



The Office Of State Treasurer
Denise L. Nappier

News

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TREASURER NAPIER ANNOUNCES CONNECTICUT'S INAUGURAL ISSUANCE OF GREEN BONDS *PROCEEDS TARGETED TO FUND CRITICAL CLEAN WATER PROJECTS*

HARTFORD, CT – State Treasurer Denise L. Nappier announced today that her office plans to issue the first State of Connecticut Green Bonds next month to provide funding for up to \$60 million of critical wastewater infrastructure projects statewide through the State's Clean Water Program.



“We are developing the new Green Bonds product to meet the needs of the growing group of investors who have mandates to invest in sustainable projects that will help preserve our environment for future generations,” said Treasurer Nappier. “We expect to attract investors interested in the State's high credit quality bonds combined with a defined Green purpose.”

Department of Energy and Environmental Protection (“DEEP”) Commissioner Robert Klee stated, “The wastewater projects funded by the Clean Water Program are important components of the State's efforts to protect public waterways, improve energy efficiency in the wastewater sector, and ensure the continued accessibility and vitality of public rivers and broader watersheds. Using Green Bonds to help finance these costs is a great idea and a win-win for everyone.”

Green Bonds, started in 2008 by the World Bank, are dedicated to financing environmentally friendly projects. The State of Connecticut Green Bonds will be included as part of a larger \$300 million General Obligation bond issue.

The State will follow the process guidelines as specified by the Green Bond Principles, which are best practices for issuing Green Bonds and were established earlier this year by a group of environmental finance experts and banks active in the development of the Green Bonds market.

To date, \$51 billion of Green Bonds have been issued worldwide, and just recently state and local governments have begun issuing such bonds. So far in 2014, five municipal issuers have issued Green Bonds.

The State Treasurer's Office is working on this inaugural project with J.P. Morgan, a leading expert in Green Bonds and one of the banks that drafted the Green Bond Principles. "Increasing the amount of capital targeted to address pressing environmental challenges such as climate change is critical," said Marilyn Ceci, Managing Director and Head of Green Bonds at J.P. Morgan.

The sale of Green Bonds is one of a series of environmental initiatives that the Treasurer's Office has launched or been involved with in recent years.

In 2003, Treasurer Nappier was a convener of the first Investor Summit on Climate Risk, held at the United Nations in New York City, which led to the founding of the Investor Network on Climate Risk. In 2005, the Office in conjunction with DEEP sponsored the first ever summit for the insurance industry on climate change.

More recently, the Office was instrumental in drafting legislation to establish Connecticut's Green Bank, a quasi-public State agency to implement Connecticut's energy strategies to achieve cleaner, cheaper and more reliable sources of energy while creating jobs and enhancing local economic development.

The Office is also currently a key player in the State's "Lead by Example" task force, which created a new standardized Energy Performance Contracting program for the State and local governments whereby energy saving initiatives are financed through guaranteed future energy savings.

State leaders have demonstrated strong support for the Clean Water Program, as evidenced by the adoption of a record level of general obligation bond authorizations for the current biennium of \$285 million.

The State of Connecticut Green Bonds are expected to become available next month. Investors can learn more about purchasing State of Connecticut Green Bonds at www.BuyCTBonds.com.

Clean Water Program Has Provided Almost \$3 Billion for Projects in More Than 120 Cities and Towns

The Connecticut Clean Water Program was established in 1986. It partners with local governments in building and financing projects that improve water quality and protect public health while sustaining the State's significant natural resources, including 450,000 acres of wetlands, 6,000 miles of streams and rivers, over 2,000 lakes and reservoirs, and 600 square miles of estuarine water in Long Island Sound.

The Clean Water Program provides 100 percent financing for wastewater projects, making grants for a percentage of the project cost and 2 percent interest rate loans for the balance.

As of June 30, 2014, the Clean Water Program had made \$2.9 billion in grant and loan commitments to more than 120 communities in Connecticut, including 18 municipalities that participate in regional districts or authorities (see map below).

Treasurer Nappier said, “Virtually every corner of our State has benefited from the enormous financing power of our Clean Water Program. Sustaining critical water resources is a goal of the State of Connecticut and the primary purpose for the creation of the Connecticut Clean Water Program.”

