SPARKED BY
CONNECTICUT GREEN BANK

C-PACE PROGRAM GUIDELINES

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Table of Contents

Article I. INTRODUCTION

Capitalized terms used below which are not otherwise defined shall have the meaning ascribed to them in Article VI hereof.

In 2012, the Connecticut legislature passed the C-PACE Legislation (defined below), which authorized the commercial sustainable energy program more commonly known as the Commercial & Industrial Property Assessed Clean Energy Program ("C-PACE"). C-PACE is a financing program that allows Connecticut building owners to access cleaner, cheaper, and more reliable energy. The C-PACE Legislation authorized Connecticut Green Bank, a Connecticut quasi-public agency ("Green Bank"), to administer C-PACE and establish program guidelines for the implementation of the program.

C-PACE allows qualifying commercial real property owners to access financing to undertake qualifying energy efficiency and clean energy improvements on their buildings and repay the investment through an additional charge/assessment similar to their real property tax, sewer, or water bill. Similar to a sewer assessment, projects financed through C-PACE are secured by a benefit assessment lien on the improved real property, which lien is repaid over time. Like other benefit assessments, C-PACE is a non-accelerating, senior lien secured by the property. The repayment obligation transfers automatically to the next owner if the property is sold and in the event of default, only the payments in arrears come due. This arrangement spreads the cost of clean energy improvements – such as energy efficient boilers, upgraded insulation, new windows, or solar PV installations –over the expected life of the measure. Because the payment is secured by a senior lien , C-PACE projects are seen as less risky than typical loans, and low interest capital can be raised from the private sector with little or no government financing required.

Benefit assessments are a familiar tool which municipalities levy on real estate parcels to finance projects including street paving, water and sewer systems, and street lighting. C-PACE builds on a long history of using such benefit assessments and serves a public purpose through reducing energy costs, stimulating the economy, improving property valuation, reducing greenhouse gas emissions and creating jobs. C-PACE is a proven and effective tool to attract private capital into the clean energy and energy efficiency market. The Connecticut Green Bank, as program administrator, bills and collects the scheduled payments for all benefit assessment liens in the manner of property taxes in the Participating Municipality.

This document sets forth the program guidelines established by Green Bank for the implementation of C-PACE (as may be updated, supplement, amended or otherwise modified by Green Bank, the "Program Guidelines"), which Program Guidelines govern all C-PACE participants.

All Appendixes attached hereto are supplemental program documents used by Green Bank in implementation of the Program Guidelines and may be modified or amended by Green Bank, in its sole discretion, from time to time. Current versions of all Appendixes may be found at www.cpace.com/guidelines.

Article II. OUTLINE OF C-PACE BENEFITS

PACE offers multiple benefits to a broad range of stakeholders, including but not limited to: building owners, municipalities, mortgage holders, lenders and energy efficiency/renewable energy contractors.

Section 1. For Building Owners: C-PACE helps minimize the up-front investment, installation, and performance risk of energy upgrades, while helping owners lower their operating costs, improve the value and market competitiveness of their asset, and comply with energy mandates. C-PACE does this in several ways:

- *Many owners lack capital to implement energy improvements.* C-PACE provides up to 100% up-front, long-term financing to property owners for qualified energy upgrades. Audits, construction costs, commissioning and post-construction performance measurement and verification (M&V) can be wrapped into C-PACE financing.
- *Owners often want to sell the building before an energy upgrade loan is repaid*. The C-PACE assessment obligation is attached to the property and can transfer to the new owner. Payments do not accelerate in case of default.
- *Many owners feel energy improvements do not yield an adequate return on investment.* The C-PACE program requires that the estimated energy savings from a project exceed the up-front investment and financing costs, leading the expected cash flow to be positive over the useful life of the equipment. Moreover, C-PACE requires an independent third-party technical review of the project energy savings estimates, thereby ensuring confidence in the projected energy savings. Deeper energy upgrades and savings are possible because assessments match the useful life of equipment, which for certain improvements can extend up to 25 years.
- *Other owners are uncertain that energy savings will perform as advertised.* C-PACE helps building owners understand their future energy savings by requiring that an energy audit and/or feasibility study be conducted to estimate energy savings and commissioning to ensure that equipment is installed correctly. Buildings owners are encouraged to develop an equate measurement & verification plan to track energy consumption or production over time.
- *Owners need tenants to share in the costs of energy upgrades*. As a benefit assessment, C-PACE payments – as well as energy savings – may, if permitted by the lease agreement, be passed along to tenants.

