

FOR  
65COMMISSIONER  
Jared S. ChicoineDEPUTY COMMISSIONER  
Christopher J. Ellms, Jr.DEPARTMENT OF ENERGY  
21 S. Fruit St., Suite 10  
Concord, N.H. 03301-2429TDD Access: Relay NH  
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[www.energy.nh.gov](http://www.energy.nh.gov)

April 15, 2022

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
State House  
Concord, NH 03301

His Excellency and Honorable Councilors:

### REQUESTED ACTION

Authorize the Department of Energy (Department) to enter into a Loan Purchase Agreement with the Community Development Finance Authority (CDFA) to accept the return of federal funds from the CDFA to fund the Department's new Municipal and School Energy Efficiency Development Grant (MySEED) Program in the amount of \$3,783,280.24, effective upon Governor and Council Approval. The Accept and Expend request for these funds will be on a separate item to be approved by the Fiscal Committee of the General Court and the Governor and Executive Council at a later date. **100% Federal Funds**

### EXPLANATION

This request is to authorize the Department to enter into a Loan Purchase Agreement to accept the return of federal funds from the CDFA to fund the Department's MySEED program.

The CDFA has partnered with the State of NH for more than 12 years to provide clean energy financial resources and technical assistance to New Hampshire Municipalities, small businesses and community organizations. Beginning in 2009, the NH Office of Energy and Planning (OEP) contracted with CDFA to develop programming and deploy \$15 million of American Recovery and Reinvestment Act (ARRA) funding through CDFA's Enterprise Energy Fund (EEF) and Better Buildings Programs, resulting in support for over 1200 energy audits as well as grants and loans for implementation of over 900 residential and commercial energy efficiency and renewable energy projects through 2013. At that time CDFA worked with the Office of Energy and Planning (OEP) to convert the remaining funding into revolving loan funds. Since that time, CDFA has awarded or deployed almost \$8 million over 49 loans to businesses, non-profits, and municipalities for energy efficiency and renewable energy projects.

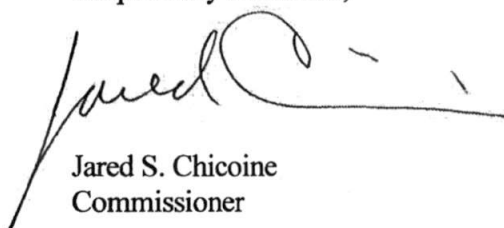
In 2021, following multiple extensions of CDFA's contract to administer the Enterprise Energy Fund, the NH Department of Energy, at the urging of the US Department of Energy which is seeking to retire the remaining ARRA funds still active, decided to utilize the balance of funds for future energy efficiency grantmaking and to work with CDFA to purchase its outstanding EEF loan portfolio.

This new program, the MySEED Program will fund grants to municipalities to perform energy efficiency upgrades to their buildings through a competitive application process. Grants will be targeted towards smaller, rural communities that often have limited budgets for such projects. These projects will reduce demand for electricity and heating fuels and reduce heating, cooling, and electricity expenses for local communities thereby reducing the pressure on property taxes. This program is modeled after the Department's very successful SEED program which funds energy efficiency projects solely for schools.

While the Department is repurposing these funds, the Department continues to work with CDFA to administer the Better Buildings Revolving Loan Fund to make positive impact in projects across the state.

Your consideration of this request is appreciated.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jared S. Chicoine", with a long horizontal flourish extending to the right.

Jared S. Chicoine  
Commissioner

Attachments: Loan Purchase Agreement between CDFA and the Department

**Loan Portfolio Purchase Agreement  
Between  
The New Hampshire Department of Energy  
And  
The Community Development Finance Authority  
For  
American Recovery and Reinvestment Act – State Energy Program – Enterprise Energy Fund**

This Loan Portfolio Purchase Agreement (Agreement) is between the State of New Hampshire, Department of Energy (ENERGY), 21 South Fruit Street, Concord, Merrimack County, New Hampshire 03301 and the Community Development Finance Authority, (CDFA), 14 Dixon Avenue, Suite 102, Concord, Merrimack County, New Hampshire, 03301.

