

**Date:** February 18, 2026

**Item Activity:** Approve

**Meeting:** MnCIFA Board

**Prepared by:** Eric Horent, CFO

**Item Type:** Report & Recommendation

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**Item Title:** Adopt Resolution to Amend Loan to Renewable Energy Partners, Inc.

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**Action Requested:**

Adopt Resolution No. 2026-3

**Information/Background:**

On November 20, 2024, the Minnesota Climate Innovation Finance Authority approved a \$1,200,000 loan to Renewable Energy Partners, Inc. (REP), for the purchase and installation of solar geothermal renewable energy systems with associated storage components at four school district buildings in North Minneapolis. The loan is for a five-year term, with a 10-year amortization and payments scheduled to begin on January 1, 2026. The intent was for REP to use investment tax credits to pay off the MnCIFA loan within 30 days of credit receipt from the US Department of Energy.

On February 4, 2026, REP formally notified MnCIFA that it was having trouble recouping tax credits from a US Department of Energy grant. Although REP has received one payment in June 2025, and continues to submit requests, their invoices are marked as “pending review” in the federal payment system. REP estimates the dollar amount of unpaid invoices at approximately \$1.5M. REP has asked MnCIFA to defer initial payments for one year until January 1, 2027.

**Resources/Financial Impacts:** Unchanged. The term remains fixed: the only change is when principal and interest payments begin.

**Supporting Documentation:**

- 10.11.2024 Credit Memo from Peter Klein
- 11.20.2024 Meeting Minutes



**RESOLUTION NO. 2026-3**

**AMEND LOAN TO RENEWABLE ENERGY PARTNERS, INC.**

The Minnesota Climate Innovation Finance Authority board of directors (the "Board") hereby adopts the following resolution at a meeting duly called and held with a quorum being present.

**WHEREAS**, the Board adopted bylaws on April 17, 2024, to conduct its business and perform its responsibilities and duties in an orderly, efficient, transparent, fair, and lawful manner; and

**WHEREAS**, on November 16, 2024, the Board approved a \$1,200,000 loan to Renewable Energy Partners, Inc. (REP), for the purchase and installation of four solar renewable energy systems and associated storage; and

**WHEREAS**, REP executed and secured the Loan Agreement with a Promissory Note and Security Agreement delivered to MnCIFA dated January 13, 2025; and

**WHEREAS**, interest and principal payments were initially deferred in the Loan Agreement until January 1, 2026, to permit REP to receive investment tax credits from the US Department of Energy; and

**WHEREAS**, because payment of the investment tax credit has been delayed at the federal level, REP has requested that MnCIFA defer its interest and principal payments an additional year, starting on January 1, 2027;

**NOW, THEREFORE, THE BOARD HEREBY RESOLVES** that MnCIFA is authorized and directed to amend the Loan Agreement to allow for monthly interest and principal payments to begin on January 1, 2027.

Adopted by the Board this 18<sup>th</sup> day of February 2026.

**Attest:** \_\_\_\_\_  
Bali Kumar, Chair

**CERTIFICATE OF EXECUTIVE DIRECTOR**

I, the undersigned duly appointed and acting Executive Director for the Minnesota Climate Innovation Finance Authority do hereby certify that the attached and foregoing Resolution was duly adopted by the Minnesota Climate Innovation Finance Authority at its Meeting of February 18, 2026, and recorded in the Minutes of that Meeting.

WITNESS my hand this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

\_\_\_\_\_  
Kari Groth Swan  
Executive Director

## Credit Memo

**Date:** October 11, 2024

**To:** MnCIFA Board – Meeting Date October 16, 2024

**From:** Peter Klein

### RE: Renewable Energy Partners, Inc. - \$1,200,000 Financing Request

#### Action Requested:

Approval of a \$1,200,000 loan to Renewable Energy Partners, Inc. for the purchase and installation of a resiliency hub project on four school district buildings in North Minneapolis.

#### Background:

Renewable Energy Partners (REP) was founded in 2013 and has grown to become one of Minnesota's largest Black-owned solar development companies. REP focuses on clean energy projects with impactful community benefits, such as its community solar gardens serving low-income ratepayers, and its sponsorship of an energy skills training program at its facility in North Minneapolis. REP is a certified Minority Business Enterprise (MBE) and a member of the North Central Supplier Diversity Council. Its current work includes solar project development with Minneapolis Public Schools, Target Corporation, Science Museum of Minnesota and several affordable housing developers.