Section 2. For Energy Auditors and Contractors: The biggest barrier to converting leads to deals for energy upgrades is the lack of access to acceptable finance terms from traditional lenders. C-PACE solves this. By allowing a property owner to access up to100% up-front financing for up to 25 years, deeper energy efficiency and clean energy improvements are now affordable. The Green Bank also provides energy auditors and contractors access to training, support services, market research, and marketing materials.

Section 3. For Municipalities: C-PACE is an economic development tool for municipalities. Energy upgrades create a more competitive environment for retaining and attracting new businesses by lowering energy costs. Energy upgrades also create jobs and reduce greenhouse gases and other pollutants. Green Bank facilitates municipal outreach and coordination with municipalities, and their legislative bodies, interested in entering into the Participation Agreement (as defined below).

Section 4. For Third-Party Capital Providers: C-PACE has created a very secure, clean energy financing product for Third-Party Capital Providers (TPCP). The security comes from its position similar to a tax lien on a property. The lien, like other public benefit assessments, sits in a senior position to other encumbrances on the property, including mortgage debt and liens other than municipal real property tax liens. Repayment is managed by the Green Bank in its role as program administrator.

Finally, the C-PACE Legislation requires C-PACE approved projects to have a "Savings to Investment Ratio" (SIR) greater than one, meaning that projected lifetime savings from the measures must exceed the total investment, inclusive of financing costs, over the lifetime of the measures. Connecticut streamlined the C-PACE program by establishing a single statewide C-PACE program administered by the Green Bank. Connecticut's C- PACE program maintains an open market approach, encouraging private capital to be the primary financier of these assessments and supporting building owners who wish to source their own C-PACE lender (see Article V below). Additionally, the Green Bank currently has dedicated capital to invest in C-PACE projects. At certain intervals through the year, the Green Bank may periodically "sell-down" its portfolio of C-PACE transactions to TPCP(s) (as defined herein) who desire to be the secondary financiers of these assessments. The sell-down process replenishes the Green Bank's capital, enabling a sustainable source of funding for C-PACE projects.

Section 5. For Mortgage Holders: The structure of C-PACE allows participating building owners to pay for improvements to their property out of the savings the project creates. Connecticut statutes require C-PACE approved projects to have an SIR greater than 1, meaning that projected lifetime savings from the energy measures must exceed the total investment, inclusive of financing costs, over the lifetime of the measures. The Green Bank has instituted technical underwriting standards for C-PACE that provides a robust framework for measuring the estimated SIR (Appendix D), which all C-PACE Projects must meet. Under the C-PACE financing structure, the building should experience increased net operating income, often an immediate return on investment, and therefore becomes more attractive to current and potential tenants and future buyers. Additionally, C-PACE Assessments do not accelerate. In the event of a foreclosure of the property for any reason, only the amount of the C-PACE assessment currently due and/or in arrears, a relatively small proportion of the entire C-PACE assessment, would come due. In the event of a property sale, C-PACE assessments can automatically transfer to the new property owner unless the buyer or seller decides to prepay the assessment. Finally, the C-PACE Legislation requires that property owners receive the written consent of their existing mortgage holder before being eligible for C-PACE financing (Appendix C). Mortgage lenders will be at the table helping to determine whether a property can undertake this voluntary assessment.

Article III. C-PACE STATUTORY AND PROGRAMMATIC REQUIREMENTS

This section outlines certain requirements set forth in the C-PACE Legislation as well as additional programmatic requirements established by the Green Bank.

Section 1. Mortgage Lender Consent

A. Pursuant to the C-PACE Legislation, Benefited Property Owners must:
   i. Provide written notice to any existing mortgage holder of the Qualifying Property (as defined below), at least thirty days before the recording of a benefit assessment lien on such property, of the property owner's intent to finance a project through C-PACE, and
   ii. Obtain the written consent to the C-PACE financing from any existing mortgage holder of the Qualifying Property.

