



March 6, 2023

Dear Members of the Minnesota Legislature,

We write in support of the Minnesota Climate Innovation Finance Authority ([HF2336/SF2301](#)).

The Minnesota Climate Innovation Finance Authority will:

- **Center equity:** at least 40 percent of its investments have to benefit underserved communities, including Tribal communities, Indigenous people, communities of color, and low-income communities.
- **Fill gaps with innovative financing tools that drive public purpose outcomes,** not profits.
- **Bring the transition to scale across Minnesota.** With federal funding soon becoming available and a significant infusion of one-time surplus funds, we need to multiply the impact of one-time surplus dollars over the next 10 years and beyond.
- **Provide for regional staff around the state to offer a one-stop shop of technical and financial assistance**
- **Take advantage of federal Inflation Act Reduction funds.**

The Minnesota Climate Innovation Finance Authority aims to reduce the upfront and total costs of the project for otherwise underserved communities using financial tools like:

- **Strong consumer protections:** Green Authorities can provide loan-loss reserves for existing financing products so that private capital will reduce barriers to financing for low-income customers. Green banks have historically seen less than 0.5% default rate.
- **Community ownership models,** which proactively encourage shared systems like community solar, district ground-source heating and cooling, micro-grids, or other innovative business models that provide shared infrastructure benefiting many, independent of whether they own property or have access to capital.
- **Traditional, but-better financial instruments,** such as:
 - direct lending and strong consumer protections.
 - co-investments that use public funds with private financier's investment.
 - reduced risk options (e.g., loan loss reserves or guarantees).
 - aggregating projects that may be smaller or geographically diverse.

We fully and enthusiastically support the Minnesota Climate Innovation Finance Authority ([HF2336/SF2301](#)) and are excited that Minnesota will be one of the national leaders in equitably funding our transition to renewable energy.

Julia Nerbonne

A handwritten signature in black ink, appearing to read "Julia Nerbonne", is placed over a light gray rectangular background.

Executive Director

Minnesota Interfaith Power & Light