



# Connecticut Department of Energy and Environmental Protection



# Getting Deals Done: Lessons from Green Banks

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Connecticut Department of Energy and Environmental Protection

# Connecticut Green Bank: Mission and Goals



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

- **Attract and deploy private capital investment** to finance the **clean energy policy goals** for Connecticut
- **Leverage limited public funds to attract multiples of private capital investment** while **reinvesting public funds over time**
- Develop and implement strategies that **bring down the cost** of clean energy in order to make it more **accessible** and **affordable** to customers
- Support affordable and healthy homes and businesses in distressed communities **reduce energy burden** and **address health & safety**



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# Connecticut's Policy Framework

CT signs *NEG/ECP 2001 Climate Change Action Plan*

GSC finalizes *CT Climate Change Action Plan*

Executive Order 46 on Climate Change Creates the GC3



An Act Concerning Climate Change (Public Act 04-252) sets GHG goals that align with NEG/ECP regional goals

2013 Comprehensive Energy Strategy

ZEV MOU

2018 Comprehensive Energy Strategy

CT establishes energy efficiency programs

Regional Greenhouse Gas Initiative

CT Global Warming Solutions Act (Public Act 08-98) reaffirms commitment to GHG targets for 2020 and 2050

Integrated Resources Plan

CT's implementation of The RPS continues

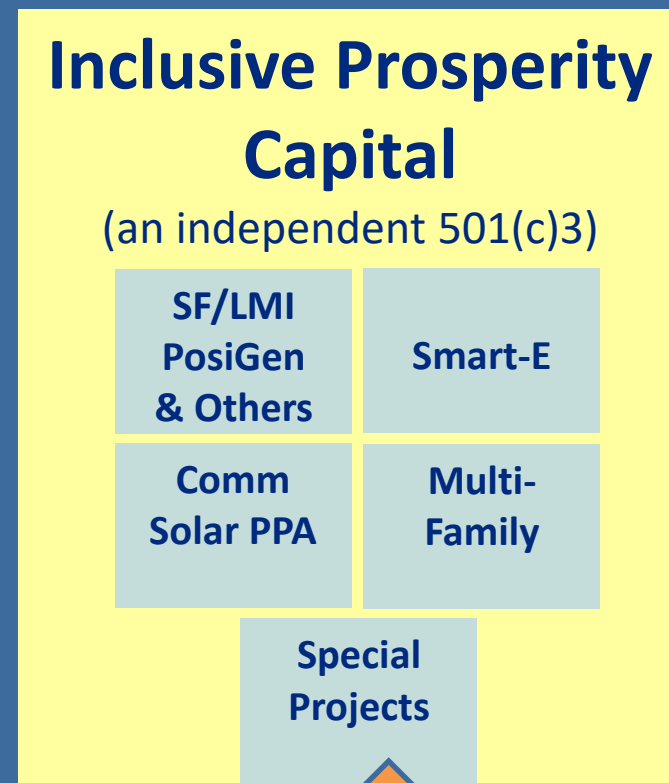
# Connecticut Green Bank

- **Quasi-public organization** – Created in July of 2011 as the successor to the Connecticut Clean Energy Fund
- **Focus** – Finance clean energy (i.e. renewable energy, energy efficiency, and alternative fuel vehicles and infrastructure).
- **Public Support** – Supported by a \$0.001/kWh surcharge on electric ratepayer bills (about \$7-\$10 per household per year) that provides approximately \$27 MM a year for investments, RGGI about \$3 MM a year for renewable energy, federal competitive solicitations (i.e. SunShot Initiative) and non-competitive resources (i.e. ARRA-SEP), private capital, and private foundations



# Connecticut Green Bank

## Business Units and Nonprofit "Spinoff"



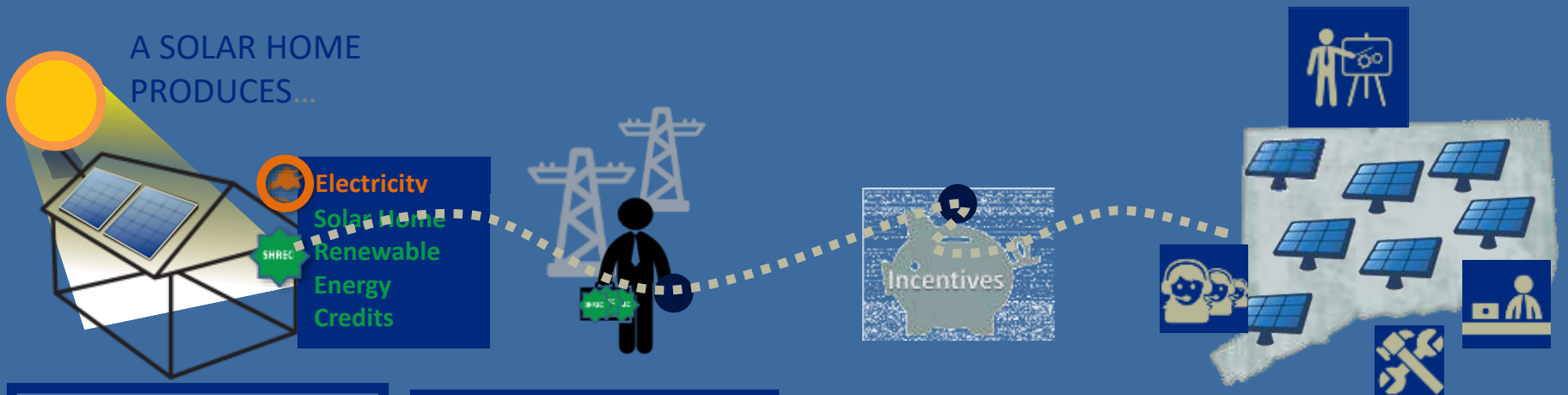
Cost Recovered

Self Sustaining  
(i.e., 5% @ 10 years)

Operating Leverage, Social Return,  
and Investment Return  
Opportunity



# CT's Residential Solar Incentive Program



When panels produce electricity, they will also produce Solar Home Renewable Energy Credits (SHRECs).