B. Green Bank's model mortgage holder notice and consent is attached as Appendix C. C-PACE participants may elect to use a different agreement to evidencing mortgage holder notice and consent, however any other such agreement will be subject to review and approval by Green Bank in its sole discretion.

C. In accordance with the U.S. Department of Housing and Urban Development ("HUD") Notice H2017-01 dated January 11, 2017, as may be modified, amended or superseded, in the event that the mortgage holder is HUD, the mortgage holder notice and consent as well as the Financing Agreement associated with such consent shall provide, in the event of a default on the associated Benefit Assessment Lien payment, for notice and a reasonable opportunity for the mortgage holder to cure any such non-payment.

Section 2. Real Property Eligibility

To be considered a "Qualifying Property" eligible for C-PACE Financing, a Qualifying Commercial Real Property (as defined below) must meet the following requirements:

A. Must be located within a Participating Municipality (as defined below), or multiple abutting Participating Municipalities.

B. Must be owned by a Benefited Property Owner (as defined below), who is not a state, municipality, or any political subdivision thereof.

C. Must not be a Residential Dwelling (as defined bellow) of four units or less. Multifamily properties of five units or more are eligible. Mixed-use, not-for-profit and agricultural properties may also be eligible. If the eligibility of a certain property is not clear, Green Bank may determine property eligibility in its reasonable discretion based on site specific considerations including, but not limited to, zoning designation and current/past/future land use. Multiple abutting parcels may be included in the legal description of one Benefit Assessment Lien (as defined below) if (1) each parcel, by itself, is a Qualifying Property (2) each parcel is owned by the same Benefited Property Owner, and (3) each parcel benefits from the same Qualifying Project.

D. Must not be subject to any mortgage, deed of trust or other equivalent consensual security interest securing a loan primarily for personal, family or household use in a Residential Dwelling of four units or less or on land on which a person intends to construct a Residential Dwelling of four units or less.

Section 3. Project Eligibility

To be considered a "Qualifying Project" eligible for C-PACE Financing, an energy improvement project must meet the following requirements:

A. Contain at least one Energy Improvement (as defined below).

B. All costs associated with the Energy Improvement and the financing thereof (e.g. closing/lender fees, consultant/development fees, soft costs, or other associated project costs, each being an "Associated Cost") may, subject to Green Bank approval, be included in the Financed Amount.

C. Obtain an energy audit or feasibility study for the proposed Energy Improvement(s).

D. The term of the Benefit Assessment associated with the Qualifying Project may not exceed the weighted average effective useful life ("EUL") of the Energy Improvement(s), except in the context of Restructuring, in which case the term of the Benefit Assessment may be extended beyond the weighted average EUL of the Energy Improvement(s). EUL is determined through the energy audit, based on industry best practice, and is subject to approval by (1) either the Technical Administrator or a Technical Reviewer, and (2) the Green Bank. Regardless of a Project's EUL, the term of the Benefit Assessment may not exceed 25 years unless approved by Green Bank, in its sole discretion.

E. Projected Total Cost Savings must exceed the Projected Financing Cost. In other words, the savings-to-investment ratio ("SIR") of the project must be greater than one. To demonstrate that the SIR requirement has been satisfied the project must be either (1) reviewed and approved by the Technical Administrator, (2) reviewed and approved by a Technical Reviewer, (3) be certified as Investor Confidence Project "Investor Ready Energy Efficiency"[2] Project, or (4), for certain projects which include third party-owned renewable energy system(s), reviewed and approved by Green Bank, or certified by a Qualified Capital Provider, as applicable and more particularly described in Appendix L. For the avoidance of doubt, the SIR calculation for the project must meet the requirements set forth in Article IV below.

F. All Projects require the written approval of the Green Bank, as the statewide administrator of the C-PACE Program.

G. All Benefited Property Owner(s) associated with the project must sign a Disclosure of Risk Form.

H. If the Energy Improvement(s) are wholly owned by any party or parties which is/are not the Benefited Property Owner(s), then such project must meet the requirements set forth in Appendix L.

