 as of June 30, 2014 which was reduced to \$82,500 as of June 30, 2015.

Future maturities on borrowings on the LOC are as follows:

Years ending June 30,	Principal	Interest	Total
2016	\$ 47,103	\$ 49,476	\$ 13,527
2017	50,129	47,022	13,443
2018	52,937	43,938	13,356
2019	55,910	40,680	13,266
2020	59,058	37,240	96,298
2021 - 2025	346,592	127,414	474,006
2026 - 2029	241,796	24,495	266,291
	<u>\$ 853,525</u>	<u>\$ 370,265</u>	<u>\$ 890,187</u>

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 9 – FINANCING ACTIVITIES (CONTINUED)

LINE OF CREDIT – DISCRETELY PRESENTED COMPONENT UNIT – CT SOLAR LEASE 2, LLC

CT Solar Lease 2, LLC has a \$26,700,000 line of credit agreement (Additional LOC) with First Niagara Bank, N.A. (First Niagara) as the Administrative Agent and Lender along with three other participating lenders. The additional LOC is broken down by lender as follows:

First Niagara Bank, N.A.	\$ 11,566,400
Liberty Bank	7,566,800
Webster Bank, National Association	<u>7,566,800</u>
	<u>\$ 26,700,000</u>

Funds may be drawn down in no more than ten total advances by July 1, 2015. With the exception of the final advance, each advance must be in the principal amount of \$2,670,000 or a whole multiple of \$100,000 in excess of \$2,670,000. Each loan funding will be shared by all participating lenders in accordance with their pro-rata share of the total facility commitment. As of June 30, 2015, \$3,000,000 had been advanced under the Additional LOC. No advances were made as of June 30, 2014. No principal repayments were made as of June 30, 2015.

Each advance will be amortized separately. CT Solar Lease 2 LLC has the option with each advance of selecting between the LIBOR rate or the base rate which is defined as the highest of (a) the Federal Funds Effective Rate plus one-half of 1 percent, (b) First Niagara's prime rate, and (c) the LIBOR rate plus 1 percent. CT Solar Lease 2 LLC may also elect to convert an advance from one rate to the other by following the process outlined in the credit agreement.

Payments of interest with respect to any LIBOR rate advances are due on the 15th day of the month following each calendar quarter end. Payments of interest with respect to any base rate advances are due monthly. Payments of principal with respect to all advances are due on the 15th day of the month following each calendar quarter end. Principal payments on each advance will be based on a modified 15 year amortization schedule as outlined in the credit agreement.

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 9 – FINANCING ACTIVITIES (CONTINUED)

*LINE OF CREDIT –DISCRETELY PRESENTED COMPONENT UNIT – CT SOLAR LEASE 2, LLC
(CONTINUED)*

Within one month of each advance, CT Solar Lease 2 LLC is required to enter into an interest rate swap contract with respect to a minimum amount of 75% of such advance. If one of the participating lenders is the counterparty to the swap contract, such contract will be secured by the collateral of the credit agreement; otherwise, the swap contract will be unsecured. See Note 10.

Certain obligations of CT Solar Lease 2 LLC under the credit agreement are guaranteed by CGB. This credit agreement is secured by all assets of CT Solar Lease 2 LLC as well as CEFIA Solar Services (the “Managing Member”) interest in CT Solar Lease 2 LLC. There are no prepayment penalties. There are certain debt service coverage ratios CT Solar Lease 2 LLC must maintain related to each separate advance and which require the separate measurement of the net operating income with respect to the projects purchased with each advance.

NOTE 10 – INTEREST RATE SWAP AGREEMENT

CT Solar Lease 2 LLC entered into an interest rate swap agreement with First Niagara (the Swap Agreement) in September 2014 in anticipation of making its first draw down on the credit agreement. Payments made and received are based on a notional amount of \$11,804,925 as of June 30, 2015 with an additional \$3,195,075 in notional amounts under the Swap Agreement occurring after this date. The agreement provides for CT Solar Lease 2 LLC to receive payments based on the 1 month USD-LIBOR-BBA (0.18550% at June 30, 2015) and to make payments based on an interest rate of 2.78%. The agreement matures on December 15, 2025. The fair value of the interest rate swap agreement as of June 30, 2015 was a deferred inflow of \$660,073, which is represented as the fair value of the interest rate swap on the accompanying 2015 Statement of Net Position. CGB used the dollar-offset method for evaluating effectiveness of the interest rate swap agreement.

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 11 – PAYMENT TO STATE OF CONNECTICUT

The Connecticut Legislature passed Public Act 13-247 pertaining to the State's budget for the biennium ending June 30, 2015 and signed into law on June 19, 2013. This Act required the Connecticut Green Bank to transfer \$6,200,000 and \$19,200,000 to the State's General Fund during fiscal years 2015 and 2014, respectively.

NOTE 12 – RELATED PARTY TRANSACTIONS AND OPERATING LEASES

DUE TO AFFILIATE

CGB utilizes the services of CI, as provided in the General Statutes of the State of Connecticut. CI provides services to CGB, at cost, for its operations. Such services include, but are not limited to, staff for human resources and information technology support, office space, equipment, supplies and insurance. Expenses billed to CGB by CI totaled \$477,161 and \$1,110,683 for the years ended June 30, 2015 and 2014, respectively. As of June 30, 2015 and 2014, amounts due to CI were \$49,516 and \$439,643, respectively.

UNUSED COMMITMENT FEE

The Investor Member of CT Solar Lease 2 LLC is entitled to an annual fee due within 30 days of the end of each calendar year, calculated on a monthly basis, based on the amount of the Investor Member's unfunded capital contributions. The fee for each month is equal to 1.25 percent times the amount by which the Investor Member's contribution cap exceeds the total capital contributions funded as of the last day of the month in question divided by twelve. Amounts not paid timely accrue interest at the US Bank Prime Rate in effect on the due date plus 2 percent. The unused commitment fee totaled \$252,135 and \$146,183 for the years ended June 30, 2015 and 2014, respectively, and is included in accounts payable and accrued expenses on the accompanying statement of net position.

PRIORITY RETURN

The Investor Member is the Tax-Equity Investor and is entitled to substantially all of the tax benefits of CT Solar Lease 2 LLC until January 1 of the year which is five years after the date the last project is installed, which is anticipated to be January 1, 2021, the Flip Date.

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 12 – RELATED PARTY TRANSACTIONS AND OPERATING LEASES (CONTINUED)

PRIORITY RETURN (CONTINUED)

The investor Member of CT Solar Lease 2 LLC shall be due a cumulative, quarterly distribution equal to 0.5% of its paid-in capital contributions in respect of projects beginning at the end of the first quarter after the first project acquisition capital contribution is made and continuing until the “Flip Date.” To the extent the priority return is not paid in a quarter until the Flip Date, unpaid amounts will accrue interest at the lower of 24% per annum or the highest rate permitted by law.

In accordance with the Operating Agreement all amounts and accrued interest due on the Priority Return are to be paid from net cash flow prior to certain required payments due under the Credit Agreement. The Investor Member was paid a priority return of \$26,159 for the year ended June 30, 2015. The Investor Member was not paid a priority return in 2014.

ADMINISTRATIVE SERVICES FEE

The Managing Member of CT Solar Lease 2 LLC provides administrative and management services to the Company and earned a quarterly fee initially equal to \$30,000 per quarter beginning July 1, 2013. The amount of the fee will increase 2.5 percent each July 1st beginning July 1, 2014. The administrative services fee totaled \$123,000 and \$120,000 for the years ended June 30, 2015 and 2014, respectively, and is included in accounts payable and accrued expenses on the accompanying statement of net position.

PREPAID PRIORITY RETURN

The investor member of CT Solar Lease 2 LLC will be paid a prepaid priority return with respect to each residential energy system project where the customer has made a prepayment to CT Solar Lease 2 LLC. The prepaid priority return is a one-time distribution to the investor member equal to 4.2055% of each prepaid project’s purchase price. The prepaid priority return will be paid to the investor member on the date it makes its initial acquisition capital contribution with respect to the purchase of the prepaid project. During the years ended June 30, 2015 and 2014, the investor member was paid \$72,402 and \$12,584, respectively, related to the prepaid priority return.

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 12 – RELATED PARTY TRANSACTIONS AND OPERATING LEASES (CONTINUED)

PAYROLL TAXES AND FRINGE BENEFIT CHARGES

Pursuant to state statute, CGB is subject to fringe benefit charges for pension plan and medical plan contributions which are paid at the state level. CGB’s employer payroll taxes are also paid at the state level. CGB reimburses the state for these payments. The reimbursement for 2015 and 2014 was \$3,061,004 and \$2,721,651, respectively, comprising 75.80% and 76.40%, respectively, of gross salaries.

OPERATING LEASES

During 2014, CGB entered into a non-cancellable operating lease with an unrelated entity for its main office space. The lease calls for monthly escalating payments beginning at \$12,567 through December 31, 2020. Rent expense related to this lease for the years ended June 30, 2015 and 2014 was \$ 154,572 and \$148,680, respectively.

In addition, CGB has a non-cancelable operating lease for an additional office space from an unaffiliated entity which calls for initial monthly payments of \$7,333, with escalating payments through December 2020. Rent expense related to this lease for the years ended June 30, 2015 and 2014 amounted to \$ 97,723 and \$88,998, respectively.

In addition, CGB leases office equipment on a month-to-month basis. Rent expense related to the office equipment for the years ended June 30, 2015 and 2014 was \$6,439 and \$24,415, respectively.

Future minimum lease payments for office rentals are as follows:

<u>Years ending June 30,</u>	
2016	\$ 250,172
2017	256,424
2018	262,672
2019	268,920
2020	275,168
Thereafter	<u>139,146</u>
	<u><u>\$ 1,452,502</u></u>

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 13 – CAPITAL ASSETS

Capital asset activity for reporting entity for the years ended June 30, 2015 and 2014 are as follows:

Primary Government

2015	Balance, July 1, 2014	Additions	Deletions	Adjustments	Balance, June 30, 2015
Capital assets being depreciated:					
Furniture and equipment	338,938	18,353	(134,590)	--	222,701
Computer hardware and software	88,337	57,480	(17,190)	--	128,627
Leasehold improvements	139,682	13,975	--	--	153,657
Capital assets not being depreciated:					
Construction in progress	7,141	--	--	--	7,141
	<u>574,098</u>	<u>89,808</u>	<u>(151,780)</u>	<u>--</u>	<u>512,127</u>
Less accumulated depreciation and amortization:					
Furniture and equipment	205,820	50,919	(134,590)	--	122,149
Computer hardware and software	33,845	34,250	(17,189)	--	50,906
Leasehold improvements	44,501	30,731	--	--	75,232
	<u>284,166</u>	<u>115,900</u>	<u>(151,779)</u>	<u>--</u>	<u>248,288</u>
Capital assets, net	<u>\$ 289,932</u>	<u>\$ (26,092)</u>	<u>\$ (1)</u>	<u>\$ --</u>	<u>\$ 263,839</u>
2014	Balance, July 1, 2013	Additions	Deletions	Adjustments	Balance, June 30, 2014
Capital assets being depreciated:					
Furniture and equipment	335,744	3,194	--	--	338,938
Leasehold improvements	136,659	3,023	--	--	139,682
Computer hardware and software	71,470	16,867	--	--	88,337
Capital assets not being depreciated:					
Construction in progress	--	7,141	--	--	7,141
	<u>543,873</u>	<u>30,225</u>	<u>--</u>	<u>--</u>	<u>574,098</u>
Less accumulated depreciation and amortization:					
Furniture and equipment	146,560	59,260	--	--	205,820
Computer hardware and software	18,093	15,752	--	--	33,845
Leasehold improvements	16,715	27,786	--	--	44,501
	<u>181,368</u>	<u>102,798</u>	<u>--</u>	<u>--</u>	<u>284,166</u>
Capital assets, net	<u>\$ 362,505</u>	<u>\$ (72,573)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 289,932</u>

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 13 – CAPITAL ASSETS (CONTINUED)

Discretely Presented Component Units
CT Solar Lease 2 LLC

2015	Balance, July 1, 2014	Additions	Deletions	Adjustments	Balance, June 30, 2015
Capital assets being depreciated:					
Solar lease equipment	\$ 1,035,159	\$ 22,753,915	\$ --	\$ (2,777,242)	\$ 21,011,832
Capital assets not being depreciated:					
WIP solar lease equipment	<u>1,759,111</u>	<u>4,847,060</u>	<u>--</u>	<u>(591,611)</u>	<u>6,014,560</u>
	<u>2,794,270</u>	<u>27,600,975</u>	<u>--</u>	<u>(3,368,853)</u>	<u>27,026,392</u>
Less accumulated depreciation and amortization:					
Solar lease equipment	<u>9,865</u>	<u>309,279</u>	<u>--</u>	<u>--</u>	<u>319,144</u>
	<u>9,865</u>	<u>309,279</u>	<u>--</u>	<u>--</u>	<u>319,144</u>
Capital assets, net	<u>\$ 2,784,405</u>	<u>\$ 27,291,695</u>	<u>\$ --</u>	<u>\$ (3,368,853)</u>	<u>\$ 26,707,247</u>
2014	Balance, July 1, 2013	Additions	Deletions	Adjustments	Balance, June 30, 2014
Capital assets being depreciated:					
Solar lease equipment	\$ --	\$ 1,314,350	\$ --	\$ (279,191)	\$ 1,035,159
Capital assets not being depreciated:					
WIP solar lease equipment	<u>--</u>	<u>2,234,490</u>	<u>--</u>	<u>(475,379)</u>	<u>1,759,111</u>
	<u>--</u>	<u>3,548,840</u>	<u>--</u>	<u>(754,570)</u>	<u>2,794,270</u>
Less accumulated depreciation and amortization:					
Solar lease equipment	<u>--</u>	<u>9,865</u>	<u>--</u>	<u>--</u>	<u>9,865</u>
	<u>--</u>	<u>9,865</u>	<u>--</u>	<u>--</u>	<u>9,865</u>
Capital assets, net	<u>\$ --</u>	<u>\$ 3,538,975</u>	<u>\$ --</u>	<u>\$ (754,570)</u>	<u>\$ 2,784,405</u>

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 13 – CAPITAL ASSETS (CONTINUED)

Total Reporting Entity	Balance, July 1, 2014	Additions	Deletions	Adjustments	Balance, June 30, 2015
2015					
Capital assets being depreciated:					
Solar lease equipment	\$ 1,035,159	\$ 22,753,915	\$ --	\$ (2,777,242)	\$ 21,011,832
Furniture and equipment	338,938	18,353	(134,590)	--	222,701
Computer hardware and software	88,337	57,480	(17,189)	--	128,628
Leasehold improvements	139,682	13,975	--	--	153,657
Capital assets not being depreciated:					
WIP solar lease equipment	1,759,111	4,847,060	--	(591,611)	6,014,560
Construction in progress	7,141	--	--	--	7,141
	<u>3,368,368</u>	<u>27,690,783</u>	<u>(151,779)</u>	<u>(3,368,853)</u>	<u>27,538,519</u>
Less accumulated depreciation and amortization:					
Solar lease equipment	9,865	309,279	--	--	319,144
Furniture and equipment	205,820	50,919	(134,590)	--	122,149
Computer hardware and software	33,845	34,250	(17,189)	--	50,906
Leasehold improvements	44,501	30,731	--	--	75,232
	<u>294,031</u>	<u>425,180</u>	<u>(151,779)</u>	<u>--</u>	<u>567,432</u>
Capital assets, net	<u>\$ 3,074,337</u>	<u>\$ 27,265,603</u>	<u>\$ --</u>	<u>\$ (3,368,853)</u>	<u>\$ 26,971,087</u>
2014					
Capital assets being depreciated:					
Solar lease equipment	\$ --	\$ 1,314,350	\$ --	\$ (279,191)	\$ 1,035,159
Furniture and equipment	335,744	3,194	--	--	338,938
Leasehold improvements	136,659	3,023	--	--	139,682
Computer hardware and software	71,470	16,867	--	--	88,337
Capital assets not being depreciated:					
WIP solar lease equipment	--	2,234,490	--	(475,379)	1,759,111
Construction in progress	--	7,141	--	--	7,141
	<u>543,873</u>	<u>3,579,065</u>	<u>--</u>	<u>(754,570)</u>	<u>3,368,368</u>
Less accumulated depreciation and amortization:					
Solar lease equipment	--	9,865	--	--	9,865
Furniture and equipment	146,560	59,260	--	--	205,820
Computer hardware and software	18,093	15,752	--	--	33,845
Leasehold improvements	16,715	27,786	--	--	44,501
	<u>181,368</u>	<u>112,663</u>	<u>--</u>	<u>--</u>	<u>294,031</u>
Capital assets, net	<u>\$ 362,505</u>	<u>\$ 3,466,402</u>	<u>\$ --</u>	<u>\$ (754,570)</u>	<u>\$ 3,074,337</u>

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 14 – GRANT PROGRAMS

CGB, the primary government, recognizes grant revenue based on expenditures or fulfillment of program requirements. For the year ended June 30, 2015, CGB recognized related grant revenue of \$143,615 under Department of Energy programs.

NOTE 15 – COMMITMENTS

As of June 30, 2015 and 2014, the Board of Directors designated a portion of CGB's unrestricted net position to fund financial incentives for specific commercial and residential projects in the following areas:

	2015	2014
Solar	\$ 45,017,128	\$ 24,442,941
AD/CHP Programs	14,462,247	14,558,887
Multifamily/LMI Solar PV and Energy Efficiency	12,000,000	--
CPACE	15,178,559	14,294,826
Wind	1,102,888	2,800,000
Education and outreach	694,120	988,701
Operation Demonstration Programs	465,000	987,333
Campus Efficiency NOW Program	277,763	3,726,946
Other technologies	271,795	103,274
Fuel cells	--	1,363,388
Project 150 and Pre-Development Programs	--	262,755
	<u>\$ 89,469,500</u>	<u>\$ 63,529,051</u>

These commitments are expected to be funded over the next one to six fiscal years and are contingent upon the completion of performance milestones by the recipient.

In addition, at June 30, 2015, the Board of Directors through various resolutions has made available an additional \$22,983,737 of unrestricted net position to fund the following programs for which specific commercial and residential projects have not yet been identified:

CPACE	\$ 11,203,401
Solar loan programs	<u>11,780,336</u>
	<u>\$ 22,983,737</u>

All commitments are those of the primary government.

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 16 – PENSION PLAN

All employees of the CGB participate in the State Employees' Retirement System (SERS), which is administered by the State Employees' Retirement Commission. The CGB has no liability for pension costs other than the annual contribution. The latest actuarial study was performed on the plan as a whole, as of June 30, 2012, and does not separate information for employees of the CGB. Therefore, certain pension disclosures pertinent to CGB otherwise required pursuant to accounting principles generally accepted in the United States of America are omitted. Based upon the 2012 valuation, the Plan, as a whole, utilized the project unit credit cost method to develop employer contributions, and included the following actuarial assumptions: (1) investment return of 8% (previously 8.25%); (2) price inflation of 2.75% (previously 3%) for cost of living adjustments; (3) projected salary increases of 4% to 20%, Social Security wage base increases of 3.50% per annum; (4) payroll growth of 3.75% per annum; and (5) the RP-2000 Mortality Table. Information on the total plan funding status and progress, contribution required and trend information can be found in the State of Connecticut's Comprehensive Annual Financial Report available from the Office of the State Comptroller, 55 Elm Street, Hartford, CT 06106.

PLAN DESCRIPTION

SERS is a single-employer defined benefit public employee retirement system (PERS) established in 1939 and governed by Sections 5-152 and 5-192 of the Connecticut General Statutes. Employees are covered under one of three tiers. Tier I and Tier IIA are contributory plans, and Tier II is a noncontributory plan.

Members who joined the retirement system prior to July 1, 1984 are enrolled in Tier I. Tier I employees who retire at or after age 65 with 10 years of credited service, at or after age 55 with 25 years of service, or at age 55 with 10 years of credited service with reduced benefits are entitled to an annual retirement benefit payable monthly for life, in an amount of 2 percent of the annual average earnings (which are based on the three highest earning years of service) over \$4,800 plus 1 percent of \$4,800 for each year of credited service. Tier II employees who retire at or after age 60 with 25 years of service, or at age 62 with 10 years of service, or at age 65 with 5 years of service, are entitled to one and one-third percent of the average annual earnings plus one-half of one percent of the average annual earnings in excess of the salary breakpoint in the year of retirement for each year of credited service. Tier II employees between the ages of 55 and 62 with 10 years but less than 25 years of service may retire with reduced benefits. In addition, Tier II and Tier IIA members with at least five but less than ten years of actual state service who terminate their state employment July 2, 1997 or later and prior to attaining age 62 will be in deferred vested status and may commence receipt of normal retirement benefits on the first of the month on or following their sixty-fifth (65) birthday.

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 16 – PENSION PLAN (CONTINUED)

Employees hired on and after July 1, 1997, will become members of Tier IIA. Tier IIA plan is essentially the existing Tier II plan with the exception that employee contributions of 2 percent of salary are required. Tier I members are vested after ten years of service, while Tier II and Tier IIA members may be vested after five years of service under certain conditions, and all three plans provide for death and disability benefits.

Employees hired on or after July 1, 2011 are covered under the Tier III plan. Tier III requires employee contributions of two percent of salary up to a \$250,000 limit after which no additional contributions will be taken on earnings above this limit. The normal retirement date will be the first of any month on or after age 63 if the employee has at least 25 years of vested service or age 65 if the employee has at least 10 but less than 25 years of vested service. Tier III members who have at least 10 years of vested service can receive early reduced retirement benefits if they retire on the first of any month on or following their 58th birthday. Tier III normal retirement benefits include annual retirement benefits for life, in the amount of one and one-third percent of the five year average annual earnings plus one-half of one percent of the five year average annual earnings in excess of the salary breakpoint in the year of retirement for each year of credited service plus one and five-eighths of the five year annual average salary times years of credited service over 35 years.

The total payroll for employees of the CGB covered by SERS for the years ended June 30, 2015 and 2014 was \$4,013,411 and \$3,121,583, respectively.

CONTRIBUTIONS MADE

CGB's contribution is determined by applying a State mandated percentage to eligible salaries and wages as follows for the years ended June 30:

	2015	2014	2013
Contributions made:			
By employees	\$ 171,260	\$ 139,217	\$ 104,214
Percent of current year covered payroll	4.3%	4.5%	4.1%
Percent of required contributions	100.0%	100.0%	100.0%
By CGB	\$ 1,974,507	\$ 1,669,961	\$ 1,125,649
Percent of current year covered payroll	49.2%	53.5%	44.7%
Percent of required contributions	100.0%	100.0%	100.0%

CGB has contributed the required amount for each of the past three years.

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 17 – PENSION LIABILITIES, PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES, AND DEFERRED INFLOWS OF RESOURCES

The implementation of GASB 68 resulted in CGB reporting a net pension liability for fiscal year 2015. The Statement required CGB to recognize a net pension liability for the difference between the present value of the projected benefits for the past service known as the Total Pension Liability (TPL) and the restricted resources held in trust for the payment of pension benefits, known as the Fiduciary Net Pension (FNP). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the FNP of SERS and additions to/deductions from SERS FNP have been determined on the same basis as they are reported by SERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit term. Investments are recorded at fair value.

At June 30, 2015, CGB reported a liability of \$14,899,766 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of that date based on actuarial experience studies. CGB allocation of the net pension liability was based on the 2014 covered payroll multiplied by the SERS 2014 contribution rate of 37.82 percent. At June 30, 2015, CGB's proportion was 0.09304 percent.

For the year ended June 30, 2015, CGB recognized pension expense of \$1,431,032. Pension expense is reported in CGB's financial statements as part of general and administration expense and grant and program expenditures. At June 30, 2015, CGB reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference between projected and actual earnings on pension plan investments	\$ --	\$ (532,135)
CGB Contributions subsequent to the measurement date	<u>1,669,961</u>	<u>--</u>
	<u>\$ 1,669,961</u>	<u>\$ (532,135)</u>

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 17 – PENSION LIABILITIES, PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES, AND DEFERRED INFLOWS OF RESOURCES (CONTINUED)

The amount recognized as deferred inflows of resources, representing the net difference between projected and actual earnings, is amortized over a five-year closed period beginning in the year in which the difference occurs and will be recognized in expense as follows:

Year 1 (2016)		\$ (133,033)
Year 2 (2017)		(133,033)
Year 3 (2017)		(133,033)
Year 4 (2019)		<u>(133,033)</u>
		<u>\$ (532,132)</u>

ACTUARIAL METHODS AND ASSUMPTION

The total pension liability in the June 30, 2014 actuarial valuation was determined based on the results of an actuarial experience study for the period July 1, 2007 through June 30, 2011. The key actuarial assumptions are summarized below:

Inflation:	2.75%
Salary increase:	4.00% -20% including inflation
Investment rate of return:	8%, net of pension plan investment expense, Including inflation
Cost of living adjustment:	2.30%-3.60% for certain tiers

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

Discount rate

The discount rate used to measure the total pension liability at June 30, 2015 was the long term expected rate of return, 8.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rates and that employer contributions will be made equal to the difference between the projected actuarially determined contribution and member contributions. Projected future benefit payments for all current plan members were projected through the year 2015.

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 17 – PENSION LIABILITIES, PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES, AND DEFERRED INFLOWS OF RESOURCES (CONTINUED)

Expected rate of return on investments

The long term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rate of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large Cap U.S. Equities	21.0%	5.8%
Developed Non-U.S. Equities	18.0%	6.6%
Emerging Market (non-U.S.)	9.0%	8.3%
Real Estate	7.0%	5.1%
Private Equity	11.0%	7.6%
Alternative Investments	8.0%	4.1%
Fixed Income (Core)	8.0%	1.3%
High Yield Bonds	5.0%	3.9%
Emerging Market Bond	4.0%	3.7%
TIPS	5.0%	1.0%
Cash	4.0%	0.4%

Sensitivity of CGB proportionate share of the net pension liability to changes in the discount rates

The following presents CGB's proportionate share of the net pension liability calculated using the discount rate of 8.00 percent, as well as the proportionate share of the net pension liability using a 1.00 percent increase or decrease from the current discount rate.

	1% Decrease	Discount Rate	1% Increase
	7.0%	8.0%	9.0%
CGB's proportionate share of the net pension liability	\$ 17,774,250	\$ 14,899,766	\$ 12,482,360

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 18 – RESTRICTED NET POSITION (PRIMARY GOVERNMENT)

Restricted net position at June 30, 2015 and 2014 consisted of the following:

	2015	2014
Non-Expendable		
Connecticut Innovations, Inc. equity interest	<u>\$ 1,000</u>	<u>\$ 1,000</u>
Energy Programs		
Primary Government		
CGB		
Assets restricted to fund maintenance of a fuel cell for a Connecticut municipality	\$ --	\$ 176,975
Assets restricted for maintaining loan loss and interest rate buydown reserves	3,999,005	4,118,740
CT Solar Loan I LLC		
Assets restricted by contractual obligations for maintaining loan loss and interest rate buydown reserves	<u>300,000</u>	<u>300,000</u>
	4,299,005	4,595,715
Discretely Presented Component Units		
CT Solar Lease 2 LLC		
Assets restricted for maintaining loan loss and interest rate buydown reserves	3,500,000	3,500,000
Assets restricted for operating and maintenance reserve	<u>1,000,000</u>	<u>1,000,000</u>
	<u>\$ 8,799,005</u>	<u>\$ 9,095,715</u>

CONNECTICUT GREEN BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 19 – RISK MANAGEMENT

CGB is subject to normal risks associated with its operations including property damage, personal injury and employee dishonesty. All risks are managed through the purchase of commercial insurance. There have been no losses exceeding insurance coverage, and there have been no decreases in insurance coverage over the last three years.

NOTE 20 – RENEWABLE ENERGY CERTIFICATES (PRIMARY GOVERNMENT)

CGB owns Class 1 Renewable Energy Certificates (RECs) that are generated by certain commercial renewable energy facilities for which CGB provided the initial funding. Through its Residential Solar Incentive Program, CGB owns the rights to future RECs generated by facilities installed on residential properties. On March 23, 2015 CGB entered into a contract to sell a total of 98,553 RECs generated during the period 2014 to 2016. As of June 30, 2015 CGB sold 23,553 RECs generated in 2014. CGB has committed to sell 30,000 RECs generated or to be generated in 2015 for \$52.00 per REC and 45,000 RECS to be generated in 2016 for \$49.50 a REC. Based on historical performance, management believes that the RECs it will receive from funded commercial facilities and residential facilities will exceed the commitments to sell RECs under this agreement.

RECs trade on the New England Power Pool (NEPOOL) market. The market price of Connecticut Class 1 RECs as of June 30, 2015 ranged from \$50.50 to \$49.00. CGB's inventory as of June 30, 2015 has been priced at its cost.

**CONNECTICUT GREEN BANK
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF GREEN BANK'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY**

FOR THE YEAR ENDED JUNE 30, 2015

Green Bank's portion of the net pension liability	0.09304 %
Green Bank's proportionate share of the net pension liability	\$ 14,899,766
Green Bank's covered-employee payroll	\$ 4,013,411
Green Bank's proportionate share of the net pension liability as a percentage of its covered-employee payroll	371.25 %
Plan fiduciary net position as a percentage of the total pension liability	39.54 %

**CONNECTICUT GREEN BANK
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF GREEN BANK'S PROPORTIONATE CONTRIBUTIONS
TO THE STATE EMPLOYEES' RETIREMENT SYSTEM (SERS)**

FOR THE YEAR ENDED JUNE 30, 2015

	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 1,974,507	\$ 1,669,961	\$ 1,125,649	\$ 601,014	N/A*	N/A*
Contributions in relation to the contractually required contribution	<u>1,974,507</u>	<u>1,669,961</u>	<u>1,125,649</u>	<u>601,014</u>	<u>N/A*</u>	<u>N/A*</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>N/A*</u>	<u>N/A*</u>
Corporation's covered-employee payroll	\$ 4,013,411	\$ 3,121,583	\$ 2,517,190	\$ 1,541,308	N/A*	N/A*
Contributions as a percentage of covered-employee payroll	49.20%	53.50%	44.72%	38.99%	N/A*	N/A*

* There were no employees of CGB prior to 2012 and accordingly there was no activity in 2011 or 2010.

STATISTICAL SECTION
(unaudited)

FINANCIAL STATISTICS

CONNECTICUT GREEN BANK

STATISTICAL SECTION INTRODUCTION

This part of the Connecticut Green Bank’s (CGB) comprehensive annual financial report presents detailed information as a context for understanding what the information about the primary government and the discretely presented component units in the financial statements, note disclosures, and required supplementary information says about the benefits of CGB’s investments.

FINANCIAL STATISTICS

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<u>Financial Trends</u>	67
These schedules contain trend information to help the reader understand how CGB’s financial performance and well-being have changed over time.	
<u>Revenue Capacity</u>	71
These schedules contain information to help the reader assess CGB’s most significant local revenue sources.	
<u>Debt Capacity</u>	73
These schedules present information to help the reader assess the affordability of the government’s current level of outstanding debt and the CGB’s ability to issue additional debt in the future.	
<u>Demographic and Economic Information</u>	74
These schedules offer demographic and economic indicators to help the reader understand the environment within which CGB’s financial activities take place.	
<u>Operating Information</u>	76
These schedules contain service and infrastructure data to help the reader understand how the information in CGB’s financial report relates to the services CCB provides and the activities it performs.	

