



October 15, 2025 Board Meeting

AGENDA

- Welcome
- Communications & Engagement update
- Legislative update
- Credit Committee
- Finance update
- Governance Committee update
- Executive Director report



**CLIMATE INNOVATION
FINANCE AUTHORITY**

Communications & Engagement

Mo Schriner | Communications & Engagement Director

Quarter 3 Public Meeting

- Slides shared with BOD: [MnCIFA Extranet](#)
- Targeted invites/ attendees:
 - BOD members in person
 - Online: Over 40 Zoom attendees
- Presenters:
 - Public Sector Consultants: Julie Bennett, Kevin Bain – info on Michigan, Connecticut GBs
 - Collective Clean Energy Fund (Colorado's green bank): Dave Harris
 - GB50: Franz Hochstrasser, S2 Strategies
- Key insights
- Planning for next quarterly public meeting: tentative date January 8, 2026

Website Development

MnCIFA website:

- Current online presence [on MN Commerce website](#)
- Web developer: NightHawk – MNIT master contract developer
 - Andrea Douglas
- Project timeline: Launch **“go live” on November 12, 2025**
- Website design workshop: Three personas served by website
 - Clients – current and potential
 - Partners
 - Critical observers
- BOD – three web pages
- Project pages



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Finance Presentation

Eric Horent | CFO

Loan Servicing: Recent Activities

- Financial platform
- Electronic Payment System/Payment portal.
 - Timeline: 60-120 days according to U.S. Bank.
 - Likely to be on longer side of range because of system testing.
- Set up accounts for payments
- Completed loan amortization schedules for all existing loans

Loan Amortization Schedule: Example

Total	Loan	Loan	Term	Origination	Interest	Accrued	Payment	Repayment
Loan	Loan	Term	Origination	Interest	Interest	Interest	Interest	Principal
Amount	Start Date	End Date	(months)	Fee	Rate	Start	Start	Start
\$1,000,000	1/15/2025	1/1/2030	60	\$0	4.70%	2/1/2025	1/1/2026	1/1/2026

Accrued interests added to principal balance for one year after signature of loan

FY	Accrued Interest	Paid Interest	Repaid principal	Total payment	Remaining Principal
2025	\$19,583	\$0	\$0	\$0	\$1,019,583
2026	\$47,609	\$24,109	\$41,358	\$65,467	\$1,001,726
2027	\$45,251	\$45,251	\$85,683	\$130,934	\$916,042
2028	\$41,136	\$41,136	\$89,798	\$130,934	\$826,244
2029	\$36,823	\$36,823	\$94,111	\$130,934	\$732,133
2030	\$19,407	\$19,407	\$732,133	\$751,540	\$0
Total	\$209,810	\$166,726	\$1,043,083	\$1,209,810	

Difference between accrued interest and paid interest in 2025 and 2026 is \$43,083.

Difference between total repaid principal and original loan is \$43,083.

Loan Amortization Schedule: All current Projects

- 9 current projects are expected to generate \$3.94M in revenue
 - ✓ revenue: interest payments, principal repayment, and origination fee
 - ✓ Average annual return: Approximately 4%
 - ✓ Interest rates range from 2.50% to 5.52%
- Until FY 28: Accrued interest > Paid interest
 - ✓ Interest payments are typically deferred for some time after closing.
 - ✓ After FY26, one (large) loan with deferred interest drives this result.
- Bulk of revenue in FY27-FY29
 - ✓ Consistent with typical loan structure and duration (3-5 years).

Loan Amortization Schedule: All current Projects

Current Amount of Loans for Projects: \$23,108,700

Total Revenue from loans: \$3,939,866

FY	Accrued Interest	Paid Interest	Repaid principal	Total payment	Cumulative Repaid principal
2025	\$274,368	\$8,333	\$0	\$8,333	\$0
2026	\$931,958	\$410,993	\$926,064	\$1,357,057	\$926,064
2027	\$916,212	\$685,240	\$801,389	\$1,486,629	\$1,727,452
2028	\$767,298	\$657,553	\$7,992,055	\$8,649,608	\$9,719,507
2029	\$585,972	\$585,972	\$6,117,607	\$6,703,579	\$15,837,114
2030	\$285,686	\$285,686	\$6,678,406	\$6,964,092	\$22,515,520
2031	\$70,350	\$70,350	\$295,561	\$365,911	\$22,811,081
2032	\$57,748	\$57,748	\$283,720	\$341,468	\$23,094,801
2033	\$22,269	\$22,269	\$838,819	\$861,088	\$23,933,620
2034	\$7,919	\$7,919	\$278,977	\$286,896	\$24,212,597
2035	\$89	\$89	\$23,818	\$23,908	\$24,236,415
Total	\$3,919,868	\$2,792,153	\$24,236,415	\$27,048,568	

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Loan Servicing: Upcoming Activities

- Quarterly meetings with projects.
 - Review amortization schedule.
 - Update on payments/payment system
 - (Impact of federal shutdown).
- Loan monthly reports
- Processes and procedures

FY 26 Budget: Revenues

- Cash-based: \$3,634,491.
 - Accrual-based: \$5,503,456
- ✓ **Investment Income:**
Based on MMB's budget forecast methodology.
- ✓ **Current Projects' Income**
Based on Mortgage amortization Schedule.
- ✓ **New Projects' Income**
Assumption: \$35M in projects for FY26. Interest rate:4.5%. Half of accrued interests are paid.

