

State of Connecticut

DENISE L. NAPPIER
TREASURER



Hartford

May 3, 2016

The Honorable Martin M. Looney
Senate President Pro Tempore

The Honorable J. Brendan Sharkey
Speaker of the House

The Honorable Bob Duff
Senate Majority Leader

The Honorable Joe Aresimowicz
House Majority Leader

The Honorable Leonard Fasano
Senate Minority Leader

The Honorable Themis Klarides
House Minority Leader

Re: Sweep of \$22 million in funds from Connecticut Green Bank

Dear Legislative Leaders:

As Treasurer of the State of Connecticut, among my responsibilities is to serve as principal fiduciary of the Connecticut Retirement Plans and Trust Funds and as a board member of the Connecticut Green Bank. I am writing to raise concern about the proposal to sweep funds from the Connecticut Green Bank.

Sweeping the funds would have many consequences, including potential loss of jobs and reduced leverage for private sector funding, particularly the program's ability to get leverage for loans from banks.

I understand that sweeps have occurred in the past, but now a sweep would be of greater concern because the programs funded by the Green Bank are underway and provide needed jobs and a boost to the economy. Among the programs that would be affected is the Commercial Property Assessed Clean Energy program – one of the Green Bank's most successful programs to engage Connecticut businesses to convert to clean energy, generally solar panels.

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Sweep of \$22 million in funds from Connecticut Green Bank

This program provides a double bottom line win -- lower cost for the business owner and job generation for the Connecticut economy. Another program of value that would be affected is a new program for low to moderate income homeowners to convert to solar panels and make other energy efficiency improvements to their home. This yields not only lower energy costs for the homeowners but also jobs in the industry.

The need to reduce carbon pollution is critically important. Analysts are predicting that climate change (and related policy uncertainty) could add as much as 10 percent to portfolio-wide risk in the next two decades, putting trillions of dollars of institutional investors' assets at risk.

Climate change poses real financial risks and substantial economic opportunities. To remain viable and competitive, the industry must invest in cleaner technologies and more efficient resources. Now is not the time to short circuit this work.

Cordially,



Denise L. Nappier
State Treasurer