CONNECTICUT GREEN BANK

NET POSITION BY COMPONENT Last Four Fiscal Years

	Year Ended June 30,			
	2015	2014	2013	2012
Primary Government				
Invested in capital assets, net of related debt	\$ 263,839	\$ 289,932	\$ 362,505	\$ 91,329
Restricted Net Position				
Non-expendable	1,000	1,000	1,000	--
Restricted - energy programs	4,299,005	4,595,715	5,036,656	176,974
Unrestricted	<u>104,881,783</u>	<u>97,754,765</u>	<u>93,717,230</u>	<u>80,920,002</u>
	<u>109,445,626</u>	<u>102,641,412</u>	<u>99,117,391</u>	<u>81,188,305</u>
CT Solar Lease 2 LLC				
Invested in capital assets, net of related debt	30,830,671	3,538,975	--	--
Restricted Net Position				
Non-expendable	8,007,153	1,294,801	100	--
Restricted - energy programs	4,500,000	4,500,000	4,500,000	--
Unrestricted (deficit)	<u>(28,210,286)</u>	<u>(5,741,703)</u>	<u>(1,616,886)</u>	<u>--</u>
	<u>15,127,539</u>	<u>3,592,073</u>	<u>2,883,214</u>	<u>--</u>
CEFIA Solar Services, Inc.				
Restricted Net Position				
Non-expendable	100	100	100	--
Restricted - energy programs	--	--	--	--
Unrestricted (deficit)	<u>224,654</u>	<u>109,123</u>	<u>--</u>	<u>--</u>
	<u>224,754</u>	<u>109,223</u>	<u>100</u>	<u>--</u>
Eliminations	<u>(15,630,676)</u>	<u>(5,549,471)</u>	<u>(3,500,100)</u>	<u>--</u>
Total Net Position	<u>\$ 109,167,243</u>	<u>\$ 100,793,237</u>	<u>\$ 98,500,605</u>	<u>\$ 81,188,305</u>

CONNECTICUT GREEN BANK

CHANGES IN NET POSITION Last Four Fiscal Years

	Year Ended June 30,			
	2015	2014	2013	2012
<u>Primary Government</u>				
Operating Revenues	\$ 72,038,472	\$ 52,301,283	\$ 43,343,093	\$ 39,753,684
Operating Expenses				
Grants and program expenditures	21,111,751	22,948,676	23,634,465	31,122,355
General and administrative expenses	2,984,178	2,408,715	1,811,227	1,387,854
Cost of Goods Sold	<u>22,526,874</u>	<u>2,794,270</u>	<u>--</u>	<u>--</u>
Total Operating Expenses	<u>46,622,802</u>	<u>28,151,661</u>	<u>25,445,692</u>	<u>32,510,209</u>
Operating Income (Loss)	<u>25,415,669</u>	<u>24,149,622</u>	<u>17,897,401</u>	<u>7,243,475</u>
Non-Operating Revenue and (Expenses)				
Interest on solar lease notes	2,217,368	1,034,953	583,575	589,007
Interest on short-term investments	83,761	98,383	103,928	140,786
Interest income	58,511	57,407	--	--
Interest expense	(26,985)	--	--	--
Payments to State of Connecticut	(19,200,000)	(6,200,000)	--	--
Realized gain (loss) on investments	(1,180,285)	(350,000)	(1,034,605)	--
Unrealized gain (loss) on investments	--	349,999	378,059	434,702
Provision for loan losses	<u>(563,825)</u>	<u>(1,310,933)</u>	<u>--</u>	<u>--</u>
Net Non-Operating Revenues	<u>(18,611,455)</u>	<u>(6,320,191)</u>	<u>30,957</u>	<u>1,164,495</u>
Change in Net Position before Capital Contributions	6,804,215	17,829,431	17,928,358	8,407,970
Capital Contributions	<u>--</u>	<u>--</u>	<u>1,000</u>	<u>--</u>
Increase in Net Position	<u>\$ 6,804,215</u>	<u>\$ 17,829,431</u>	<u>\$ 17,929,358</u>	<u>\$ 8,407,970</u>

CONNECTICUT GREEN BANK

CHANGES IN NET POSITION (CONTINUED) Last Four Fiscal Years

	Year Ended June 30,			
	2015	2014	2013	2012
<u>CT Solar Lease 2 LLC</u>				
Operating Revenues	\$ 210,869	\$ 1,770	\$ --	\$ --
Operating Expenses				
Grants and program expenditures	1,201,123	600,186	--	--
General and administrative expenses	124,748	127,511	853,480	--
Total Operating Expenses	1,325,871	727,697	853,480	--
Operating Loss	(1,115,002)	(725,927)	(853,480)	--
Non-Operating Revenue and (Expenses)				
Interest on short-term investments	9,207	8,642	--	--
Interest expense	(150,871)	(57,407)	--	--
Distributions to member	(104,579)	(12,584)	--	--
Unrealized gain (loss) on investments	(660,073)	--	--	--
Net Non-Operating Revenues	(906,316)	(61,349)	--	--
Change in Net Position before Capital Contributions	(2,021,318)	(787,276)	(853,480)	--
Capital Contributions	13,556,783	1,496,135	3,736,694	--
Increase in Net Position	\$ 11,535,465	\$ 708,859	\$ 2,883,214	\$ --

CONNECTICUT GREEN BANK

CHANGES IN NET POSITION (CONTINUED) Last Four Fiscal Years

	Year Ended June 30,			
	2015	2014	2013	2012
<u>CEFIA Solar Services, Inc.</u>				
Operating Revenues	\$ 123,000	\$ 120,000	\$ --	\$ --
Operating Expenses				
General and administrative expenses	8,450	10,877	--	--
Total Operating Expenses	8,450	10,877	--	--
Operating Loss	114,550	109,123	--	--
Non-Operating Revenue and (Expenses)				
Interest on short-term investments	981	--	--	--
Net Non-Operating Revenues	981	--	--	--
Change in Net Position before Capital Contributions	115,531	109,123	--	--
Capital Contributions	--	--	100	--
Increase in Net Position	<u>\$ 115,531</u>	<u>\$ 109,123</u>	<u>\$ 100</u>	<u>\$ --</u>

CONNECTICUT GREEN BANK

OPERATING REVENUE BY SOURCE

Last Four Fiscal Years Ending June 30,

	Total Operating Revenues	Utility Remittances		RGGI Auction Proceeds		Grant Revenue		Sales of Energy Equipment		Other Revenues	
		Revenue	% of Annual	Revenue	% of Annual	Revenue	% of Annual	Revenue	% of Annual	Revenue	% of Annual
<u>Primary Government</u>											
2015	\$ 72,038,472	\$ 27,233,987	37.80 %	\$ 16,583,545	23.02 %	\$ 192,274	0.27 %	\$ 25,912,414	35.97 %	\$ 2,116,250	2.94 %
2014	52,301,283	27,779,345	53.11 %	20,074,668	38.38 %	321,642	0.61 %	3,548,840	6.79 %	576,788	1.10 %
2013	43,343,093	27,621,409	63.73 %	4,744,657	10.95 %	10,035,250	23.15 %	--	-- %	941,777	2.17 %
2012	39,753,684	27,025,088	67.98 %	2,052,748	5.16 %	10,435,251	26.25 %	--	-- %	240,597	0.61 %
<u>CT Solar Lease 2 LLC</u>											
2015	\$ 210,869	\$ --	-- %	\$ --	-- %	\$ --	-- %	\$ --	-- %	\$ 210,869	100.00 %
2014	1,770	--	-- %	--	-- %	--	-- %	--	-- %	1,770	100.00 %
2013	--	--	-- %	--	-- %	--	-- %	--	-- %	--	-- %
2012	--	--	-- %	--	-- %	--	-- %	--	-- %	--	-- %
<u>CEFIA Solar Services, Inc.</u>											
2015	\$ 123,000	\$ --	-- %	\$ --	-- %	\$ --	-- %	\$ --	-- %	\$ 123,000	100.00 %
2014	120,000	--	-- %	--	-- %	--	-- %	--	-- %	120,000	100.00 %
2013	--	--	-- %	--	-- %	--	-- %	--	-- %	--	-- %
2012	--	--	-- %	--	-- %	--	-- %	--	-- %	--	-- %
<u>Eliminations</u>											
2015	\$ (26,077,923)	\$ --	-- %	\$ --	-- %	\$ --	-- %	\$(25,895,727)	99.30 %	\$ (182,196)	0.70 %
2014	(3,668,840)	--	-- %	--	-- %	--	-- %	(3,548,840)	96.73 %	(120,000)	3.27 %
2013	--	--	-- %	--	-- %	--	-- %	--	-- %	--	-- %
2012	--	--	-- %	--	-- %	--	-- %	--	-- %	--	-- %
<u>Total Reporting Entity</u>											
2015	\$ 46,294,417	\$ 27,233,987	58.83 %	\$ 16,583,545	35.82 %	\$ 192,274	0.42 %	\$ 16,688	0.04 %	\$ 2,267,923	4.90 %
2014	48,754,213	27,779,345	56.98 %	20,074,668	41.18 %	321,642	0.66 %	--	-- %	578,558	1.19 %
2013	43,343,093	27,621,409	63.73 %	4,744,657	10.95 %	10,035,250	23.15 %	--	-- %	941,777	2.17 %
2012	39,753,684	27,025,088	67.98 %	2,052,748	5.16 %	10,435,251	26.25 %	--	-- %	240,597	0.61 %

CONNECTICUT GREEN BANK

SIGNIFICANT SOURCES OF OPERATING REVENUE

Last Four Fiscal Years

	Year Ended June 30,							
	2015		2014		2013		2012	
	Revenue	% of Total	Revenue	% of Total	Revenue	% of Total	Revenue	% of Total
<u>Utility Remittances*</u>								
Eversource	\$ 21,899,541	80.41 %	\$ 22,322,100	80.36 %	\$ 22,144,093	80.17 %	\$ 22,037,771	81.55 %
United Illuminating	5,334,446	19.59 %	5,457,245	19.64 %	5,477,316	19.83 %	4,987,317	18.45 %
Total	<u>\$ 27,233,987</u>	<u>100.00 %</u>	<u>\$ 27,779,345</u>	<u>100.00 %</u>	<u>\$ 27,621,409</u>	<u>100.00 %</u>	<u>\$ 27,025,088</u>	<u>100.00 %</u>
<u>RGGI Auction Proceeds #</u>								
Energy Efficiency	10,952,389	66.04 %	12,598,510	62.76 %	--	-- %	--	-- %
Renewables	\$ 5,631,156	33.96 %	\$ 7,476,158	37.24 %	\$ 4,744,657	100.00 %	\$ 2,052,748	100.00 %
Total	<u>\$ 16,583,545</u>	<u>100.00 %</u>	<u>\$ 20,074,668</u>	<u>100.00 %</u>	<u>\$ 4,744,657</u>	<u>100.00 %</u>	<u>\$ 2,052,748</u>	<u>100.00 %</u>
<u>Grant Revenue</u>								
Federal ARRA Grants	\$ --	-- %	\$ --	-- %	\$ 8,376,681	83.47 %	\$ 8,738,726	83.75 %
DOE Grants	143,614	74.69 %	321,642	100.00 %	1,622,569	16.17 %	1,645,525	15.77 %
Private Foundation	48,660	25.31 %	--	-- %	36,000	0.36 %	50,000	0.48 %
Total	<u>\$ 192,274</u>	<u>100.00 %</u>	<u>\$ 321,642</u>	<u>100.00 %</u>	<u>\$ 10,035,250</u>	<u>100.00 %</u>	<u>\$ 10,434,251</u>	<u>100.00 %</u>

* Revenue based on Statutory rate of 1 mil per Kwh generated by the utility

The Regional Greenhouse Gas Initiative (RGGI) is a cooperative effort among nine Northeastern and Mid-Atlantic states to reduce greenhouse gas emissions. RGGI holds quarterly auctions of the member state's CO2 allowances. At auction, a market-based clearing price is determined from prices submitted in the winning bids and is used to value proceeds returned to the states. The Connecticut Green Bank receives a portion of Connecticut's auction proceeds which is recognized as revenue and invested in clean energy programs.

CONNECTICUT GREEN BANK

OUTSTANDING DEBT BY TYPE Last Four Fiscal Years

Fiscal Year	Primary Government		CT Solar Lease 2 LLC		CEFIA Solar Services, Inc.		Total Entity	
	Line of Credit		Line of Credit		Line of Credit		Line of Credit	
	Advances	Available	Advances	Available	Advances	Available	Advances	Available
2015	\$ 853,525	\$ --	\$ 3,000,000	\$ 23,700,000	\$ --	\$ --	\$ 3,853,525	\$ 23,700,000
2014	126,088	3,873,912	--	26,700,000	--	--	126,088	30,573,912
2013	--	--	--	26,700,000	--	--	--	26,700,000
2012	--	--	--	--	--	--	--	--

CONNECTICUT GREEN BANK

DEMOGRAPHIC AND ECONOMIC INFORMATION Last Four Calendar Years

Calendar Year	Population⁽¹⁾	Median Age⁽¹⁾	Per Capita Income⁽¹⁾	Median Household Income⁽¹⁾	Population 3 Years and Over Enrolled in Public School⁽¹⁾	Unemployment Rate⁽²⁾
2015	n/a	n/a	n/a	n/a	n/a	5.1%
2014	3,592,053	40.3	99,110	69,899	752,070	6.3
2013	3,583,561	40.2	97,650	69,461	754,442	7.2
2012	3,572,213	40.0	97,051	69,519	751,096	8.1

Sources: (1) US Census Bureau
(2) US Department of Labor

CONNECTICUT GREEN BANK

PRINCIPAL EMPLOYERS – FOR THE STATE OF CONNECTICUT Current and Prior Calendar Years

Employer ⁽¹⁾	2014			2013		
	Employees	Rank	Percentage of Total State Employment ⁽²⁾	Employees	Rank	Percentage of Total State Employment ⁽²⁾
State of Connecticut	54,230	1	3.05%	53,951	1	3.10%
United Technologies	25,000	2	1.40	27,000	2	1.55
Yale New Haven Health System	18,869	3	1.06	18,639	3	1.07
Hartford Healthcare	18,597	4	1.05	16,951	4	0.98
Yale University	14,787	5	0.83	14,750	5	0.85
Wal-Mart Stores Inc.	9,289	6	0.52	8,761	7	0.50
General Dynamics Electric Boat	8,896	7	0.50	8,817	6	0.51
Foxwoods Resort Casino	7,600	8	0.43	7,667	8	0.44
The Travelers Cos. Inc.	7,400	9	0.42	7,400	9	0.43
Mohegan Sun	7,300	10	0.41	7,300	10	0.42

Sources: (1) Hartford Business Journal, Book of Lists 2014

(2) US Department of Labor

CONNECTICUT GREEN BANK

FTEs BY FUNCTION Last Four Fiscal Years

	Year Ended June 30,			
	2015	2014	2013	2012
Program Services				
Statutory & Infrastructure	8.00	7.00	7.00	9.00
Residential	6.00	5.00	3.00	1.00
Commercial & Industrial	2.00	4.00	2.00	--
Institutional	1.00	1.00	1.00	1.00
Subtotal Program Services	17.00	17.00	13.00	11.00
Administrative & Support				
Executive	4.00	4.00	4.00	4.00
Finance	5.00	4.00	3.00	1.00
Accounting	5.30	3.50	2.75	2.20
Legal & Policy	3.00	2.00	2.00	2.00
Marketing	6.00	5.00	5.00	5.00
Operations	3.50	3.80	4.00	3.85
Subtotal Administrative & Support	26.80	22.30	20.75	18.05
Total FTEs by Function	43.80	39.30	33.75	29.05

CONNECTICUT GREEN BANK

OPERATING INDICATORS BY FUNCTION Last Four Fiscal Years

	Year Ended June 30,			
	2015	2014	2013	2012
Clean Energy Investment (\$s in Millions)				
CGB Dollars Invested	\$ 95.1	\$ 46.3	\$ 19.6	\$ 4.8
Private Dollars Invested	257.7	132.1	91.2	10.1
Total Project Investment	361.0	176.7	110.5	15.0
Number of Clean Energy Projects	7,966	2,488	1,119	418
Annual Energy Savings of Clean Energy (MMBtu)	710,008	495,568	60,186	9,312
Installed Capacity of Clean Energy (MW)				
Anaerobic Digesters	3.0	5.8	--	--
Biomass	0.6	--	--	--
CHP	0.9	3.0	0.7	--
Fuel Cell	--	--	14.8	--
Hydro	0.5	--	--	--
Solar PV	68.9	20.3	8.0	2.9
Wind	5.0	--	--	--
Total	79.0	29.1	23.5	2.9
Lifetime Production of Clean Energy (MWh)				
Anaerobic Digesters	315,360	605,491	--	--
Biomass	14,257	--	--	--
CHP	104,668	354,780	81,008	--
Fuel Cell	--	--	1,166,832	--
Hydro	12,594	--	--	--
Solar PV	1,638,283	483,435	189,874	68,470
Wind	118,260	--	--	--
Total	2,203,422	1,443,707	1,437,714	68,470
Jobs Created by Year				
Direct Jobs (# of Jobs)	1,820	606	578	88
Indirect and Induced Jobs (# of Jobs)	2,926	973	1,162	142
Lifetime CO2 Emission Reductions				
Emission Reductions (Tons)	925,732	250,661	177,210	35,502
Home Equivalents (# of Homes)	7,938	2,302	2,216	326
Cars Off the Road Equivalents (# of Cars)	5,765	1,670	3,280	236
Acres of Trees Planted Equivalents (# of Acres)	11,524	3,342	1,653	474

CONNECTICUT GREEN BANK

CAPITAL ASSETS STATISTICS BY FUNCTION

Last Four Fiscal Years

	Year Ended June 30,			
	2015	2014	2013	2012
Capital assets being depreciated:				
Solar lease equipment	\$ 21,011,832	\$ 1,035,159	\$ --	\$ --
Furniture and equipment	222,701	338,938	335,744	13,049
Computer hardware and software	128,628	88,337	136,659	28,460
Leasehold improvements	153,657	139,682	71,470	56,224
Capital assets not being depreciated:				
WIP solar lease equipment	6,014,560	1,759,111	--	--
Construction in progress	7,141	7,141	--	--
	<u>27,538,519</u>	<u>3,368,368</u>	<u>543,873</u>	<u>97,733</u>
Less accumulated depreciation and amortization:				
Solar lease equipment	319,144	9,865	--	--
Furniture and equipment	122,149	205,820	146,560	626
Computer hardware and software	50,906	33,845	18,093	3,807
Leasehold improvements	75,232	44,501	16,715	1,971
	<u>567,432</u>	<u>294,031</u>	<u>181,368</u>	<u>6,404</u>
Capital assets, net	<u>\$ 26,971,087</u>	<u>\$ 3,074,337</u>	<u>\$ 362,505</u>	<u>\$ 91,329</u>

NON-FINANCIAL STATISTICS

CONNECTICUT GREEN BANK

NON-FINANCIAL STATISTICS INTRODUCTION

This part of the Connecticut Green Bank’s (CGB) comprehensive annual financial report presents detailed non-financial information as a context for understanding the methods management uses to measure CGB’s success and CGB’s efforts to transform the clean energy market in using its financial resources.

NON-FINANCIAL STATISTICS

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This narrative provides a summary of and commentary on the information included in the Background and Market, Measures of Success, and Market Transformation sections.

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CONNECTICUT GREEN BANK

1. STATEMENT OF THE CONNECTICUT GREEN BANK

January 28, 2016

Re: Statement of the Connecticut Green Bank on the Non-Financial Statistics Contents of the Comprehensive Annual Financial Report for FY 2015 – Background and Market, Measures of Success, and Market Transformation

Dear Reader:

This is the “Non-Financial Statistics” section of the Comprehensive Annual Financial Report for FY 2015.

In this section, you will find the following information:

- **Background and Market** – an overview of the organization’s governance, including engagement of its members at the board and committee levels, along with ethics compliance and financial interest disclosure requirements. You will also be able to see the level of investment, deployment and public benefits that are being created within our local communities, including distressed communities and low income census tracts. And last, you will see how the organization has made steady progress in terms of ensuring that Connecticut’s small businesses and minority enterprises have an opportunity to bid on a portion of the purchases of goods and services that the organization procures.
- **Measures of Success** – as outlined in the organization’s Comprehensive Plan,¹³ we are reporting on the following measures of success:
 - **Objective Function** – how we are maximizing the amount of clean energy produced or energy saved per dollar of Connecticut Green Bank capital;
 - **Attract Capital** – how we are classifying project status (i.e., from approved to completed) with respect to the number of projects, level of investment by both the Connecticut Green Bank and the end-use consumer or private investor, and the private to public leverage ratio being achieved by sector.
 - **Deploy Capital** – how we are classifying project status with respect to the amount of clean energy deployed (i.e., MW), estimate of clean energy produced over the life of the projects (i.e., MWh), estimate of the annual amount of energy savings (i.e., MMBtu), and the variety of renewable energy technologies we have invested in by sector.
 - **Green Bank** – how we are building a balance sheet as a result of our financing focus in terms of asset management (i.e., current vs. non-current assets), ratio of public funds invested in grants and subsidies versus credit enhancements, loans, and leases, and the general credit quality of residential borrowers in our financing programs.

¹³ <http://goo.gl/GhRL9t>

CONNECTICUT GREEN BANK

1. STATEMENT OF THE CONNECTICUT GREEN BANK

- **Public Benefits** – how our investment activities are resulting in economic (i.e., jobs) and environmental (i.e., GHG emission reductions and equivalencies) benefits.
- **Market Transformation** – an overview of the program logic model for the organization in terms of its goals:
 - **Attract and Deploy** – to attract and deploy capital to finance the clean energy policy goals for Connecticut;
 - **Affordable and Accessible** – to develop and implement strategies that bring down the cost of clean energy to make it more accessible and affordable to consumers; and
 - **From Reliance to Markets** – to reduce the market’s reliance on grants, rebates, and other subsidies and move it towards innovative low-cost financing of clean energy deployment.

The program logic model serves as a foundation for evaluating clean energy deployment through subsidy and financing programs of the Connecticut Green Bank. As we begin to evaluate our programs, the reader will see that we have applied the program logic model to the subsidy (i.e., Residential Solar Investment Program) and financing (i.e., CT Solar Loan, CT Solar Lease, and C-PACE) programs.

The assembly of the “Non-Financial Statistics” section of the Comprehensive Annual Financial Report is a process of continuous improvement. For example, the reader can compare FY 2014 with FY 2015 to see that more information is being disclosed to better communicate the level of impact the Connecticut Green Bank is making. We plan to include in future reports topics of relevance, such as the Community Reinvestment Act which seeks to encourage depository institutions to help meet the credit needs of the communities in which they operate, as well as information on how we engage with the local, regional, national, and international banking and investing communities.

It should be noted that the Connecticut Green Bank has contracted with Marcum LLP to provide an independent analysis of the “Non-Financial Statistics” section of the Comprehensive Annual Financial Report for FY 2015. Marcum’s review will include the following:

- **Data Collection Systems** – an assessment of the process for how the organization collects data for its programs to determine robustness and appropriateness of the systems being used and the accuracy, comprehensiveness, and reasonableness of estimations being used;

CONNECTICUT GREEN BANK

1. STATEMENT OF THE CONNECTICUT GREEN BANK

- **Project Status** – an assessment of the process for how the organization determines the stage a project is in order to determine whether or not projects are being appropriately classified from the submission of an application all of the way to the commissioning of a completed project with legal contracts and accounting payment tracking data systems; and
- **Project Reporting** – an assessment of the data being reported through the CAFR to ensure that the data is an accurate representation of the project status and the overall benefits to society resulting from the investments made by the organization.

Marcum will provide an opinion as to whether the information in the “Non-Financial Statistics” section of the CAFR is a fair and accurate presentation of the results being achieved by the investments of the Connecticut Green Bank. Future assessments by Marcum will go deeper and look at real-time project-level performance data (e.g., metering equipment, utility bill data, etc.) to ensure that estimates are reasonable with what is actually occurring on the projects.

With respect to the Market Transformation section that outlines the Program Logic Model for the Connecticut Green Bank and its programs and products, it presents a preliminary overview of how we are seeking to better understand the impact of the green bank model. We anticipate more work will be done in 2016 to further develop the logic model to evolve how we are evaluating the impact of our investments.

Through an annual audit process of its Comprehensive Annual Financial Report, the Connecticut Green Bank seeks to not only disclose how we are using the financial resources of the organization, but to also communicate how the use of those financial resources are resulting in a positive impact on society through the deployment of clean energy.

CONNECTICUT GREEN BANK

2. BACKGROUND AND MARKET – GOVERNANCE

Board of Directors

Pursuant to Section 16-245n of the General Statutes of Connecticut, the powers of the Connecticut Green Bank are vested in and exercised by the Board of Directors that is comprised by eleven voting and two non-voting members each with knowledge and expertise in matters related to the purpose of the organization (see Table 2).

Table 2. Composition of the Board of Directors of the Connecticut Green Bank for FY 2015

Position	Name	Status	Voting
Commissioner of DECD (or designee)	Catherine Smith	Ex Officio	Yes
Commissioner of DEEP (or designee)	Rob Klee	Ex Officio	Yes
State Treasurer (or designee)	Bettina Ferguson	Ex Officio	Yes
Finance of Renewable Energy	Reed Hundt	Appointed	Yes
Finance of Renewable Energy	Kevin Walsh	Appointed	Yes
Labor Organization	John Harrity	Appointed	Yes
R&D or Manufacturing	Mun Choi	Appointed	Yes
Investment Fund Management	Norma Glover	Appointed	Yes
Environmental Organization	Matthew Ranelli	Appointed	Yes
Finance or Deployment	Tom Flynn	Appointed	Yes
Residential or Low Income	Pat Wrice	Appointed	Yes
President of the Green Bank	Bryan Garcia	Ex Officio	No
Board of Connecticut Innovations	(unfilled) ¹⁴	Ex Officio	No

The Board of Directors of the Connecticut Green Bank is governed through statute, as well as an [Ethics Statement](#) and [Ethical Conduct Policy](#), [Resolutions of Purposes](#), [Bylaws](#), [Joint Committee Bylaws](#), and [Comprehensive Plan](#). The Comprehensive Plan for the Connecticut Green Bank provides a multiyear strategy to support the vision and mission of the organization and the public policy objective of delivering consumers cheaper, cleaner, and more reliable sources of energy while creating jobs and supporting local economic development. An Employee Handbook and [Operating Procedures](#) have also been approved by the Board of Directors and serve to guide the staff to ensure that it is following proper contracting, financial assistance, and other requirements.

The Board of Directors of the Connecticut Green Bank is comprised of eleven (11) ex officio and appointed voting members, and two (2) ex officio non-voting members. The leadership of the Board of Directors, includes:

- **Chair** – Catherine Smith, Commissioner of DECD (designated as the Chair of the Connecticut Green Bank by Governor Malloy)
- **Vice Chair** – Rob Klee, Commissioner of DEEP (voted in by his peers of the Connecticut Green Bank Board of Directors)
- **Secretary** – Matthew Ranelli, Partner at Shipman and Goodwin (voted in by his peers of the Connecticut Green Bank Board of Directors)

¹⁴ It should be noted that Catherine Smith and Mun Choi currently serve on the Connecticut Innovations Board of Directors.

CONNECTICUT GREEN BANK

2. BACKGROUND AND MARKET – GOVERNANCE

For FY 2015, the Board of Directors of the Connecticut Green Bank met nine (9) times, including five (5) regularly scheduled meetings and four (4) special meetings. There was an attendance rate of 73% by the Board of Directors and 66 approved resolutions. For a link to the materials from the Board of Directors meetings that is publicly accessible – [click here](#).

Committees of the Board of Directors

There are four (4) committees of the Board of Directors of the Connecticut Green Bank, including:

- Audit, Compliance, and Governance
- Budget and Operations
- Deployment
- Joint Committee of the Energy Efficiency Board and the Connecticut Green Bank

Audit, Compliance and Governance Committee

The Audit, Compliance and Governance Committee (ACG Committee) of the Connecticut Green Bank is comprised of three (3) ex officio and appointed voting members. The leadership of the ACG Committee, includes:

- **Chair** – Matthew Ranelli, Partner and Shipman and Goodwin (designated as the Chair by Catherine Smith)
- **Members**¹⁵ – John Harrity and Pat Wrice (designated as a member of the Committee by Catherine Smith)

For FY 2015, the ACG Committee of the Connecticut Green Bank met four (4) times, including three (3) regularly scheduled meetings and one (1) special meeting. There was an attendance rate of 92% by the Audit, Compliance and Governance Committee and 6 approved resolutions. For a link to the materials from the ACG Committee meetings that is publicly accessible – [click here](#).

Budget and Operations Committee

The Budget & Operations Committee (B&O Committee) of the Connecticut Green Bank is comprised of three (3) ex officio and appointed voting members. The leadership of the B&O Committee, includes:

- **Chair** – Rob Klee, Commissioner of DEEP (designated as the Chair by Catherine Smith)
- **Members**¹⁶ – Mun Choi and Norma Glover (designated as a member of the Committee by Catherine Smith)

For FY 2015, the B&O Committee of the Connecticut Green Bank met four (4) times, including three (3) regularly scheduled meetings and one (1) special meeting. There was an attendance rate of 92% by the Budget and Operations Committee and 3 approved resolutions. For a link to the materials from the B&O Committee meetings that is publicly accessible – [click here](#).

¹⁵ Note – the Chair and/or Vice Chair of the Board of Directors of the Connecticut Green Bank can attend the Audit, Compliance, and Governance Committee meeting to establish a quorum

¹⁶ Note – the Chair and/or Vice Chair of the Board of Directors of the Connecticut Green Bank can attend the Audit, Compliance, and Governance Committee meeting to establish a quorum

CONNECTICUT GREEN BANK

2. BACKGROUND AND MARKET – GOVERNANCE

Deployment Committee

The Deployment Committee of the Connecticut Green Bank is comprised of four (4) ex officio and appointed voting members. The leadership of the Deployment Committee, includes:

- **Chair**¹⁷ – Reed Hundt, CEO of the Coalition for Green Capital (designated as the Chair by Catherine Smith)
- **Members**¹⁸ – Bettina Ferguson (ex officio per bylaws), Matthew Ranelli, and Pat Wrice (designated as a member of the Committee by Catherine Smith)

For FY 2015, the Deployment Committee of the Connecticut Green Bank met nine (9) times, including three (3) regularly scheduled meetings and six (6) special meeting. There was an attendance rate of 83% by the Deployment Committee and 24 approved resolutions. For a link to the materials from the Deployment Committee meetings that is publicly accessible – [click here](#).

Joint Committee

Pursuant to Section 16-245m(d)(2) of the Connecticut General Statutes, there is hereby created a Joint Committee of the Energy Efficiency Board (EEB) and the Connecticut Green Bank. Per bylaws established and approved by the EEB and the Connecticut Green Bank, the Joint Committee is comprised of four (4) appointed and voting members, one (1) ex officio and voting member, and four (4) ex officio and non-voting members. The leadership of the Joint Committee, includes:

- **Chair** – Eric Brown, Attorney with CBIA (voted in by his peers of the EEB and the Connecticut Green Bank)
- **Vice Chair** – Diane Duva, DEEP (voted in by her peers of the EEB and the Connecticut Green Bank)
- **Secretary** – Bryan Garcia, Connecticut Green Bank, and Craig Diamond, Connecticut Energy Efficiency Fund (voted in by their peers of the EEB and the Connecticut Green Bank)
- **Members**¹⁹ – Bryan Garcia (non-voting), Norma Glover, Bert Hunter (non-voting), and John Harrity (designated as members of the Committee by Catherine Smith)

For FY 2015, the Joint Committee of the EEB and the Connecticut Green Bank met four (4) times, including four (4) regularly scheduled meetings. There was an attendance rate of 90% by the Joint Committee and 2 approved resolutions. For a link to the materials from the Joint Committee meetings that is publicly accessible – [click here](#).