REP is proposing to construct solar projects, totaling 1,463 kW, on four Minneapolis school district buildings. Each building will also have an energy storage component. These installations are part of Xcel Energy's integrated distribution plan which includes this Resilient Minneapolis Proposal (RMP). On August 6, 2024, the Minnesota Public Utilities Commission approved this Xcel Energy proposed project. The intent of this project, beyond the energy savings that will be seen each day, is to have a source of available energy that can be provided to the local energy grid in case of a disaster that would curtail the delivery of energy from normal operations.

MnCIFA has been requested to fund a portion (\$1,200,000) of the solar and storage system. The estimated cost for this system is \$10,100,000. This funding would come from MnCIFA's current funds provided by the Legislature. Once we receive the \$25,000,000 of expected funding from the Inflation Reduction Act (IRA) through the Coalition for Green Capital (CGC), \$600,000 will reimburse MnCIFA for half of the financed amount. The intent of the remaining MnCIFA portion of this financing (\$600,000) is for it to be a bridge loan, and for it to be repaid once the investment tax credit (ITC) has been received or other funding sources are secured. If the ITC received is not sufficient to repay this portion of the loan, the loan will amortize over a ten-year period with a balloon at the end of the fifth year.

Although MnCIFA has not established its Strategic Plan and Investment Strategy, I believe that this financing is what those documents will call on us to fund. Until those documents have been finalized, MnCIFA is limited to deploying \$11,250,000 of the \$45,000,000 provided by the Legislature. The Heights

(\$4,700,000) and Avenues For Youth (\$4,500,000) are the only other projects that we have funded, so this will bring the total deployed funding for loans to \$10,400,000. This will be the last project brought forward before December.

**Proposed Project:**

The loan funds will be used to purchase and install solar renewable energy systems on four Minneapolis school district buildings. Each building will have a storage component as well. The overall construction project sources and uses is outlined below:

Sources of Funds:	Uses of Funds:
<ul style="list-style-type: none"> <li>• Xcel Energy DOE Grant \$ 4,800,000</li> <li>• Tax Equity Investor 3,100,000</li> <li>• Minneapolis GGRF Gran 300,000</li> <li>• Solar For Schools Grant 600,000</li> <li>• Minneapolis Public Schools 100,000</li> <li>• MnCIFA - Legislation <u>1,200,000</u></li> <li>• Total \$10,100,000</li> </ul>	<ul style="list-style-type: none"> <li>Solar and Storage \$ 6,000,000</li> <li>Labor and Engineering 2,100,000</li> <li>Contingency &amp; Interest <u>2,000,000</u></li> <li> </li> <li>Total \$10,100,000</li> </ul>

**Financial Analysis:**

The unaudited financial statements, for the calendar year end of 2023, show that REP was profitable and that it had a \$100,000 SBA loan outstanding. All other debt was with an affiliated company and the owner. The following ratios are for the year end 2023:

- Debt-to-Equity 1.64
- Debt Coverage Ratio 1.01

**Collateral:**

MnCIFA will file a UCC lien on all of the equipment financed. All contracts with the School District and Xcel Energy will be assumable by MnCIFA should REP not be able to complete its loan obligation. The equipment will be installed on school property so neither a mortgage, or PACE assessment is available.

**Risk:**

**Construction Risk:**

- This is a complicated project, with four separate buildings being involved, but there appears to be a sufficient contingency at 17% of the overall budget.

## Loan Terms:

The following are the proposed terms of the financing:

- Five-year term with a 10-year amortization, payments deferred for one year with interest accruing January 1, 2025.
- The interest rate will be set at the 10-year Treasury Bill rate one week before to the closing.
  - Interest will start to accrue on January 1, 2025. The accrued interest for 2025 will be added to the principal amount.
- Monthly interest and principal payments, with a 10-year amortization, will begin on 1/1/26.
- The loan documents will require REP to remit all of the investment tax credit received in excess of the tax equity provider's investment within 30 days of its receipt. The tax equity investment is currently projected at the 30% ITC rate and this project should be eligible for a 40% ITC.

## Workforce:

- Prevailing wages will need to be paid and reported.
- Approximately 100 FTEs construction jobs.

## Energy Savings:

- 1,824,000 kWh annually

## Recommendation:

- It is recommended that the Board of MnCIFA authorize the execution of loan documents for a loan not to exceed \$1,200,000 with Renewable Energy Partners, Inc., and to authorize the transfer of funds if all covenants are met.