Section 4. Restrictions on completed Qualifying Projects and consolidated Qualifying Projects

Qualifying Project improvements which have already been made to a Qualifying Property may be eligible for financing if such Qualifying Project was completed less than a calendar year prior to the complete submission of documents necessary for Green Bank approval (See Appendix F) of such Qualifying Project. Additionally, subsequent Energy Improvement(s) made to a Qualifying Property which has previously received C-PACE financing for a previous Qualifying Project, made within one calendar year from the close of C-PACE financing for the initial Qualifying Project, may be considered as one Qualifying Project for the purposes herein.

Section 5. Restrictions on Refinancing within the C-PACE Program

Qualifying Projects which closed on C-PACE financing may not be eligible for Refinancing through the C-PACE Program. For the avoidance of doubt, nothing in the Program Guidelines is intended to prohibit Restructuring, at any time during the term of the applicable Benefit Assessment, through the C-PACE Program.

Section 6. Billing and Collection

Benefit Assessment Liens are billed in the same manner as real property taxes. As such, any payment schedule associated with any Benefit Assessment Liens will follow the billing cycle and due dates for real property taxes in the applicable Participating Municipality. Billing and collection of recorded Benefit Assessment Liens are conducted in accordance with the applicable Participation Agreement, as may be amended. In the event that such Participation Agreement provides for Green Bank to conduct the billing and collection of Benefit Assessment Liens in such Participating Municipality then Green Bank will conduct such billing and collection in accordance with Appendix M.

Article IV. TECHNICAL STANDARDS OVERVIEW

The Green Bank requires a third-party review of the proposed project to demonstrate that the SIR requirement has been met. The following provides a summary of the technical review process. Please refer to the Technical Standards (Appendix D) for a full description of audit requirements, technical review methodology and standards, and eligible and ineligible measures. Technical review may be completed by the Green Bank's selected Technical Administrator or Technical Reviewer, in accordance with the Technical Standards. As an alternative to this process, the Green Bank will also accept Investor Confidence Project-certified Investor Ready Energy Efficiency Projects that demonstrate the SIR is greater than one. Additionally, Green Bank may, in its sole discretion, perform technical review for projects which include third party-owned renewable energy system(s), as more particularly described in Appendix L.

Section 1. Defining a Scope of Work

Benefited Property Owners should work with a qualified energy auditor and/or contractor with demonstrated experience to define a scope of work for their proposed project. This scope can range from installation of a single Energy Improvement, such as a new high efficiency boiler or a renewable energy system, to a whole building energy upgrade involving multiple, interactive Energy Improvements. A general list of eligible Energy Improvements and their typical energy saving characteristics can be found in the Technical Standards. The scope of work for the proposed project must be prepared and submitted by a Qualified Contractor or Registered Contractor. Projects require the applicant to conduct an energy audit or renewable energy feasibility study. For all projects involving the installation of Energy Improvements, depending on project type, size and complexity, the energy audit may range from a simple walkthrough of the building to an investment grade audit.[3] The Qualified Contractor or Registered Contractor will determine the minimum required energy audit level consistent with the Technical Standards (Appendix D). The audit should identify the building's representative baseline energy use, identify and recommend Energy Improvements, estimate the useful life of each Energy Improvement, determine total project capital cost and the projected energy savings that can be confidently achieved, evaluate key financial metrics, and provide an energy savings equipment commissioning plan. All projects involving a renewable energy system are required to complete a feasibility study, Green Bank recommends that any feasible study follow the guidelines set forth in Technical Standards (Appendix D).

Section 2. Standard SIR Technical Review

The Technical Administrator and/or Technical Reviewer will conduct a technical review, the purpose of which is to validate the reasonableness of project costs and energy savings projections. The Technical Administrator and/or Technical Reviewer will also confirm the projected SIR of the project is greater than one.

[3] Connecticut utilities may provide what can be considered an ASHRAE Level I audit at no cost to applicants. The Green Bank can provide applicants referrals to qualified energy auditors to do higher level audits, the costs of which may be included in C-PACE financing.

In addition, the methodology for tracking energy savings over an agreed upon term will be reviewed, thereby verifying for project stakeholders the extent to which projected energy savings are being achieved in an ongoing fashion.