¹⁷ Matthew Ranelli, Partner and Shipman and Goodwin for 11/14/14 & 11/21/14 only*

¹⁸ Bettina Ferguson, Reed Hundt, Rob Klee, Patricia Wrice, & Catherine Smith for 11/14/14 & 11/21/14 only*

¹⁹ Note – these members are representatives from the Connecticut Green Bank.

CONNECTICUT GREEN BANK

2. BACKGROUND AND MARKET – GOVERNANCE

Statement of Financial Interest

It is required by state ethics laws and a determination of the Governor’s standard that senior-level staff (i.e., Director level and above) and members of the Board of Directors annually file a Statement of Financial Interest (SFI). The Governor’s standard is the following:

Governor Malloy has established a standard which requires “filing of Annual Statements of Financial Interests by all persons in the Executive Branch and Quasi-Public Agencies who exercise (i) significant policy-making, regulatory or contractual authority; (ii) significant decision-making and/or supervisory responsibility for the review and/or award of State contracts; or (iii) significant decision-making and/or supervisory responsibility over staff that monitor State contracts.”

These statements include information such as names of all associated business, income over \$1,000 and a list of all real property as well as any creditors. SFIs that have been filed are available to the public under the Freedom of Information Act. The SFIs serve two purposes. First, the financial disclosure provides a checklist or reminder to the official/employee to be mindful of potential conflicts of interest. Second, the statements serve as a tool to maximize public confidence in governmental decision making.

With respect to the 2015 SFI filing – required by May 1, 2015 – the Connecticut Office of State Ethics received the following from the Connecticut Green Bank (see Table 3):

Table 3. Summary of State of Financial Interest Filings with the Office of State Ethics for FY 2015

	Number of SFIs Submitted	% Submitted on Time
Senior Staff	12	100%
Board of Directors	11	100%

The Connecticut Green Bank received a Certificate of Excellence Ethics Compliance from the Connecticut Office of State Ethics.

CONNECTICUT GREEN BANK

2. BACKGROUND AND MARKET – COMMUNITIES

Fiscal Year 2015 Approved/Closed/Completed Projects

Communities across Connecticut are demonstrating leadership in their support of green energy. The Connecticut Green Bank distributes reports to communities on an annual basis to provide them with a breakdown of their performance. There are many leaders of green energy deployment across the state, and we have assembled the “Top 5” in energy, environment, and economy for both FY 2015 as well as FY 2012 through FY 2015. Cities and towns like Bridgeport and Colebrook have supported large green energy installations like a fuel cell park and wind power, while others like Hampton, Durham, Killingworth, and Woodbridge are deploying solar PV at rapid scales through initiatives such as Solarize Connecticut.

Table 4. The “Top 5” Energy, Environment, and Economy Metrics for FY 2015²⁰

Municipality	Watts/ Capita	Municipality	Lifetime CO2 Emissions (tons)	Municipality	Investment/ Capita
Colebrook	3,386.3	Colebrook	61,789	Colebrook	\$15,252.94
Woodbridge	148.5	Bristol	24,089	Milford	\$540.55
Haddam	138.7	New Britain	22,846	Bristol	\$136.05
Killingworth	132.6	Bridgeport	21,677	Hamden	\$113.81
Voluntown	130.7	Waterbury	18,218	Bridgeport	\$71.04

Table 5. Clean Energy Performance by Municipality (FY 2015)

Municipality	# Projects	Average Investment (Project Cost)	Median Investment (Project Cost)	Total Investment (Project Cost)	Investment /Capita	MW	Watts/ Capita	Annual MMBTU	Total Jobs	Lifetime CO2 Emissions (tons)
Andover	8	\$36,180	\$29,617	\$289,444	\$87.63	0.1	17.4	203	5	708
Ansonia	26	\$41,619	\$25,049	\$1,082,091	\$56.22	0.2	12.9	851	14	3,057
Ashford	30	\$50,992	\$34,967	\$1,529,749	\$354.35	0.4	87.2	1,238	20	4,636
Avon	54	\$51,418	\$37,923	\$2,776,583	\$153.42	0.6	35.0	2,097	41	7,984
Barkhamsted	10	\$33,308	\$32,496	\$333,078	\$87.68	0.1	21.0	259	5	985
Beacon Falls	15	\$32,505	\$28,875	\$487,576	\$80.60	0.1	17.9	352	8	1,337
Berlin	67	\$35,365	\$34,808	\$2,369,484	\$119.27	0.5	25.2	1,678	37	6,165
Bethany	21	\$36,324	\$33,885	\$762,804	\$137.12	0.2	31.1	561	12	2,130
Bethel	34	\$31,737	\$33,323	\$1,079,044	\$58.06	0.2	12.6	760	17	2,888
Bethlehem	13	\$35,006	\$30,411	\$455,074	\$126.16	0.1	26.2	306	7	1,162
Bloomfield	82	\$29,337	\$28,610	\$2,405,605	\$117.43	0.5	26.6	1,790	37	6,718
Bolton	23	\$33,648	\$28,616	\$773,905	\$155.40	0.2	37.3	602	12	2,286
Branford	38	\$34,027	\$32,503	\$1,293,021	\$46.14	0.3	10.2	947	20	3,609
Bridgeport	115	\$89,102	\$27,000	\$10,246,697	\$71.04	2.6	17.7	315,504	147	21,677
Bridgewater	3	\$31,858	\$33,885	\$95,573	\$55.34	0.0	11.4	64	1	242
Bristol	178	\$46,224	\$31,103	\$8,227,870	\$136.05	2.0	32.3	6,433	108	24,089
Brookfield	60	\$62,784	\$40,530	\$3,767,014	\$228.97	0.7	39.9	5,571	53	7,153
Brooklyn	45	\$36,433	\$37,829	\$1,639,467	\$199.69	0.4	46.1	1,229	25	4,658
Burlington	87	\$40,940	\$39,312	\$3,561,792	\$382.95	0.8	89.1	2,687	54	10,209

²⁰ It should be noted that both Bridgeport and Colebrook are in the “Top 5” in several categories as a result of large investments in the Dominion Bridgeport Fuel Cell Park and Colebrook Wind Project respectively.

CONNECTICUT GREEN BANK

2. BACKGROUND AND MARKET – COMMUNITIES

Municipality	# Projects	Average Investment (Project Cost)	Median Investment (Project Cost)	Total Investment (Project Cost)	Investment /Capita	MW	Watts/ Capita	Annual MMBTU	Total Jobs	Lifetime CO2 Emissions (tons)
Canaan	12	\$39,460	\$38,154	\$473,518	\$383.73	0.1	76.5	306	7	1,163
Canterbury	26	\$38,424	\$36,494	\$999,037	\$194.67	0.2	41.3	688	15	2,612
Canton	25	\$32,506	\$28,342	\$812,646	\$78.96	0.2	17.2	621	13	2,178
Chaplin	7	\$33,405	\$31,726	\$233,837	\$101.45	0.1	22.7	170	4	645
Cheshire	80	\$35,516	\$33,935	\$2,841,271	\$97.10	0.6	21.8	2,107	45	7,874
Chester	3	\$35,450	\$39,234	\$106,351	\$26.63	0.0	5.8	76	2	288
Clinton	30	\$38,004	\$35,265	\$1,140,122	\$85.98	0.3	18.9	812	18	3,084
Colchester	44	\$35,543	\$33,885	\$1,563,897	\$97.33	0.3	19.5	1,041	24	3,858
Colebrook	5	\$4,530,124	\$36,464	\$22,650,619	\$15,252.94	5.0	3386.3	93	2	61,789
Columbia	25	\$36,496	\$33,885	\$912,401	\$166.34	0.2	34.8	618	14	2,349
Cornwall	5	\$31,414	\$33,885	\$157,070	\$110.61	0.0	22.9	105	2	400
Coventry	47	\$70,775	\$38,880	\$3,326,413	\$267.50	0.9	71.3	2,887	39	10,926
Cromwell	55	\$69,435	\$32,760	\$3,818,919	\$272.68	0.4	27.6	5,738	67	4,760
Danbury	90	\$35,611	\$33,885	\$3,204,953	\$39.62	0.7	8.1	2,157	50	8,088
Darien	10	\$47,309	\$48,221	\$473,091	\$22.82	0.1	4.5	303	7	1,153
Deep River	14	\$81,248	\$31,483	\$1,137,476	\$245.73	0.3	71.5	1,170	13	4,078
Derby	31	\$30,023	\$29,160	\$930,711	\$72.14	0.2	15.4	650	15	2,449
Durham	20	\$32,066	\$31,785	\$641,327	\$86.81	0.1	19.5	466	10	1,771
East Granby	46	\$36,550	\$34,920	\$1,681,322	\$326.60	0.4	72.7	1,259	26	4,613
East Haddam	18	\$44,863	\$29,657	\$807,534	\$88.49	0.2	19.3	587	11	2,165
East Hampton	38	\$38,670	\$34,808	\$1,469,441	\$113.39	0.3	22.7	966	23	3,626
East Hartford	93	\$29,007	\$28,342	\$2,697,633	\$52.63	0.6	11.0	1,852	42	6,960
East Haven	59	\$29,798	\$30,030	\$1,758,054	\$60.09	0.4	13.5	1,311	27	4,859
East Lyme	87	\$33,451	\$32,157	\$2,910,279	\$151.90	0.6	33.9	2,207	45	8,099
East Windsor	35	\$36,739	\$34,132	\$1,285,876	\$115.20	0.3	23.9	864	19	3,282
Eastford	6	\$28,417	\$29,118	\$170,501	\$97.49	0.0	26.2	149	3	565
Easton	18	\$81,633	\$34,982	\$1,469,389	\$196.18	0.4	59.5	1,445	17	5,491
Ellington	51	\$44,581	\$33,885	\$2,273,611	\$145.73	0.5	32.8	2,163	33	6,299
Enfield	109	\$37,045	\$28,114	\$4,037,901	\$90.43	1.0	21.3	3,298	57	11,730
Essex	29	\$31,734	\$25,373	\$920,298	\$137.71	0.2	27.2	2,333	15	2,237
Fairfield	88	\$37,383	\$32,540	\$3,289,740	\$55.38	0.8	13.5	2,664	48	9,854
Farmington	125	\$29,871	\$28,665	\$3,733,831	\$147.35	0.9	37.3	3,103	57	11,660
Franklin	8	\$37,925	\$39,561	\$303,400	\$157.86	0.1	34.7	216	5	822
Glastonbury	72	\$41,016	\$33,677	\$2,953,178	\$85.78	0.6	18.4	1,964	44	7,794
Goshen	11	\$38,191	\$37,800	\$420,100	\$141.16	0.1	30.4	294	6	1,116
Granby	38	\$32,652	\$29,874	\$1,240,782	\$109.98	0.3	23.1	844	19	3,205
Greenwich	17	\$34,595	\$33,885	\$588,107	\$9.61	0.1	2.0	388	9	1,476
Griswold	98	\$38,590	\$37,485	\$3,781,848	\$316.45	0.8	67.8	2,655	58	9,986
Groton	15	\$37,203	\$36,720	\$558,049	\$13.91	0.1	2.8	370	9	1,406
Guilford	64	\$37,457	\$38,070	\$2,397,246	\$107.14	0.5	23.9	1,735	37	6,593
Haddam	135	\$32,745	\$32,560	\$4,420,539	\$529.66	1.2	138.7	3,865	68	14,263
Hamden	112	\$61,945	\$27,545	\$6,937,822	\$113.81	1.0	16.7	8,463	112	12,569
Hampton	15	\$55,079	\$31,520	\$826,190	\$443.47	0.2	128.5	799	10	2,948
Hartford	63	\$42,228	\$23,256	\$2,660,375	\$21.32	0.7	5.3	2,335	35	8,121
Hartland	8	\$27,415	\$27,485	\$219,324	\$103.75	0.1	26.9	185	3	701
Harwinton	23	\$35,826	\$33,885	\$823,998	\$146.05	0.2	33.3	614	13	2,314
Hebron	37	\$33,646	\$33,600	\$1,244,918	\$128.53	0.3	26.5	832	19	3,162
Kent	5	\$32,623	\$33,885	\$163,117	\$54.76	0.0	12.8	124	3	471
Killingly	50	\$31,715	\$29,940	\$1,585,771	\$91.29	0.4	21.4	1,225	24	4,576
Killingworth	82	\$41,435	\$38,500	\$3,397,636	\$520.71	0.9	132.6	2,877	52	10,657
Lebanon	19	\$29,149	\$31,588	\$553,826	\$75.78	0.1	17.5	425	8	1,573
Ledyard	43	\$36,141	\$32,760	\$1,554,068	\$103.25	0.3	21.3	1,091	24	3,957
Lisbon	24	\$38,256	\$37,440	\$918,136	\$211.65	0.2	43.7	627	15	2,471
Litchfield	17	\$44,723	\$48,000	\$760,288	\$89.80	0.2	18.9	519	12	1,971

CONNECTICUT GREEN BANK

2. BACKGROUND AND MARKET – COMMUNITIES

Municipality	# Projects	Average Investment (Project Cost)	Median Investment (Project Cost)	Total Investment (Project Cost)	Investment /Capita	MW	Watts/ Capita	Annual MMBTU	Total Jobs	Lifetime CO2 Emissions (tons)
Lyme	10	\$37,879	\$33,430	\$378,790	\$157.44	0.1	37.1	289	6	1,098
Madison	18	\$37,060	\$37,462	\$667,076	\$36.51	0.1	7.7	455	11	1,729
Manchester	85	\$35,153	\$28,734	\$2,987,992	\$51.30	0.7	12.8	2,525	42	9,270
Mansfield	31	\$31,787	\$30,810	\$985,412	\$37.13	0.2	7.6	657	15	2,498
Marlborough	16	\$38,990	\$32,338	\$623,833	\$97.41	0.1	21.0	435	10	1,654
Meriden	114	\$41,037	\$30,945	\$4,678,167	\$76.86	1.1	17.4	3,823	65	13,078
Middlebury	15	\$36,496	\$33,885	\$547,447	\$72.27	0.1	15.4	405	9	1,434
Middlefield	24	\$37,121	\$34,125	\$890,895	\$201.33	0.2	44.3	636	14	2,416
Middletown	137	\$34,387	\$33,885	\$4,710,989	\$98.87	1.0	21.4	3,339	72	12,541
Milford	177	\$161,125	\$33,476	\$28,519,098	\$540.55	4.2	79.6	137,515	85	14,771
Monroe	41	\$36,779	\$34,808	\$1,507,931	\$77.41	0.3	17.6	1,111	23	4,220
Montville	94	\$33,099	\$31,678	\$3,111,302	\$158.98	0.7	35.3	2,374	49	8,509
Morris	7	\$27,695	\$28,080	\$193,865	\$81.18	0.0	16.3	126	3	480
Naugatuck	60	\$39,429	\$30,199	\$2,365,722	\$74.25	0.4	12.3	1,317	39	4,819
New Britain	111	\$51,624	\$22,759	\$5,730,310	\$78.28	1.9	25.3	6,424	68	22,846
New Canaan	29	\$40,776	\$36,090	\$1,182,517	\$59.91	0.2	12.2	779	19	2,958
New Fairfield	43	\$41,023	\$37,300	\$1,763,968	\$127.08	0.4	26.9	1,224	27	4,607
New Hartford	56	\$38,115	\$34,005	\$2,134,417	\$306.23	0.5	70.2	1,617	33	6,025
New Haven	57	\$26,768	\$25,768	\$1,525,795	\$111.76	0.3	2.5	1,047	24	3,935
New London	31	\$99,343	\$28,114	\$3,079,630	\$111.50	0.8	28.6	3,025	37	9,719
New Milford	56	\$41,255	\$37,118	\$2,310,283	\$82.09	0.5	16.6	1,512	36	5,744
Newington	103	\$37,931	\$30,614	\$3,906,900	\$127.84	0.9	28.4	2,898	58	10,681
Newtown	40	\$44,837	\$42,656	\$1,793,464	\$65.07	0.4	13.1	1,248	28	4,462
Norfolk	9	\$40,034	\$31,320	\$360,302	\$210.83	0.1	47.2	262	6	994
North Branford	26	\$36,765	\$35,540	\$955,897	\$66.35	0.2	14.9	697	15	2,647
North Canaan	6	\$36,438	\$36,354	\$218,628	\$65.95	0.0	13.8	149	3	565
North Haven	91	\$34,246	\$33,370	\$3,116,424	\$129.35	0.7	29.2	2,290	48	8,681
North Stonington	19	\$55,240	\$39,585	\$1,049,569	\$198.14	0.3	50.5	920	13	3,299
Norwalk	38	\$33,520	\$32,693	\$1,273,753	\$14.88	0.3	3.1	873	20	3,317
Norwich	62	\$10,799	\$9,487	\$669,560	\$16.54	0.0	0.0	758	21	277
Old Lyme	43	\$38,323	\$33,885	\$1,647,871	\$216.74	0.4	49.7	1,246	26	4,656
Old Saybrook	51	\$30,184	\$28,980	\$1,539,359	\$150.30	0.3	33.8	1,131	24	4,267
Orange	38	\$35,353	\$34,074	\$1,343,408	\$96.26	0.3	21.6	979	21	3,720
Oxford	31	\$42,697	\$42,840	\$1,323,608	\$104.36	0.3	22.8	938	20	3,565
Plainfield	66	\$32,957	\$32,073	\$2,175,137	\$141.20	0.5	31.3	1,564	33	5,943
Plainville	85	\$56,623	\$30,030	\$4,812,913	\$271.67	1.2	69.7	5,050	63	15,213
Plymouth	64	\$39,844	\$34,839	\$2,549,991	\$208.28	0.5	43.4	1,721	39	6,539
Pomfret	21	\$33,954	\$30,983	\$713,041	\$167.89	0.2	39.5	545	11	2,069
Portland	31	\$36,890	\$38,220	\$1,143,588	\$120.28	0.2	25.3	780	17	3,091
Preston	17	\$40,122	\$32,868	\$682,080	\$144.32	0.2	31.7	486	11	1,848
Prospect	26	\$33,381	\$33,885	\$867,910	\$92.28	0.2	20.5	626	13	2,378
Putnam	32	\$95,506	\$28,175	\$3,056,187	\$318.88	0.7	77.4	9,905	60	9,138
Redding	10	\$45,198	\$43,929	\$451,977	\$49.35	0.1	10.3	306	7	1,162
Ridgefield	29	\$42,888	\$38,824	\$1,243,760	\$50.48	0.3	10.6	850	19	3,229
Rocky Hill	57	\$32,087	\$31,800	\$1,828,963	\$92.80	0.4	20.4	1,311	28	4,961
Roxbury	4	\$29,476	\$28,808	\$117,903	\$52.12	0.0	12.9	94	2	358
Salem	22	\$39,518	\$36,630	\$869,401	\$209.44	0.2	42.7	575	13	2,186
Salisbury	17	\$32,024	\$33,885	\$544,404	\$145.52	0.1	29.3	390	9	1,352
Scotland	3	\$32,611	\$33,440	\$97,834	\$56.68	0.0	14.1	79	2	299

CONNECTICUT GREEN BANK

2. BACKGROUND AND MARKET – COMMUNITIES

Municipality	# Projects	Average Investment (Project Cost)	Median Investment (Project Cost)	Total Investment (Project Cost)	Investment /Capita	MW	Watts/ Capita	Annual MMBTU	Total Jobs	Lifetime CO2 Emissions (tons)
Seymour	33	\$26,753	\$26,775	\$882,864	\$53.38	0.2	11.5	621	13	2,342
Sharon	13	\$39,149	\$29,453	\$508,931	\$182.94	0.1	38.2	345	8	1,311
Shelton	93	\$39,184	\$33,885	\$3,644,100	\$92.12	0.7	18.2	4,499	58	8,852
Sherman	7	\$36,488	\$37,200	\$255,413	\$71.32	0.1	14.7	170	4	647
Simsbury	99	\$33,234	\$31,300	\$3,290,188	\$139.94	0.8	33.0	2,518	50	9,548
Somers	21	\$80,486	\$35,414	\$1,690,203	\$147.69	0.4	36.7	1,441	20	5,179
South Windsor	106	\$34,057	\$32,286	\$3,609,996	\$140.42	0.8	30.3	2,622	56	9,601
Southbury	39	\$39,641	\$37,868	\$1,545,990	\$77.67	0.3	16.7	1,081	24	4,106
Southington	150	\$36,045	\$33,958	\$5,406,786	\$125.54	1.2	27.2	3,829	84	14,439
Sprague	12	\$29,220	\$24,602	\$350,644	\$117.51	0.1	28.7	278	5	1,055
Stafford	30	\$31,059	\$30,314	\$931,773	\$77.09	0.2	16.7	704	15	2,484
Stamford	67	\$52,976	\$33,885	\$3,549,414	\$28.94	0.7	5.5	5,728	55	8,277
Sterling	26	\$32,271	\$30,919	\$839,042	\$219.07	0.2	51.8	643	13	2,444
Stonington	69	\$33,879	\$32,638	\$2,337,621	\$126.05	0.5	29.6	1,779	35	6,885
Stratford	119	\$33,670	\$27,710	\$4,006,696	\$77.98	0.9	17.5	3,282	60	11,079
Suffield	106	\$39,288	\$39,075	\$4,164,512	\$264.67	0.9	57.2	3,012	65	11,094
Thomaston	24	\$33,444	\$33,205	\$802,652	\$101.77	0.2	21.8	557	12	2,116
Thompson	35	\$37,079	\$29,835	\$1,297,758	\$137.21	0.3	29.6	908	20	3,448
Tolland	78	\$36,437	\$34,214	\$2,842,110	\$188.82	0.6	42.5	2,076	44	7,888
Torrington	101	\$35,386	\$33,794	\$3,573,946	\$98.23	0.7	20.5	2,518	56	9,172
Trumbull	69	\$36,192	\$33,885	\$2,497,219	\$69.33	0.6	15.3	1,817	38	6,794
Union	8	\$28,964	\$29,576	\$231,715	\$271.33	0.1	69.2	203	4	728
Vernon	60	\$32,240	\$30,791	\$1,934,384	\$66.29	0.4	15.1	1,427	30	5,421
Voluntown	18	\$67,917	\$33,677	\$1,222,503	\$469.65	0.3	130.7	1,103	14	4,191
Wallingford	2	\$30,486	\$30,486	\$60,972	\$1.35	0.0	0.2	30	1	115
Warren	3	\$26,176	\$27,706	\$78,528	\$53.75	0.0	12.2	58	1	220
Washington	6	\$41,263	\$35,278	\$247,578	\$69.19	0.1	14.5	180	4	639
Waterbury	153	\$41,714	\$29,453	\$6,382,266	\$57.83	1.5	13.4	5,083	94	18,218
Waterford	59	\$36,642	\$33,885	\$2,161,860	\$110.77	0.5	23.4	1,554	33	5,632
Watertown	67	\$45,911	\$33,885	\$3,076,032	\$136.63	0.7	33.3	2,633	42	9,232
West Hartford	132	\$27,888	\$25,773	\$3,653,366	\$57.74	0.8	13.1	2,762	58	10,397
West Haven	100	\$27,302	\$27,263	\$2,730,247	\$49.14	0.6	11.3	2,037	41	7,737
Westbrook	25	\$29,788	\$29,797	\$744,708	\$107.34	0.2	25.4	592	11	2,173
Weston	39	\$48,625	\$43,904	\$1,896,363	\$186.30	0.4	42.8	1,439	30	5,371
Westport	29	\$92,148	\$37,773	\$2,672,302	\$101.26	0.3	11.6	4,958	46	3,783
Wethersfield	72	\$31,447	\$29,983	\$2,264,185	\$84.90	0.5	19.0	1,694	35	6,249
Willington	15	\$46,026	\$40,163	\$690,392	\$114.28	0.2	24.8	490	10	1,849
Wilton	8	\$41,437	\$44,301	\$331,495	\$18.35	0.1	4.0	236	5	895
Winchester	17	\$39,163	\$38,824	\$665,772	\$59.22	0.1	11.7	425	10	1,616
Windham	42	\$34,883	\$32,463	\$1,465,104	\$57.98	0.3	12.3	1,017	24	3,843
Windsor	109	\$35,634	\$32,130	\$3,884,052	\$310.77	0.9	68.1	2,879	58	10,485
Windsor Locks	83	\$37,766	\$32,374	\$3,096,794	\$106.62	0.7	24.9	2,529	45	8,918
Wolcott	56	\$41,323	\$34,808	\$2,314,069	\$138.73	0.5	29.2	1,581	36	6,007
Woodbridge	40	\$107,922	\$37,698	\$4,316,886	\$480.19	1.3	148.5	4,356	48	16,443
Woodbury	17	\$39,754	\$37,485	\$675,817	\$67.75	0.1	14.3	530	11	1,760
Woodstock	60	\$38,837	\$38,178	\$2,330,215	\$292.59	0.5	64.8	1,688	35	6,358
Grand Total	7,966	\$45,557	\$32,760	\$362,818,387	\$101.59	79.0	22.1	710,008	4,753	927,036

CONNECTICUT GREEN BANK

2. BACKGROUND AND MARKET – COMMUNITIES

Approved/Closed/Completed Projects Fiscal Year 2012 - 2015

Table 6. The “Top 5” Energy, Environment, and Economy Metrics for FY 2012 - 2015²¹

Municipality	Watts/ Capita	Municipality	Lifetime CO2 Emissions (tons)	Municipality	Investment/ Capita
Colebrook	3,405.3	Bridgeport	103,005	Colebrook	\$15,347.05
Hampton	187.3	Colebrook	62,137	Ansonia	\$1,375.09
Durham	165.5	New Britain	36,093	Bridgeport	\$711.63
Killingworth	159.7	Bristol	27,458	Hampton	\$711.48
Woodbridge	158.1	Middletown	25,492	Durham	\$665.79

Table 7. Clean Energy Performance by Municipality (FY 2012-2015)

Municipality	# Projects	Average Investment (Project Cost)	Median Investment (Project Cost)	Total Investment (Project Cost)	Investment /Capita	MW	Watts/ Capita	Annual MMBTU	Total Jobs	Lifetime CO2 Emissions (tons)
Andover	15	\$34,308	\$31,671	\$514,614	\$155.80	0.1	32.3	363	8	1,314
Ansonia	39	\$678,694	\$26,238	\$26,469,082	\$1,375.09	1.9	97.5	70,086	20	4,022
Ashford	67	\$42,857	\$33,885	\$2,871,401	\$665.14	0.7	154.4	2,179	41	8,211
Avon	71	\$55,835	\$38,621	\$3,964,294	\$219.05	0.8	42.1	4,825	61	9,550
Barkhamsted	16	\$32,634	\$31,632	\$522,146	\$137.44	0.1	30.9	380	8	1,445
Beacon Falls	23	\$32,690	\$29,040	\$751,881	\$124.30	0.2	27.4	537	12	2,039
Berlin	86	\$34,926	\$35,149	\$3,003,617	\$151.19	0.6	31.5	2,092	47	7,699
Bethany	43	\$36,554	\$34,920	\$1,571,807	\$282.55	0.3	61.5	1,124	24	4,213
Bethel	49	\$31,419	\$31,213	\$1,539,513	\$82.84	0.3	17.9	1,076	24	4,089
Bethlehem	23	\$33,666	\$30,240	\$774,323	\$214.67	0.2	43.4	507	12	1,927
Bloomfield	92	\$29,727	\$29,480	\$2,734,841	\$133.50	0.6	30.1	2,023	42	7,604
Bolton	31	\$36,875	\$33,796	\$1,143,122	\$229.54	0.3	51.1	825	18	3,133
Branford	52	\$33,098	\$31,948	\$1,721,120	\$61.41	0.4	13.6	1,259	27	4,795
Bridgeport	157	\$653,740	\$27,000	\$102,637,131	\$711.63	19.2	132.9	396,085	1,333	103,005
Bridgewater	4	\$33,563	\$36,283	\$134,253	\$77.74	0.0	15.3	86	2	326
Bristol	215	\$44,098	\$31,568	\$9,481,056	\$156.77	2.2	36.9	7,320	127	27,458
Brookfield	84	\$55,326	\$38,719	\$4,647,419	\$282.48	0.8	51.2	6,177	67	9,458
Brooklyn	62	\$35,387	\$33,641	\$2,193,988	\$267.23	0.5	60.2	1,605	34	6,086
Burlington	108	\$40,318	\$38,738	\$4,354,329	\$468.16	1.0	107.9	3,253	67	12,359
Canaan	17	\$38,636	\$36,146	\$656,816	\$532.27	0.1	102.8	412	10	1,563
Canterbury	33	\$37,019	\$35,458	\$1,221,637	\$238.04	0.3	50.1	834	18	3,168
Canton	70	\$33,037	\$28,102	\$2,312,593	\$224.70	0.5	53.3	1,857	36	6,759
Chaplin	26	\$30,643	\$28,495	\$796,721	\$345.65	0.2	81.7	611	12	2,320
Cheshire	148	\$35,060	\$33,885	\$5,188,927	\$177.33	1.2	41.4	3,965	81	14,933
Chester	21	\$30,127	\$26,250	\$632,670	\$158.41	0.1	35.3	458	10	1,739
Clinton	54	\$33,832	\$34,012	\$1,826,919	\$137.78	0.4	31.1	1,335	28	5,073
Colchester	78	\$34,554	\$32,457	\$2,695,210	\$167.74	0.5	32.9	1,742	42	6,520
Colebrook	8	\$2,848,796	\$38,107	\$22,790,369	\$15,347.05	5.1	3405.3	184	4	62,137
Columbia	66	\$32,731	\$31,054	\$2,160,217	\$393.84	0.5	89.9	1,620	33	6,077
Cornwall	12	\$32,140	\$35,016	\$385,683	\$271.61	0.1	55.4	255	6	969
Coventry	102	\$49,743	\$33,867	\$5,073,813	\$408.03	1.3	104.5	4,249	66	16,011
Cromwell	71	\$60,956	\$32,130	\$4,327,844	\$309.02	0.5	34.8	6,076	76	6,002