RECITALS

- A. A revolving loan fund known as the "Enterprise Energy Fund" (EEF) was established with funds from the American Recovery and Reinvestment Act (ARRA) State Energy Program (SEP) grant DE-EE-0000228, CFDA 81.041, provided to ENERGY (formerly OEP) by the federal Department of Energy (US DOE).
- B. Pursuant to a Contract between ENERGY and CDFA originally approved by the State of New Hampshire Governor and Executive Council on December 9, 2009, Item #9, as amended by Amendment #1 approved on November 17, 2010, Item #13, Amendment #2 approved on April 18, 2012, Item #5, Amendment #3 approved on December 21, 2016, Consent Calendar Item #F, and Amendment #4 approved on December 22, 2021, Consent Calendar Item #E (as amended, the "Contract"), CDFA has performed certain services with respect to the EEF per the terms and conditions specified in the Contract. All capitalized terms used but not defined herein shall have the meanings given to those terms in the Contract.
- C. ENERGY provided a total of \$6.6 million to CDFA for the EEF in order to lend and/or grant "funds to businesses for energy efficiency measures for their buildings and/or processes and/or renewable energy systems. Non-profit organizations were included in the definition of "business" and such funds were expended and committed in their entirety in the form of loans and grants to New Hampshire based businesses and nonprofits by April 30, 2012, as required by US DOE. No additional funds were provided by ENERGY to CDFA for the EEF.
- D. State Energy Program Notice 10-008E, originally issued on December 7, 2009 and subsequently revised on May 20, 2016, stipulates that "federal funds used to capitalize a revolving loan fund (RLF) - maintain their federal character in perpetuity" and that "After the close of the Recovery Act award period, grantees [ENERGY] with funds remaining in financing programs would prospectively be required to report basic information on the program on an annual basis until the funds are either: (1) rolled into another eligible activity and expended; or (2) fully expended through default."

- E. ENERGY and CDFA have agreed to the terms upon which all right, title and interest in the portfolio of loans existing in the EEF will be sold and assigned to CDFA, the Contract will be terminated, and all reporting or other obligations of CDFA to ENERGY or US DOE shall cease.

NOW THEREFORE, in consideration of the foregoing, and the consideration, covenants and conditions set forth herein, the parties agree to the following:

1. On the date mutually agreed upon by ENERGY and CDFA, which date shall be within ten (10) business days of the approval of this Agreement by the State of New Hampshire Governor and Executive Council (Transfer Date), ENERGY shall sell and assign to CDFA all right, title and interest in the portfolio of loans existing in the EEF set forth as Exhibit A attached hereto (Loan Portfolio). The consideration for such sale and assignment shall be the payment by CDFA to ENERGY, in immediately available funds, of the sum of One Million, Six Hundred Forty-Five Thousand, Eighty-Four dollars and Seventy-Three Cents (\$1,645,084.73) in outstanding principal, subject to a final settlement statement. A draft settlement statement with estimated adjustments is attached as Exhibit B.

2. CDFA shall be entitled to retain all promissory notes, and security documentation and liens securing those notes, and any principal, interest, or costs it has received in the past, or will receive in the future, pursuant to the loans in the Loan Portfolio. Any EEF funds held by CDFA but not loaned pursuant to the RLF as of the Transfer Date shall be returned to ENERGY, less the administrative fees traditionally charged by CDFA for performing its duties and obligations pursuant to the EEF.

3. CDFA will continue to provide the information and reporting to ENERGY that it has in the past with respect to the Loan Portfolio, and shall invoice ENERGY for the administrative fees for doing so, through June 30, 2022 (Reporting Termination Date). As of such date, the Contract shall be deemed terminated, CDFA shall have no further obligation to provide any information or reporting with respect to the Loan Portfolio or in connection with EEF, and ENERGY shall be solely responsible for generating any information or reporting required in connection with the EEF. CDFA will return the cash balance related to the RLF estimated at Two Million, One Hundred Forty-Eight Thousand, One Hundred Ninety-Five dollars and Fifty-One cents (\$2,148,195.51) as of 3/15/2022 by the Reporting Termination Date. A draft settlement statement with estimated adjustments is attached as Exhibit B

4. This Agreement shall become effective upon approval by the State of New Hampshire Governor and Executive Council.

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the day and year first above written.

Community Development Finance Authority

By: Katherine Easterly Martey  
Katherine Easterly Martey,  
Executive Director

State of New Hampshire  
County of Hillsborough

On this day of March 17<sup>th</sup>, before me, Katherine Martey the undersigned officer,  
personally appeared Steven Paquette who acknowledged herself/himself to be the person who  
executed the foregoing instrument for the purpose therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Steven M. Paquette  
My Commission Expires: 3/3/2026

**Steven M. Paquette**  
Notary Public, State of New Hampshire  
My Commission Expires 3/3/2026

THE STATE OF NEW HAMPSHIRE  
Department of Energy

By: Jared Chicoine  
Jared Chicoine, Commissioner

Approved by Attorney General this 19<sup>th</sup> day of April, 2022, as to form, substance and execution.

OFFICE OF ATTORNEY GENERAL

Christopher G. Astin  
Name: Christopher G. Astin  
Title: Senior Assistant Attorney General

I hereby certify that the forgoing Amendment was approved by the Governor and Executive Council of the  
State of New Hampshire at the meeting on: \_\_\_\_\_ (date of meeting).

OFFICE OF THE SECRETARY OF STATE

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Name:  
Title:

Approved this \_\_\_ day of \_\_\_\_\_, 2022.

