



August 20th Credit Committee presentation to Board of Directors

MnCIFA Staff

MnCIFA's evolving role in green financing

MnCIFA financing status:

- \$105 million in State of Minnesota funds (allocated, stable)
- \$28 million loans approved to date by Board of Directors

Federal: HR1 policy changes

MnCIFA prioritizing projects that may not be able to receive the federal investment tax credits (ITCs) for clean energy

- Solar or wind installations that could begin construction prior to Dec. 31, 2025
- Clean energy projects that could comply with HR1 new requirements to limit materials from Foreign Entities of Concern (FEOC requirements)

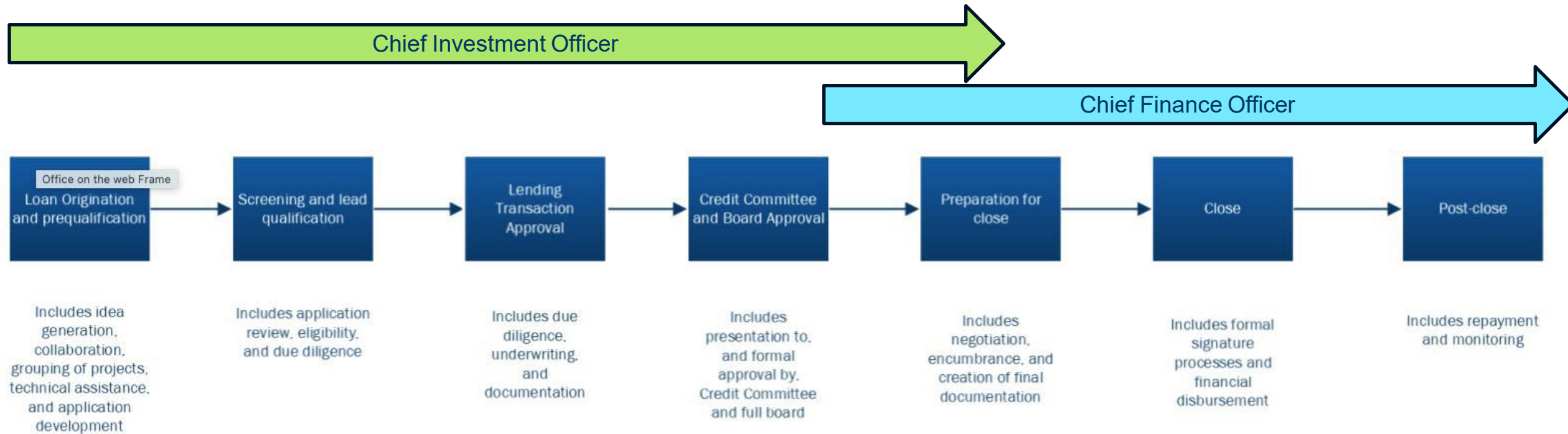
MnCIFA's evolving role in green financing - RFI

Solar for All: Grant terminated -- \$23.85 will not transfer from Commerce

Request for Information:

- RFI issued by MnCIFA and MN Dept. of Commerce
- Response deadline: Friday, September 12, 2025
- Seeking input on:
 - Project plans to begin construction prior to December 31, 2025
 - Developer abilities to comply with FEOC requirements
 - Needs for the State to support projects under HR1 – what are your project needs?

MnCIFA's Finance Leadership is here (and more process)!



Closed Loans: Overview

- Number of Projects: 7
- Loaned Amount (Total): \$21,858,000
- Project Amount (Total): \$83,800,000
- MnCIFA Share of Projects: 26.1%

Project	Location	Project Description	Stage	Amount
The Heights	St Paul	District Hydrothermal	9-Closed	\$4,700,000
Renewable Energy Partners	Minneapolis	Solar/Resiliency Hub	9-Closed	\$1,200,000
Avenues for Youth	Minneapolis	Hydrothermal & Solar	9-Closed	\$4,500,000
3561 Minnehaha, LLC	Minneapolis	Solar/Efficiencies	9-Closed	\$2,000,000
Greater MN Housing Fund/NACC	Various	Revolving Loan Fund	9-Closed	\$4,000,000
Lake Street Solar/MN Interfaith Power & Light	Various	Solar for Faith Buildings	9-Closed	\$1,835,000
New Rock LLC	Sandstone	HVAC and Efficiencies	9-Closed	\$3,623,700

Loan Servicing: Recent Activities

- Met with leadership for all projects for status updates
No current concerns about repayment
- Recurring quarterly meetings in the future
- Report to Credit Committee and the Board twice yearly