Technical Review consists of three tasks:

A. Verify that the building's baseline energy consumption is representative and reasonable, e.g. weather normalized

B. Validate the reasonableness of projected energy savings; and

C. Confirm that an adequate commissioning plan exists.

The first two tasks are necessary to determine the SIR on the project and verify that it is greater than one. The third task ensures a property owner and the contractor have planned to confirm the correct installation and operational performance of the installed measures.

The Green Bank has developed a methodology for this technical review process, which relies upon two established industry protocols:

Baseline Energy Use: ASTM E2797-15, Building Energy Performance Assessment (BEPA) Standard directed at data collection and baseline calculations for the energy audit;

Energy Improvement & Energy Savings: ASHRAE Level I, Level II and Level III Energy Audit Guidelines;

The Technical Administrator or a Technical Reviewer will qualify the proposed Energy Improvement(s) and validate the projected energy savings are consistent with these protocols and, in conjunction with the applicant, will confirm a baseline financing scenario that meets the SIR criteria.

Section 3. Commissioning; Measurement and Verification

In order to verify that the project was installed according to the evaluated scope, all project applications are required to include a commissioning plan and subsequent report. A report by a Qualified Contractor, Registered Contractor, Technical Reviewer, or the Technical Administrator that confirms the measures were properly installed and that the project is operating as intended must be submitted to the Green Bank once project construction is complete.

Additionally, in order to (i) evaluate the energy savings effectiveness of the measures after they have been installed, and (ii) to collect energy consumption and/or clean energy production data, property owners are encouraged to work with their contractor(s) to implement an adequate measurement and verification plan. The International Performance Measurement and Verification Protocol (IPMVP) provides guidance for measurement and verification of the energy savings, for additional information see the Technical Standards.

The Green Bank may elect to facilitate M&V for projects submitted to the Green Bank for financing, and may elect to offer the same services to TPCP financed projects, at Green Bank's discretion and subject to additional costs/fees. M&V activities may be financed as an Associated Cost of any Qualifying Project.

Section 4. Alternative to Standard SIR Technical Review Process

As an alternative to the Standard SIR Technical Review process set forth in Section 2 above, and more particularly described in the Technical Standards, Green Bank will also consider projects which meet one of the following requirements as having met the technical review requirement of this Article:

A. Projects which demonstrate a receipt of an Investor Ready Energy Efficiency certification from the Investor Confidence Project ("ICP") and provide a letter from the ICP Quality Assurance Provider stating that the SIR for the project is greater than one; or
B. Certain projects which include third party-owned renewable energy system(s), reviewed and approved by Green Bank, as more particularly described in Appendix L.

Section 5. Technical Review Auditing

Green Bank may select and retain a Technical Review Auditor or Technical Review Auditors to conduct periodic reviews of the technical review work performed by any Technical Reviewer, the Technical Administrator or the Green Bank to evaluate compliance with the Program Guidelines and Technical Standards.

Article V. C-PACE OPEN MARKET AND ELIGIBILITY CRITERIA FOR C-PACE CAPITAL PROVIDERS

Section 1. Concept of 'Open Market'

Connecticut maintains an "open market" approach to its C-PACE program, encouraging capital providers to be the primary financier of Qualifying Projects and supporting Benefited Property Owners who wish to source theirown capital provider. For capital providers wishing to directly offer C-PACE financing, thereby becoming an "Approved Third-Party Capital Provider" or "ATPCP", the Green Bank has created terms and conditions , attached hereto as Appendix F (the "Third-Party Capital Provider Terms and Conditions"), which outline the requirements and process for Third-Party Capital Provider to directly offer C-PACE financing to Benefited Property Owners and interact with Green Bank, as the program administrator.

Additionally, the Green Bank currently maintains dedicated capital to finance C-PACE projects. Benefited Property Owners looking to finance any Qualifying Project with Green Bank sourced capital may apply directly to Green Bank and follow the process outlined in Appendix F. From time to time and through the RFP process, the Green Bank may "sell-down" portfolios of its C-PACE transactions to Qualifying Capital Providers (s) or partner with Qualifying Capital Providers for the purpose of originating transactions, which Qualifying Capital Providers desire to be the secondary or co-financiers of these assessments. The "sell-down" process replenishes or leverages the Green Bank's capital, enabling a sustainable source of funding for C-PACE projects.