²¹ Ibid

CONNECTICUT GREEN BANK

2. BACKGROUND AND MARKET – COMMUNITIES

Municipality	# Projects	Average Investment (Project Cost)	Median Investment (Project Cost)	Total Investment (Project Cost)	Investment /Capita	MW	Watts/ Capita	Annual MMBTU	Total Jobs	Lifetime CO2 Emissions (tons)
Danbury	128	\$36,084	\$33,885	\$4,618,755	\$57.10	0.9	11.5	3,902	72	11,502
Darien	20	\$42,825	\$41,288	\$856,510	\$41.31	0.2	8.0	535	13	2,031
Deep River	21	\$66,797	\$31,722	\$1,402,734	\$303.03	0.4	80.8	1,309	16	4,606
Derby	32	\$29,469	\$28,485	\$943,012	\$73.09	0.2	15.6	660	15	2,487
Durham	150	\$32,792	\$31,500	\$4,918,866	\$665.79	1.2	165.5	3,965	76	15,063
East Granby	57	\$36,563	\$35,954	\$2,084,081	\$404.83	0.5	89.6	1,540	32	5,680
East Haddam	39	\$52,462	\$32,760	\$2,046,024	\$224.20	0.5	53.4	1,577	27	6,006
East Hampton	58	\$38,129	\$35,149	\$2,211,470	\$170.65	0.4	34.7	1,468	34	5,533
East Hartford	109	\$28,941	\$28,114	\$3,154,589	\$61.55	0.7	12.9	2,156	49	8,115
East Haven	74	\$29,285	\$27,165	\$2,167,065	\$74.07	0.5	16.4	1,646	34	5,925
East Lyme	105	\$34,353	\$32,400	\$3,607,110	\$188.27	0.8	41.2	2,662	55	9,825
East Windsor	53	\$64,360	\$34,808	\$3,411,090	\$305.60	0.9	79.5	3,151	42	10,929
Eastford	13	\$32,644	\$27,445	\$424,371	\$242.64	0.1	60.4	343	7	1,302
Easton	48	\$51,206	\$31,618	\$2,457,872	\$328.15	0.7	90.0	2,207	33	8,305
Ellington	71	\$41,449	\$33,469	\$2,942,896	\$188.62	0.7	42.3	2,646	43	8,135
Enfield	201	\$33,367	\$28,114	\$6,706,705	\$150.19	1.5	34.5	5,241	98	19,006
Essex	33	\$31,842	\$25,373	\$1,050,772	\$157.23	0.2	31.1	2,419	17	2,564
Fairfield	197	\$33,075	\$30,791	\$6,515,867	\$109.69	1.6	26.9	5,308	99	19,716
Farmington	149	\$31,091	\$31,007	\$4,632,606	\$182.82	1.1	45.3	3,758	71	14,147
Franklin	13	\$37,227	\$36,720	\$483,948	\$251.79	0.1	56.9	355	7	1,347
Glastonbury	147	\$35,279	\$30,013	\$5,185,970	\$150.64	1.2	33.5	3,683	79	14,209
Goshen	14	\$37,648	\$35,843	\$527,065	\$177.11	0.1	39.6	382	8	1,451
Granby	54	\$33,562	\$32,130	\$1,812,340	\$160.64	0.4	33.8	1,238	28	4,705
Greenwich	84	\$28,731	\$27,649	\$2,413,371	\$39.45	0.5	8.6	1,700	37	6,457
Griswold	115	\$38,006	\$37,050	\$4,370,673	\$365.72	0.9	77.4	3,044	67	11,397
Groton	24	\$33,297	\$33,335	\$799,124	\$19.92	0.2	4.0	522	12	1,983
Guilford	98	\$36,923	\$36,553	\$3,618,449	\$161.72	0.8	35.3	2,564	56	9,742
Haddam	152	\$32,979	\$31,930	\$5,012,736	\$600.62	1.3	154.0	4,278	77	15,834
Hamden	214	\$45,409	\$25,671	\$9,717,625	\$159.41	1.6	26.6	10,558	156	19,995
Hampton	32	\$41,421	\$29,250	\$1,325,488	\$711.48	0.3	187.3	1,155	19	4,299
Hartford	77	\$52,137	\$24,098	\$4,014,535	\$32.17	0.9	6.9	3,868	56	10,654
Hartland	15	\$29,714	\$31,320	\$445,706	\$210.84	0.1	50.4	364	7	1,313
Harwinton	32	\$34,827	\$33,943	\$1,114,467	\$197.53	0.2	44.1	821	18	3,069
Hebron	53	\$33,624	\$32,414	\$1,782,067	\$183.98	0.4	40.0	1,256	27	4,773
Kent	10	\$31,714	\$32,093	\$317,141	\$106.46	0.1	25.3	244	5	928
Killingly	72	\$32,148	\$30,537	\$2,314,658	\$133.26	0.5	30.4	1,731	36	6,497
Killingworth	94	\$43,770	\$38,500	\$4,114,406	\$630.56	1.0	159.7	3,475	61	12,838
Lebanon	66	\$30,182	\$29,920	\$1,992,037	\$272.58	0.5	64.2	1,551	31	5,779
Ledyard	58	\$34,666	\$32,309	\$2,010,604	\$133.59	0.4	27.7	1,400	31	5,130
Lisbon	32	\$36,918	\$36,644	\$1,181,362	\$272.33	0.2	57.2	816	19	3,188
Litchfield	30	\$40,073	\$40,338	\$1,202,178	\$142.00	0.3	30.1	827	19	3,142
Lyme	13	\$35,944	\$32,974	\$467,272	\$194.21	0.1	46.3	361	7	1,373
Madison	64	\$33,283	\$30,492	\$2,130,096	\$116.60	0.5	25.5	1,511	34	5,740
Manchester	167	\$30,786	\$26,818	\$5,141,233	\$88.28	1.3	21.6	4,187	76	15,757
Mansfield	123	\$29,895	\$27,144	\$3,677,122	\$138.53	0.8	30.6	2,655	57	10,016
Marlborough	22	\$38,877	\$32,338	\$855,293	\$133.56	0.2	28.2	585	13	2,222
Meriden	132	\$53,341	\$31,304	\$7,040,954	\$115.68	1.2	19.2	11,419	110	14,414
Middlebury	21	\$36,673	\$35,000	\$770,128	\$101.67	0.2	21.5	555	12	2,005
Middlefield	33	\$37,156	\$32,760	\$1,226,144	\$277.09	0.3	60.6	869	19	3,302
Middletown	177	\$75,377	\$32,500	\$13,341,679	\$280.01	2.7	57.6	41,604	196	25,492
Milford	244	\$124,898	\$31,517	\$30,475,077	\$577.63	4.6	87.3	138,872	116	19,798

CONNECTICUT GREEN BANK

2. BACKGROUND AND MARKET – COMMUNITIES

Municipality	# Projects	Average Investment (Project Cost)	Median Investment (Project Cost)	Total Investment (Project Cost)	Investment /Capita	MW	Watts/ Capita	Annual MMBTU	Total Jobs	Lifetime CO2 Emissions (tons)
Monroe	53	\$35,708	\$34,808	\$1,892,516	\$97.16	0.4	21.6	1,367	29	5,194
Montville	123	\$33,199	\$32,130	\$4,083,489	\$208.65	0.9	45.9	3,102	64	11,078
Morris	12	\$36,100	\$35,511	\$433,196	\$181.41	0.1	34.8	269	7	1,023
Naugatuck	77	\$38,165	\$30,723	\$2,938,701	\$92.23	0.5	15.9	1,701	48	6,234
New Britain	125	\$70,683	\$23,313	\$8,835,321	\$120.69	2.9	40.0	10,723	96	36,093
New Canaan	42	\$42,351	\$38,812	\$1,778,728	\$90.12	0.4	18.0	1,154	28	4,385
New Fairfield	65	\$39,825	\$37,216	\$2,588,652	\$186.49	0.5	39.3	1,781	40	6,724
New Hartford	67	\$37,155	\$33,885	\$2,489,389	\$357.16	0.6	81.2	1,867	39	6,973
New Haven	95	\$25,902	\$24,492	\$2,460,676	\$18.96	0.5	3.9	1,667	38	6,234
New London	38	\$84,983	\$26,284	\$3,229,368	\$116.92	0.8	29.7	3,124	39	10,096
New Milford	76	\$40,819	\$37,243	\$3,102,255	\$110.24	0.6	22.9	2,086	48	7,925
Newington	121	\$36,476	\$30,000	\$4,413,645	\$144.42	1.0	32.0	3,263	66	12,066
Newtown	96	\$37,226	\$34,400	\$3,573,735	\$129.67	0.8	30.3	2,779	56	10,279
Norfolk	15	\$38,682	\$34,475	\$580,230	\$339.51	0.1	71.6	397	9	1,507
North Branford	37	\$35,131	\$34,503	\$1,299,846	\$90.22	0.3	20.5	958	20	3,641
North Canaan	9	\$35,555	\$34,626	\$319,998	\$96.53	0.1	20.7	222	5	845
North Haven	118	\$33,743	\$32,819	\$3,981,640	\$165.26	0.9	36.2	2,864	62	10,751
North Stonington	30	\$47,054	\$38,354	\$1,411,622	\$266.49	0.3	65.4	1,175	19	4,266
Norwalk	76	\$125,536	\$32,326	\$9,540,733	\$111.45	3.6	42.3	144,874	150	7,680
Norwich	107	\$13,251	\$9,200	\$1,417,902	\$35.02	0.2	3.7	1,887	36	2,125
Old Lyme	59	\$38,419	\$36,015	\$2,266,740	\$298.14	0.5	67.7	1,690	35	6,340
Old Saybrook	73	\$31,538	\$30,240	\$2,302,261	\$224.79	0.5	48.2	1,610	36	6,088
Orange	59	\$35,917	\$34,425	\$2,119,091	\$151.84	0.5	32.5	1,495	33	5,587
Oxford	42	\$42,193	\$42,630	\$1,772,125	\$139.72	0.4	30.2	1,244	27	4,726
Plainfield	89	\$33,175	\$32,016	\$2,952,578	\$191.66	0.7	42.5	2,121	45	8,059
Plainville	104	\$52,102	\$30,030	\$5,418,639	\$305.86	1.4	77.3	5,487	73	16,872
Plymouth	76	\$37,922	\$33,885	\$2,882,045	\$235.40	0.6	49.5	1,966	44	7,468
Pomfret	42	\$31,022	\$29,531	\$1,302,930	\$306.79	0.3	72.0	992	20	3,769
Portland	81	\$31,348	\$29,185	\$2,539,216	\$267.06	0.6	62.2	1,917	39	7,411
Preston	25	\$38,393	\$32,414	\$959,813	\$203.09	0.2	44.5	682	15	2,593
Prospect	35	\$32,844	\$33,885	\$1,149,535	\$122.23	0.3	27.3	833	18	3,166
Putnam	48	\$72,648	\$27,720	\$3,487,116	\$363.85	0.8	88.6	10,266	67	10,464
Redding	25	\$42,665	\$43,680	\$1,066,634	\$116.47	0.2	23.8	708	16	2,690
Ridgefield	46	\$40,218	\$34,005	\$1,850,028	\$75.09	0.4	16.1	1,283	28	4,872
Rocky Hill	70	\$31,647	\$31,517	\$2,215,281	\$112.40	0.5	24.7	1,585	34	6,001
Roxbury	25	\$34,573	\$33,580	\$864,332	\$382.11	0.2	100.7	738	13	2,805
Salem	29	\$37,054	\$33,885	\$1,074,576	\$258.87	0.2	53.8	740	17	2,752
Salisbury	28	\$33,241	\$33,843	\$930,759	\$248.80	0.2	49.7	638	15	2,292
Scotland	6	\$31,281	\$33,663	\$187,687	\$108.74	0.0	25.2	144	3	536
Seymour	37	\$27,679	\$27,563	\$1,024,124	\$61.92	0.2	13.2	713	16	2,688
Sharon	25	\$39,000	\$36,150	\$975,009	\$350.47	0.2	74.0	667	15	2,535
Shelton	133	\$36,897	\$33,885	\$4,907,352	\$124.05	1.0	25.4	5,432	77	12,395
Sherman	15	\$35,808	\$37,200	\$537,115	\$149.99	0.1	29.8	360	8	1,314
Simsbury	122	\$39,101	\$31,299	\$4,770,274	\$202.90	0.9	39.3	3,919	75	11,390
Somers	33	\$64,534	\$35,414	\$2,129,607	\$186.09	0.5	45.0	1,747	26	6,344
South Windsor	146	\$33,938	\$32,805	\$4,954,979	\$192.73	1.1	41.3	3,548	77	13,072
Southbury	55	\$39,495	\$37,868	\$2,172,221	\$109.13	0.5	23.3	1,503	33	5,709
Southington	213	\$189,697	\$35,300	\$40,405,361	\$938.15	4.4	101.5	121,944	119	21,676

CONNECTICUT GREEN BANK

2. BACKGROUND AND MARKET – COMMUNITIES

Municipality	# Projects	Average Investment (Project Cost)	Median Investment (Project Cost)	Total Investment (Project Cost)	Investment /Capita	MW	Watts/ Capita	Annual MMBTU	Total Jobs	Lifetime CO2 Emissions (tons)
Sprague	19	\$32,495	\$29,224	\$617,405	\$206.91	0.1	47.9	463	10	1,760
Stafford	85	\$31,206	\$29,850	\$2,652,511	\$219.45	0.6	49.8	2,003	41	7,422
Stamford	123	\$41,849	\$29,835	\$5,147,466	\$41.97	1.0	8.4	7,351	80	12,639
Sterling	28	\$34,382	\$32,849	\$962,702	\$251.36	0.2	56.4	701	15	2,662
Stonington	107	\$33,188	\$32,252	\$3,551,063	\$191.48	0.8	43.6	2,621	54	10,084
Stratford	168	\$31,972	\$27,000	\$5,371,240	\$104.53	1.2	23.2	4,257	81	14,675
Suffield	131	\$38,867	\$38,241	\$5,091,526	\$323.58	1.1	70.2	3,676	79	13,618
Thomaston	30	\$34,047	\$34,376	\$1,021,397	\$129.50	0.2	27.5	703	16	2,672
Thompson	52	\$34,400	\$28,412	\$1,788,792	\$189.13	0.4	42.0	1,289	28	4,898
Tolland	105	\$37,768	\$34,670	\$3,965,632	\$263.46	0.9	57.1	2,787	61	10,589
Torrington	119	\$35,049	\$33,794	\$4,170,810	\$114.64	0.9	23.8	2,915	65	10,678
Trumbull	133	\$40,853	\$33,800	\$5,433,458	\$150.85	1.3	34.8	4,369	79	15,449
Union	12	\$29,906	\$29,576	\$358,877	\$420.23	0.1	100.6	290	6	1,059
Vernon	92	\$30,698	\$29,717	\$2,824,230	\$96.79	0.6	21.6	2,057	44	7,754
Voluntown	20	\$65,325	\$33,885	\$1,306,503	\$501.92	0.4	137.4	1,160	16	4,407
Wallingford	2	\$30,486	\$30,486	\$60,972	\$1.35	0.0	0.2	30	1	115
Warren	7	\$32,406	\$28,665	\$226,842	\$155.26	0.0	30.9	146	3	556
Washington	17	\$34,704	\$32,536	\$589,976	\$164.89	0.1	34.8	415	9	1,533
Waterbury	181	\$39,393	\$28,473	\$7,130,098	\$64.60	1.6	14.9	5,612	105	20,226
Waterford	83	\$35,993	\$32,970	\$2,987,414	\$153.07	0.6	32.1	2,100	46	7,709
Watertown	87	\$43,280	\$33,930	\$3,765,345	\$167.24	0.9	39.8	3,107	53	11,033
West Hartford	261	\$28,248	\$24,313	\$7,344,546	\$116.09	1.6	24.8	5,178	116	19,484
West Haven	140	\$30,012	\$27,113	\$4,201,615	\$75.62	0.9	16.6	3,033	63	11,351
Westbrook	30	\$28,062	\$26,953	\$841,856	\$121.34	0.2	28.5	670	13	2,432
Weston	51	\$48,072	\$44,247	\$2,451,673	\$240.86	0.6	54.2	1,816	38	6,803
Westport	98	\$47,275	\$29,316	\$4,632,989	\$175.55	0.8	29.8	6,514	76	9,692
Wethersfield	89	\$31,218	\$28,675	\$2,778,396	\$104.18	0.6	23.0	2,086	44	7,555
Willington	20	\$41,807	\$38,329	\$836,149	\$138.41	0.2	29.9	589	13	2,223
Wilton	22	\$37,590	\$40,238	\$826,986	\$45.79	0.2	9.9	578	13	2,198
Winchester	25	\$35,144	\$33,885	\$878,606	\$78.15	0.2	15.8	578	14	2,194
Windham	81	\$35,904	\$27,200	\$2,908,231	\$115.10	0.6	23.9	2,467	42	7,438
Windsor	139	\$51,018	\$32,130	\$7,091,556	\$567.42	1.1	84.7	7,525	114	13,043
Windsor Locks	95	\$36,776	\$32,130	\$3,456,910	\$119.02	0.8	27.5	2,769	51	9,826
Wolcott	72	\$40,598	\$34,808	\$2,923,028	\$175.24	0.6	36.9	1,994	45	7,576
Woodbridge	51	\$92,225	\$37,393	\$4,703,475	\$523.19	1.4	158.1	4,637	54	17,510
Woodbury	25	\$38,999	\$34,692	\$974,968	\$97.74	0.2	20.7	735	15	2,540
Woodstock	85	\$41,287	\$34,986	\$3,509,434	\$440.66	0.7	88.8	2,308	53	8,713
Grand Total	11,991	\$55,643	\$31,775	\$667,106,442	\$186.79	134.5	37.7	1,275,106	8,300	1,390,583

CONNECTICUT GREEN BANK

2. BACKGROUND AND MARKET – COMMUNITIES

DISTRESSED COMMUNITIES²²

Connecticut’s “distressed communities” are particularly affected by the state’s high energy prices. On average, Connecticut’s neediest households owe \$2,560 more in annual energy bills than they can afford²³. CGB financing products and marketing efforts seek to bring lower and more predictable energy costs to homes and businesses in distressed communities.

Table 8. Overview of Distressed and Not Distressed Municipalities, Population, and Households in Connecticut

	Distressed %	Not Distressed	Distressed	Total
# Towns	15%	144	25	169
Population	31%	2,450,890	1,123,207	3,574,097
Households	32%	914,889	422,869	1,337,758

CGB has steadily increased its percentage of projects deployed each year in distressed municipalities. This has led to over \$200 million in clean energy projects in these communities, creating over 2,600 jobs.

²² Distressed Communities as defined by the Department of Economic and Community Development (DECD). DECD Methodology: Weighted components are summed to measure the rank of the 169 towns. For each component, every town is ranked from 1 to 169, with the best town scoring 1 and worst 169. The top 25 towns with highest total scores are designated distressed municipalities.

DECD’s components and weights:

1. Per capita income for 2013, weight 1;
2. % of poverty in population for 2013, weight 1;
3. Unemployment rate for 2014, weight 2;
4. % change in population from 2000 to 2010, weight 1;
5. % change in employment from 2004 to 2014, weight 1;
6. % change in per capita income from 2000 to 2013, weight 1;
7. % of house stock built before 1939 in 2013, weight 1/3;
8. % population with high school degree and higher in 2013, weight 1; and
9. Per Capita Adjusted Equalized Net Grand List in 2015-2016, weight 1.

According to C.G.S. Section 32-9p, a distressed municipality should be based on “high unemployment and poverty, aging housing stock and low or declining rates of growth in job creation, population, and per capita income.”

DECD additionally included 1) Level of Per Capita Income, 2) % of population with high school degree and higher and 3) Per Capita Adjusted Equalized Net Grand List (AENGL) to arrive at its ranking.

Data sources: Census 2000, Census 2010, 2009-2013 Census American Community Survey (ACS) 5-year Estimates, DOL, DOE
Prepared by DECD Research
September 1, 2015

<http://www.ct.gov/ecd/cwp/view.asp?a=1105&q=251248>

²³ Home Energy Affordability in Connecticut, <http://www.operationfuel.org/wp-content/uploads/Connecticut-2014-HEAG-Final.pdf>.

CONNECTICUT GREEN BANK

2. BACKGROUND AND MARKET – COMMUNITIES

Table 9. Project Performance – Clean Energy Approved, Closed, and Completed Projects in Connecticut (FY 2015)²⁴

	# Projects	Investment (Project Cost)	Investment /Capita*	MW	Watts /Capita*	Annual MMBTU	Total Jobs	Lifetime CO2 Emissions (tons)
Not Distressed	6,211	\$287,577,441	\$117.34	61.4	25.0	335,915	3,651	719,117
Distressed	1,755	\$75,240,947	\$67.14	17.6	15.7	374,092	1,102	207,920
Grand Total	7,966	\$362,818,387	\$101.59	79.0	22.1	710,008	4,753	927,036
% Distressed	22%	21%		22%				

Table 10. Project Performance – Clean Energy Approved, Closed, and Completed Projects in Connecticut (FY 2012-2015)

	# Projects	Investment (Project Cost)	Investment /Capita*	MW	Watts /Capita*	Annual MMBTU	Total Jobs	Lifetime CO2 Emissions (tons)
Not Distressed	9,671	\$452,880,383	\$184.78	94.2	38.4	726,194	5,695	1,045,619
Distressed	2,320	\$214,226,059	\$191.17	40.3	36.0	548,912	2,605	344,964
Grand Total	11,991	\$667,106,442	\$186.79	134.5	37.7	1,275,106	8,300	1,390,583
% Distressed	19%	32%		30%				

* Calculated using the 2015 distressed community designations

²⁴ The Connecticut Green Bank tracks projects through three phases as they move through the pipeline to construction completion and operation – Approved, Closed, and Completed. Approved signifies that the appropriate authority within the Connecticut Green Bank, whether President & CEO, Deployment Committee, or Board of Directors, has approved the Connecticut Green Bank’s investment in the project. Closed indicates all financial and legal documents have been executed and any additional funding has been secured. Completion indicates all construction and installation is complete and the project is operational.

CONNECTICUT GREEN BANK

2. BACKGROUND AND MARKET – INCOME

In addition to looking at funding and clean energy deployment in distressed municipalities, CGB works to ensure that low to moderate income (LMI) census tracts across the entire state are benefiting from its programs. CGB defines low to moderate income as 100% or less of area median income. Tables 11 through 15 group CGB’s projects based upon the average income of their census tract.

Table 11. Projects by Area Median Income – Clean Energy Deployment in the Residential Sector (FY 2015)

Income Bands	FY 2015			
	# Projects	Projects /1,000 Households	Installed Capacity (MW)	Watts /Household
<60% AMI	313	1.5	1.8	8.6
60%-80% AMI	549	3.8	3.5	24.7
80%-100% AMI	1,587	4.7	10.9	32.6
100%-120% AMI	2,377	8.2	17.6	60.8
>120% AMI	3,052	8.1	24.4	64.6
Grand Total	7,878	5.8	58.4	42.9

Table 12. Projects by Area Median Income –Clean Energy Deployment in the Residential Sector (FY 2012-2015)

Income Bands	FY 2012 -2015			
	# Projects	Projects /1,000 Households	Installed Capacity (MW)	Watts /Household
<60% AMI	417	2.0	2.4	11.1
60%-80% AMI	718	5.0	4.5	31.3
80%-100% AMI	2,286	6.8	15.5	46.1
100%-120% AMI	3,489	1.2	25.2	87.0
>120% AMI	4,955	1.3	38.4	101.7
Grand Total	11,865	8.7	86.0	63.3

Through such products and initiatives as the LMI solar incentive, it’s partnership with Posigen, and its affordable multifamily housing energy financing products, CGB has focused on increasing its penetration in the LMI market. Tables 13 through 15 illustrate that CGB has made progress on this goal but still has work to do.

CONNECTICUT GREEN BANK

2. BACKGROUND AND MARKET – INCOME

Table 13. Projects by Area Median Income – Number of Clean Energy Projects Above or Below 100% (FY 2012-2015)

# Projects	100% or Below AMI	Over 100% AMI	Grand Total	100% or Below AMI
FY 2012	77	341	418	18%
FY 2013	206	906	1,112	19%
FY 2014	689	1,768	2,457	28%
FY 2015	2,449	5,429	7,878	31%
Grand Total	3,421	8,444	11,865	29%

Table 14. Deployment – Clean Energy Installed Capacity (MW) Above or Below 100% (FY 2012-2015)

MW	100% or Below AMI	Over 100% AMI	Grand Total	100% or Below AMI
FY 2012	0.5	2.4	2.9	18%
FY 2013	1.3	6.6	7.9	16%
FY 2014	4.2	12.6	16.9	25%
FY 2015	16.3	42.1	58.4	28%
Grand Total	22	64	86.0	26%

Table 15. Investment – Clean Energy Investment Above or Below 100% Area Median Income (FY 2012-2015)

Investment (Project Cost)	100% or Below AMI	Over 100% AMI	Grand Total	100% or Below AMI
FY 2012	\$2,493,277	\$12,471,136	\$14,964,413	17%
FY 2013	\$5,986,087	\$29,465,132	\$35,451,219	17%
FY 2014	\$19,160,825	\$55,867,165	\$75,027,989	26%
FY 2015	\$74,406,841	\$190,877,381	\$265,284,222	28%
Grand Total	\$102,047,030	\$288,680,814	\$390,727,843	26%

CONNECTICUT GREEN BANK

2. BACKGROUND AND MARKET SMALL TO MINORITY OWNED BUSINESS PROCUREMENT

The State of Connecticut's Supplier Diversity Program was established to ensure Connecticut small businesses have an opportunity to bid on a portion of the State's purchases. The program requires agencies and political subdivisions to set aside 25% of their annual budgets for construction, housing rehabilitation, and purchasing goods and services (after approved exemptions by the Department of Administrative Services) to be awarded to certified small businesses, with 25% of this amount to be awarded to certified minority business enterprises.

Table 16. Small Business Procurement (FY 2012-2015)

Year	Small Business		
	Goal	Actual	Percentage
FY 2012	\$ 59,775.00	\$ 39,520.00	66%
FY 2013	\$ 62,598.00	\$ 59,340.00	95%
FY 2014	\$ 135,320.00	\$ 120,560.00	89%
FY 2015	\$ 221,750.00	\$ 251,980.00	113%

Table 17. Minority Business Enterprise Procurement (FY 2012-2015)

Year	Minority Business Enterprises		
	Goal	Actual	Percentage
FY 2012	\$ 14,944.00	\$ 31,474.00	211%
FY 2013	\$ 15,649.00	\$ 52,308.00	334%
FY 2014	\$ 33,830.00	\$ 88,427.00	261%
FY 2015	\$ 55,438.00	\$ 153,319.00	277%

CONNECTICUT GREEN BANK

3. MEASURES OF SUCCESS – OBJECTIVE FUNCTION

The Objective Function (OF) is one of the metrics of success for the Connecticut Green Bank.²⁵ The OF is defined as “the amount of clean energy generated (and/or saved) per dollar of ratepayer funds at risk.” The OF is essentially a “bang for the buck” metric – getting more societal benefit with less public resources at risk. Success for the CGB would be reflected in a steady increase in the numerical value of this metric. The calculation of the OF is based on the formula:

$$\frac{(\text{Energy Generated or Saved, or Other Environmental Benefit}) * (1 \pm \% \text{ Realized})}{\text{Subsidies} + \text{Program and Administrative Costs} + \text{Credit Enhancements} + \text{Amount of Financing} - \text{Revenue}}$$

The numerator of the OF includes an estimate of the amount of clean energy produced or energy saved in MMBtu’s or KWh’s over a specified period of time, including from year one through the life of a project. In some cases, the numerator may include a realization rate which improves the estimate. The numerator of the OF can also be modified to look at other important societal benefits like maximizing the reduction of greenhouse gas emissions, increasing jobs, etc.²⁶

The denominator of the OF includes the dollar value of the resources the Connecticut Green Bank utilizes to support a project or program. This might include subsidies, administrative costs, credit enhancements (e.g., LLR’s and IRB’s), and financing, minus revenues (e.g., renewable energy credit sales). The Connecticut Green Bank uses the state’s cost of capital as its discount rate (i.e., 3%).

One of the limitations of the current OF model is that it does not account for the return by customers of funds from the financing programs back to the Connecticut Green Bank. In the OF (Version 2.0), the denominator will be modified to recognize the benefits of using resources as financing versus subsidies.

Programs and Project Tables

The OF has been calculated for various programs and projects invested in by the Connecticut Green Bank (see Table 18) since its inception in July of 2011.

Table 18. Objective Function (Expected MMBtu of Clean Energy Generated and/or Saved Over the Lifetime per \$1 of Connecticut Green Bank Funds at Risk) for Programs and Projects

Name	Designation	Type	Objective Function (MMBtu/\$1)
CHP Projects	Program	Financing	4.93
Fuel Cell - Bridgeport	Project	Financing	0.68
Anaerobic Digester Projects	Program	Financing	0.32
Smart-E Loan	Program	Financing	0.22
RSIP	Program	Subsidy	0.16
Wind - Colebrook	Project	Financing	0.14
Solar Lease (Commercial)	Program	Financing	0.11
C-PACE Loan	Program	Financing	0.09
Solar Lease (Residential)	Program	Financing	0.04
Solar Loan	Program	Financing	0.03

²⁵ http://www.ctcleanenergy.com/documents/5a_Objective%20Function%20Protocol_Version%201.0_Memo_061314.pdf

²⁶ For example, from the EPA’s Clean Power Plan perspective, the objective function could be modified to look at “maximizing the amount of CO₂ emissions reduced per dollar of ratepayer funds at risk”.

CONNECTICUT GREEN BANK

3. MEASURES OF SUCCESS – OBJECTIVE FUNCTION

As mentioned, the OF could be modified to look at greenhouse gas emission reductions (see Table 19).

Table 19. Objective Function (Expected Pounds of CO₂ Emissions Avoided Over the Lifetime per \$1 of Connecticut Green Bank Funds at Risk) for Programs and Projects²⁷

Name	Designation	Type	Objective Function (Lbs. of CO ₂ /\$1)
RSIP	Program	Subsidy	49.5
Wind - Colebrook	Project	Financing	43.9
Smart-E Loan	Program	Financing	40.5
Solar Lease (Commercial)	Program	Financing	33.6
Fuel Cell - Bridgeport	Project	Financing	27.2
C-PACE Loan	Program	Financing	25.0
Solar Lease (Residential)	Program	Financing	13.3
Solar Loan	Program	Financing	10.4

Several observations come from looking at the OF from the energy (i.e., MMBtu) and environment (i.e., GHG emissions) perspectives, including:

1. **Project Opportunities** – where large project opportunities (i.e., Fuel Cell – Bridgeport, Wind - Colebrook) present themselves and need capital from the Connecticut Green Bank to attract private capital to enable the project to move forward, then the Connecticut Green Bank should give strong consideration to investing in the project – if financial resources are available and the return is commensurate with the risk.
2. **Waste Heat to Energy** – Projects that not only produce clean electricity but also produce clean waste heat that can be used onsite have strong OF's. Continuously finding ways to utilize waste heat will improve the OF with respect to energy savings.
3. **Program developments** – Future developments to program financial structures are likely to further increase OF values across our programs. For example, as the C-PACE program sells down loans and increases private capital investment, the objective function for this program is likely to increase dramatically over the next few years. Also as the Connecticut Green Bank continues to lower subsidies, as mandated by Public Act 15-194, the OF value for RSIP is also likely to increase dramatically.

Some of the results above show higher OF's for subsidy programs (e.g., RSIP) than financing programs (e.g., C-PACE). It deserves to be restated – that the OF does not yet appropriately value financing programs versus subsidy programs whereby the former use of funds are intended to be returned to the Connecticut Green Bank while the latter use of funds are gone.

²⁷ Note that the anaerobic digester and CHP projects were not included in this table as estimates of GHG emissions avoided were difficult to come by. These values will likely be incorporated into future OF analyses. Also estimates of energy efficiency CO₂ avoidance for C-PACE and Smart-E projects were calculated using emissions data from the DOE's Energy Index for Commercial Buildings and the EPA's home energy use estimates from their Greenhouse Gas Equivalencies Calculator.