Loan servicing: Upcoming Activities

- Refining processes to:
 - Collect documentation for loans (prevailing wages)
 - Provide statements of interest for borrowers
 - Receive payments
 - Receive origination fees
- Establishing an origination fee schedule and policy
 - Considerations to set origination fee schedule:
 - Recovering the incurred expenses associated with issuing loans
 - Keeping loans accessible to borrowers who may not have access to traditional financing

Pipeline Update

Project	Location	Project Description	Stage	Amount
NDC – Chicago & Lake	Minneapolis	Solar/Efficiencies	7-Final Negotiations	\$1,500,000
Carba	TBD	Carbon Capture	7-Final Negotiations	\$500,000
30,000 Ft	St. Paul	Gap Financing for Energy Components	7-Final Negotiations	\$750,000
Winegar Inc	Waseca	Solar for manufacturing	6-Board Approval	\$1,800,000
Neighborhood Dev. Center	Metro	Small BIPOC Business Loans for Efficiency	6-Board Approval	\$1,500,000

Q4 Pipeline and Beyond

- Q4 Projects will focus on low hanging fruit that urgently need financing to hit the construction milestones.
- Multiple projects have/will fall out of the pipeline, due to uncertainty in tax credits.
- MnCIFA will likely issue another Solicitation for a new pipeline of projects that meet the criteria for the tax credits.

Location	Project Description	Stage	Amount
Minneapolis	Home Appliance Upgrades	3-Initial Due Diligence	\$2,525,000
Red Wing	Efficiencies	3-Initial Due Diligence	\$700,000
Renville	Anaerobic digesters	3-Initial Due Diligence	\$4,500,000
Rice	Solar on Schools	3-Initial Due Diligence	\$833,000
Sauk Rapids	Solar on Schools	3-Initial Due Diligence	\$735,000
Red Lake	Solar Garden	3-Initial Due Diligence	\$2,500,000
Various	Multiple	3-Initial Due Diligence	\$25,000,000
Sauk Rapids	Solar on Schools	3-Initial Due Diligence	\$1,475,000
Rochester	Hydrothermal & Solar	2-Lead Qualification	\$2,000,000
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Various	Solar	2-Lead Qualification	\$25,000,000
St. Paul	Air Source Heat Pumps	2-Lead Qualification	\$3,750,000
Minneapolis	Battery Manufacturing	2-Lead Qualification	\$5,000,000
Various	Energy Efficiency Upgrades	2-Lead Qualification	\$1,000,000
Various	Fast Chargers Across Minnesota	2-Lead Qualification	\$2,000,000
Various	Battery, Inverter, Microgrid	2-Lead Qualification	\$1,000,000
Minneapolis	Hydrothermal	1-Initial Application	\$1,000,000
S.P. & Mpls.	EV Vehicle Purchase	1-Initial Application	\$400,000
St. Paul	EV Charging Stations	1-Initial Application	\$425,000
Rogers	Myplas Plastics Recycling Facility	1-Initial Application	\$750,000
St. Paul	HVAC	1-Initial Application	\$2,000,000
Various	Loan Loss Reserve	1-Initial Application	\$5,000,000
Various	Efficiency & Solar	1-Initial Application	\$25,000,000
Various	Multiple	1-Initial Application	\$25,000,000
Benson	Solar	1-Initial Application	\$1,000,000
TBD	Solar Cells	1-Initial Application	\$5,000,000
Various	Green Amonia	1-Initial Application	\$5,000,000

Case Study: Community Solar

- Existing financing mechanisms
- Banks able to finance complete portfolio with participation
- MnCIFA able to require higher threshold for LMI customers
- Discussion on threshold





Finance Update

Eric Horent -- CFO

Budget FY 26

- Budgeted Revenue: \$2.7M
(Investment earnings, interest payments for loans, origination fees)
- Budgeted Expenditures: \$3.9M
 - Personnel: \$1.4M
(Additional staff: loan officers (2), staff attorney, administrative assistant)
 - Operating Services: \$675K
(Office setup: \$500K. One-time expenditures)
 - Professional/Technical services: \$1.8M
(AGO: \$400K. Consultants: \$650K)

Upcoming Finance Projects

- Board Approval and Rescission of Loans
 - Example: 180 Degrees
 - Discuss adaptation of process
- Revenue Projections:
 - Interest earnings
 - Accrued interest
 - Investment earnings

Thank You!
Questions?