



CLEAN ENERGY
FINANCE AND INVESTMENT AUTHORITY

**Statement of the Connecticut Clean Energy Finance and Investment Authority
Regarding Senate Bill 413
An Act Concerning Bonding Authority For The Connecticut Clean Energy
Authority**

The Clean Energy Finance and Investment Authority (CEFIA) strongly supports the intent and purpose of SB 413. This proposed bill will further the mission of CEFIA and allow it to play a key role in Connecticut's clean energy future. CEFIA has been working hard to develop relationships with key stakeholders, including the Treasurer's office staff that sit on our Board of Directors, in an effort to adequately structure and establish well designed and effective clean energy programs, including financing opportunities. These programs will be geared toward individuals as well as commercial and industrial institutions in Connecticut seeking to deploy clean energy sources. The proposed bonding provisions contained herein will strengthen CEFIA's ability to attract private capital, and thus provide additional benefits to the state of Connecticut and its citizens.

Sections 1 and 2 of the proposed bill clarify and establish bonding procedures for CEFIA, including issuance of "clean energy bonds". This language provides CEFIA the ability to issue bonds, notes or other obligations like some other state quasi-public agencies.

The proposed language in Sections 3 and 8 would allow CEFIA to issue bonds backed by the state's Special Capital Reserve Fund (SCRF) commitment, again like other state quasi-public agencies. The SCRF commitment allows CEFIA to issue bonds secured by a reserve fund that the State commits to restore if drawn upon to pay principal and interest on the bonds if not paid by CEFIA. As the Committee is well aware, the SCRF requires State Treasurer's approval based on documentation provided by CEFIA that it has sufficient revenues to pay the debt service on the bonds issued, to maintain a debt service reserve, and to pay maintenance and operating costs of the project financed with the bond proceeds. The SCRF would allow CEFIA to issue bonds for self-supporting projects and programs at a lower cost of capital, which would empower CEFIA to meet its core mission of attracting private capital to advance clean energy in Connecticut. The SCRF bonding authority would also be subject to approval by the Secretary of the Office of Policy and Management and would be capped at \$100 million.

These provisions will significantly enhance CEFIA's ability to attract private capital and thus provide additional opportunities to finance clean energy deployment.

Section 4 of the proposed bill allows CEFIA to qualify for an allocation of private activity volume cap to issue tax-exempt bonds that would otherwise need to be issued on a taxable basis.

CEFIA is poised to fulfill its role in advancing the clean energy agenda in Connecticut and believes that the provisions in SB 413 will enable the authority to more effectively support the legislature's and Governor's clean energy vision.

We thank you again for the opportunity to provide these comments.

Please do not hesitate to contact us if you have any questions, comments, or other considerations.