

FACT SHEET



The Minnesota Climate Innovation Finance Authority supports our state's clean energy economy by expanding financing options for clean energy projects.

Similar to how community banks meet local finance and capital needs, MnCIFA offers financing that meets needs and overcomes barriers for clean energy projects to move forward and achieve significant long-term benefits for families, businesses and communities.

CLIMATE

Tackling challenges of our changing climate by:

- Building our state's clean energy economy
- Helping communities prepare for more extreme weather
- Transitioning Minnesota to a future where energy is more affordable and reliable, safer and cleaner

INNOVATION

Innovative financing that:

- Fills the gaps in financing for clean energy projects
- Enhances private, nonprofit, and public investments by funding clean energy elements that can be added to projects
- Emphasizes capital for underserved markets and communities most challenged by our changing climate

FINANCE AUTHORITY

Flexible financial for projects meeting qualifications:

- Loans (not grants) with financial ability to repay
- Minimum \$250,000 loan, with option for revolving loan funds
- Site jobs paid prevailing wage
- Demonstrated benefits to save energy, save money, reduce greenhouse gas emissions, maintain energy reliability

Loans approved by the MnCIFA Board of Directors from March 2024 to June 2025 encompass a range of projects, including:

- Geothermal systems for heating and cooling for two new construction projects: an affordable housing complex and a nonprofit homeless shelter
- A community resiliency hub, with solar power and energy storage, on four area schools
- Revolving loan fund to install solar power at multiple sites, including churches and community centers
- Energy efficiency projects, with ultra-efficient (net zero) efficiencies for a new apartment building and high-efficient boiler, HVAC and insulation for a historic building renovation



More about MnCIFA

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Our evolving role

The environment for clean energy financing is changing.

The Minnesota Climate Innovation Finance Authority is working to adapt to changes in the environment for clean energy financing. The most significant change is losing the federal government as a reliable partner in clean energy, which means state and local efforts to build Minnesota's clean energy economy become more important than ever.

Federal policy changes will raise Minnesota's energy costs.

With its enactment on July 4, 2025, HR1 puts in place substantive changes in the federal investment tax credits and Direct Pay (or ITCs) for solar and wind energy. While MnCIF's investment strategies and lending projects will be impacted, our concern is the larger impact on Minnesota consumers, businesses and communities.

Electricity costs for residential and commercial/industrial in Minnesota are predicted to rise more than 10% over the next 4 years and could rise higher after 2030, based on assessments by Clean Energy Economy Minnesota, Clean Energy Buyers Association and other industry experts. These price increases will hit hardest for those least able to pay more. Thousands of clean energy jobs are at risk and billions in public and private investments will be lost.

Minnesota needs more energy resources now.

Over the past two decades, Minnesota has been a leader in clean energy and more than half of our state's electricity sources are already clean energy. Minnesota's energy needs are growing, primarily due to energy-hungry data centers being added to our state's electric grid. It is a proven fact that the fastest, most affordable way, to add energy resources are solar and wind generation, paired with energy storage for reliability.

MnCIFA financing priorities through July 2026

The majority of loans approved by MnCIF have been structured as bridge loans to be repaid once the borrower receives a federal ITC for their clean energy project. While federal ITCs are still available, **MnCIFA is setting priority on financing projects that could still qualify for ITCs through July 2026 as follows:**

- Clean energy projects set to begin construction before December 31, 2025, could qualify for federal ITCs, without the new HR1 requirement for limits on materials from Foreign Entities of Concern. FEOC currently involves entities from China, Russia, North Korea and Iran.
- Projects started in 2026 would need to meet new FEOC requirements in order to qualify for ITCs.
- Projects started after HR1 enactment (July 4, 2025), but prior to July 4, 2026 (one year after HR1), must be placed into service before the end of 2027 in order to qualify for ITCs.

After July 4, 2026, federal ITCs are anticipated to still be available for other clean energy projects, such as energy storage and geothermal (ground-source heat only).

Help MnCIF evolve

MnCIFA welcomes and values your ideas and creative solutions for MnCIF to adapt to changes in clean energy financing. Contact us to share your ideas. Participate in roundtable discussions at MnCIF's quarterly public meetings. We're here to serve Minnesota. We look forward to serving more Minnesotans to grow our clean energy economy.

