



Monday, March 6, 2023

To: Minnesota House of Representatives, Climate and Energy Finance and Policy Committee
Room 200 State Office Building, St Paul, MN 55101

Dear Committee members,

The BlueGreen Alliance supports HF 2336, which would establish the Minnesota Innovative Finance Authority to fund projects that advance clean energy, energy resilience for underserved communities, and markets across the state. Rooted in values-driven investments, the Authority would play a key role in ensuring that we create good-paying jobs in Minnesota's clean energy, transportation, buildings, and manufacturing sectors.

The Inflation Reduction Act dedicated \$27 billion to the Environmental Protection Agency to establish the Greenhouse Gas (GHG) Reduction Fund. The GHG Reduction Fund makes grants available to states, municipalities, and Tribal governments to invest in projects in economically, socially, and environmentally disadvantaged communities. Having a state body manage these large-scale grants is one way to ensure that projects benefit local economies and communities primarily, have technical assistance, and dedicated staff to administer grants.

The Authority will fund expansive investments in clean energy technologies like clean energy retrofits, renewable energy components and battery manufacturing. These investments would spur economic development in greater Minnesota by creating clean energy manufacturing facilities and jobs, bringing new markets to the state that pave the way to a clean energy future and support families across Minnesota.

Minnesotans stand to benefit from a clean energy future in which we grow good union jobs and cut emissions in our communities. As an example, a report commissioned by the BlueGreen Alliance found that investments in improving energy efficiency by 20 percent in Municipal Buildings, Universities, Schools, and Hospitals (MUSH) would create nearly 15,000 high quality jobs in Minnesota.¹ We can build healthier, more efficient public buildings where we work, eat, gather, and more. We applaud the prevailing wage provision on projects over \$100,000 financed partially or wholly by the Authority.

We urge the committee to support HF 2336 to establish a state authority to oversee the federal greenhouse gas reduction funds to ensure the most meaningful impact on building a clean economy in Minnesota is actualized.

In Solidarity, Abby Hornberger, MN Policy Organizer, BlueGreen Alliance

¹ BlueGreen Alliance, 20 For MN: A Proposal To Reduce Minnesota's Energy Use In The M.U.S.H. Sector By 20 Percent



March 21, 2023

Chair Acomb
House Climate and Energy Finance and Policy Committee
75 Rev. Dr. Martin Luther King, Jr. Blvd.
Saint Paul, MN 55155

Dear Chair Acomb and Committee Members,

CURE thanks the Committee for this opportunity to testify in support of H.F. 2336. CURE is a rurally based, non-profit organization dedicated to uplifting rural voices and strengthening rural communities. The Minnesota Climate Innovation Finance Authority (MNCIFA) created by H.F. 2336 would be an essential tool for strengthening those communities, ensuring they are able to be part of and benefit from the critical energy transition.

MNCIFA would help communities, organizations, and businesses identify, coordinate, and obtain financing, (grants, rebates, and low-interest loans) for projects that address their most pressing needs. MNCIFA could help:

- Homeowners leverage federal incentives by providing upfront capital for energy efficient appliances like heat pump water heaters and electric ranges, rooftop solar, or weatherization projects.
- Cities coordinate and finance the construction of community-wide distributed energy generation and battery resiliency hubs or district heating and cooling systems.
- Communities build infrastructure for the services they need for economic development—like food coops or childcare centers—by incorporating renewable energy and efficiency technologies that save operating costs in the short and long term.
- Rural electric coops make investments in renewables, grid infrastructure, and electric vehicle charging stations.

Importantly, MNCIFA would provide technical assistance in addition to financial expertise so that communities may take advantage of opportunities to increase their resilience while saving money.

H.F. 2336 has the potential to change the way people and communities across our state participate in the transition to an equitable, just, and sustainable way of living. CURE thanks the Committee for considering this issue and for the opportunity to submit written testimony.

Sincerely,

/s/ Sarah Mooradian

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DATE: March 21st, 2023
TO: House Climate and Energy Finance and Policy Committee
FROM: Jen Fuller, Policy Advocate, Minnesota Center for Environmental Advocacy
RE: HF 2336 (Greenman) Minnesota Climate Innovation Finance Authority

Chair Acomb and Members of the Committee:

The Minnesota Center for Environmental Advocacy (MCEA) supports HF 2336 (Greenman). To meet the state's newly established clean energy standards, more Minnesotans deserve the ability to work, economically benefit, and innovate in the clean energy economy. The Minnesota Climate Innovation Finance Authority, or MNCIFA, establishes enduring funding streams to maximize federal and one-time monies through the Infrastructure Investment and Jobs Act and the Inflation Reduction Act, in addition to our state surplus. It would expand investment in climate solutions by reducing up-front costs for people who have so far lacked easy access to capital.