Minnesota Climate Innovation Finance Authority

## Board Meeting Agenda

November 20, 2024 – Minnesota PCA Headquarters, Room 100 / Hybrid Meeting

9:30	Welcome	Chair
9:32	Approval of Agenda	Chair
9:35	Approval of October 16 Board Meeting Minutes & November 1st Special Board Meeting Minutes	Chair
9:40	New Executive Director Introduction <ul style="list-style-type: none"><li>• Kari Groth Swan</li></ul>	Chair
9:45	Management and Analysis Development <ul style="list-style-type: none"><li>• Strategic planning process update</li><li>• Engagement update</li><li>• Investment Strategy public comment update</li><li>• Review process to finalize Investment Strategy and Strategic Plan</li></ul>	Lisa Anderson, Stacy Sjogren, Stephanie Klein, Nicholas Kor
10:20	Open Discussion / Other Items <ul style="list-style-type: none"><li>• Public Comment Meeting</li></ul>	Chair
10:30	Adjourn	Chair



## Meeting Minutes: Minnesota Climate Innovation Finance Authority Board of Directors

Date: 10/16/2024

Minutes prepared by: Parisa Rostamkhani

Location: Minnesota Pollution Control Agency – Conference Room 600 / Hybrid

### Attendance:

- The meeting began at approximately 9:34am
- Present: Kumar, Haagenson, Fowler, Kohlasch, Nelmark, Teiken, Warmuth, Wyckoff, Benjamin, McKinnon, Perushek,
- Mills arrived at am 9:42am
- Warmuth left at 10:50am, Benjamin left at 10:55am

### Approval of Agenda:

- Motion: Kumar, Second: Wyckoff
- Unanimous approval- roll call vote

### Approval of Minutes from the September 18, Board Meeting:

- Motion: Kumar, Second: Haagenson
- Unanimous approval - roll call vote.

### Management Analysis and Development (MAD):

- Lisa Anderson provided an overview of the coverage of engagement that has been completed so far. Board members shared feedback and insight on their engagements so far with various groups and people.
- Katherine Teiken provided a brief update on the strategic plan draft. Three meetings are left to go, and the goal is to have an initial strategic plan draft for the board to share input at the November 20 board meeting.
  - Strategic plan content headers that have been discussed within the workgroup are:
    - Introduction
    - Terminology
    - Target underserved markets
      - Meeting our commitments to environment justice communities.
    - Programs and related annual goals
      - Tax credit “bridge” lending (public)
      - Accessing pooled lending
      - Debt financing
      - Loan loss reserves (mostly residential)
    - Outreach and marketing strategies
    - Plan development process

- Stephanie Klein shared the investment strategy working draft. The draft is to be posted for a 30-day comment period and distributed as required. The investment strategy must be adopted by December 15<sup>th</sup> but can be revisited and revised as needed. Any changes and questions were asked to be said before voting began.
  - **Motion:** To approve the investment strategy draft for public comment
    - Motion: Kumar, Second: Teiken
    - Unanimous approval – roll call vote

## Renewable Energy Partners, Inc. Loan:

- Peter Klein presented a proposal for a credit loan agreement to fund a \$1.2M loan with Renewable Energy Partners, Inc. The loan funds will be used to purchase and install solar renewable energy systems on four Minneapolis school district buildings. MnCIFA will file a UCC lien on all of the equipment needed. All contracts with the School District and Xcel Energy will be assumable by MnCIFA should REP not be able to complete its loan obligation. The equipment will be installed on school property so neither a mortgage, or a PACE assessment is available.
- If project is approved, no other projects will be brought to the board until after the strategic plan is finished in December.
  - **Motion to authorize loan to Renewable Energy Partners:**
    - Motion: Fowler, Second: Wyckoff
    - Unanimous approval – roll call vote

## Executive Director's Report:

- Peter Klein updated the awarding of the Coalition of Green Capital funding. The process has taken longer than anticipated to receive funds. Currently it is back and forth between 14 of the 18 sub recipients and the CGC with finalizing the wording of the agreement in order to fund the \$25M. Anticipating by November to have those funds.
- There is concern from MMB that MnCIFA statute does not directly allow the spending and deployment of funds. There is now an ongoing negotiation with MMB on if MnCIFA needs a change in statute.
  - This brings an action item that the board delegate to the chair authority to approve any legislative agenda that MnCIFA would bring forward. Once approved, this would be an item that would be brought forward to the board at the next meeting.
  - **Motion to delegate the authority to approve any legislative agenda to the chair:**
    - Motion: Kohlasch, Second: Wyckoff
    - Roll call vote:
      - **Yes:** Kumar, Haagenson, Fowler, Kohlasch, McKinnon, Nelmark, Sultanova, Teiken, Wyckoff
      - **Abstained:** Mills
      - Motion carries

## Open Discussion:

- There will be another public comment meeting in November.

- Bali Kumar gave an update on the hiring process for the Executive Director search. Looking to have a new permanent Executive Director by the November board meeting.

### **Motion to Adjourn:**

- Motion: Kumar, Second: Wyckoff
- Unanimous approval – roll call vote
- Meeting ended approximately 11:21am