The 'open market' program offers multiple financing options to Benefited Property Owners, enabling the Green Bank to achieve its mission of making financing accessible and affordable.

Section 2. Qualified Capital Provider

Any capital provider or other entity interested in purchasing C-PACE transactions from the Green Bank or offering C-PACE financing directly to borrowers must become a qualified Capital Provider through the C-PACE Program. The process for becoming a "Qualified Capital Provider" is as follows:

1. The interested capital provider must respond to the open CGB Request for Qualifications from Interested Capital Providers.
2. Green Bank shall review the submission and may approve the capital provider. Upon approval, the capital provider will be considered a "Qualified Capital Provider". Qualified Capital Providers are listed on Green Bank's C-PACE website and receive information from the Green Bank regarding financing opportunities as well as pertinent information about C-PACE. Qualified Capital Providers wishing to directly offer C-PACE financing must acknowledge and agree to the Third-Party Capital Provider Terms and Conditions.

Section 3. C-PACE Approved Third-Party Capital Providers

ONLY Qualified Capital Providers which anticipate directly offering C-PACE financing to Benefited Property Owners in Connecticut need to acknowledge and agree to the Third-Party Capital Provider Terms and Conditions. The Third-Party Capital Provider Terms and Conditions outline the requirements and process for Third-Party Capital

Provider to directly offer C-PACE financing to Benefited Property Owners and interact with the Green Bank, as the program administrator. In summary, the process for project origination, funding and administration is as follows:

A. The ATPCP or Benefited Property Owners may submit a completed C-PACE application and all associated documents necessary to demonstrate any project's compliance with the Program Guidelines and any other applicable requirements set forth in the Third-Party Capital Provider Terms and Conditions.
B. Green Bank shall review such documents for compliance with the Program Guidelines and Third-Party Capital Provider Terms and Conditions, and, in its sole discretion, provide its approval of the Qualifying Project (thereby becoming an "Approved Project").
C. The ATPCP may then enter into a Financing Agreement with Benefited Property Owner for such Approved Project (thereby becoming a "Closed Project").
D. Concurrently or shortly thereafter, the ATPCP shall enter into an Administration Agreement with the Green Bank for such Closed Project.
E. Green Bank will facilitate the filing and assignment to the ATPCP of a Benefit Assessment Lien, pursuant to the Administration Agreement.
F. Green Bank will work with the ATPCP to collect any payments received pursuant the Benefit Assessment Lien and remit such payments to the ATPCP, pursuant to the Administration Agreement.

The ATPCP shall maintain its own financial underwriting criteria and financing terms and conditions for a C-PACE transaction, subject to the requirements set forth in the Program Guidelines

Article VI. DEFINED TERMS

"Approved Third-Party Capital Provider" or "ATPCP" shall mean a Third-party Capital Provider, which (1) has been approved by Green Bank as a Qualifying Capital Provider, (2) has acknowledged and agreed to Third-Party Capital Provider Terms and Conditions, and (3) is in good standing with the Green Bank.

"Associated Cost" shall have the meaning ascribed to it in Article III Section 3(B).

"Benefit Assessment" shall mean an assessment authorized by the C-PACE Legislation. In an event of a conflict between this definition and that which is ascribed in the C-PACE Legislation, the C-PACE Legislation shall govern.

"Benefit Assessment Lien" shall mean a lien which evidences a Benefit Assessment and is recorded by a Participating Municipality on the land records against a Qualifying Property at Green Bank's direction pursuant to the Participation Agreement. The form of such Benefit Assessment Lien is attached hereto as Appendix K, as may be modified or amended from time to time by Green Bank, in its sole discretion.

"Benefited Property Owner" shall mean an owner of Qualifying Commercial Real Property who desires to install Energy Improvements and provides free and willing consent to the Benefit Assessment against the Qualifying Commercial Real Property. In an event of a conflict between this definition and that which is ascribed in the C-PACE Legislation, the C-PACE Legislation shall govern.

"C-PACE" shall have the meaning ascribed to it in Article I.

"C-PACE Legislation" shall mean Section 16a-40g of the Connecticut General Statutes, as may be amended, attached hereto as Appendix A.