CONNECTICUT GREEN BANK

3. MEASURES OF SUCCESS – OBJECTIVE FUNCTION

Programs and Project Figures

The OF can also be combined with the level of total investment in clean energy to further visualize market impact in terms of clean energy produced or energy saved (see Figure 1) or greenhouse gas emissions reduced (see Figure 2) from the use of public-private investment. These are for projects that began in July 2011 and ended in June 2015.

Figure 1. Cumulative Objective Function (MMBtu/\$1) vs. Total Investment per Program or Project

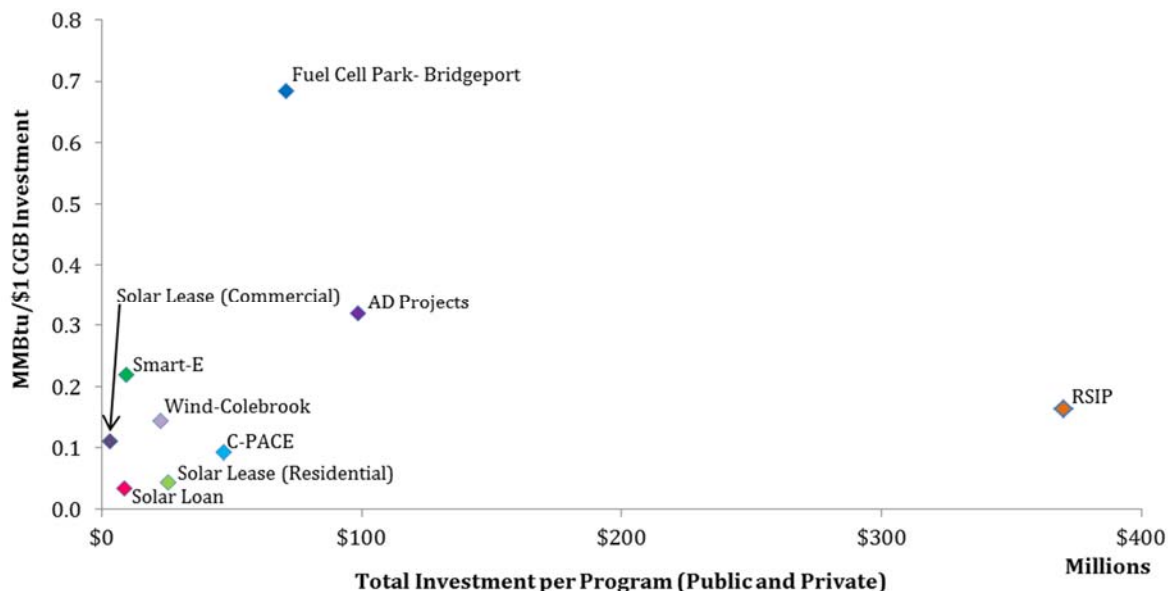
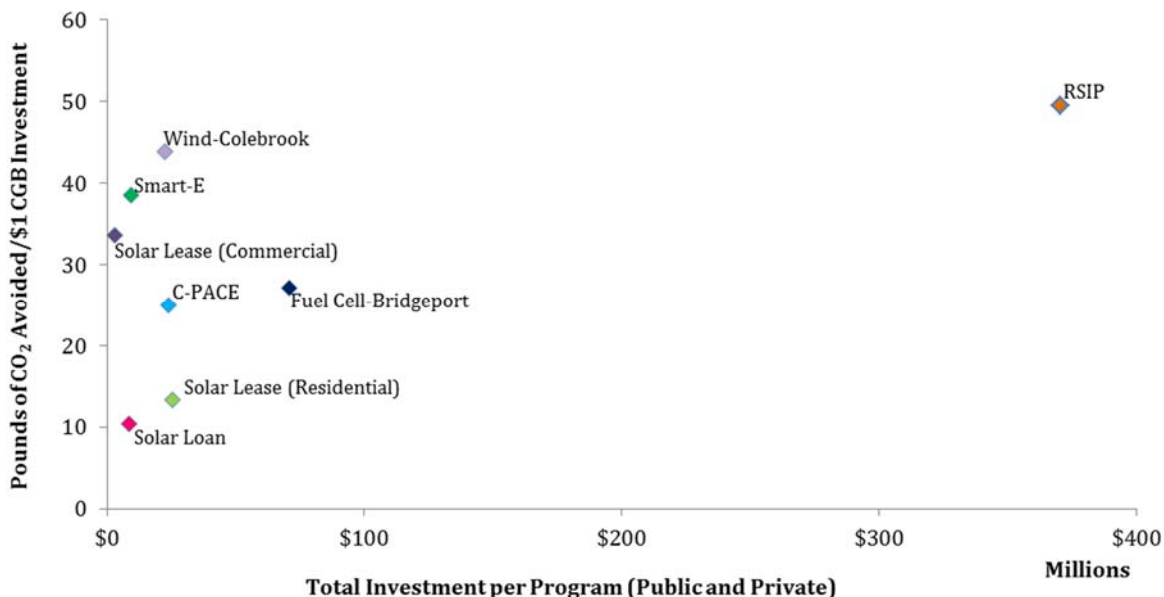


Figure 2. Cumulative Objective Function (Pounds of CO₂/\$1) vs. Total Investment per Program or Project



CONNECTICUT GREEN BANK

3. MEASURES OF SUCCESS – OBJECTIVE FUNCTION

Several observations come from looking at the OF from the energy and environment perspectives alongside the level of public and private capital investment, including:

- 1.) **Energy vs. Environment** – In many cases when comparing CGB programs using OF values, the programs rank quite differently across the MMBtu/\$1 and CO₂/\$1 metrics. These differences can potentially indicate how individual programs may have advantages in providing certain societal benefits over others.
- 2.) **Residential Products** – The Solar Lease (Residential), Solar Loan, and Smart-E Loan programs all have Loan Loss Reserve dollars incorporated into their OF calculations. These dollars have a minimal risk of permanently being spent which increases the societal benefit of those dollars but this level of risk is not adequately captured using this iteration of the Objective Function (Version 1.0). As of today, there have been 0 defaults for these residential products which have produced 1,393 loans and leases valued at \$38.5 million.

Since the Connecticut Green Bank’s programs are often meant to target a discrete sector of the economy, OF values should not be the sole metric to determine program success. That said, in tracking the objective function values across Connecticut Green Bank’s programs into the future, we aim to show that limited public dollars can be used to increasingly leverage private investment through financing mechanisms under the Green Bank model, while also demonstrating scaled deployment of clean energy across the state.

Loan Portfolio Figures

When applying the Objective Function to financing programs, one can begin to see the potential for how the combination of energy efficiency and renewable energy can help increase its value. This supports the impetus behind Connecticut’s Comprehensive Energy Strategy, while also demonstrating the opportunity for renewable energy to bring along energy efficiency to “scale-up” green energy investment and deployment across the state. The Figures below highlight the impact of leveraging public funds with private capital investment, specifically as it applies to the Smart-E Loan Program (Figures 3 and 4) and C-PACE (Figures 5 and 6), as the more private capital that is “in the deal” the greater the amount of energy savings or green energy produced per dollar of Connecticut Green Bank capital.

CONNECTICUT GREEN BANK

3. MEASURES OF SUCCESS – OBJECTIVE FUNCTION

Figure 3. Smart- E Loan Program: Objective Function (MMBtu/\$1) vs. Total Investment per Project

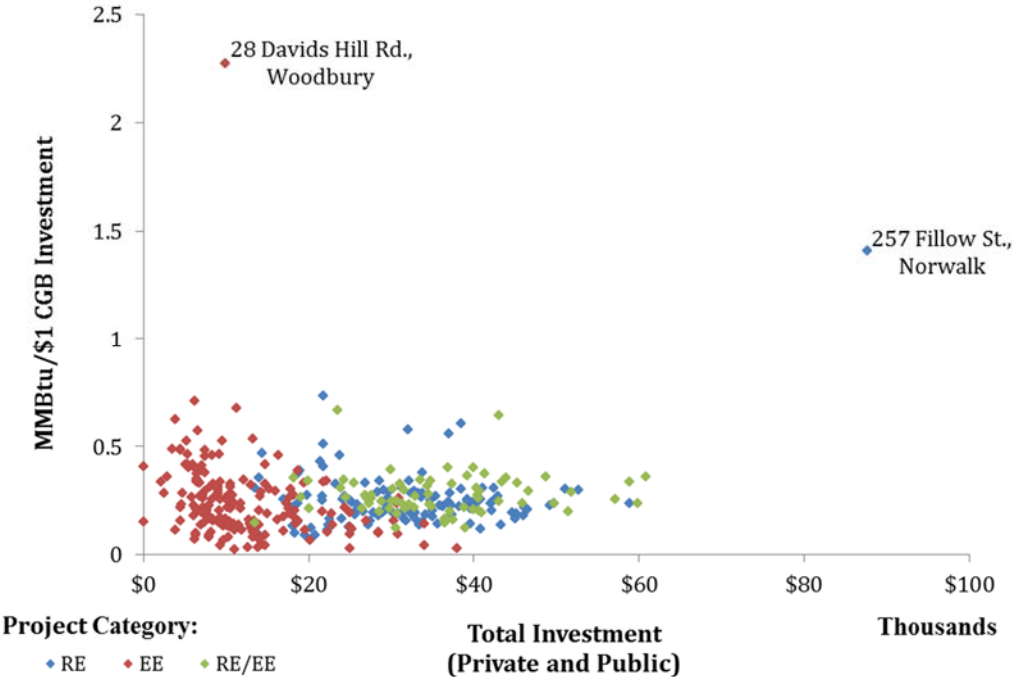
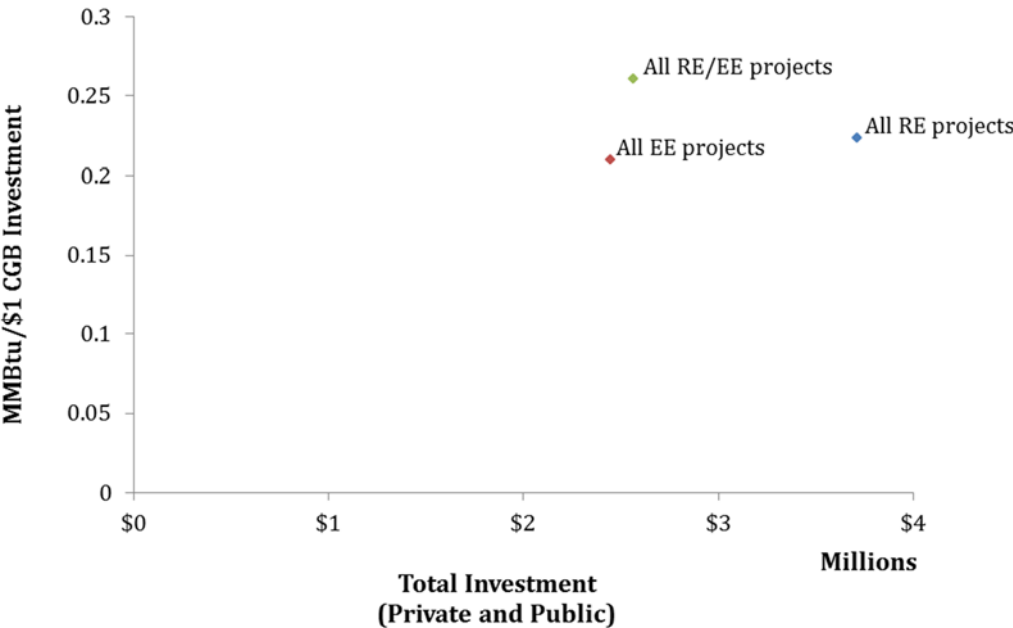


Figure 4. Smart-E Loan: Objective Function (MMBtu/\$1) vs. Total Portfolio for EE and RE Projects



CONNECTICUT GREEN BANK

3. MEASURES OF SUCCESS – OBJECTIVE FUNCTION

Figure 5. C-PACE Loan Program: Objective Function (MMBtu/\$1) vs. Total Investment per Project

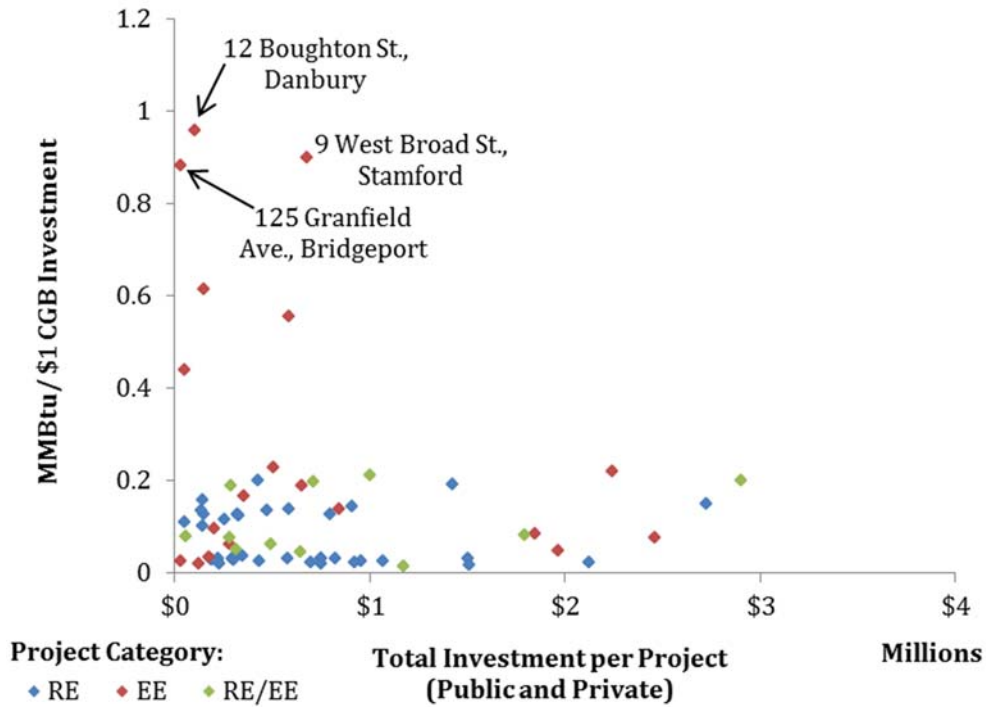
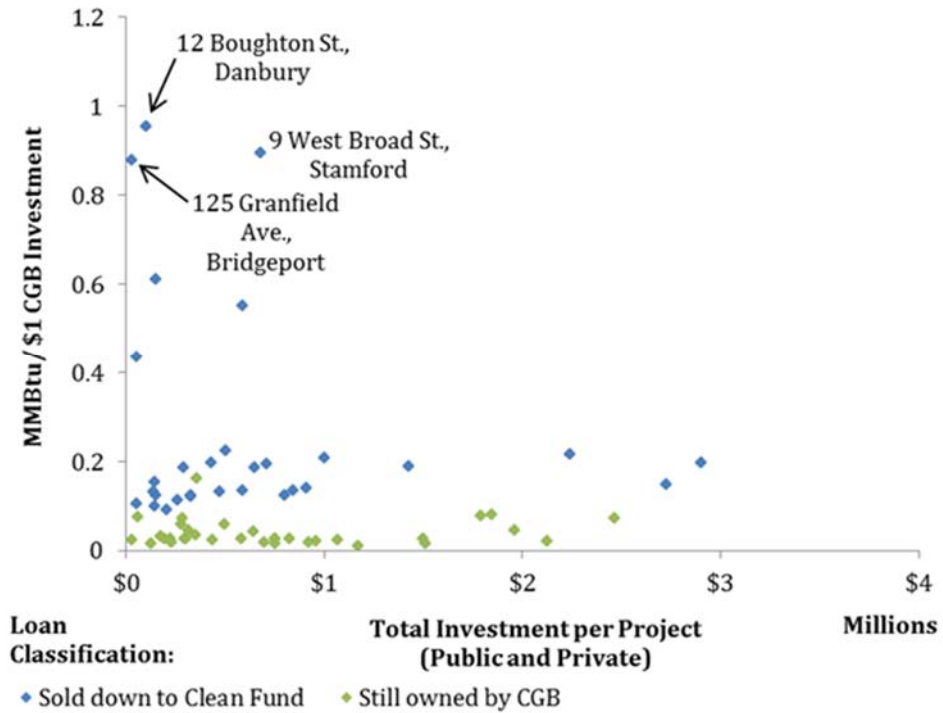


Figure 6. C-PACE Loan Program: Objective Function (MMBtu/\$1) vs. Total Investment per Project with Sell-Down to Clean Fund



CONNECTICUT GREEN BANK

3. MEASURES OF SUCCESS – ATTRACT CAPITAL

Project Status

The Connecticut Green Bank tracks projects through three phases as they move through the pipeline to construction completion and operation – Approved, Closed, and Completed. Approved signifies that the appropriate authority within the Connecticut Green Bank, whether President & CEO, Deployment Committee, or Board of Directors, has approved the Connecticut Green Bank’s investment in the project. Closed indicates all financial and legal documents have been executed and any additional funding has been secured. Completion indicates all construction and installation is complete and the project is operational. The table highlights the fact that projects can take some time to move through this pipeline (see Table 20). The full energy, economic, and environmental benefits from these projects begin to be fully realized after they are completed.

Table 20. Clean Energy Project Status (FY 2012-2015)

# PROJECTS	FY 2012	FY 2013	FY 2014	FY 2015	Total
Approved	5	2	18	781	806
Closed	3	1	86	4,258	4,348
Completed	410	1,116	2,384	2,927	6,837
Total	418	1,119	2,488	7,966	11,991

Clean Energy Investment

The Connecticut Green Bank’s vision is to lead the green bank movement by accelerating private investment in clean energy deployment for Connecticut to achieve economic prosperity, create jobs, promote energy security, and address climate change. The Green Bank tracks its progress towards this vision as “E3” metrics – Energy, Economic, and Environmental. Investment represents the total amount of private and public funding for clean energy projects, shown in Table 21 below.

Table 21. Clean Energy Investment by Source - Public and Private (FY 2012-2015)

	2012	2013	2014	2015	Grand Total
Total CGB Investment	\$4,818,389	\$19,551,561	\$46,273,068	\$95,129,679	\$165,772,696
Total Private Investment	\$10,146,025	\$91,229,732	\$132,137,911	\$257,671,860	\$491,185,528
Total Project Investment	\$14,964,413	\$110,491,753	\$176,745,827	\$360,997,462	\$663,199,456

Leverage Ratio

One of the main goals of the Connecticut Green Bank is to attract and deploy private capital to finance the green energy goals for Connecticut. To that end, the greater the leverage ratio of private to public funds, the better. The leverage ratios for the Connecticut Green Bank are increasing over time. Not only that, but a greater percentage of public funds being used are in the form of loans and leases rather than subsidies and grants.

CONNECTICUT GREEN BANK

3. MEASURES OF SUCCESS – ATTRACT CAPITAL

Table 22. Leverage Ratio of Private to Public Funds by Sector

Leverage Ratio of Public to Private Funds by Sector	2012	2013	2014	2015	Grand Total
Commercial & Industrial ²⁸	n/a	0.2:1	1.2:1	0.2:1	0.4:1
Institutional	n/a	n/a	0.6:1	2.8:1	2.3:1
Residential	n/a	0.3:1	2.1:1	3.0:1	2.9:1
Statutory & Infrastructure	2.1:1	5.1:1	3.5:1	5.5:1	4.6:1
Total	2.1:1	4.7:1	2.9:1	2.8:1	3:1

²⁸ Leverage ratio does not reflect private funding warehouse created in fiscal year 2016. Green Bank C-PACE assets will be transferred to this warehouse, shifting the leverage ratio towards private funding.

CONNECTICUT GREEN BANK

3. MEASURES OF SUCCESS – DEPLOY CAPITAL

Clean Energy Produced and Energy Saved

The Connecticut Green Bank’s vision is to lead the green bank movement by accelerating private investment in clean energy deployment for Connecticut to achieve economic prosperity, create jobs, promote energy security, and address climate change. The Connecticut Green Bank tracks its progress towards this vision as “E3” metrics – Energy, Economic, and Environmental. The data below show the energy benefits in terms of capacity (megawatts [MW]), clean energy production (lifetime megawatt hours [MWh]), and annual energy savings (MMBTU) – see Tables 23 through 25.

Table 23. Installed Capacity (MW) of Clean Energy (FY 2012-2015)

MW	FY 2012	FY 2013	FY 2014	FY 2015	Total
Approved	0.0	0.0	5.8	12.5	18.4
Closed	0.0	14.8	3.6	41.6	60.0
Completed	2.8	8.7	19.7	24.9	56.1
Total	2.9	23.5	29.1	79.0	134.5

Table 24. Lifetime Production (MWh) of Clean Energy (FY 2012-2015)

MWh (lifetime)	FY 2012	FY 2013	FY 2014	FY 2015	Total
Approved	964	107	606,849	623,377	1,231,297
Closed	411	1,166,832	369,193	987,773	2,524,210
Completed	67,095	270,775	467,664	592,271	1,397,805
Total	68,470	1,437,714	1,443,707	2,203,422	5,153,313

Table 25. Annual Energy Savings (MMBTU) of Clean Energy (FY 2012-2015)

MMBTU (annual)	FY 2012	FY 2013	FY 2014	FY 2015	Total
Approved	132	15	257,965	481,481	739,592
Closed	56	0	145,003	133,091	278,150
Completed	9,157	60,171	92,600	95,436	257,364
Total	9,345	60,186	495,568	710,008	1,275,106

CONNECTICUT GREEN BANK

3. MEASURES OF SUCCESS – DEPLOY CAPITAL

Renewable Energy Technology Deployment

The Connecticut Green Bank takes a technology agnostic approach to its financing products, with any commercially available technology that meets eligibility guidelines (see Table 26).

Table 26. Renewable Energy Technology Deployment (FY 2012-2015)

RENEWABLE ENERGY TECHNOLOGY*	Residential Sector		Commercial & Industrial Sector		Institutional Sector		Statutory & Infrastructure Sector		Total	
	MW	MWh (lifetime)	MW	MWh (lifetime)	MW	MWh (lifetime)	MW	MWh (lifetime)	MW	MWh (lifetime)
Anaerobic Digesters	0.0	0	0.0	0	0.0	0	8.8	920,851	8.8	920,851
Biomass	0.0	0	0.6	14,257	0.0	0	0.0	0	0.6	14,257
CHP	0.0	0	0.1	1,782	0.0	0	4.6	538,674	4.6	540,456
Fuel Cell	0.0	0	0.0	0	0.0	0	14.8	1,166,832	14.8	1,166,832
Hydro	0.0	0	0.5	12,594	0.0	0	0.0	0	0.5	12,594
Solar PV	14.8	352,678	12.1	286,834	2.1	49,613	83.8	1,991,097	100.2**	2,380,063
Wind	0.0	0	0.0	0	0.0	0	5.0	118,260	5.0	118,260
Total	14.8	352,678	13.3	315,466	2.1	49,613	104.3	4,435,555	134.5	5,153,313

*approved/closed/completed in FY2012 - FY2015

**Residential solar projects that receive financing also receive an incentive under the Residential Solar Incentive Program so they are counted in each sector's results. They have been removed from the total to avoid double counting.

The Connecticut Green Bank's efforts have led to a significant amount of solar PV deployment in the state (75% of all green energy projects deployed is from solar PV). When comparing deployment to green energy production, solar PV produces the most energy (45% of all green energy production), fuel cells also contribute a large proportion given the efficiency of the technology (nearly 25% of all green energy production).

CONNECTICUT GREEN BANK

3. MEASURES OF SUCCESS – GREEN BANK

Assets – Current and Non-Current

The Connecticut Green Bank’s success in shifting to a financing model from a subsidy model is evident in the change in assets since its inception. The growth of the Green Bank’s financing programs has led to a steady increase in non-current assets over time as more and more loans and leases are closed.

Table 27: Current and Non-Current Assets (FY 2013-2015)

	Year Ended June 30,			
	2015	2014	2013	2012
Current Assets				
Cash and Cash Equivalents	\$ 39,893,649	\$ 71,411,034	\$ 68,105,014	\$ 64,672,910
Receivables	2,867,233	8,253,318	4,545,661	3,305,301
Prepaid Expenses	1,030,251	619,639	520,814	350,302
Contractor Loans	3,112,663	--	--	--
Current portion of solar lease notes	803,573	766,086	704,032	670,645
Current portion of program loans	10,264,825	652,447	--	--
Total Current Assets	<u>57,972,194</u>	<u>81,702,524</u>	<u>73,875,521</u>	<u>68,999,158</u>
Non-Current Assets				
Portfolio Investments	1,000,000	1,000,000	1,000,000	2,155,525
Bonds Receivable	1,600,000	1,600,000	--	--
Solar Lease Notes - Less current portion	9,015,437	9,778,315	10,536,136	11,064,879
Program Loans - Less current portion	30,253,119	12,750,457	3,788,094	--
Renewable Energy Certificates	933,054	1,069,390	1,217,491	1,324,614
Capital Assets, Net of Depreciation and Amortization	26,971,087	3,074,337	362,505	91,329
Asset retirement obligation, net	1,029,196	--	--	--
Restricted Assets:				
Cash and Cash Equivalents	8,799,005	9,513,715	9,536,656	8,540,684
Total Non-Current Assets	<u>79,600,898</u>	<u>38,786,214</u>	<u>26,440,882</u>	<u>23,177,031</u>
Total Assets	<u>\$ 137,573,092</u>	<u>\$ 120,488,738</u>	<u>\$ 100,316,403</u>	<u>\$ 92,176,189</u>

Ratio of Public Funds Invested

As the first Green Bank in the country, the Connecticut Green Bank seeks to use limited public resources to attract private capital investment in clean energy. The Connecticut Green Bank does this by moving away from the subsidy-based model of supporting clean energy and towards a financing model. As highlighted below (see Table 28), the Connecticut Green Bank has quickly moved towards this model, with fewer and fewer funds devoted to subsidies. This trend has developed even as total investment in clean energy has increased to over \$660 million in total from 2012 through 2015, enabling the Connecticut Green Bank to do more at a faster pace while managing ratepayer resources more efficiently.

CONNECTICUT GREEN BANK

3. MEASURES OF SUCCESS – GREEN BANK

Table 28. Ratio of Capital Invested as Subsidies, Credit Enhancements, and Loans and Leases (FY 2012-2015)

GREEN BANK FUNDS INVESTED*	2012	2013	2014	2015	Grand Total
Subsidies <i>(Grants)</i>	\$4,818,389	\$12,515,416	\$21,350,737	\$37,432,650	\$76,117,191
% Green Bank Funds Invested in Subsidies	100%	64%	37%	38%	42%
Credit Enhancements <i>(LLR & IRBS)</i>	\$0	\$184,611	\$223,139	\$3,277,132	\$3,684,882
% Green Bank Funds Invested in Credit Enhancements	0%	1%	0%	3%	2%
Loans and Leases <i>(includes sell downs)</i>	\$0	\$6,851,534	\$36,365,882	\$57,761,257	\$100,978,673
% Green Bank Funds Invested in Loans and Leases	0%	35%	63%	59%	56%
Total	\$4,818,389	\$19,551,561	\$57,939,758	\$98,471,039	\$180,780,746

* Approved/Closed/Completed in FY2012 – FY2015

Credit Quality of Residential Borrowers

The credit quality of Green Bank’s residential borrowers reflects the relatively high FICO scores in the state; 78% of single family house households have a FICO of 680 or higher. The Green Bank has recently begun to focus on ensuring that credit challenged customers have access to energy financing products through such initiatives as its partnership with Posigen and bringing the Connecticut Housing Investment Fund, which has experience serving this market, into the Smart-E program.

Table 29. Credit Quality of Residential Borrowers by product (FY 2012-2015)

Fiscal Year 2012 – 2015 Loans/Leases Closed or Approved	Credit Score Ranges				Grand Total
	Below 640	640- 679	680- 719	720+	
Smart-E	3	42	74	391	510
Solar Lease	4	60	135	1,149	1,349
Solar Loan	0	0	37	242	279
Grand Total	7	102	246	1,782	2,137
	0%	5%	12%	83%	

CONNECTICUT GREEN BANK

3. MEASURES OF SUCCESS – PUBLIC BENEFITS

Jobs Created

The Connecticut Green Bank’s vision is to lead the green bank movement by accelerating private investment in clean energy deployment for Connecticut to achieve economic prosperity, create jobs, promote energy security, and address climate change. The Connecticut Green Bank tracks its progress towards this vision as “E3” metrics – Energy, Economic, and Environmental. The data below highlights the economic benefits of the Connecticut Green Bank’s projects (see Tables 30 through 31). Investment represents the total amount of private and public funding for clean energy projects and direct and indirect and induced jobs quantifies the resulting job creation²⁹.

Table 30. Direct Job-Years Created (FY 2012-2015)

Direct Jobs	FY 2012	FY 2013	FY 2014	FY 2015	Total
Approved	1	0	2	240	243
Closed	0	340	61	935	1,336
Completed	87	238	543	645	1,513
Total	88	578	605	1,820	3,092

Table 31. Indirect and Induced Job-Years Created (FY 2012-2015)

Indirect & Induced Jobs	FY 2012	FY 2013	FY 2014	FY 2015	Total
Approved	2	0	3	384	389
Closed	1	779	97	1,505	2,381
Completed	139	383	873	1,038	2,433
Total	142	1,162	973	2,926	5,203

²⁹ Jobs estimates are based on multipliers determined as a result of work performed by Navigant Consulting for the Connecticut Renewable Energy and Energy Efficiency Economy Baseline Study completed in March 2009 and subsequently updated in 2010. This Navigant Study was an independent, third party analysis of Connecticut's clean energy economy. Data were acquired as a result of primary research. Navigant performed a census of over 300 companies, institutions, and organizations identified as active players in Connecticut's renewable energy and energy efficiency economy. Seventy-four (74) key renewable energy and energy efficiency companies were interviewed; 95 additional key companies were researched in detail. All renewable companies in Connecticut were identified and analyzed. Key energy efficiency companies were identified and analyzed, with the overall market size estimated by extrapolation. Company interviews included questions about customers, supply chain, number of jobs, corresponding salaries, and revenue. Detailed interview questionnaires are available in the Methodology section of the Baseline Study, pages 58-81.

<http://www.ctcleanenergy.com/Portals/0/Phase%201%20Deliverable%20Final%20Full.pdf>

DECD has approved of the methodology for estimating the economic development benefits (i.e., job-years created) from the investment in clean energy projects.

http://ctcleanenergy.com/Portals/0/board-materials/4_DECD%20Findings_Economic%20Development%20Estimates_FY%202013%20Results_CEFIA_121613.pdf

CONNECTICUT GREEN BANK

3. MEASURES OF SUCCESS – PUBLIC BENEFITS

CO2 Emission Reductions and Equivalencies

The data below highlight the environmental benefits of these projects as a reduction in carbon (CO2) emissions and standard equivalencies³⁰ (see Tables 32 through 35).