Importantly, MNCIFA would evaluate gaps in existing financing opportunities and focus on bringing money into the communities who need it most (Subd. 5). Under this bill, "The authority's targets and strategies must be designed to ensure that no less than 40 percent of the direct benefits of authority activities flow to environmental justice communities," defined as communities of color, Indigenous communities, and low-income communities that have been historically overburdened with exposure to pollution and high energy costs. In order to have a just energy transition, we need to re-train workers in places where fossil fuel electricity plants are retiring. This bill sets forth a preference for local Minnesota workers who live within 150 miles of a proposed MNCIFA project, as well as people living in environmental justice communities.

Understanding the numerous funding streams recently made available for innovative climate solutions can be difficult. To that end, the MNCIFA would establish a community navigator program, which would provide information and technical assistance to help people access funds. MCEA finds this capacity-building to be key in implementing a sustainable and widespread financing authority.

This bill addresses existing inequities in financing access, promotes local jobs, and leverages historic federal and state funding to bolster climate solutions that benefit everybody. For all these reasons, we strongly urge you to support HF 2336.

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March 20, 2023
State and Local Government Finance and Policy Committee
Minnesota House of Representatives
100 Rev. Dr. Martin Luther King Jr. Blvd.
Saint Paul, MN 55155

Dear Chair Klevorn and the House State and Local Government Finance and Policy Committee:

Thank you for the opportunity to provide testimony in support of the HF 2336 author's amendment to establish the Minnesota Climate Innovation Finance Authority. The Union of Concerned Scientists (UCS) is a national nonprofit organization dedicated to advancing science-based policy solutions. UCS has more than 500,000 supporters, including over 6,400 in Minnesota.

UCS supports climate and clean energy financing as powerful tools for boosting state economies and saving consumers money.¹ Entities such as the proposed Minnesota Climate Innovation Finance Authority have a demonstrated track record of success. They are operating in numerous states and local communities across the United States. According to the Coalition for Green Capital, a record \$4.64 billion was invested in clean energy projects in 2022, with \$1.51 billion in public spending leveraging \$3.12 billion in private capital, and \$1.2 billion invested in low-income and disadvantaged communities.² Additionally, since 2011, there has been a total of \$14.85 billion cumulative investment, including \$4.2 billion of public capital and \$10.66 billion of private capital, meaning \$2.54 in private spending for every \$1 of public spending.³

Significant capital is needed to achieve Minnesota's climate and clean energy targets. Additionally, entities such as the Minnesota Climate Innovation Authority can help support underserved markets and technologies and strategies that deliver the greatest emissions reductions as equitably as possible. Finally, the Authority can also enhance Minnesota's ability to receive federal funding and incentives.

¹ See generally, *Financing Clean Energy: A Powerful Tool for Boosting State Economies and Saving Consumers Money*, Union of Concerned Scientists (2015). Online at <https://www.ucsusa.org/resources/financing-clean-energy>.

² Coalition for Green Capital, *Green Banks in the United States: 2022 U.S. Green Bank Annual Industry Report* (March 2023). Online at https://mcusercontent.com/3e3337737c870aa879b2ef144/files/58657110-26b4-3ee5-a3e4-45fda1bb6594/CGC_Consortium_AnnualReport.01.pdf.

³ *Id.*

UCS offers the following recommendations for consideration as this bill moves forward:

- In Section 1, Subdivision 1(a), after “low-income” add “environmental justice, and/or disadvantaged communities.”
- In Section 1, Subdivision 1(b)(1), after “clean energy projects” add “in underserved markets.”
- With respect to Section 1, Subdivision 2(m), the list of qualified projects is good, but we suggest adding consideration of projects that specifically improve climate resilience (e.g., clean energy microgrids or water projects).
- In Section 1, Subdivision 4(a)(2), replace “ensure that all financed projects reduce greenhouse gas emissions” with “prioritize projects that reduce greenhouse gas emissions.” Some of the qualified projects listed earlier in the legislation would not necessarily reduce greenhouse gas emissions, at least not directly, but are still worthy of investment.
- In Section 1, Subdivision 4(a)(11), consider expanding low-income communities to also refer to environmental justice and/or disadvantaged communities.

* * * *

Thank you for your consideration of these comments and for supporting a clean, equitable energy future for all Minnesotans.

Sincerely,



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Union of Concerned Scientists
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