Utilities required to enter into **15-year contracts** with the Green Bank to **purchase the stream of SHRECs produced.**

The Green Bank would then use the revenues from the 15-year fixed price contracts to **support the RSIP incentives.**

A public policy with **300 MW, creates jobs, increases security and reduces air pollution.**



- Non-Profit Launch Date: August 2018
- Assets Under Management at Launch: \$20 million
- Assets Under Management Year 1 Total Target Raise: \$75+ million
- Key Contributors at Launch: Connecticut Green Bank, Kresge Foundation, Hewlett Foundation, Calvert Impact Capital
- Fund Leadership: Seven (7) program and investment professionals transferring from the Connecticut Green Bank at launch
- Unique Features: In addition to capital injection, Connecticut Green Bank to provide full operational support of \$10 million<sup>1</sup> over first six (6) years of operation (no “going concern” risk)





# Inclusive Prosperity Capital



- **Solar for All** – single family residential solar PV lease and EE ESA targeted at LMI HH in partnership with PosiGen
- **Green Bank Solar PPA** – small to medium commercial, MUSH, affordable housing, and nonprofits solar PPA in partnership with tax equity and debt providers
- **Affordable Multifamily Housing** – multifamily energy efficiency, renewable energy, and health and safety financing from predevelopment to term in partnership with MacArthur Foundation
- **Smart-E Loan** – residential energy efficiency, renewable energy, and health and safety partnering with local community banks and credit unions

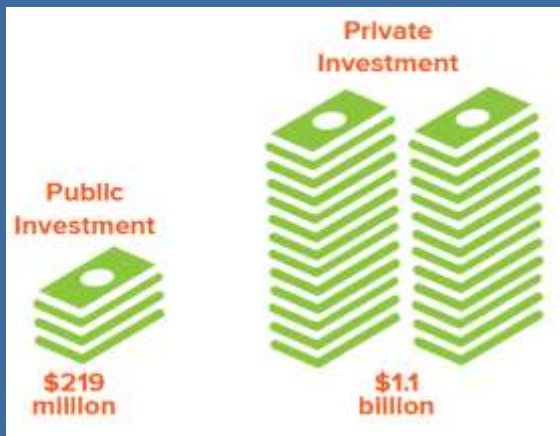


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# Green Bank Impact Report

## Investments (FY 2012-FY 2018)

### Investment



Mobilized **\$1.3 billion** of investment into the **state economy**

### Leverage Ratio



Achieved a **leverage ratio** of **6 to 1** of private investment to Green Bank investment

### Tax Revenues



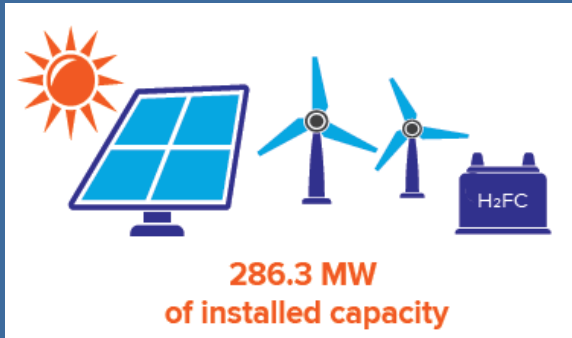
Generated nearly **\$60 million** in **state tax revenues**



# Green Bank Impact Report

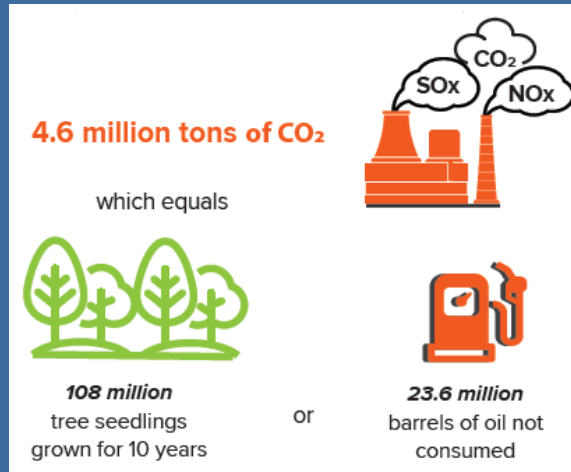
## Environmental Protection (FY 2012-FY 2018)

### Deployment



Accelerated the growth and installation of nearly **300 MW** of clean energy

### Emission Reductions



Helped reduce air emissions that cause climate change and worsening public health

### Public Health



Improved the lives of families helping them avoid sick days, and hospitalizations,





# Thank You!

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