Table 32. Lifetime CO2 Emissions Reductions (FY 2012-2015)

Lifetime CO2 Emission Reductions (Tons)	FY 2012	FY 2013	FY 2014	FY 2015	Total
Approved	500	55	704	106,360	107,619
Closed	213	78,761	7,473	512,279	598,726
Completed	34,789	98,394	242,484	307,093	682,760
Total	35,502	177,210	250,661	925,732	1,389,105

³⁰ All emissions reductions from renewable energy projects are determined using ISO-New England information, because that is where the energy will be displaced. This produces results that may be significantly different from emissions savings based on a comparison to national averages. In addition, the generation characteristics of each technology have an impact on the emissions reduction that can be expected. Solar-powered systems will produce only during the daylight hours, which normally coincide with the peak demand period for the utilities. The generating fleet during this time may include peaking plants and reserve plants, which will have lower efficiencies than the “baseload” plants which run 24 hours per day. Consequently, emissions are higher, and the renewable energy systems look better by comparison. The calculations are based on the results of the 2007 New England Marginal Emission Rate Analysis (http://www.iso-ne.com/genrtion_resrcs/reports/emission/2007_mea_report.pdf). The appropriate marginal emissions rates for Connecticut are used to determine the net avoided emissions for each of the technologies evaluated.

- PV systems are analyzed using the average of the Marginal Emission Rates (in Lbs/MWh) for “On-Peak Ozone Season” and “On-Peak Non-Ozone Season”. The underlying assumptions are that PV systems will be operating primarily during the on-peak periods, and that their output in the five months of the “Ozone Season” (May – September) is about the same as in the seven months of the “Non-Ozone Season.”
- Fuel cells are also evaluated using the “Annual Average (all hours) Marginal Emission Rates”, because they are expected to produce power continually as “base load” generators. Fuel Cell emissions assume that 50% of the thermal output (“waste heat”) is used to displace natural gas used for heating. This is conservative, since 50% thermal utilization is the minimum standard for CCEF’s acceptance of a fuel cell project.

Emissions estimates for anaerobic digester, wind, and energy efficiency projects were not estimated.

To determine the exact avoided CO2 for CHP projects one needs to know what the CHP system is displacing (i.e. boiler, grid, etc.), as well as the efficiencies, in order to determine the existing CO2 emissions and then do the calculation to get the avoided emissions. For general purposes a typical 3.7 MW system operating on natural gas would generate about 13,000 tons of CO2 annually and 195,000 tons over its 15-year life. Typically avoiding 35-50% CO2 overall from the existing infrastructure. Not factoring in the utility transmission and distribution losses.

It should be noted that a methodology for estimating the environmental protection benefits from the investment in clean energy projects (i.e., GHG emissions reduced) has not yet been proposed to or approved by DEEP. The Connecticut Green Bank is currently looking into the EPA’s AVERT (Avoided Emissions and Generation Tool) for future estimations of emissions reductions - <http://www3.epa.gov/avert/>

CONNECTICUT GREEN BANK

3. MEASURES OF SUCCESS – PUBLIC BENEFITS

Table 33. Lifetime CO2 Emissions Reduction Energy for Home Equivalents (FY 2012-2015)

Energy for # of Homes	FY 2012	FY 2013	FY 2014	FY 2015	Total
Approved	5	1	6	977	989
Closed	2	1,311	69	4,141	5,523
Completed	319	904	2,227	2,820	6,270
Total	326	2,216	2,302	7,938	12,782

Table 34. Lifetime CO2 Emissions Reduction Cars Off the Road Equivalents (FY 2012-2015)

Cars off the Road	FY 2012	FY 2013	FY 2014	FY 2015	Total
Approved	3	0	5	715	724
Closed	1	2,625	51	3,004	5,682
Completed	232	655	1,615	2,045	4,547
Total	236	3,281	1,671	5,765	10,953

Table 35. Lifetime CO2 Emissions Reduction Acres of Trees Planted Equivalents (FY 2012-2015)

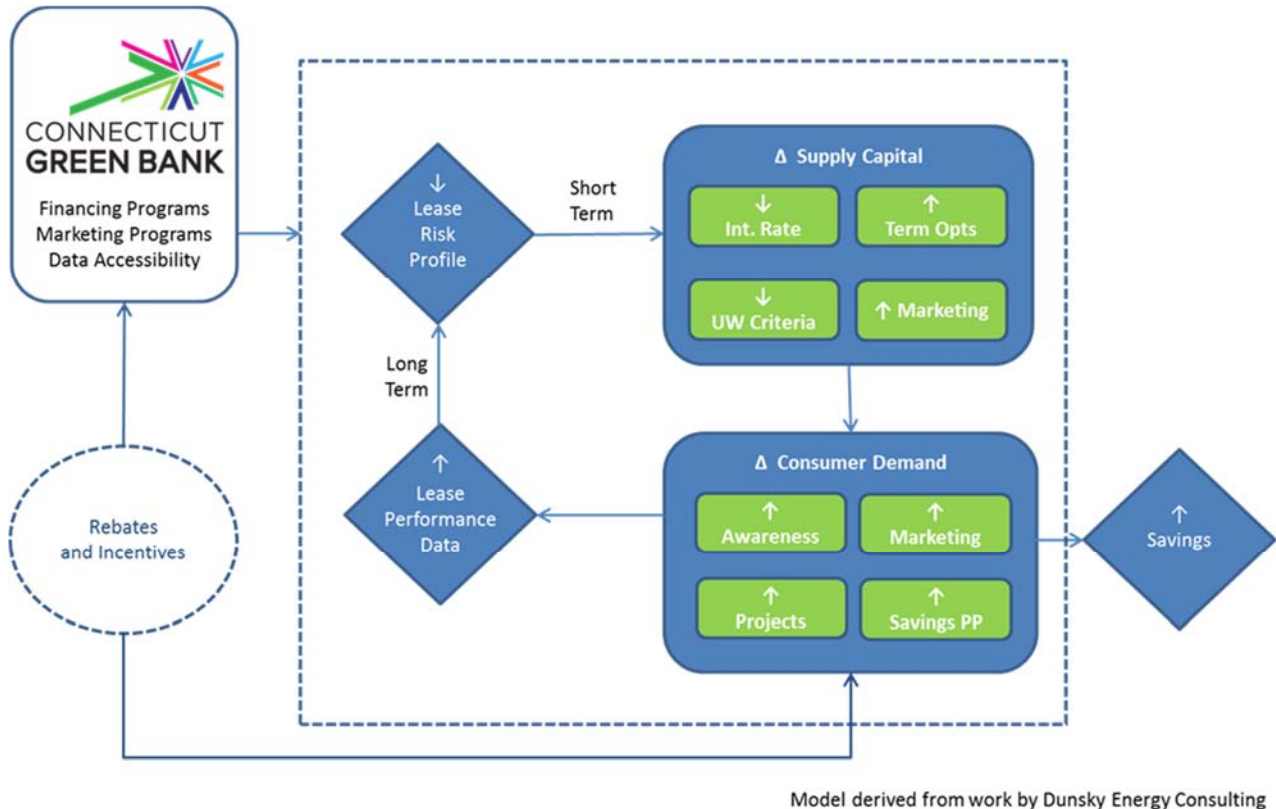
Planting # Acres of Trees	FY 2012	FY 2013	FY 2014	FY 2015	Total
Approved	7	1	9	1,418	1,435
Closed	3	340	100	6,011	6,454
Completed	464	1,312	3,233	4,095	9,104
Total	474	1,653	3,342	11,524	16,993

CONNECTICUT GREEN BANK

4. MARKET TRANSFORMATION – PROGRAM LOGIC MODEL

The Connecticut Green Bank has developed, based on work by Dunsky Energy Consulting, a Program Logic Model (PLM) that presents the green bank model of attracting and deploying private capital through financing (see Figure 7). This PLM serves as a foundation for evaluating clean energy deployment through subsidy and financing programs of the Connecticut Green Bank.

Figure 7. Connecticut Green Bank Program Logic Model – Including Subsidies and Financing



In the green bank model, to support the acquisition of green energy, program administrators use their resources to support or create financing programs that deliver up to 100% upfront capital for the project with an immediate or nearly immediate cash flow positive position for the customer. The Green Bank can enter the Financing Model (the dotted line box) at any point:

- Creating and/or applying credit enhancements (e.g., loan loss reserves) to reduce the risk profile of financed projects
- Increasing the supply of capital by attracting and/or directly deploying affordable private capital into the market
- Increasing consumer demand by deploying innovative marketing programs to accelerate the uptake of financing programs.
- Providing accessibility to clean energy loan performance data (i.e. repayment status, delinquencies, and/or defaults) that improves understanding of associated risk-return profiles.

CONNECTICUT GREEN BANK

4. MARKET TRANSFORMATION – PROGRAM LOGIC MODEL

For example, early in the C-PACE program, the Green Bank began to directly provide up front capital to increase the number of transactions. As another example, through Solarize Connecticut, the Green Bank has played an active role in marketing. The volume of loans and leases for residential solar PV in Connecticut saw a dramatic increase as consumers were made more aware of the accessibility and affordability of the financing programs.

Over time, the Green Bank's activities in support of the market actors should improve understanding of clean energy finance and lead to an increased supply of capital into the market. This should encourage lending offerings that are more accessible and affordable to more customers through lower interest rates, different term options, flexible underwriting, and increased marketing activity to their customers.

In the long term, it is anticipated that the market will become less reliant on subsidies and become more focused on financed energy improvements that reduce net operating costs or are immediately cash flow positive (i.e., a reduction in energy costs by ensuring that debt service payments are less than energy savings). The figure above presents an overview of the developing Program Logic Model of the Connecticut Green Bank. It will be used as an evaluation framework with associated indicators for assessing the performance and value of its programs (i.e., metrics of success outlined in the Comprehensive Plan).

The Program Logic Model will be used to plan, implement, monitor, and report on the Connecticut Green Bank's progress towards the achievement of its goals, including:

- Attracting and deploying capital to finance the clean energy goals for Connecticut;
- Developing and implementing strategies that bring down the cost of clean energy in order to make it more accessible and affordable to consumers; and
- Reducing the market reliance on grants, rebates, and other subsidies and move towards innovative low-cost financing of clean energy deployment.

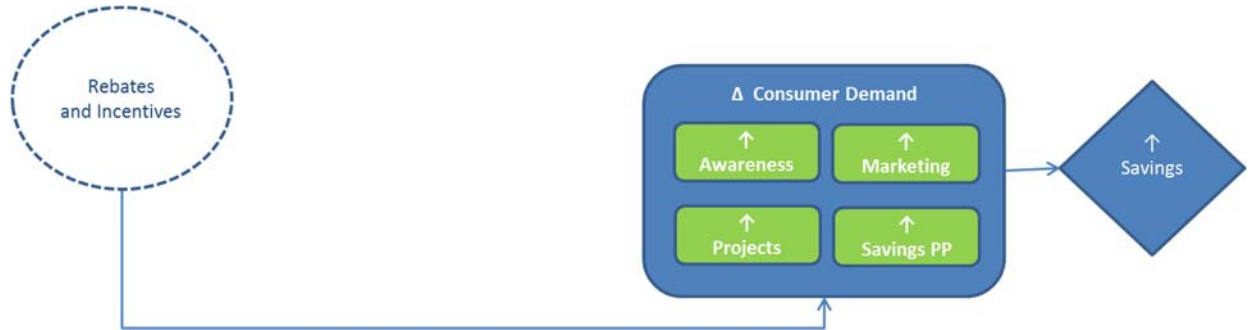
The Program Logic Model will test assumptions to help improve program implementation by assessing causal links between program activities and expected outputs and outcomes. It will help facilitate communication and coordination with the program administrators of the Connecticut Energy Efficiency Fund (i.e., electric and natural gas distribution companies) by developing information to help optimize the subsidy-financing balance. It will also support reporting to other internal and external stakeholders of the Connecticut Green Bank.

CONNECTICUT GREEN BANK

4. MARKET TRANSFORMATION – COST EFFECTIVENESS OF SUBSIDIES CASE OF THE RESIDENTIAL SOLAR INVESTMENT PROGRAM

The Connecticut Green Bank contracted with Cadmus Group, Inc., to conduct a cost-effectiveness analysis of its Residential Solar Investment Program (RSIP).³¹ As the Connecticut Green Bank’s only subsidy program, we are applying the Program Logic Model that focuses on rebates and incentives as the financial driver for customer action rather than financing (see Figure 8).

Figure 8. Program Logic Model for the Residential Solar Investment Program



RSIP Growth and Cost Trends

To provide perspective on program growth, cost and incentive trends, Table 36 illustrates the increase in RSIP project volume while installed costs and incentives have decreased from fiscal years 2012 through 2015, grouped by non-Solarize projects, Solarize³² projects and RSIP in total.

Table 36. RSIP Volume, Capacity and Cost Data by Fiscal Year³³

Fiscal Year	Non-Solarize				Solarize				RSIP Total			
	# Projects	Installed Capacity (kW)	Installed Cost (\$/W)	Incentive (\$/W)	# Projects	Installed Capacity (kW)	Installed Cost (\$/W)	Incentive (\$/W)	# Projects	Installed Capacity (kW)	Installed Cost (\$/W)	Incentive (\$/W)
2012	418	2,882	5.30	1.70					418	2,882	5.30	1.70
2013	788	5,486	4.69	1.48	327	2,444	3.82	1.48	1,115	7,930	4.35	1.48
2014	1,679	12,136	4.33	1.19	723	5,118	3.85	1.20	2,402	17,253	4.12	1.19
2015	6,252	46,867	3.92	0.69	1,051	8,864	3.89	0.77	7,303	55,731	3.91	0.71
Total	9,137	67,370	4.18	0.94	2,101	16,425	3.87	1.03	11,238	83,795	4.08	0.96

³¹ Per Section 106 of Public Act 11-80 (and revised through Public Act 15-194), the Connecticut Green Bank administers the Residential Solar Investment Program.

³² Solarize is a community-based marketing program (visit www.solarizect.com for more information)

³³ Based on RSIP Market Watch data as of June 30, 2015, end of FY 2015. Cost data includes all reported installed costs without including those projects where financing costs for some third party ownership installers are included as part of the total system cost. Installed capacity data is provided in kW-STC. At the end of FY 2015, RSIP was partway through incentive Step 7.

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Tables 37 and 38 provide program growth and cost trend data by installer for fiscal years 2015 and for 2012-2015 combined, grouped by non-Solarize and Solarize projects, and RSIP in total. Data points provided include # Projects, Installed Capacity (kW), Installed Cost (\$/W), and Incentive (\$/W). Installed costs vary widely and depend on many factors including equipment/panel quality and efficiency, type of installation (e.g., roof-mount, ground-mount, pole-mount), project location, site and installation characteristics and other factors.

Table 37. RSIP FY 2015 Volume, Capacity and Cost Data by Installer³⁴

FY 2015 Installer	Non-Solarize				Solarize				RSIP Total			
	# Projects	Installed Capacity (kW)	Installed Cost (\$/W)	Incentive (\$/W)	# Projects	Installed Capacity (kW)	Installed Cost (\$/W)	Incentive (\$/W)	# Projects	Installed Capacity (kW)	Installed Cost (\$/W)	Incentive (\$/W)
31Solar	11	77	3.85	0.99					11	77	3.85	0.99
A Better Way Solar	1	10	3.37	0.59					1	10	3.37	0.59
Aegis Electrical Systems, LLC	163	1,328	4.10	0.67					163	1,328	4.10	0.67
AllGreenIT, Inc.	28	258	3.56	0.65	105	819	3.51	0.88	133	1,077	3.52	0.83
Apex Solar Energy	2	11	3.56	0.78					2	11	3.56	0.78
Atlantic Solar	1	6	4.41	1.11					1	6	4.41	1.11
BeFree Green Energy, LLC	52	485	3.83	0.67	264	2,430	3.68	0.80	316	2,915	3.71	0.78
Bonner Electric	7	63	3.95	0.77					7	63	3.95	0.77
Boston Solar	13	116	3.75	0.47					13	116	3.75	0.47
Burrington Solar Edge	1	6	3.88	0.72					1	6	3.88	0.72
CatchinRays 2 LLC	41	327	4.03	0.69					41	327	4.03	0.69
Centurion Solar	5	29	3.99	0.76					5	29	3.99	0.76
Chabot Electric	1	6	3.09	0.59					1	6	3.09	0.59
Connecticut Solar Electric, LLC	1	6	3.42	0.71					1	6	3.42	0.71
Consulting Engineering Services, Inc.	3	20	3.21	0.83					3	20	3.21	0.83
CS Energy Systems, Inc.	2	26	3.77	0.78					2	26	3.77	0.78
CT Electrical, LLC	4	24	6.28	0.66					4	24	6.28	0.66
CT Solar Power, LLC	5	39	3.89	0.75					5	39	3.89	0.75
C-TEC Solar LLC	131	1,070	4.19	0.74	217	1,752	4.09	0.69	348	2,822	4.13	0.71
DCS	3	25	3.83	0.82	1	7	3.50	0.61	4	32	3.75	0.77
Direct Energy Solar	230	1,979	3.84	0.67	35	311	3.69	0.74	265	2,290	3.82	0.68
Dow Solar	1	5	9.87	0.64					1	5	9.87	0.64
Earthlight Technologies	59	525	4.26	0.68	53	437	4.03	0.86	112	962	4.15	0.77
Eastern CT Solar	2	21	3.43	0.65					2	21	3.43	0.65
Encon, Inc.	48	388	4.29	0.90	144	1,059	4.08	0.70	192	1,447	4.13	0.75
Evergreen Energy, LLC	8	61	3.68	0.72	1	9	3.48	0.61	9	70	3.66	0.71
Giuffrida Electric Company, Inc.	1	3	5.19	0.80					1	3	5.19	0.80
GM Industries, Inc.	2	25	7.40	0.85					2	25	7.40	0.85
Green Earth Energy	5	43	4.34	0.60					5	43	4.34	0.60
Harness the Sun	3	26	3.58	0.65	1	8	3.75	0.97	4	34	3.63	0.73

³⁴ Based on RSIP Market Watch data as of June 30, 2015. Cost data includes all reported installed costs without including those projects where financing costs for some third party ownership installers are included as part of the total system cost. Installed capacity data is provided in kW-STC. At the end of FY 2015, RSIP was partway through incentive Step 7.

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FY 2015	Non-Solarize				Solarize				RSIP Total			
	# Projects	Installed Capacity (kW)	Installed Cost (\$/W)	Incentive (\$/W)	# Projects	Installed Capacity (kW)	Installed Cost (\$/W)	Incentive (\$/W)	# Projects	Installed Capacity (kW)	Installed Cost (\$/W)	Incentive (\$/W)
Installer												
Intina Energy	2	16	3.58	0.99					2	16	3.58	0.99
JD Solar Solutions, LLC	53	454	3.64	0.77					53	454	3.64	0.77
Litchfield Hills Solar, LLC	26	214	4.33	0.73					26	214	4.33	0.73
Made in USA Solar LLC	3	27	5.08	0.87					3	27	5.08	0.87
Modern Solar Company	1	10	4.51	0.93					1	10	4.51	0.93
Next Step Living	109	683	6.40	0.80					109	683	6.40	0.80
Northeast Smart Energy LLC	1	22	3.70	0.55					1	22	3.70	0.55
PosiGen	58	369	4.55	0.81					58	369	4.55	0.81
PurePoint Energy, LLC	36	295	4.80	0.76	19	165	4.62	0.54	55	459	4.74	0.69
R. Pelton Builders	22	186	3.87	0.72					22	186	3.87	0.72
Real Goods Solar, Inc	86	666	4.08	0.81	57	423	3.67	1.03	143	1,089	3.91	0.90
Roof Diagnostics Solar and Electric of CT	600	4,179	3.51	0.60					600	4,179	3.51	0.60
Ross Solar Group	120	1,218	4.18	0.73	110	1,116	4.05	0.70	230	2,335	4.12	0.71
Shippee Solar and Construction LLC	37	314	3.61	0.71	14	113	3.94	0.61	51	426	3.70	0.68
Skyline Solar	9	70	4.56	0.67					9	70	4.56	0.67
SolarCity	3,055	22,139	5.21	0.64	5	29	5.18	0.57	3,060	22,168	5.21	0.64
Summer Hill Solar	6	43	3.00	0.93					6	43	3.00	0.93
Sundoor Solar	1	11	4.00	0.72					1	11	4.00	0.72
Sungevity, Inc.	318	2,402	4.06	0.75					318	2,402	4.06	0.75
Sunlight Solar Energy, Inc.	64	515	4.13	0.68	24	180	3.99	0.82	88	695	4.09	0.72
Sun-Wind Solutions, LLC	6	60	3.72	0.73					6	60	3.72	0.73
Super Green Solutions	8	70	3.64	0.62					8	70	3.64	0.62
Today Electronics USA	1	9	3.82	0.74					1	9	3.82	0.74
Trinity Solar	724	5,379	3.55	0.65					724	5,379	3.55	0.65
Tuscany Design Build, Inc.	2	15	4.27	0.40					2	15	4.27	0.40
US Energy Concierge	13	72	4.40	0.93					13	72	4.40	0.93
Verengo Solar	44	335	3.68	1.06					44	335	3.68	1.06
Waldo Renewable Electric, LLC	13	87	4.38	0.72	1	6	3.82	0.49	14	93	4.34	0.70
FY 2015 Total	6,252	46,867	4.55	0.67	1,051	8,864	3.89	0.77	7,303	55,731	4.46	0.68

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Table 38. RSIP FY 2012-2015 Volume, Capacity and Cost Data by Installer³⁵

FY 2012 - 2015 Installer	Non-Solarize				Solarize				RSIP Total			
	# Projects	Installed Capacity (kW)	Installed Cost (\$/W)	Incentive (\$/W)	# Projects	Installed Capacity (kW)	Installed Cost (\$/W)	Incentive (\$/W)	# Projects	Installed Capacity (kW)	Installed Cost (\$/W)	Incentive (\$/W)
31Solar	25	191	3.96	1.06					25	191	3.96	1.06
A Better Way Solar	1	10	3.37	0.59					1	10	3.37	0.59
Aegis Electrical Systems, LLC	294	2,280	4.30	0.95					294	2,280	4.30	0.95
All Electric Const. & Comm. LLC	2	18	3.74	0.84					2	18	3.74	0.84
AllGreenIT, Inc.	60	488	3.84	1.04	140	1,114	3.55	0.95	200	1,602	3.63	0.98
Alteris, Inc.	1	5	3.00	1.05					1	5	3.00	1.05
American Solar Partners	3	16	3.55	1.74					3	16	3.55	1.74
Apex Solar Energy	3	15	3.49	0.90					3	15	3.49	0.90
Atlantic Solar	1	6	4.41	1.11					1	6	4.41	1.11
BeFree Green Energy, LLC	90	788	4.32	1.04	387	3,464	3.73	1.03	477	4,252	3.84	1.03
Bella Casa Verde	2	15	4.37	1.13					2	15	4.37	1.13
Bonner Electric	13	117	4.11	1.01					13	117	4.11	1.01
Boston Solar	13	116	3.75	0.47					13	116	3.75	0.47
Bright Side Solar, LLC	1	4	5.07	1.93					1	4	5.07	1.93
Burrington Solar Edge	1	6	3.88	0.72					1	6	3.88	0.72
CatchinRays 2 LLC	43	343	4.01	0.70					43	343	4.01	0.70
Centurion Solar	16	110	4.06	0.95	33	205	4.02	1.20	49	315	4.03	1.12
Chabot Electric	3	28	3.96	1.28					3	28	3.96	1.28
Connecticut Solar Electric, LLC	2	14	3.68	1.18					2	14	3.68	1.18
Consulting Engineering Services, Inc.	4	35	3.69	0.85					4	35	3.69	0.85
CS Energy Systems, Inc.	2	26	3.77	0.78					2	26	3.77	0.78
CT Electrical, LLC	27	183	5.86	1.42					27	183	5.86	1.42
CT Solar Power, LLC	17	148	4.44	0.98					17	148	4.44	0.98
C-TEC Solar LLC	220	1,668	4.27	0.98	433	3,057	4.00	0.96	653	4,725	4.09	0.97
Dawn Solar Systems, Inc.	1	11	5.99	1.09					1	11	5.99	1.09
DCS	34	185	4.14	1.65	1	7	3.50	0.61	35	192	4.12	1.62
Deak Electric, Inc.	2	16	5.20	1.03					2	16	5.20	1.03
Direct Energy Solar	314	2,672	3.94	0.87	203	1,644	3.55	1.13	517	4,316	3.79	0.97
Dow Solar	3	13	8.26	0.96					3	13	8.26	0.96
Earthlight Technologies	70	624	4.26	0.76	56	466	4.01	0.86	126	1,090	4.15	0.81
Eastern CT Solar	2	21	3.43	0.65					2	21	3.43	0.65
EcoSolar Installations, LLC	13	77	4.52	1.29					13	77	4.52	1.29
Elektron Solar, LLC	9	74	4.97	1.48					9	74	4.97	1.48
Encon, Inc.	92	680	4.47	1.16	280	1,956	3.95	1.01	372	2,636	4.08	1.05
Endless Mountains Solar Services	10	74	4.94	1.41					10	74	4.94	1.41
Evergreen Energy, LLC	18	147	4.32	1.19	1	9	3.48	0.61	19	156	4.27	1.16
Executive Electric	1	7	3.91	1.37					1	7	3.91	1.37

³⁵ Based on RSIP Market Watch data as of June 30, 2015. Cost data includes all reported installed costs without including those projects where financing costs for some third party ownership installers are included as part of the total system cost. Installed capacity data is provided in kW-STC. At the end of FY 2015, RSIP was partway through incentive Step 7.

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FY 2012 - 2015	Non-Solarize				Solarize				RSIP Total			
	# Projects	Installed Capacity (kW)	Installed Cost (\$/W)	Incentive (\$/W)	# Projects	Installed Capacity (kW)	Installed Cost (\$/W)	Incentive (\$/W)	# Projects	Installed Capacity (kW)	Installed Cost (\$/W)	Incentive (\$/W)
Installer												
Giuffrida Electric Company, Inc.	5	30	5.42	1.38					5	30	5.42	1.38
GM Industries, Inc.	29	278	8.34	1.41					29	278	8.34	1.41
Green Earth Energy	10	76	4.42	0.99					10	76	4.42	0.99
Harness the Sun	17	106	4.13	1.37	22	194	3.75	1.11	39	300	3.92	1.22
Infinite Energy Systems	1	11	5.38	1.52					1	11	5.38	1.52
Intina Energy	3	22	3.95	1.18					3	22	3.95	1.18
JD Solar Solutions, LLC	111	879	3.82	1.04					111	879	3.82	1.04
Leach Services	2	12	3.69	1.54					2	12	3.69	1.54
Lenz Electric	1	4	5.71	1.96					1	4	5.71	1.96
Litchfield Hills Solar, LLC	68	498	4.76	1.18					68	498	4.76	1.18
Macri Roofing, Inc.	2	13	5.91	1.53					2	13	5.91	1.53
Made in USA Solar LLC	11	79	4.67	1.32					11	79	4.67	1.32
Mercury Solar Systems, Inc.	5	37	5.18	1.53					5	37	5.18	1.53
Mister Sparky	7	26	5.89	1.81					7	26	5.89	1.81
Modern Solar Company	4	27	5.03	1.59					4	27	5.03	1.59
Moore Energy	4	27	5.05	1.67					4	27	5.05	1.67
Mystic Solar	7	54	5.36	1.67					7	54	5.36	1.67
Next Step Living	138	855	6.40	0.88					138	855	6.40	0.88
Northeast Smart Energy LLC	14	123	3.50	1.31					14	123	3.50	1.31
Paradise Energy Solutions	1	10	4.08	0.60					1	10	4.08	0.60
PosiGen	58	369	4.55	0.81					58	369	4.55	0.81
PurePoint Energy, LLC	67	533	4.94	0.97	19	165	4.62	0.54	86	697	4.87	0.88
R. Pelton Builders	57	409	4.24	1.18					57	409	4.24	1.18
Real Goods Solar, Inc	189	1,430	4.29	1.14	147	1,068	3.78	1.27	336	2,498	4.07	1.20
Renewable Resources, Inc.	21	130	4.18	1.48	13	76	3.86	1.28	34	205	4.06	1.40
Roof Diagnostics Solar and Electric of CT	674	4,702	3.57	0.68					674	4,702	3.57	0.68
Ross Solar Group	297	2,693	4.41	1.13	263	2,236	4.09	1.02	560	4,929	4.26	1.08
Shippee Solar and Construction LLC	103	783	3.72	1.16	14	113	3.94	0.61	117	896	3.75	1.09
Sicuranza Electric	1	10	6.42	1.54					1	10	6.42	1.54
Sky View Solar	1	5	6.03	1.37					1	5	6.03	1.37
Skyline Solar	30	243	4.38	0.95					30	243	4.38	0.95
SolarCity	4,153	29,620	5.14	0.84	5	29	5.18	0.57	4,158	29,649	5.14	0.84
Solatek	1	10	0.00	2.10					1	10	0.00	2.10
SON Energy Systems, LLC	1	7	4.25	1.34					1	7	4.25	1.34
Sound Solar Systems, LLC	7	64	5.18	1.34					7	64	5.18	1.34
Summer Hill Solar	15	96	3.48	1.32					15	96	3.48	1.32
Sun Harvest Renewable Resources, LLC	11	82	6.08	1.63					11	82	6.08	1.63
Sundoor Solar	2	14	4.00	1.06					2	14	4.00	1.06
Sungevity, Inc.	448	3,303	4.24	0.91					448	3,303	4.24	0.91
Sunlight Solar Energy, Inc.	172	1,236	4.70	1.18	83	616	3.90	1.10	255	1,853	4.44	1.15
Sun-Wind Solutions, LLC	16	124	3.71	1.13					16	124	3.71	1.13

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FY 2012 - 2015	Non-Solarize				Solarize				RSIP Total			
	# Projects	Installed Capacity (kW)	Installed Cost (\$/W)	Incentive (\$/W)	# Projects	Installed Capacity (kW)	Installed Cost (\$/W)	Incentive (\$/W)	# Projects	Installed Capacity (kW)	Installed Cost (\$/W)	Incentive (\$/W)
Installer												
Super Green Solutions	8	70	3.64	0.62					8	70	3.64	0.62
Today Electronics USA	1	9	3.82	0.74					1	9	3.82	0.74
Trinity Solar	827	6,141	3.62	0.72					827	6,141	3.62	0.72
Tuscany Design Build, Inc.	8	65	5.07	1.19					8	65	5.07	1.19
US Energy Concierge	13	72	4.40	0.93					13	72	4.40	0.93
Verengo Solar	44	335	3.68	1.06					44	335	3.68	1.06
Waldo Renewable Electric, LLC	42	305	5.17	1.29	1	6	3.82	0.49	43	311	5.14	1.27
White Oak Development, LLC	16	102	6.27	1.51					16	102	6.27	1.51
Zelek Electric	1	12	0.00	0.47					1	12	0.00	0.47
FY 2012-2015 Total	9,137	67,370	4.61	0.89	2,101	16,425	3.87	1.03	11,238	83,795	4.47	0.92

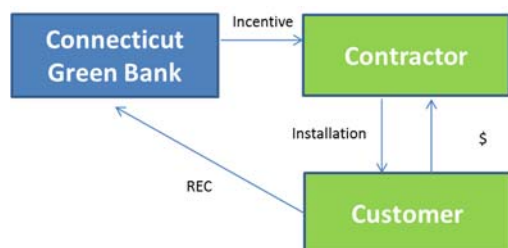
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4. MARKET TRANSFORMATION – COST EFFECTIVENESS OF SUBSIDIES CASE OF THE RESIDENTIAL SOLAR INVESTMENT PROGRAM

Rebates and Incentives

The RSIP is a subsidy program that provides incentives to offset the cost for homeowners to install solar photovoltaic (PV) systems. Incentives are provided either upfront (i.e., through an expected performance based buy-down or EPBB) for homeowners that want to own a system or over time based on system production (i.e., through a performance based incentive or PBI) for homeowners who want to lease a system from a third-party owner. With either incentive type, the Renewable Energy Credits (RECs) are owned by the Connecticut Green Bank (see Figure 9).