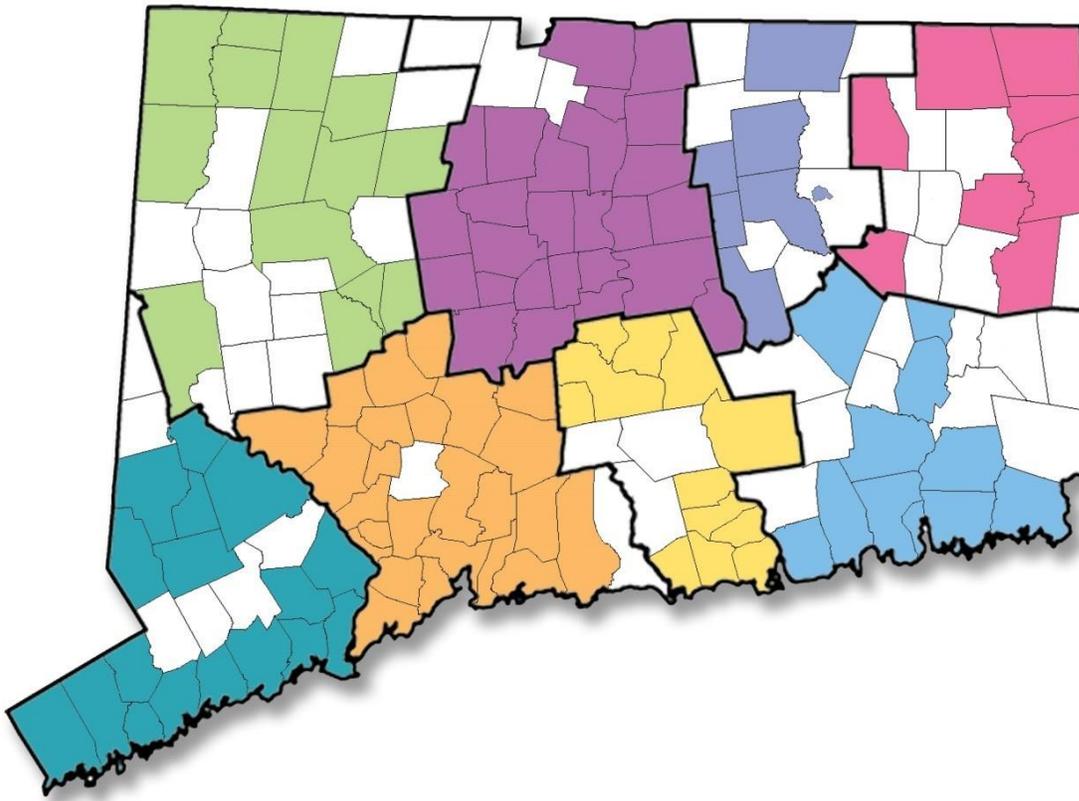
The State Treasurer’s Office manages the Clean Water bond financing program and provides the financial management and administration of the revolving loan program. The Annual Reports of the Clean Water Program are available on the Treasurer’s website at: http://www.ott.ct.gov/news_cleanwaterfund_reports.html

The Department of Energy and Environmental Protection administers the wastewater treatment program and establishes the biennial project priority list used to allocate all federal and state financial assistance.

In order to develop the priority list, each wastewater project is evaluated and assigned points based on the project’s anticipated positive environmental impact with projects that will improve water quality standards to larger populations and/or larger water basins receiving higher points. The current Clean Water Program project priority list can be found at: http://www.ct.gov/deep/lib/deep/water/municipal_wastewater/final_fy2014_2015cwf_pl.pdf

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Communities Served by the Connecticut Clean Water Program



Fairfield County: Bethel, Bridgeport, Brookfield, Danbury, Darien, Fairfield, Greenwich, New Canaan, Newtown, Norwalk, Redding, Ridgefield, Shelton, Stamford, Stratford, Trumbull, Westport

Hartford County: Avon, Berlin, Bristol, Burlington, Canton, East Windsor, Enfield, Farmington, Glastonbury, Manchester, Marlborough, MDC, New Britain, Plainville, Simsbury, Southington, South Windsor, Suffield, Windsor Locks

Litchfield County: Canaan, Goshen (Woodridge Lake), Litchfield, New Hartford, New Milford, Norfolk, North Canaan, Plymouth, Salisbury, Sharon, Thomaston, Torrington, Watertown, Winchester

Middlesex County: Clinton, Deep River, Durham, East Haddam, East Hampton, Essex, Haddam, Mattabassett District, Middlefield, Middletown, Old Saybrook, Portland, Westbrook

New London County: East Lyme, Groton, Jewett City, Lebanon, Ledyard, Montville, New London, Norwich, Old Lyme (including Point-O'-Woods), Sprague, Stonington, Waterford

New Haven County: Ansonia, Beacon Falls, Branford, Cheshire, Derby, East Haven, Guilford, Hamden, Meriden, Middlebury, Milford, Naugatuck, Greater New Haven WPCA, North Branford, North Haven, Orange, Oxford, Prospect, Seymour, Southbury, Wallingford, Waterbury, West Haven, Wolcott, Woodbridge

Tolland County: Bolton Lakes WPCA, Coventry, Hebron, Stafford, Storrs (University of Connecticut), Tolland, Vernon

Windham County: Ashford, Brooklyn, Killingly, Plainfield, Putnam, Thompson, Windham, Woodstock