



**Statement of the Connecticut Green Bank supporting House Bill 6991  
AN ACT CONCERNING THE COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY  
PROGRAM**

**Energy & Technology Committee public hearing  
March 17, 2015**

The Connecticut Green Bank (Green Bank)<sup>1</sup> supports HB-6991 as a technical fix to the authorizing statute of the Commercial Property Assessed Clean Energy (C-PACE) program. The amendment clarifies the process by which private capital providers would directly finance C-PACE transactions. C-PACE would continue to be administered by the Green Bank in accordance with statutory requirements and the Green Bank's published guidelines. The Green Bank may also continue to finance C-PACE transactions from a warehouse funding facility. However, ensuring that private capital providers have a clear path into this market is key to growing the success of the C-PACE program and was always intended to be a key part of a successful C-PACE program. This technical amendment clarifies any ambiguity in the originally drafted authorizing statute.

This clarification illustrates the success of the Green Bank model. Our agency helps private stakeholders enter the clean energy space and facilitates participation until government support is no longer needed. Over time, both public and private participants can be leveraged to accomplish public policy aims.

**BACKGROUND ON C-PACE**

The Green Bank's C-PACE program provides Connecticut's commercial property owners the ability to finance energy efficiency and renewable energy improvements with no money down, allowing them to realize immediate cash flow from energy savings and increased asset value. Using money saved on energy bills, building owners repay C-PACE financing through a benefit assessment paid through their property tax bill, up to 20 years, making it easier to finance multiple improvements for deeper energy savings. Estimated energy reductions for C-PACE projects are validated to ensure savings exceed assessment charges over the term of the benefit assessment. C-PACE promotes economic development, energy cost savings and competitive advantages for Connecticut businesses, nonprofit organizations and municipalities.

Key C-PACE achievements:

- The number of buildings receiving new financing from the program tripled from roughly 20 in 2013 to over 60 in 2014.

---

<sup>1</sup> Formerly known as the Clean Energy Finance and Investment Authority.

- Properties with completed or in progress energy improvements together occupy more than 5 million sq. ft.
- More than 10 megawatts of solar PV have been or are in the process of being installed.
- Most C-PACE-financed energy-efficiency projects are reducing energy bills by 20 to 40 percent. Solar improvements are overwhelmingly delivering more than 50 percent energy cost savings on average.
- More than 105 Connecticut cities and towns have signed up to participate in C-PACE, and nearly 90 percent of the state’s commercial and industrial properties can access C-PACE financing.
- Over 100 contractors have been trained to implement C-PACE-financed improvements.

Two other noteworthy accomplishments showcase national recognition:

- In the first commercial securitization of C-PACE loans in the United States, the Connecticut Green Bank secured private funding from Clean Fund, which is purchasing \$30 million of C-PACE-backed bonds.
- The Clean Energy States Alliance (CESA), a national nonprofit coalition of public agencies and organizations working to advance clean energy, last year honored C-PACE with a SLICE (State Leadership in Clean Energy) award for a state program that is more effectively accelerating adoption of clean-energy technologies.

**THE GREEN BANK**

As the nation’s first green bank, the Green Bank leverages the limited electric ratepayer resources it receives to attract multiples of private investment to scale up clean energy deployment in Connecticut. As a result of efforts since inception of the Green Bank, we are deploying more clean energy in our state than ever before – 108.3 MW in approved, closed or completed renewable and energy efficiency projects for a total investment of over \$600 million (see Table 1). In fact, the Green Bank is deploying twice as much clean energy in the last three years through financing as its predecessor the Connecticut Clean Energy Fund deployed in the previous eleven years through grants and subsidies.

**Table 1. Green Bank model deploying more clean energy faster and more responsibly**

	<b>FY 2000-FY 2011</b> (CCEF)	<b>FY 2012-FY 2015(Q2)</b> (CT Green Bank)
Model	Subsidy	Financing
Years	11.0	3.5
Energy (MW)	43.1	108.3
Total Investment (\$ MM)	\$349.2	\$608.3

Connecticut’s residents, businesses and institutions now have easier access to affordable capital to finance clean energy projects. The Green Bank scales up clean energy and plays an essential role in reducing the costs of clean energy investment, increases private capital investment, and lowers costs to consumers. The Green Bank looks forward to supporting the legislature’s and Governor’s vision of cleaner, cheaper and more reliable energy sources for Connecticut – while creating jobs and supporting local economic development.