Figure 9. Legal Structure and Flows of Capital for the RSIP³⁶



The subsidy under the RSIP has decreased over time (see Table 39) with the intention of increasing the number of projects and increasing the amount of clean energy produced (see Table 40) while at the same time supporting the goal of reducing the market reliance on rebates and incentives and moving it towards innovative low-cost financing (see Market Transformation: Financial Warehouse and Credit Enhancement Structures for CT Solar Loan and CT Solar Lease). Step 1 began in March of 2012 and Step 7 was recently completed in August of 2015.

Table 39. RSIP Subsidy by Step and Incentive Type

RSIP Subsidy by Step	Start Date	EPBB (\$/W)			PBI (\$/kWh)	
		≤5 kW	5 to 10 kW	>10 kW, ≤ 20 kW	≤10 kW	>10 kW, ≤ 20 kW
Step 1	3/2/2012	\$2.450	\$1.250	\$0.000	\$0.300	\$0.000
Step 2	5/8/2012	\$2.275	\$1.075	\$0.000	\$0.300	\$0.000
Step 3	1/4/2013 EPBB 4/1/2013 PBI	\$1.750	\$0.550	\$0.000	\$0.225	\$0.000
Step 4	1/6/2014	\$1.250	\$0.750	\$0.000	\$0.180	\$0.000
Step 5	9/1/2014	\$0.800		\$0.400	\$0.125	\$0.060
Step 6	1/1/2015	\$0.675		\$0.400	\$0.080	\$0.060
Step 7	4/11/2015	\$0.540		\$0.400	\$0.064	\$0.060

³⁶ The Green Bank incentive is issued to the Contractor on behalf of the Customer. In the case of Third-Party Owned systems, RECs flow from the Contractor to the Connecticut Green Bank.

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Table 40. Residential Solar PV Systems Approved, In Progress or Completed through the RSIP Subsidy by Step³⁷

RSIP Subsidy by Step	Approved (kW)	In Progress (kW)	Completed (kW)	Total (kW)	Average Incentive (\$/W-STC)
Step 1		12	1,372	1,384	\$1.84
Step 2			5,996	5,996	\$1.67
Step 3	174	82	13,052	13,308	\$1.27
Step 4	2,636	854	16,972	20,461	\$1.06
Step 5	4,767	672	9,341	14,780	\$0.76
Step 6	7,954	1,325	4,717	13,995	\$0.52
Step 7	18,780	1,269	1,366	21,415	\$0.40
Total	34,311	4,214	52,816	91,340	\$0.85

Cost-Effectiveness of the RSIP

As required by statute, the Connecticut Green Bank was to conduct an evaluation of RSIP. The Green Bank hired Cadmus to evaluate the program – through the application of cost-effectiveness tests (see Tables 41 and 42) as well as through the lens of the Connecticut Green Bank’s objective function (CGB OF) (see Table 43).³⁸ Using the five standard cost-effectiveness tests adapted for energy efficiency programs, as defined in the California Standard Practices Manual³⁹, Cadmus calculated the cost-effectiveness of RSIP from the following perspectives:⁴⁰

- Total Resource Cost Test (TRC)
- Program Administrator Cost Test (PACT), also called the Utility Cost Test (UCT)
- Customer/Participant Cost Test (PCT)
- Ratepayer Impact Measure Test (RIM)
- Societal Cost Test (SCT)

³⁷ RSIP Step 7 ended August 7, 2015, a little over a month after the end of FY15. However, RSIP cost-effectiveness results were evaluated based on data as of August 12, 2015, after Step 7 closed. Table 40 provides RSIP numbers as of August 12, 2015 to show data upon which the cost-effectiveness results were based rather than RSIP numbers as of the end of FY15. Projects that were only in submitted status as of August 12, 2015 were not included in the cost-effectiveness analysis. As of October 16, 2015, Step 7 projects in approved and later statuses were 22.8 MW, so an additional 1.4 MW of Step 7 projects could be attributed to Step 7 as a net result of additional project approvals minus projects that were cancelled or withdrawn after August 12, 2015. For reference with respect to this CAFR, partial Step 7 numbers as of the end of FY15 were: 11,319 kW approved, 499 kW in progress, and 103 kW completed.

³⁸ “Cost-Effectiveness Assessment of the Residential Solar Investment Program,” Shawn Shaw, P.E., Nicholas Drake-McLaughlin, M. Sami Khawaja, Ph.D., The Cadmus Group, anticipated January 2016.

³⁹ <http://www.cpuc.ca.gov/PUC/energy/Energy+Efficiency/Cost-effectiveness.htm>

⁴⁰ The Total Resource Cost Test (TRC) derives from the ratio of lifecycle benefits from energy savings or renewables programs over lifecycle total incremental costs (regardless of who pays them). The TRC determines whether a renewables or energy efficiency program proves more cost-effective than supplying energy through traditional generation-based methods. The benefits are composed primarily of the reduction in utility current and future costs in the form of reduced fuel expenses and deferred capital investments in generation and transmission and distribution. The Program Administrator Cost Test (PACT) assesses the value of renewable or energy efficiency offerings as resource options compared to the cost to the utility or the administrator. The benefits are similar to the TRC, but the costs are narrowly defined to be those of the administrator. The Participant Cost Test (PCT) measures cost-effectiveness from the customer’s perspective with benefits primarily composed of bill reduction and the cost side composed of customer contribution to the cost of the measure. The Rate Payer Impact Test (RIM) is centered around the impact on utility rates; the benefits are similar to the TRC, but costs include program administrator and program incentive costs (as in PACT) plus utility lost revenues due to reduction in use of energy.

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Table 41 summarizes cost-effectiveness results for the five standard tests for the RSIP overall and program steps 1 through 7, associated with steadily decreasing incentives. The Green Bank RSIP is cost-effective, producing significantly higher benefits than costs. RSIP passed all tests except the RIM which most programs including energy efficiency programs do not pass.⁴¹ From a program perspective (PACT), RSIP delivers triple its investment, \$3.05 in benefits for every dollar invested by the Green Bank. This was possible due to industry-wide hard and soft⁴² costs falling for PV installations, increased access to financing, and a strong local solar industry that has fostered and supported increased demand despite declining state incentives.

Table 41. Cost-Effective Analysis of the RSIP by Step – Five Standard Tests

RSIP Subsidy Step	Clean Energy Deployed (MW)	TRC	PACT	PCT	RIM	SCT
Steps 1 & 2	7.4	1.44	1.50	1.72	0.40	1.64
Step 3	13.3	1.59	2.07	1.80	0.43	1.81
Step 4	20.5	1.70	2.63	1.83	0.45	1.78
Step 5	14.8	1.74	3.57	1.80	0.47	1.72
Step 6	14.0	1.76	5.16	1.80	0.49	1.76
Step 7	21.4	1.80	6.47	1.80	0.50	1.75
Overall	91.3	1.70	3.05	1.80	0.46	1.75

Table 42 highlights PACT values which increase over four-fold from 1.50 to 6.47 across steps 1 through 7, corresponding to steadily decreasing subsidies, while the PCT ratio stays relatively level. The Green Bank makes increasingly effective use of ratepayer funds to drive growth in the solar PV market while simultaneously reducing public subsidies and maintaining customer economics over the program’s life. As the cost of solar falls and access to affordable private capital financing increases, the Green Bank converts these cost reductions and access to capital into reduced incentives, making public funds available to a larger number of projects –and reducing the market’s reliance on incentives. Additionally, while the PACT ratio increases with decreasing subsidies and greater access to affordable financing, net benefits increase and net benefits on a per MW basis also increase.

⁴¹ The RIM test accounts for lost utility revenue and assumes that the cost is redistributed among all ratepayers. More often than not, any measure that reduces the utility’s sale of electricity will fail to pass the RIM test, regardless of societal or total resource cost-effectiveness.

⁴² Through both the SunShot Initiative and Solarize Connecticut.

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Table 42. Cost-Effective Analysis of the RSIP by Step – Program Administrator Cost Test (PACT) and Participant Cost Test (PCT)

RSIP Subsidy Step	Benefits	Costs	Net Benefits	Net Benefits/ MW	Clean Energy Deployed (MW)	PACT Benefit/Cost Ratio	PCT Benefit/Cost Ratio
Steps 1 & 2	\$18,646,724	\$12,435,693	\$6,211,031	\$839,329	7.4	1.50	1.72
Step 3	\$32,714,259	\$15,784,621	\$16,929,638	\$1,272,905	13.3	2.07	1.80
Step 4	\$47,901,194	\$18,200,235	\$29,700,959	\$1,448,827	20.5	2.63	1.83
Step 5	\$33,822,171	\$9,467,372	\$24,354,799	\$1,645,594	14.8	3.57	1.80
Step 6	\$31,078,515	\$6,021,396	\$25,057,119	\$1,789,794	14.0	5.16	1.80
Step 7	\$46,247,561	\$7,148,375	\$39,099,186	\$1,827,065	21.4	6.47	1.57
Overall	\$210,410,423	\$69,057,692	\$141,352,731	\$1,546,529	91.3	3.05	1.75

As with the increasing PACT ratio, OF results (Table 43) demonstrate increasing cost-effectiveness of RSIP as incentives decrease, with the OF value increasing over four-fold from 18.1 at Step 1 to 83.9 for Step 7.

Table 43. Connecticut Green Bank Objective Function Values for RSIP by Step

CGB RSIP 2012-2015 Objective Function	Residential Solar PV Capacity (MW)	Lifetime kWh	Program Costs	Objective Function (kWh/\$)
Steps 1 & 2	7.4	225,385,736	\$12,435,693	18.1
Step 3	13.3	405,346,549	\$15,784,621	25.7
Step 4	20.5	607,500,605	\$18,200,235	33.4
Step 5	14.8	428,600,431	\$9,467,372	45.3
Step 6	14.0	403,698,026	\$6,021,396	67.0
Step 7	21.4	600,041,849	\$7,148,375	83.9
Overall	91.3	2,670,573,196	\$69,057,692	38.7

Cost-Effectiveness of the RSIP in Comparison to Energy Efficiency

In evaluating cost-effectiveness of RSIP, the program was compared to residential energy efficiency (EE) programs in Connecticut, with Cadmus utilizing as much as possible the same assumptions made in the assessment of the EE programs. The numbers in Table 44 below indicate that both the RSIP and the EE programs are cost-effective, with RSIP tending to have a lower Total Resource Cost (TRC) result but a higher Program Administrator Cost Test (PACT) number. With a 1.70 overall TRC ratio for the program, the RSIP proves less cost-effective than most residential energy efficiency programs, though it demonstrates better ratios from the program administrator perspective, with a PACT ratio of 3.05 for the program or 6.47 for recent performance of the program with lower incentives (i.e., RSIP step 7).⁴³

⁴³ As provided in the 2016-2018 Electric and Natural Gas Conservation and Load Management (CL&M) plan filed with the Connecticut Department of Energy and Environmental Protection on October 1, 2015, available at <http://www.energizect.com/about/eeboard/plans>. The energy efficiency numbers are from Table B1, Eversource CT Electric – Costs and Benefits 2016. The PACT and the M-PACT in the above table correspond to the Electric Utility Cost Test and the Modified Utility Cost Test from the CL&M Plan. The electric utility cost test includes electric benefits and costs, while the modified utility cost test includes oil and propane savings and costs. The electric utility cost test is more relevant than is the PACT when comparing to solar PV benefits and costs but both EE tests are shown here to illustrate that the EE measures have

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Table 44. Comparison of Cost Effectiveness of the RSIP and Residential Energy Efficiency

Program, Year		Test	Benefits	Costs	Net Benefits	Ratio
RSIP	2012-2015 (Steps 1-7)	TRC	\$618,994,562	\$364,837,887	\$254,156,675	1.70
		PACT	\$210,410,423	\$69,057,692	\$141,352,731	3.05
	2015 Step 7	TRC	\$145,277,194	\$80,617,489	\$64,659,705	1.80
		PACT	\$46,247,561	\$7,148,375	\$39,099,186	6.47
EE 2016 Eversource	Residential Total	TRC	\$186,853,379	\$76,049,054	\$110,804,325	2.46
		PACT	\$89,622,927	\$40,686,706	\$48,936,221	2.20
		M-PACT	\$133,786,974	\$56,458,769	\$77,328,205	2.37
	Residential Retail Products	TRC	\$82,271,005	\$24,792,006	\$57,478,999	3.32
		PACT	\$51,489,640	\$13,622,165	\$37,867,475	3.78
		M-PACT	\$51,489,640	\$13,622,165	\$37,867,475	3.78
	Home Energy Solutions (HES)	TRC	\$62,298,317	\$19,090,656	\$43,207,661	3.26
		PACT	\$17,138,430	\$9,467,560	\$7,670,870	1.81
		M-PACT	\$51,721,547	\$17,965,248	\$33,756,299	2.88
	HES HVAC	TRC	\$5,794,248	\$6,679,885	(\$885,637)	0.87
		PACT	\$3,982,333	\$2,000,000	\$1,982,333	1.99
		M-PACT	\$3,982,333	\$2,000,000	\$1,982,333	1.99
	HES Income Eligible	TRC	\$22,914,543	\$17,713,445	\$5,201,098	1.29
		PACT	\$8,853,029	\$10,728,336	(\$1,875,307)	0.83
		M-PACT	\$16,873,190	\$17,459,712	(\$586,522)	0.97
	New Construction	TRC	\$6,442,405	\$4,773,062	\$1,669,343	1.35
		PACT	\$3,198,174	\$1,868,646	\$1,329,528	1.71
		M-PACT	\$4,758,944	\$2,411,645	\$2,347,299	1.97
	Behavior	TRC	\$7,132,861	\$3,000,000	\$4,132,861	2.38
		PACT	\$4,961,321	\$3,000,000	\$1,961,321	1.65
		M-PACT	\$4,961,321	\$3,000,000	\$1,961,321	1.65

non-electric impacts that can impact (usually increase) the ratios. The EE numbers shown here are from the 2016-2018 Electric and Natural Gas Conservation and Load Management (CL&M) plan filed with the Connecticut Department of Energy and Environmental Protection on October 1, 2015; the numbers could be updated slightly before the 2016-2018 CL&M Plan is finalized.

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Utility 2.0 and Cost-Effectiveness of Distributed Energy Resources

With the Cadmus evaluation providing a PACT ratio for RSIP Step 7 approaching 7 to 1, the Green Bank realizes that there is an opportunity to deploy a suite of technologies that would provide more comprehensive energy solutions for customers and benefits to the grid while still maintaining overall cost-effectiveness. Bundling technologies together would leverage the cost-effectiveness of mature technologies, PV and energy efficiency, to support investment in promising technologies such as energy storage that are of strong interest to customers but have not yet achieved commercial cost-effectiveness.⁴⁴

The Green Bank asked Cadmus to assess the cost-effectiveness of a potential technology combination for a typical residential customer in Connecticut, bundling energy efficiency, solar PV, and energy storage into a single resource and calculating the cost-effectiveness of the resulting resource mix, as well as to consider the potential impact of smart metering technologies. Table 45 presents benefits, costs, and net benefits for the PACT, TRC and PCT ratios for RSIP Step 7, Home Energy Solutions (HES) Program⁴⁵, Energy Storage⁴⁶, and two combinations – RSIP plus storage, and RSIP plus HES plus storage. The resulting PACT, TRC, and PCT ratios are all greater than unity.

⁴⁴ During an earlier evaluation of the RSIP completed by Cadmus in January 2015, approximately 59% of customers surveyed indicated that they were also interested in energy storage. Of the customers surveyed, however, only 5% had actually installed an energy storage system. This high level of interest suggests that customers want to combine energy storage with their PV systems, though there is not enough information to gauge the value they would place on such an offering. Based on the preliminary analysis presented here, customers would be interested in energy storage and the excess cost-effectiveness of RSIP and energy efficiency technologies may be able to support the deployment of storage technologies, while maintaining programmatic cost-effectiveness.

⁴⁵ Home Energy Solutions (HES) is a residential energy efficiency program operated by the Connecticut utilities and includes a wide variety of energy efficiency measures and activities. Program participants begin with an in-home energy assessment and installation of basic measures such as weatherization and efficient lighting products. From there, participants have access to incentives and financing for appliance and HVAC upgrades and other measures. Though this assessment does not stipulate exactly which measures are installed, the analysis uses the average benefits and costs per participant, which represents a mix of basic and more advanced efficiency measures.

⁴⁶ The energy storage portion of the bundle is assumed to be a leased Tesla PowerWall 7 kWh home energy storage system. Though this unit is somewhat more expensive than current lead acid based battery systems, the popularity of the product line and offerings by major vendors, such as SolarCity, make it a reasonable choice for potential future residential scale energy storage products that may be of interest to typical Connecticut customers. To calculate the PACT and TRC, Cadmus assumed an 8% program administration cost (amounting to \$400) on top of the participant cost of the energy storage system.

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Table 45. Cost-Effectiveness of Bundled Resources⁴⁷

Program/Technology	Test	# Participants	Benefits/ Participant	Costs/ Participant	Net Benefits/ Participant	Ratio
RSIP 2015 Step 7	TRC	2,639	\$55,050	\$30,548	\$24,502	1.80
	PACT	2,639	\$17,525	\$2,709	\$14,816	6.47
	PCT	2,639	\$48,093	\$26,724	\$21,370	1.80
EE 2016 Eversource – Home Energy Solutions (HES)	TRC	17,320	\$3,597	\$1,102	\$2,495	3.26
	PACT	17,320	\$990	\$547	\$443	1.81
	PCT	17,320	\$1,933	\$65	\$1,868	29.75
RSIP 2015 Step 7 + EE 2016 HES	TRC	1	\$58,647	\$31,651	\$26,996	1.85
	PACT	1	\$18,514	\$3,255	\$15,259	5.69
	PCT	1	\$50,026	\$26,789	\$23,238	1.87
Energy Storage	TRC	1	\$0	\$5,400	(\$5,400)	0.00
	PACT	1	\$0	\$400	(\$400)	0.00
	PCT	1	\$0	\$5,000	(\$5,000)	0.00
RSIP 2015 Step 7 + Storage	TRC	1	\$55,050	\$35,948	\$19,102	1.53
	PACT	1	\$17,525	\$3,109	\$14,416	5.64
	PCT	1	\$48,093	\$31,724	\$16,370	1.52
RSIP 2015 Step 7 + EE 2016 HES + Storage	TRC	1	\$58,647	\$37,051	\$21,596	1.58
	PACT	1	\$18,514	\$3,655	\$14,859	5.06
	PCT	1	\$50,026	\$31,789	\$18,238	1.57

Marketing Programs

To accelerate the market for residential solar PV in Connecticut, the Connecticut Green Bank implemented Solarize Connecticut – a customer acquisition model founded in Portland, Oregon, replicated statewide in Massachusetts, and now being scaled-up across the country. Solarize programs are designed to use a combination of group purchasing, time-limited offers, and grassroots outreach, while local clean energy advocates volunteer and coordinate with their towns to help speed the process (see Table 46).

⁴⁷ Though the PCT is not calculated in the EE CL&M plans, enough data was provided to estimate the PCT for the HES Program for the purposes of this example bundling calculation. The total customer costs and number of measures/participants for HES were taken from the 2016-2018 CL&M Plan, Table B2 – Eversource CT Electric – Resource Summary 2016. Benefits were estimated by multiplying the lifetime savings in MWh attributed to HES and multiplying by 19.23 cents per kWh, the Energy Information Administration (EIA) average residential price of electricity in CT for September 2015 (from the Electric Power Monthly Table 5.6.A. Average Price of Electricity to Ultimate Customers by End-Use Sector, by State, September 2015 and 2014). This resulted in HES per participant benefits of \$1933, and costs of \$65, resulting in a highly favorable PCT of 29.75. The ratio could have been even higher if the benefits estimate calculation included an escalator for the price of electricity and if the peak kW impact was included benefit estimate, but the simplified calculation already yielded highly favorable results that were sufficient to illustrate the benefit of bundling technologies. The per participant HES cost of \$65 is lower than the expected \$99 (the per participant contribution to the HES Program as typically advertised); this is because some of the costs for homes utilizing gas are allocated to the respective gas budget in the CL&M plan.

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Table 46. Solarize Average Rate of Growth of Residential Solar PV Deployment

	Solarize Towns (2004-2011)	During Solarize	Post Campaign	Non-Solarize Towns (2011-2015)
Average	16.5%	110.2%	59.3%	20.9%

In a traditional Solarize Connecticut campaign (called Solarize Classic), a solar installer is competitively selected by a town based on the installer's bid price, the equipment it's using, experience in the industry and outreach strategy. Pricing is tiered based on the number of customers who participate. Part of the cost savings comes from the installer's reduced customer acquisition cost — money spent on marketing to find and acquire potential customers. Every customer pays the same price per watt, and the price is pushed down as more customers sign up with the installer. Homeowners also have the option to add to the base pricing for premium panels, equipment, or special setups involving roof pitch or electric upgrades.

The Connecticut Green Bank and its partners, SmartPower and Yale University, participated in the federal Department of Energy's [Solar Energy Evolution and Diffusion Studies⁴⁸](#) to design and examine Solarize campaigns in Connecticut experimenting with several versions beyond Solarize Classic to determine what works best:

- **Solarize Express** – these campaigns require customers to sign contracts within 10-12 weeks rather than 18-20 as in Solarize Classic.
- **Solarize Prime** – these campaigns eliminate the tiered pricing model. The competitively selected installer offers a simple base price.
- **Solarize Choice** – this modification opens the program to three installers at a time instead of a single installer during the 20-week campaign. There is no tiered pricing and installers submit a single base price. The Solarize town's selection committee picks which three installers participate, and, as the campaign commences, they are free to reduce prices and compete against one another for customers.
- **Solarize Select** – towns were selected by lottery for the opportunity to participate. Normally towns would apply to the program, competing on criteria such as: previous clean energy leadership; number of existing solar projects; and volunteer capacity to do outreach in the communities. Randomizing the town selection process tests the significance of that process.
- **Solarize Online** – here, a customer identifies their home on an aerial map and provides information about their energy usage. The online platform then notifies each participating installer that there is an interested customer. Like a reverse auction, each installer can bid the project cost in an attempt to acquire the customer. There is no mandated pricing - just sheer competition. Installers are free to participate and a dozen have done so.

⁴⁸ <http://cbey.yale.edu/programs-research/solar-energy-evolution-and-diffusion-studies-seeds>

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The various types of Solarize campaigns implemented in Connecticut delivered varying results for customer acquisition (i.e., installed capacity or kW) and customer acquisition costs (i.e., marketing program costs per kW) – see Table 47.⁴⁹ It should be noted that the average customer acquisition cost for the residential solar PV industry was \$490/kW in 2013 and is expected to drop to \$350/kW in 2017.⁵⁰

Table 47. Performance of Solarize Campaigns by Type in Connecticut

Metric	Solarize Classic	Solarize Express	Solarize Choice	Solarize Select	Solarize Prime	Solarize Online	Total
# of participating communities	34	5	6	5	4	4	58
# of participating contractors	11	5	8	5	4	12	18 (unique)
Installed Capacity (kW)	10,669	910	1,407	1,312	1,336	455	16,089
Acquisition Cost (\$/kW)	\$75	\$75-\$150	\$150-\$275	\$125-\$150	\$75-\$100	\$175-\$300	\$100

⁴⁹ Commentary: Can a 'Groupon-like' model lower the cost of solar power? Trend CT article by Matt Macunas, <http://trendct.org/2015/10/20/commentary-can-a-groupon-like-model-lower-the-cost-of-solar-power>.

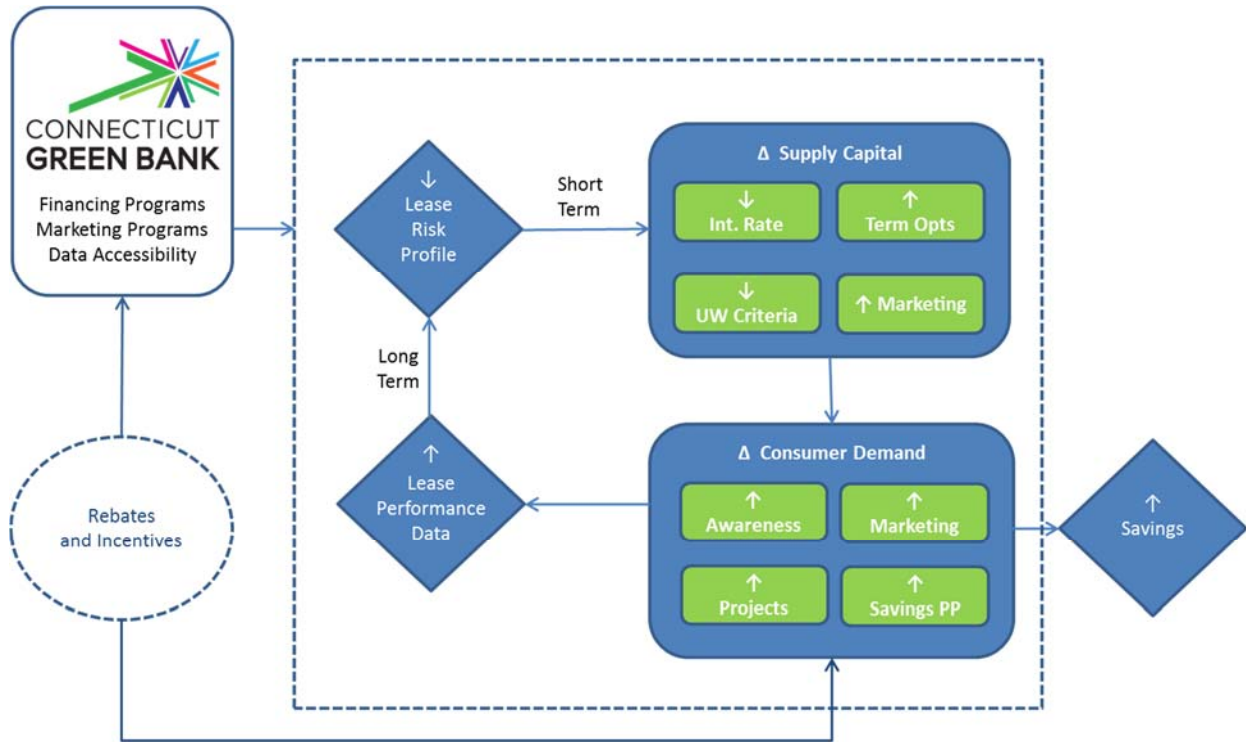
⁵⁰ *Rooftop Solar Companies are Letting Leads Slip through the Cracks* by Julia Pyper of Greentech Media (July 24, 2015)

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As the Connecticut Green Bank's residential solar PV loan program, we are applying the Program Logic Model that focuses on financing and credit enhancements (see Figure 10).

Figure 10. Program Logic Model for the CT Solar Loan



Model derived from work by Dunsky Energy Consulting

Financing Program

The CT Solar Loan was a financing product developed in partnership with Sungage Financial⁵¹ that uses credit enhancements (i.e., \$300,000 loan loss reserve)⁵² in combination with a \$5 million warehouse of funds and \$1 million of subordinated debt from the Connecticut Green Bank. Through this product, the Connecticut Green Bank lowers the barriers to Connecticut homeowners seeking to install solar PV installations thus increasing demand while at the same time reducing the market's reliance on subsidies being offered through the RSIP. The CT Solar Loan was the first dedicated residential solar loan product not secured by a lien on the home or tied to a particular PV equipment OEM supplier. As a loan, capital provided to consumers for the CT Solar Loan is returned to the Connecticut Green Bank – it is not a subsidy. In fact, approximately 80% of the loan value is sold to retail investors through a “crowd funding” platform or to institutional investors without recourse to the Connecticut Green Bank. The financial structure of the CT Solar Loan product includes origination,⁵³ servicing,⁵⁴ and financing features in combination with the support of the Connecticut Green Bank (see Figure 11).

⁵¹ Sungage Financial (<http://www.sungagefinancial.com/>) won a competitive RFP through the Connecticut Green Bank's Financial Innovation RFP to support a residential solar PV loan program

⁵² From repurposed American Recovery and Reinvestment Act funds

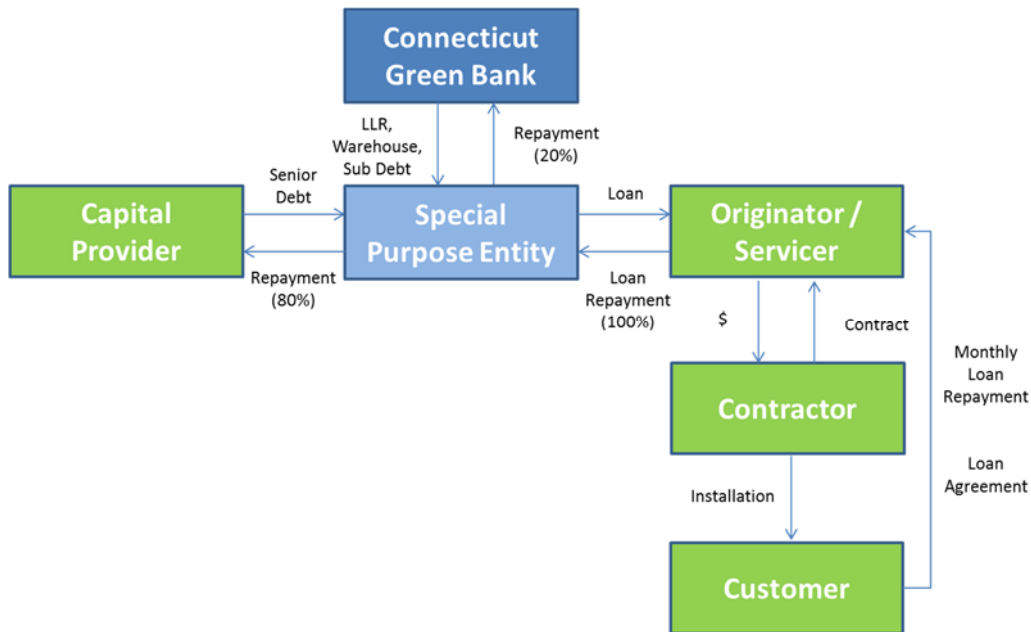
⁵³ Sungage Financial in partnership with local contractors

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Launched in March of 2013, the CT Solar Loan provided up to \$55,000 per loan, with 15-year maturity terms and affordable 6.49% interest rates (including 0.25% ACH payment benefit) to provide homeowners with the upfront capital they needed to finance residential solar PV projects.

Figure 11. Legal Structure and Flows of Capital for the CT Solar Loan



The CT Solar Loan provided financing for 279 projects totaling nearly \$6.0 million of investment and 2,186 kW of residential solar PV deployment (see Table 48). To date, there have been no defaults and only a few loans (<5) in late payment from time to time.

Table 48. CT Solar Loan Metrics

Year	# of Projects	Investment	Installed Capacity (kW)
2013	3	\$58,974	17.7
2014	140	\$2,774,655	1,092.6
2015	136	\$3,120,143	1,075.9
Total⁵⁵	279	\$5,953,772	2,186.2

⁵⁴ Concord Servicing Corporation

⁵⁵ Includes approved, closed and completed projects.

