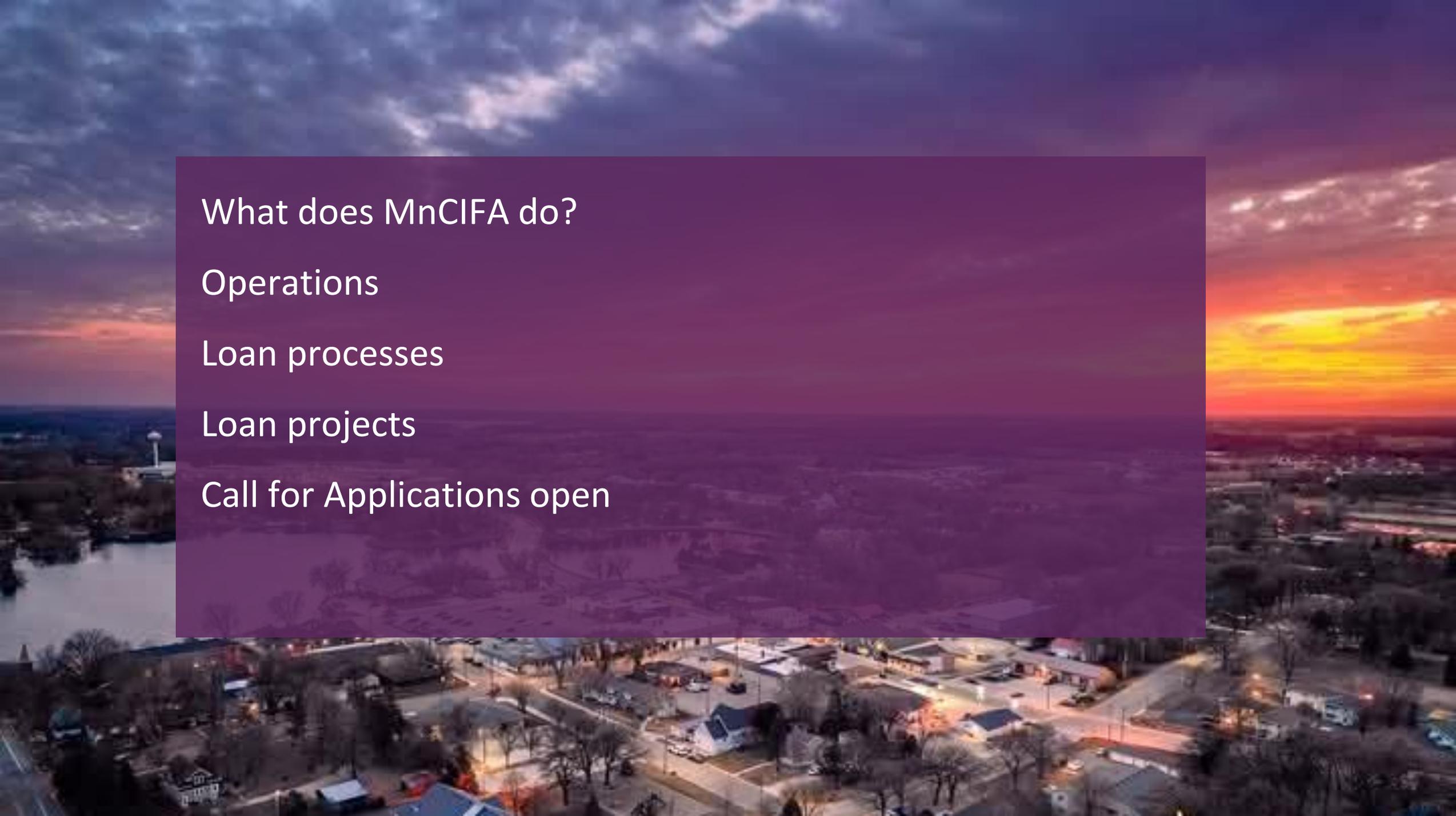




2026 Minnesota Legislative Session
House Energy & Policy Committee | February 24, 2026

Kari Groth Swan | Executive Director

An aerial photograph of a city at sunset. The sky is filled with dramatic, colorful clouds in shades of purple, orange, and yellow. The city below is illuminated by streetlights and building lights, creating a warm glow. A large, semi-transparent purple rectangle is overlaid on the left side of the image, containing white text.

What does MnCIFA do?

Operations

Loan processes

Loan projects

Call for Applications open

What does MnCIFA do?

Minnesota Climate

**Accelerating
Minnesota's transition to
a clean energy future.**

Investments in projects to:

- Save energy
- Reduce energy costs
- Enhance energy reliable
- Grow MN's clean energy economy

Innovation

**Fill gaps, overcome barriers
to finance projects.**

- Priority lending to underserved markets
- Leverage private, public and nonprofit funds
- Flexible interest
- Innovative financing

Finance Authority

Financing qualified projects

- Loans (not grants) which push projects forward, draw in private investment
- Minimum \$250k, with option for intermediaries
- Demonstrated benefits for the community

Established in state law during 2023 session: Minn. Stat. 216C.441

State funding: \$105M

- \$45M General Fund – allocated in 2023
- \$60M State Competitiveness Fund transfer 2024 – loans leveraging federal tax credits

Federal funding implications:

- \$25M CGC grant (pending litigation)
- \$24M Solar for All (pending litigation)
- DOE Loan Program Office
- Repeal of some federal tax credits

Additional funding sources:

- Actively pursuing capital from private and philanthropic sources to expand MnCIFA lending

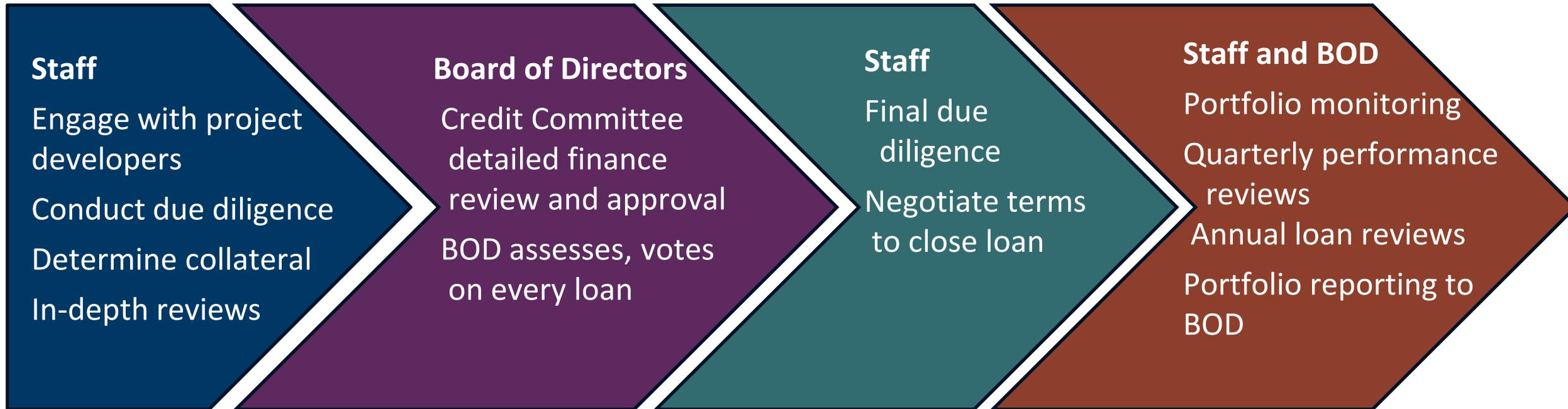
Operational FY26 budget (projected):

- Expenditures: \$3.3M
- Revenue: \$3.6M
 - \$5.5M when including accrued interest (\$1.9M)

Capital committed and needed for loans:

- \$23.1M closed loans
- \$14.3M additional loans approved by Board of Directors
- \$100M+ proposed projects under consideration
- \$50M current Call for Applications

Lending process and loan monitoring



Current loan portfolio

Committed loan portfolio:

- **\$23.1M** – closed loans
 - Loan typically 2- to 7-year terms
 - Average \$2 million
 - 90% projects direct benefit to communities historically underserved by capital markets
 - Project jobs: 975
- **\$14.3M** – BOD approved
- All projects required to have demonstrated energy and cost savings

Leveraging capital:

Total costs for projects:

- **\$23M in loans for projects with \$107M total cost**
- **\$14.3M in loans for projects with \$171M total cost**
- About **\$5 in private/public** investment for **every \$1 in MnCIFA loans**
- Majority qualify for **federal tax credits**, covering 30-40% costs

Qualified projects:

- Public and private entities
- Across Minnesota
- Varied financing tools
- Energy technology components



10-site Solar Portfolio

\$1.84 million loan with 8-year term

- 579.18 kW rooftop solar
- Nonprofits: faith-based; community centers
- ***Significantly reduces electric costs*** – freeing funds for more community programs

Qualified for Federal Investment Tax Credits

Partnership:

- Lake Street Solar – developer/borrower
- MN Interfaith Power & Light
- Apadana Energy



High-tech efficiencies for century-old building



Sandstone School Workforce Housing **\$3.62 million loan with 2- and 7-year terms**

Renovating historic century-old building

- Affordable workforce housing
 - 32 apartments
- Loan for energy efficiency components:
 - High-efficiency boiler, high-tech HVAC
 - Efficient windows and roofing
 - **65% less electric use; 45% less gas use**
- Loan repayment:
 - Primarily federal and state historical tax credits

Innovation: Reducing Landfill Carbon Dioxide

Carba, Inc.

\$500,000 loan with 5-year term

Innovation: Converts woody biomass into stable biocarbon to be buried for long-term sequestration

- MnCIFA loan for first reactor
- Project subsequently raised \$6M private funds

Other project partners:

- Waste Management of Minnesota
- Burnsville Sanitary Landfill
 - Will use biocarbon as additive material for daily cover
- Microsoft carbon off-take agreement
- Capital stack: Philanthropy grants, other loans



Call for Applications

Seeking \$50M to loan for qualified projects

- Meet statutory qualifications such as minimum \$250k loan
- Meet financial standards required in due diligence

Objectives:

- Reduce energy costs and increase reliability for Minnesotans
- Bring clean energy innovation to Minnesota that spurs economic development
- Expand opportunities for Tribal or Greater Minnesota communities

Call for Applications posted at mncifa.mn.gov



More info: mncifa.mn.gov
Thank you!

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