## EXHIBIT A

### LOAN BALANCES JOURNAL REPORT

Community Development Finance Authority

ALL BALANCES AS OF: 3/15/2022

Enterprise Energy Fund

Loan		
Account	Borrower Name	Total Balance
16-0003	NE Family Housing	\$7,137.50
16-0005	Union Block	\$453,885.98
16-0013	FIT Millyard Families	\$4,465.06
16-0017	Miles Smith Farm	\$814.35
16-0022	White Trellis Motel	\$235.48
16-0024	TKB Properties	\$96,196.04
16-0030	Tree Free Greetings	\$93,055.26
16-0031	Capital Hotel Company II, LLC	\$198,399.01
16-0032	Housing for Elderly and Handicapped of Newport	\$120,528.51
16-0035	Paragon Digital, LLC	\$86,585.12
16-0036	M&S Logistics, LLC	\$83,434.74
16-0037	BP Effingham, LLC	\$222,661.84
16-0038	BP Plymouth: EEF Solar 2021	\$69,354.56
16-0039	Orchard Hill Breadworks, LLC	\$61,930.40
16-0041	Bear Investments	\$146,000.00

**\$1,645,084.73**

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Exhibit B  
Settlement Statement  
(As of March 15, 2022)

Outstanding Principal balance	\$ 1,645,084.73
RLF Cash account balance	2,148,195.51
Administration Costs (Estimated and expected through June 30, 2022)	<u>(10,000.00)</u>
Total Funds Due	\$ 3,783,280.24

# State of New Hampshire

## Department of State

### CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that COMMUNITY DEVELOPMENT FINANCE AUTHORITY a New Hampshire State Chartered (Legislative) formed to transact business in New Hampshire on July 01, 1983. I further certify that it has paid the fees required by law and has not dissolved.

Business ID: **81003**

Certificate Number : **0005761153**



IN TESTIMONY WHEREOF,  
I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 18th day of April A.D. 2022.

A handwritten signature in black ink, appearing to read "David M. Scanlan".

David M. Scanlan  
Secretary of State



**CERTIFICATE**

I, Michael Clafin, Chair of the Community Development Finance Authority do hereby certify that: (1) I am the duly elected and acting Chair of the Community Development Finance Authority, a New Hampshire non-profit corporation and public authority ("The Corporation"); I am familiar with the minute books of the Corporation (3) I am duly authorized to issue certificates with respect to the contents of such books; (4) the following are true, accurate and complete copies of the resolutions adopted by the Board of Directors of the Corporation at a meeting of the said Board of Directors held on the 14th day of September, 2021, which meeting was duly held in accordance with New Hampshire law and the by-laws of the Corporation.

**Resolved:** That this Corporation authorizes Executive Director, Katherine Easterly Martey, on behalf of this Corporation, to take any and all such actions and to execute, acknowledge and deliver for and on behalf of this Corporation any and all documents, agreements and other instruments (and any amendments, revisions or modifications thereto) as she may deem necessary, desirable or appropriate, in the negotiation and execution of any and all contractual obligations and letter agreements;

**Resolved:** That the signature of the Executive Director of this Corporation affixed to any instrument or document described in or contemplated by these resolutions shall be conclusive evidence of the authority of said officer to bind this Corporation thereby;

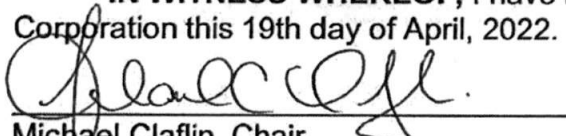
**Resolved:** That the Corporation shall be bound by any decision made by a State of New Hampshire court, or any agreement entered into by the individuals authorized above.

(5) the foregoing resolutions have not been revoked, annulled, or amended in any manner whatsoever, and remain in full force and in effect as of the date hereof:

(6) the following person(s) have been duly appointed to and now occupy the Office(s) indicated below:

Katherine Easterly Martey, Executive Director

**IN WITNESS WHEREOF**, I have hereunto set my hand as the Chairman of the Corporation this 19th day of April, 2022.

  
\_\_\_\_\_  
Michael Clafin, Chair

**STATE OF NEW HAMPSHIRE**

County of Grafton

On this the 19<sup>th</sup> day of April, 2022 before me, the undersigned officer, personally appeared Michael Claflin, who acknowledged himself to be the Chair of the Community Development Finance Authority, a non-profit corporation, and that he as such Chair being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the organization by himself as Chair.

In witness whereof I hereunto set my hand and official seal.

My commission expires: Nov 6, 2024

Carla J. Allen  
Notary Public, State of New Hampshire  
My Commission Expires Nov. 6, 2024

Carla J. Allen

\_\_\_\_\_, Notary Public  
(Seal)