"Commercial or Industrial Property" shall mean any real property other than a Residential Dwelling containing less than five dwelling units. In an event of a conflict between this definition and that which is set forth in the C-PACE Legislation, the C-PACE Legislation shall govern.

"Disclosure of Risk Form" shall mean the disclosure of risk form associated with C-PACE, attached hereto as Appendix H, as may be modified or amended from time to time by Green Bank, in its sole discretion.

"District Heating and Cooling System" shall mean a local system consisting of a pipeline or network providing hot water, chilled water or steam from one or more sources to multiple buildings. In an event of a conflict between this definition and that which is ascribed in the C-PACE Legislation, the C-PACE Legislation shall govern.

"Energy Engineer" shall mean a professional or entity who/which meets one of the following: (1) holds a Certified Energy Manager or Certified Energy Auditor accreditation, (2) is a Professional Engineer with demonstrated relevant energy experience, or (3) a contractor with relevant demonstrated experience as determined by the Technical Administrator.

"Energy Improvement" shall mean (A) participation in a District Heating and Cooling System by Qualifying Commercial Real Property, (B) participation in a microgrid, as defined in Section 16-243y of the Connecticut General Statutes, including any related infrastructure for such microgrid, by Qualifying Commercial Real Property, provided such microgrid and any related infrastructure incorporate clean energy, as defined in Section

16-245n of the Connecticut General Statutes, (C) any improvement, renovation or retrofitting of Qualifying Commercial Real Property to reduce energy consumption or improve energy efficiency, (D) installation of a renewable energy system to service qualifying commercial real property, or (E) installation of a solar thermal or geothermal system to service qualifying commercial real property, provided such renovation, retrofit or installation described in subparagraph (C), (D) or (E) is permanently fixed to such Qualifying Commercial Real Property. In an event of a conflict between this definition and that which is ascribed in the C-PACE Legislation, the C-PACE Legislation shall govern.

"EUL" shall have the meaning ascribed to it in Article III Section 3(E).

"Financed Amount" means the combined costs of the Energy Improvement(s) and Associated Cost(s) which has been or will be financed though C-PACE for any Qualifying Project.

"Financing Agreement" shall mean a written agreement between a Benefited Property Owner and either a Third-Party Capital Provider or the Green Bank, or any of its subsidiaries, for the financing, leasing or purchasing power from/of Energy Improvement(s). Such financing agreement shall contain, among other things, a provision which allows the Benefited Property Owner to rescind the agreement not later than three business days from the date of such agreement.

"Green Bank" shall have the meaning ascribed to it in Article I.

"Participating Municipality" shall mean a municipality, as defined in Section 7-369 of the Connecticut General Statutes, that has entered into a Participation Agreement. In an event of a conflict between this definition and that which is ascribed in the C-PACE Legislation, the C-PACE Legislation shall govern.

"Participation Agreement" shall mean a written agreement between Green Bank and a Participating Municipality, as approved by its legislative body, pursuant to which the municipality has agreed to assess and assign, Benefit Assessments to Green Bank in return for Energy Improvements for Benefited Property Owners within such municipality and costs reasonably incurred in performing such duties. The template participation agreement is attached hereto as Appendix B, as may be modified or amended from time to time by Green Bank, in its sole discretion.

"Professional Engineer" shall mean an individual, or company which employees such individual, who is licensed as a professional engineer and in good standing with the relevant licensing authorities in the State of Connecticut.

"Program Guidelines" shall have the meaning ascribed to it in Article I.

"Projected Associated Savings" shall mean non-energy savings which have a close nexus to the Energy Improvement(s) which are part of a Project. Examples include, but are not limited to, federal tax credits, depreciation, and revenues from the sale of environmental attributes. Green Bank, in its sole discretion, may determine which types of savings may be considered to fall under this definition.

"Projected Energy Savings" shall mean the estimated energy savings, calculated in accordance with the Technical Standards, from any Energy Improvement(s) over the EUL of such improvements.

“Projected Financing Cost” shall mean the total projected debt service associated with the Financed Amount for a Qualifying Project including, but not limited to, all principal, interest, and any fees over the term of the financing. This does not include any potential late fees or penalties.