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The CT Solar Loan yields an appropriate rate of return to the capital providers commensurate with the risks they are taking, provided 19 contractors with an important sales tool, and gave nearly 300 customers the ability to own solar PV through low-interest and long-term financing along with access to the federal ITC and state incentives (i.e., the RSIP Expected Performance Based Buydown). Of the \$6.0 million invested by the Connecticut Green Bank into the CT Solar Loan, \$1.0 million has been sold to the crowd-funding platform Mosaic, and \$4.0 million is currently being offered for sale to institutional investors – leaving the Connecticut Green Bank with \$1.0 million of subordinated debt.

The CT Solar Loan was the Connecticut Green Bank’s first residential product graduation. It started off being the first crowd-funded residential solar PV transaction with Sungage Financial through Mosaic.⁵⁶ And then it graduated to a partnership between Sungage Financial and Digital Federal Credit Union – with no resources from the Connecticut Green Bank.⁵⁷ The loan offering from Sungage Financial now includes 5, 10, and 20 year maturity terms at affordable interest rates and is being offered in Massachusetts, New Jersey, and New York – along with 14 solar PV contractors in Connecticut.

Marketing Programs

To accelerate the deployment of residential solar PV through the RSIP and the uptake of the CT Solar Loan financing product, the Connecticut Green Bank implemented Solarize Connecticut. Solarize programs are designed to use a combination of group purchasing, time-limited offers, and grassroots outreach, while local clean energy advocates volunteer and coordinate with their towns to help speed the process (see Table 49).

Table 49. Number of Projects, Investment, and Installed Capacity through Solarize Connecticut for the CT Solar Loan Financing Product

	# of Projects	Investment	Installed Capacity (kW)
Solarize	167	\$3,267,815	1,269
Non-Solarize	109	\$2,642,269	898
Unknown	3	\$43,688	20
Total	279	\$5,953,772	2,186
% Solarize	60	55	58

The Solarize Connecticut program provided a significant marketing channel for the CT Solar Loan comprising nearly 60 percent of the total projects, investment, and installed capacity.

⁵⁶ <http://www.businesswire.com/news/home/20140206005031/en/Sungage-Financial-CEFIA-Mosaic-Announce-5-Million#.VgRTgVIXL4Y>

⁵⁷ <http://www.spark.ctgreenbank.com/ct-solar-loan-partner-graduates-from-connecticut-green-bank/>

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Data Accessibility

There were 462 applications into the CT Solar Loan – 279 closed, 96 withdrew, and 87 declined in underwriting. The household customers that accessed the CT Solar Loan since its launch in 2013 had varying credit scores – see Table 50.

Table 50. Credit Scores of Household Customers Using the CT Solar Loan

Fiscal Year Loans Closed or Approved	Credit Score Ranges				Grand Total
	Below 640	640- 679	680- 719	720+	
Solar Loan			37	242	279
			13.3%	86.7%	

To date, there have been 4 delinquencies and no defaults.

Of the CT Solar Loans approved and closed with household customers, the following table is a breakdown of the contractors offering the financing product – see Table 51.

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Table 51. Residential Solar PV Contractors and the CT Solar Loan

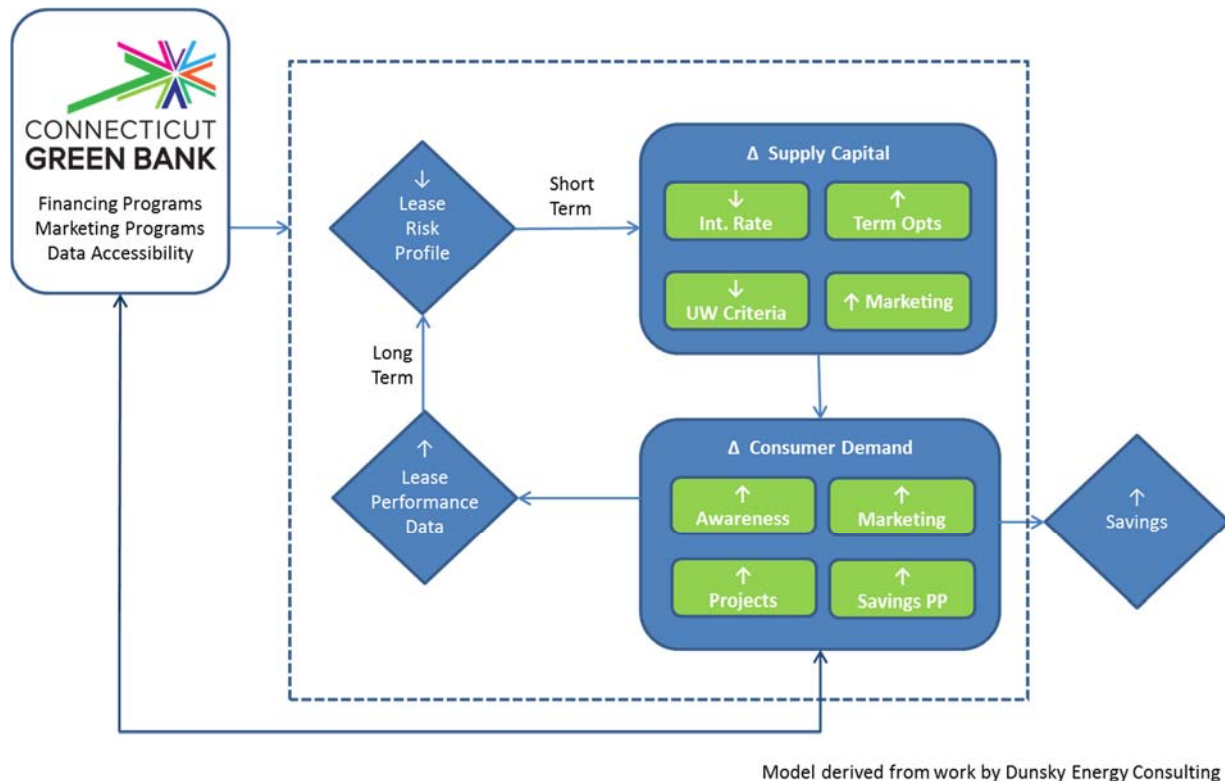
Contractor	# of Loans	\$ of Loans	% of Loans
31Solar	1	\$20,298	0.36%
Aegis Electrical Systems, LLC	24	\$539,766	8.60%
AllGreenIT, Inc.	7	\$112,604	2.51%
BeFree Green Energy, LLC	2	\$46,606	0.72%
Catchin Rays	7	\$175,248	2.51%
Centurion Solar	4	\$107,025	1.43%
C-TEC Solar LLC	45	\$926,307	16.13%
DCS	1	\$16,440	0.36%
Direct Energy Solar	28	\$572,721	10.04%
Earthlight Technologies	8	\$191,189	2.87%
EcoSmart Home Services	2	\$55,366	0.72%
Encon, Inc.	13	\$217,599	4.66%
Northeast Smart Energy LLC	1	\$19,960	0.36%
PurePoint Energy, LLC	6	\$174,016	2.15%
RGS Energy	18	\$360,238	6.45%
Ross Solar Group	72	\$1,571,531	25.81%
Shippee Solar and Construction LLC	3	\$61,543	1.08%
Sunlight Solar Energy, Inc.	36	\$764,760	12.90%
US Energy Concierge	1	\$20,556	0.36%
Total	279	\$5,953,772	100.00%

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As the Connecticut Green Bank’s residential and commercial solar PV lease program, we are applying the Program Logic Model that focuses on financing and credit enhancements (see Figure 12).

Figure 12. Program Logic Model for the CT Solar Lease



Financing Programs

The CT Solar Lease was a financing product developed in partnership with a tax equity investor (i.e., US Bank) and a syndicate of local lenders (i.e. First Niagara Bank and Webster Bank) that uses a credit enhancement (i.e., \$3,500,000 loan loss reserve),⁵⁸ in combination with \$2.3 million in subordinated debt and \$7.2 million in equity from the Connecticut Green Bank as the “member manager” to provide up to \$60 million in lease financing for residential and commercial solar PV projects. Through the product, the Connecticut Green Bank lowers the barriers to Connecticut residential and commercial customers seeking to install solar PV with no up-front investment thus increasing demand, while at the same time reducing the market’s reliance on subsidies through the RSIP or being more competitive in a reverse auction through the Zero Emission Renewable Energy Credit (ZREC) program. As a lease, capital provided to consumers through the CT Solar Lease is returned to the Connecticut Green Bank, the tax equity investor and the lenders – it is not a subsidy. The financial structure of the CT Solar Lease product includes origination by contractors, servicing of lease payments,⁵⁹ insurance and “one

⁵⁸ From repurposed American Recovery and Reinvestment Act funds

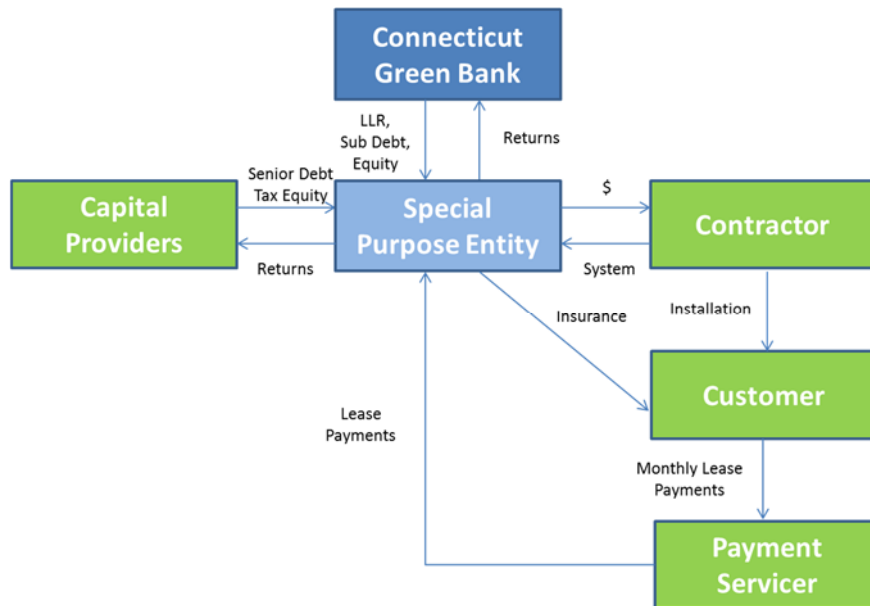
⁵⁹ AFC First Financial

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call” system performance and insurance resolution,⁶⁰ and financing features in combination with the support of the Connecticut Green Bank (see Figure 13).

Figure 13. Legal Structure and Flows of Capital for the CT Solar Lease⁶¹



Through 6/30/2015, the CT Solar Lease provided financing for 1,349 residential solar PV and 22 commercial solar PV projects totaling \$58 million of investment and 13,829.3 kW of clean energy deployment (see Tables 52 and 53). To date, there have been no defaults or leases in late payment.

Table 52. CT Solar Lease Metrics – Residential

Year	# of Projects	Investment	Installed Capacity (kW)
2013	-	-	-
2014	111	\$4,245,033	850.2
2015	1,238	\$44,586,097	9,824.7
Total⁶²	1,349	\$48,831,130	10,674.9

⁶⁰ Assurant

⁶¹ It should be noted that the Special Purpose Entity structure includes several entities – CT Solar Lease II, LLC and CEFAIA Holdings, LLC that provide different functions.

⁶² Includes approved, closed and completed projects.

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Table 53. CT Solar Lease Metrics – Commercial

Year	# of Projects	Investment	Installed Capacity (kW)
2013	-	-	-
2014	-	-	-
2015	22	\$9,245,538	3,154.3
Total	22	\$9,245,538	3,154.3

The CT Solar Lease yields an appropriate rate of return to the capital providers commensurate with the risks they are taking, provided 28 contractors with an important sales tool, and gave 1,371 customers the ability to lease solar PV and lower their energy costs.

The CT Solar Lease was the Connecticut Green Bank’s second residential product graduation. Of the \$60 million available, nearly \$50 million was used to deploy solar PV systems in the residential sector. The CT Solar Lease graduated to a partnership with Sunnova – with no financial resources from the Connecticut Green Bank.⁶³ The lease offering from Sunnova now expanded from a 20-year term to a 25-year term and doesn’t include a tax equity investor – intended to position the product for post 2016 when the federal investment tax credit of 30% is reduced. Currently 9 of the contractors using the CT Solar Lease – representing over 80% of the volume – have signed up to use the Sunnova product.

With respect to the CT Solar Lease and the commercial market, of the \$60 million available, over \$10 million is being used to deploy solar PV systems in the commercial sector (see Table 54).

Table 54. CT Solar Lease Commercial Contractors

Contractor	# of Leases	\$ of Leases	% of Leases
American Solar	2	\$ 772,550	9.09%
C-TEC Solar LLC	1	\$ 383,259	4.55%
Deutsche Eco USA Corp.	1	\$ 2,111,575	4.55%
ECNY	1	\$ 174,700	4.55%
Encon, Inc.	10	\$ 2,665,053	45.45%
Northeast Energy Design Solutions	1	\$ 802,125	4.55%
Northeast Smart Energy LLC	2	\$ 371,867	9.09%
Ross Solar Group	2	\$ 1,177,105	9.09%
Sky View Ventures	1	\$ 522,303	4.55%
Sound Solar Systems, LLC	1	\$ 265,000	4.55%
Total	22	\$ 9,245,538	100.00%

⁶³ The Connecticut Green Bank issued an open RFP to identify a private capital provider to transition the contractors using the CT Solar Lease to a private offering. Sunnova was selected as a lease capital provider through this RFP.

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Given the growth in the market from consumers and the level of interest in providing financing from local capital providers, the CT Solar Lease is under consideration for expansion as it applies to commercial customers.

Marketing Programs

To accelerate the deployment of residential solar PV through the RSIP and the uptake of the CT Solar Lease financing product, the Connecticut Green Bank implemented Solarize Connecticut. Solarize programs are designed to use a combination of group purchasing, time-limited offers, and grassroots outreach, while local clean energy advocates volunteer and coordinate with their towns to help speed the process (see Table 55).

Table 55. Number of Projects, Investment, and Installed Capacity through Solarize Connecticut for the CT Solar Lease Financing Product

	# of Projects	Investment	Installed Capacity (kW)
Solarize	350	\$12,734,987	2,772
Non-Solarize	830	\$30,369,578	6,631
Unknown	169	\$5,726,565	1,273
Total	1,349	\$48,831,130	10,675
% Solarize	26	26	26

The Solarize Connecticut program provided a marketing channel for the CT Solar Lease comprising over 25 percent of the total projects, investment, and installed capacity.

Data Accessibility

1,349 household customers accessed the CT Solar Lease since its launch in 2013 – see Table 56.

Table 56. Credit Scores of Household Customers Using the CT Solar Lease

Fiscal Year Loans Closed or Approved	Credit Score Ranges				Grand Total
	Below 640	640- 679	680- 719	720+	
Solar Lease	4	60	135	1,149	1,349
	0.3%	4.5%	10.0%	85.2%	

There were 2,454 applications received through the CT Solar Lease – 1,349 were approved, closed, or completed, 555 withdrawn, and 550 declined. Of the CT Solar Leases approved and closed with household customers, the following table is a breakdown of the contractors offering the financing product – see Table 57.

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4. MARKET TRANSFORMATION FINANCIAL WAREHOUSE AND CREDIT ENHANCEMENT STRUCTURES CASE OF THE CT SOLAR LEASE

Table 57. Residential Solar PV Contractors and the CT Solar Lease

Contractor	# of Leases	\$ of Leases	% of Leases
Aegis Electrical Systems, LLC	54	\$1,984,302	4.00%
AllGreenIT, Inc.	9	\$334,805	0.67%
Astrum Solar	66	\$2,579,663	4.89%
BeFree Green Energy, LLC	97	\$3,936,760	7.19%
Boston Solar	8	\$286,335	0.59%
Connecticut Solar Power, LLC	3	\$110,408	0.22%
C-TEC Solar LLC	87	\$3,195,585	6.45%
Direct Energy Solar	107	\$3,933,945	7.93%
Earthlight Technologies	19	\$706,471	1.41%
EcoSmart Home Services	6	\$218,903	0.44%
Encon, Inc.	163	\$5,575,828	12.08%
Litchfield Hills Solar, LLC	18	\$701,570	1.33%
No Contractor Selected	60	\$2,084,693	4.45%
PurePoint Energy, LLC	10	\$360,985	0.74%
Real Goods Solar, Inc	8	\$263,660	0.59%
Renewable Resources, Inc.	4	\$136,773	0.30%
RGS Energy	122	\$4,313,828	9.04%
Ross Solar Group	82	\$3,276,107	6.08%
Sunlight Solar Energy, Inc.	36	\$1,252,545	2.67%
Trinity Solar	388	\$13,511,008	28.76%
Tuscany Solar	2	\$66,960	0.15%
Total	1,349	\$48,831,130	100.00%

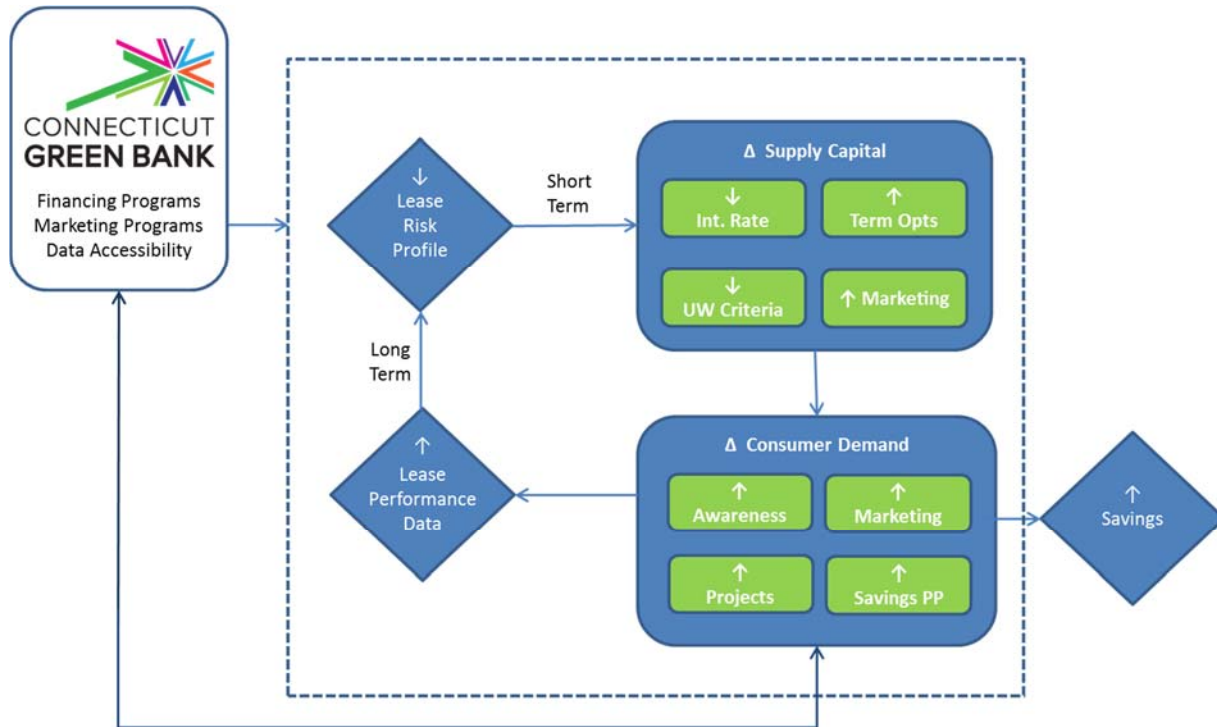
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FINANCIAL WAREHOUSE AND CREDIT ENHANCEMENT STRUCTURES CASE OF THE COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY (C-PACE)

As the Connecticut Green Bank's commercial and industrial financing program, we are applying the Program Logic Model that focuses on financing and credit enhancements (see Figure 14).

Figure 14. Program Logic Model for the C-PACE Program



Model derived from work by Dunsky Energy Consulting

Financing Program

Commercial Property Assessed Clean Energy (C-PACE) is a structure through which commercial property owners can finance energy efficiency and renewable energy improvements through financing secured by a voluntary benefit assessment on their property and repaid via the property tax bill. A tax lien, or benefit assessment, is placed on the improved property as security for the loan, and the Connecticut Green Bank requires lender consent from existing mortgage holders prior to approving a C-PACE project. It should be noted, that to date 30 unique banks and seven specialized lending institutions have provided lender consent over 50 projects – demonstrating that existing mortgage holders see C-PACE as adding value to the property and net income to the business occupying the building as a result of lower energy prices.

The Connecticut Green Bank maintains a \$40 million warehouse of capital from which it finances C-PACE transactions and sells to capital markets upon completion (see Figure 15). Through the warehouse, funds are advanced to either the customer or contractor during construction based on the project meeting certain deliverables. Once the project is completed, the construction advances convert to long term financing whereby the property owner pays a benefit assessment over time to the municipality at the same time other property taxes are paid on the property. The Connecticut Green Bank aggregates the benefit assessment liens which are

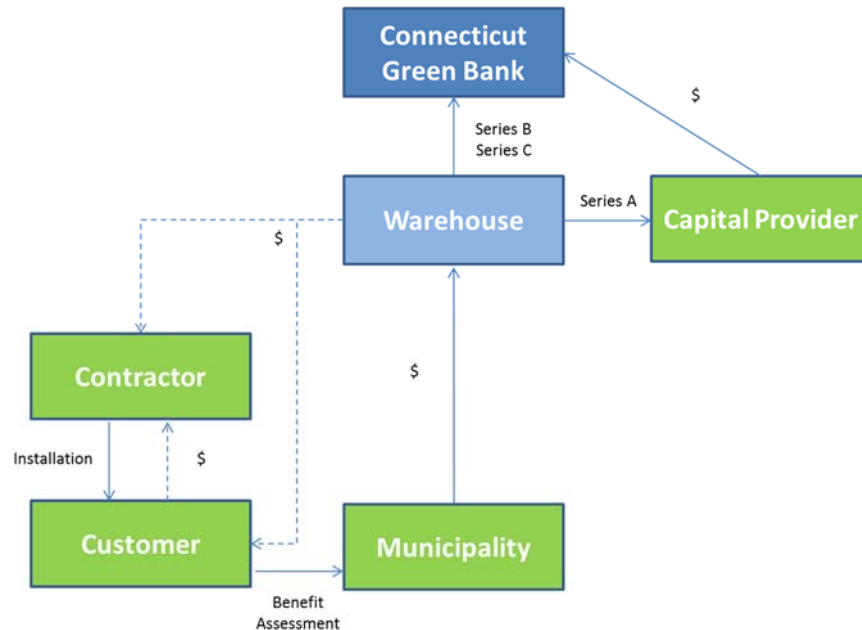
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FINANCIAL WAREHOUSE AND CREDIT ENHANCEMENT STRUCTURES CASE OF THE COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY (C-PACE)

then sold to interested capital providers. As the benefit assessment payments are made by the property owners, they are then remitted from the various municipalities to the Connecticut Green Bank or its designated servicer to repay the capital providers for the energy improvements financed through C-PACE.

Figure 15. Legal Structure and Flows of Capital for C-PACE



Prior to the establishment of C-PACE in a given municipality, its legislative body must pass a resolution enabling the municipality to enter into agreement with the Connecticut Green Bank to assess, collect, remit, and assign benefit assessments against C-PACE borrowers' liabilities. As of June 30, 2015, there are 106 cities and towns signed up for C-PACE representing about 90% of commercial and industrial building space in Connecticut. Over 200 contractors have been trained to participate in the C-PACE program. Additionally as of June 30, 2015, over \$57 million in C-PACE assessment advances have been approved of which \$44 million has closed.

A portfolio of \$14 million comprised of 30 energy efficiency and renewable energy projects across 22 municipalities was sold in two tranches to Clean Fund. Using an auction process, bids for the portfolio were competitively solicited across all of the Connecticut Green Bank's capital providers. Bidders were encouraged to offer various structures and pricing, with or without credit enhancement, and to bid for one or more projects. The selected structure has the Public Finance Authority (WI) use proceeds from Clean Fund (in return for a single class of Senior "A" bonds) to fund 80 percent of the portfolio purchase price. To credit enhance the transaction, the Connecticut Green Bank has taken back, in equal measure, Subordinated "B" and "C" bonds. The structure is, in effect, a "private securitization" of the underlying portfolio.

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4. MARKET TRANSFORMATION FINANCIAL WAREHOUSE AND CREDIT ENHANCEMENT STRUCTURES CASE OF THE COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY (C-PACE)

Data Accessibility

88 customers accessed the C-PACE since its launch in 2013 – see Table 58.

Table 58. Types of End-Use Customers Participating in C-PACE

End-Use	# of Properties (#)	Annual Savings (MMBtu)	Square Footage (ft ²)	C-PACE Investment (\$)
Manufacturing/Industrial Plant	14	359,091	946,183	\$11,326,346
Multifamily Housing	4	206,676	174,336	\$2,328,722
Non-Refrigerated Warehouse	7	71,602	277,150	\$3,075,184
Office (>5,000 SF)	26	940,512	2,965,064	\$25,713,293
Other	8	91,526	226,510	\$1,771,297
Retail Store	24	315,905	681,182	\$12,380,836
Worship Facility	5	11,657	66,777	\$326,761
Total	88	1,996,969	5,337,202	\$56,922,439

To date, there have been 2 delinquencies and no defaults.

Of the 88 C-PACE projects, the following is a breakdown of projects by municipality – see Table 59.

Table 59. Cities and Towns Supporting C-PACE Projects

Municipality	# of Properties (#)	Annual Savings (MMBtu)	Square Footage (ft ²)	C-PACE Investment (\$)
Ansonia	2	10,294	47,503	\$233,125
Avon	2	43,969	89,764	\$1,049,147
Bridgeport	12	328,123	664,343	\$6,268,595
Bristol	4	57,390	90,951	\$2,382,427
Brookfield	1	5,233	36,772	\$1,101,405
Canton	1	3,510	15,000	\$148,500
Centerbrook	1	28,598	19,674	\$126,645
Cromwell	1	75,801	109,032	\$1,984,880
Danbury	1	16,942	19,640	\$88,757
Deep River	1	1,705	5,804	\$20,225
East Haddam	2	16,756	41,450	\$715,651
East Windsor	2	36,773	90,000	\$1,500,000
Ellington	1	14,882	25,760	\$495,768
Enfield	1	26,976	57,000	\$840,640
Fairfield	1	136	11,700	\$20,500
Glastonbury	2	6,958	49,000	\$630,563
Hamden	1	123,089	118,722	\$3,473,197
Hartford	7	55,232	253,000	\$1,986,959
Killingworth	1	5,132	20,000	\$259,000
Manchester	1	18,285	52,700	\$596,725

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FINANCIAL WAREHOUSE AND CREDIT ENHANCEMENT STRUCTURES CASE OF THE COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY (C-PACE)

Municipality	# of Properties (#)	Annual Savings (MMBtu)	Square Footage (ft²)	C-PACE Investment (\$)
Meriden	3	172,780	900,000	\$3,040,842
Middletown	2	104,166	146,368	\$4,013,915
Naugatuck	1	727	53,158	\$541,582
New Britain	2	100,491	715,012	\$5,817,472
New London	5	58,818	249,369	\$2,261,817
Newington	1	13,714	53,200	\$750,000
Niantic	1	2,499	16,225	\$59,740
North Stonington	1	10,703	30,000	\$343,897
Norwalk	1	13,164	10,000	\$559,952
Norwich	1	10,896	50,000	\$350,000
Plainville	3	68,005	200,000	\$1,892,050
Putnam	1	184,362	125,000	\$2,125,000
Shelton	1	11,427	37,600	\$266,474
Simsbury	1	16,853	42,456	\$674,566
Somers	1	22,204	48,360	\$957,000
Southington	2	13,023	24,325	\$445,691
Stamford	2	53,538	259,000	\$842,266
Stratford	2	16,969	48,000	\$541,010
Torrington	1	1,977	19,000	\$126,194
Trumbull	1	21,316	100,000	\$1,001,298
Waterbury	1	29,770	42,400	\$1,530,622
Watertown	2	24,647	34,756	\$786,661
West Haven	1	6,559	13,000	\$227,365
Westport	2	71,533	60,154	\$1,163,817
Willington	1	1,224	10,432	\$53,622
Windsor	2	77,696	197,572	\$2,171,102
Windsor Locks	1	12,125	34,000	\$455,775
Total	88	1,996,969	5,337,202	\$56,922,439

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4. MARKET TRANSFORMATION FINANCIAL WAREHOUSE AND CREDIT ENHANCEMENT STRUCTURES CASE OF THE COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY (C-PACE)

Of the C-PACE approved and closed projects, the following table is a breakdown of the contractors offering the financing product – see Table 60.

Table 60. C-PACE Contractors

Contractor	# of C-PACE Transactions	\$ of C-PACE Transactions	% of C-PACE Transactions
3x Solution, Inc.	1	\$1,101,405	1.14%
American Solar	2	\$798,422	2.27%
Antonio LLC	1	\$20,500	1.14%
BeFree Green Energy, LLC	1	\$230,651	1.14%
C&N Mechanical	1	\$30,002	1.14%
Catchin Rays	1	\$27,500	1.14%
Chabot Electric	1	\$231,916	1.14%
Conserv, Inc.	1	\$559,952	1.14%
Controlled Air	1	\$128,313	1.14%
Earthlight Technologies	3	\$1,003,746	3.41%
ECNY	1	\$227,365	1.14%
Efficient Lighting and Maintenance, Inc.	1	\$30,273	1.14%
Efficient Lighting Consultants	1	\$541,582	1.14%
Emcor Services	4	\$2,926,415	4.55%
Encon, Inc.	5	\$1,968,466	5.68%
Energy Solutions Inc.	1	\$51,116	1.14%
Entersolar	1	\$1,116,624	1.14%
Environmental Systems Corp	1	\$107,566	1.14%
ESI Power Corp	3	\$889,996	3.41%
GM Industries, Inc.	1	\$386,128	1.14%
Green Earth Energy	24	\$15,145,965	27.27%
Inovateus	1	\$2,753,272	1.14%
JD Solar Solutions, LLC	2	\$360,263	2.27%
Kurt Kuegler	1	\$120,098	1.14%
Lockheed Martin	2	\$2,728,042	2.27%
MSL Group	3	\$2,739,690	3.41%
No Contractor Selected	5	\$2,706,989	5.68%
NORESCO	2	\$2,145,598	2.27%
Nxegen	1	\$312,800	1.14%
Oatley Mechanical Services, Inc.	1	\$266,474	1.14%
PurePoint Energy, LLC	1	\$485,000	1.14%
Reliable Combustion Services LLC	1	\$384,016	1.14%
Resource Development Associates	1	\$3,064,200	1.14%
Ross Solar Group	2	\$835,426	2.27%
Sarracco Mechanical	1	\$208,605	1.14%
Smart Energy Services	1	\$418,539	1.14%
Sound Solar Systems, LLC	1	\$259,000	1.14%
Southport Engineering Associates	1	\$985,060	1.14%
Trane	5	\$8,625,464	5.68%
Total	88	\$56,922,439	100.00%