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# **Green Bank and Hannon Armstrong Partner for Commercial Clean Energy Financing**

## **Up to \$100M in New Lending Power Will Improve Access to Project Capital**

ROCKY HILL, Conn. and ANNAPOLIS, Md., Dec. 17, 2015 /PRNewswire/ -- The Connecticut Green Bank ("Green Bank") and Hannon Armstrong (NYSE: HASI) have reached an agreement that will increase the deployment of energy efficiency, solar and other clean energy projects throughout the Connecticut commercial and industrial sector.

# HANNON ARMSTRONG

Under the terms of the agreement, Hannon Armstrong will provide access to up to \$100 million in funding for green energy projects for commercial and industrial buildings and businesses. The agreement supports the Green Bank's successful C-PACE (Commercial Property Assessed Clean Energy) program. The innovative financing structure allows the Green Bank to effectively leverage private capital while providing Hannon Armstrong with the ability to access a high quality, rapidly growing class of assets.

The agreement between the Green Bank and Hannon Armstrong will streamline the process building owners currently undergo to source competitive financing for comprehensive energy projects. Hannon Armstrong brings its expertise in programmatic financing and risk assessment, as well as predictability in execution, while the improved access to financing will enable Connecticut businesses to achieve even more meaningful energy savings with zero upfront costs.

The agreement also helps the Green Bank expand C-PACE, the very successful commercial green energy financing program. C-PACE provides commercial, industrial, nonprofit and multi-family property owners access to affordable, long-term financing for meaningful energy upgrades to their buildings. By enabling building owners to finance qualifying energy efficiency and clean energy improvements through a voluntary assessment on their property tax bill, more comprehensive energy improvements that would otherwise be difficult to afford

are made possible. With 100% financing offered over a term of up to 20 years, building owners are able to complete projects that not only significantly lower energy costs but also increase their bottom lines while being cash flow positive from day one. While each project will be individually reviewed and underwritten, capital provided under the program is secured by a lien on the property, which greatly reduces the investment risk and associated cost of capital. The Green Bank has already closed over \$50M in C-PACE projects, and has a growing pipeline that represents nearly \$50 million more in already approved projects. Demand is on a rapid growth trajectory, creating the need for more capital to support the program.

"This agreement will help us streamline the approval process for commercial loans and ensure a reliable source of capital for our businesses and institutions," said Bryan Garcia, the President and CEO of Connecticut Green Bank. "But more importantly, this transaction demonstrates that private investors are ready to put their capital behind green energy projects in the commercial sector. The Green Bank can leverage this infusion of private capital to accelerate the growth of green energy, while putting fewer ratepayer dollars at risk. That establishes a marketplace where Connecticut businesses can thrive and allows the Green Bank to further leverage its assets."

"Investing in energy efficiency and clean energy projects through the Connecticut Green Bank's C-PACE program provides Hannon Armstrong a new scalable channel partner to cost effectively deploy capital," said Jeffrey Eckel, President & CEO of Hannon Armstrong. "We applaud the Green Bank's leadership in developing this market."

"We in Connecticut have been innovators with our first-in-the-nation Green Bank. We've shown that we can tackle global warming with smart, private-sector solutions and by leveraging private dollars to incentivize a shift to green technologies. Agreements like these are what's making Connecticut a national leader," Governor Dannel P. Malloy said. "We are reducing carbon emissions like never before as the world works together to mitigate climate change. This agreement is yet another positive step towards our goals of making the world a greener place for generations to come."

Garcia noted that The Alliance to Save Energy's *CarbonCount*<sup>™</sup> metric will be used to provide third party certification of reductions in greenhouse gases resulting from investments made through this agreement. "The *CarbonCount*<sup>™</sup> certification brings an important and independent assessment of a project's integrity. It carries a distinction that will help encourage the market alongside the State of Connecticut to further invest in decreasing greenhouse gas emissions," continued Garcia.

The agreement with Hannon Armstrong is the largest facility ever with a state green bank. Since its creation in 2011, the Green Bank has been a leader in the movement toward green energy solutions and has been cited as an example of "best practices" in other states.

#### *About The Connecticut Green Bank (formerly CEFIA)*

The Green Bank was established by Connecticut's General Assembly on July 1, 2011 as a part of Public Act 11-80. This quasi-public agency superseded the former Connecticut Clean Energy Fund. The Green Bank's mission is to lead the green bank movement by accelerating private investment in clean energy deployment within Connecticut and to achieve economic prosperity, job creation and energy security throughout the state. As the

nation's first full-scale green bank, the organization leverages public and private funds to drive investment and scale up clean energy deployment in Connecticut. Please visit [www.ctgreenbank.com](http://www.ctgreenbank.com).

#### *About Hannon Armstrong*

Hannon Armstrong (NYSE: HASI) provides debt and equity financing to the energy efficiency and renewable energy markets. The company focuses on providing preferred or senior level capital to established sponsors and high credit quality obligors for assets that generate long-term, recurring and predictable cash flows. Based in Annapolis, Maryland, Hannon Armstrong elected and qualified to be taxed as a real estate investment trust (REIT) for federal income-tax purposes, beginning with its taxable year ended December 31, 2013.

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