“Projected Total Cost Savings” shall mean the combined value of the Projected Energy Savings and the Projected Associated Savings for any Qualifying Project.

“Qualified Contractor” shall mean an individual or entity who/which meets one of the following: (1) holds a Certified Energy Manager or Certified Energy Auditor accreditation, (2) is a Professional Engineer with demonstrated relevant energy experience, or (3) a contractor with relevant demonstrated experience.

“Qualifying Capital Provider” or “QCP” shall have the meaning ascribed to it in Article V Section 2.

"Qualifying Commercial Real Property" shall mean any Commercial or Industrial Property, regardless of ownership, that meets the qualifications established for the C-PACE program. In an event of a conflict between this definition and that which is provided in the C-PACE Legislation shall govern.

“Qualifying Project” shall mean an energy improvement project which meets all the requirements set forth in Article III Section 3.

“Qualifying Property” shall mean a Qualifying Commercial Real Property which meets all the requirements set forth in Article III Section 2.

“Refinancing” means, in the context of any existing Financing Agreement, a Benefited Property Owner entering into a new Financing Agreement with any C-PACE capital provider other than the capital provider (or its successors or assigns) who is a party to the applicable existing Financing Agreement for the purpose of repaying or refinancing the existing Financing Agreement and Benefit Assessment, including but not limited to, filing of a new Benefit Assessment associated with the same Qualifying Project.

“Registered Contractor” shall mean a contractor who has registered with Green Bank, via the contractor registration process (https://www.cpace.com/Contractor/Get-Started/Contractor-Sign-Up), and remains in good standing with Green Bank.

“Residential Dwelling” shall mean a structure used or occupied, or intended to be used or occupied, in whole or in part, as the home or residence of one or more persons. Residential dwelling shall not include any structure which is:

1. A home or residence which is part of public or private institution, if suchresidence is incidental to provision of medical, geriatric, educational, counseling, religious, or similarservices;

2. A campground, hotel, motel, extended stay facility, vacationresidential facility, boardinghouse, fraternal or social organization, or similar lodgings; and

3. Primarily used for business, commercial, charitable, not-for-profit, or agriculturalpurposes.

“Restructuring” means, in the context of any existing Financing Agreement, a Benefited Property Owner entering into a new Financing Agreement or any modification of the existing Financing Agreement with the C-PACE capital provider (or its successors or assigns) who is a party to the applicable existing Financing Agreement for the purpose of restructuring, amending, restating, or otherwise modifying the existing Financing Agreement and Benefit Assessment, including but not limited to, releasing the existing Benefit Assessment and entering into a new Financing Agreement and filing of a new Benefit Assessment associated with the same Qualifying Project, subject to all other applicable program requirements.

"SIR" shall have the meaning ascribed to it in Article III Section 3(G).

"Technical Administrator" shall mean the entity, selected by Green Bank pursuant to an RFP process, which may conduct technical review as well as provide Green Bank with guidance and consultation in the development and implementation of the Technical Standards and Program Guidelines. The Technical Administrator may also work with contractors to help them develop a building's baseline energy consumption and energy savings estimates for projects.

"Technical Reviewer" shall mean an entity which has been approved by and in good standing with Green Bank in accordance with the standard set forth in Appendix J. Technical reviewers may be proposed to Green Bank for approval by Third-Party Capital Providers. For a list of Technical Reviewers which are currently approved and in good standing with Green Bank, please visit www.cpace.com/technicalreviewers.

"Technical Review Auditor" shall mean an entity or entities, selected by Green Bank pursuant to an RFP process, which may conduct periodic reviews of the technical review work performed by any Technical Reviewer, the Technical Administrator or the Green Bank to evaluate compliance with the Program Guidelines and Technical Standards.

"Technical Standards" shall mean the complete description of energy audit requirements, technical review methodology and standards, and eligible and ineligible measures for C-PACE, attached hereto as Appendix D, as may be amended or modified from time to time by Green Bank in its sole discretion.

"Third-Party Capital Provider" means an entity, other than the Green Bank or any of its subsidiaries, that enters into one or more Financing Agreement(s). In an event of a conflict between this definition and that which is ascribed in the C-PACE Legislation, the C-PACE Legislation shall govern.