FY 26 Budget: Expenditures

- \$3,326,342
 - ✓ Personnel Expenditures

Accounts for all existing and additional staff.
 - ✓ Operating Services

Majority of budgeted expenses in this category (\$500K) are for new office (technology, furniture, furnishing).

One-time expenditures.
 - ✓ Professional/Technical Services:

Contracts for consultants, MOUs (AGO. Department Commerce), financial/loan system

AGO: \$120K (\$600K in MOU). Consultants: \$650K (*technical expertise, environmental expertise, Regulatory expertise*)

FY 26 Budget: Overview

	Cash-based	Accrual-Based
Revenue	\$3,634,491	\$5,503,456
Investment Income	\$3,221,498	\$3,221,498
Current Projects' Income	\$412,993	\$931,958
New Projects Income	\$675,000	\$1,350,000
Expenditures	\$3,326,342	\$3,326,342
Personnel Expenditures	\$1,235,251	\$1,235,251
Operating Services	\$674,500	\$674,500
Professional/Technical Services	\$1,416,591	\$1,416,591
Net Revenue	\$308,149	\$2,177,114

Budget: Other Budget Activities

- 5-year base budget (in conjunction with MMB).
- Contract Management Policy
- Budget Requests
- Annual Audit



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Investment Presentation

Arpita Bhattacharyya | CIO

Lending Policies and Procedures Update

- Time to right size policies and procedures to team size and structure
- Standardized and appropriate gates to ensure efficiency of small staff resources
 - Carba Example
- Reenvisioning the role of the Board and Credit Committee
- Borrower Confidentiality (Enterprise)
- Timeline:
 - Draft Framework and Outline: Presented at December Board Meeting
 - Final Policies Published: End of Q1
- Policies will be the backbone to implement strategy items (Q1 and Q2 2026):
 - Capitalization
 - Products
 - Sector and Community Strategy (Q2 Solicitation for projects)



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Deal Discussion: Enterprise

Overview of Request for Information on Tax Credit Changes

- **Purpose:**
 - Understand the challenges facing the renewable energy industry and consumers with the changes in the tax credits
 - Develop outreach and financing solutions based on responses
- **Response:**
 - 14 Respondents including: 9 solar developers, 1 ESCO, 2 municipalities, 1 utility, and 1 non-profit
- **TLDR Summary:**
 - Larger developers will be able to continue executing projects at a higher cost to the end customer
 - Smaller developers and non-profits serving underserved communities will/are struggling
 - Supply chain is still rationalizing with potential intense competition for FEOC compliant equipment

Challenges Facing the MN Renewable Energy Community

Area	Feedback
Financing and ITC	<ul style="list-style-type: none">• Losing 50% book of business + layoffs• Relying on Solar for All Money• Been able to find financing at higher rates• Tax credit changes on top of grant cancellations have stopped projects from moving forward
FEOC	<ul style="list-style-type: none">• Expect cost increases and significant equipment price variance• Scarcity of qualifying components will create procurement bottlenecks.• Pipeline are being scrubbed and shrinking, with necessary contingency plans• Lack of trust in newer manufacturers of domestic panel manufacturers• Costs will rise for projects as developers compete for a smaller pool of eligible panels, inverters, and storage systems
Industry Outlook	<ul style="list-style-type: none">• Short term assistance might prevent solar from figuring out how to be profitable without the tax credits• For efficiency projects, will need to diversify technologies and integrate storage, geothermal, other

Requests for MnCIFA

Requests	Opportunities and Challenges for MnCIFA
<p>Expand access to low-interest and flexible financing for developers access tax credits and cover higher costs of FEOC compliant materials</p>	<ul style="list-style-type: none">• Will not be able to make up full cost of FEOC or tax credit with interest rate• Limited funds to support every project• Need to prioritize disadvantaged communities
<p>Support purchases of equipment to meet safe harbor/ avoid FEOC</p> <ul style="list-style-type: none">•Bridge loans for developers to purchase compliant equipment•Procure equipment directly•Bulk purchasing options by NGOs, such as CDFI's	<ul style="list-style-type: none">• Need to determine if MnCIFA can buy and hold equipment• Developer and other companies have approached about safe harbor facility• Welcome NGO and CDFI safe harbor facilities

Requests for Legislature, Other Agencies, External Parties

Other Financing Requests

Transfer of tax credits among taxpayers, and sale of Renewable Energy Certificates (RECs)

Continue support of Community Solar Garden Program, especially for LMI

Expand production-based incentives, modeled after Xcel's Solar *Rewards program

Grants, rebates, low-interest financing

Funding available for consumers to support creative ownership structures and financing opportunities

Establish Minnesota state tax credit for residential

Requests for Legislature, Other Agencies, External Parties

FEOC Compliance Support/Technical Assistance

Expand Deloitte tax consulting services.

State-led resource hub/partnerships with NGOs for reporting and compliance

State assistance to manufacturers to meet procurement, reporting, and compliance requirements

Independent verification services or “trusted supplier list” – will give lenders and investors confidence

Dedicate capacity-building resources, so culturally specific organizations can participate

Requests for Legislature, Other Agencies, External Parties

Regulatory and Policy

Streamline permitting

Utility limits to solar development needs to be addressed

Expand incentive layering with housing and clean energy programs

Develop capacity with local governments and nonprofits – state or philanthropic funding is needed for local staffing to stay on track with project deadlines

Thank You!

The MnCIFA Team

Kari, Parisa, Amy, Eric, Arpita, Maya, Mo