CLIMATE INNOVATION FINANCE AUTHORITY

Meeting Minutes: Minnesota Climate Innovation Finance Authority Board of Directors – Special Meeting

Date: 03/26/2024
Minutes prepared by: Brian Strub / Peter Klein
Location: Remote Teams Meeting

Attendance:

- The meeting began at 10:32 AM
- Present: Kumar, Haagenson, Benjamin, Fowler, Kohlasch, McKinnon, Perushek, Sultanova, Teiken, Warmuth, Wyckoff
- Absent: Nelmark

Approval of Agenda:

- Motion by Kumar, Second by Haagenson
- Unanimous approval – roll call vote

Approval of a $4,700,000 Loan to The Heights Community Energy, Inc.:

- Klein reviewed his credit memo describing the project, the credit risks associated with the financing and the reason that this financing request was being brought to the Board at this time.
- Fowler inquired about the employment FTE estimate. Klein responded that there is a general agreement between federal and state agencies that there is 1 FTE per $93,000 of construction costs.
- Fowler inquired about Xcel developing its own system at The Heights. Klein acknowledged that is the case but there are ongoing discussions about coordination of the systems.
- Warmuth inquired about the light industrial buildings. Klein said that all industrial buildings, along with the large multi-tenant housing buildings, would be required to connect to the system.
- Teiken inquired about the reason that a similar system did not work at the Ford site. Andrew Kasid, Ever-Green Energy, indicated that the Investment Tax Credit rules have changed and that makes this project more viable.

- Warmuth inquired about concerns about deploying so much of our 25% limited capital to one project. Klein acknowledged that this was a concern but felt that this project was worth the investment. He also noted the need to move ahead with developing the strategic plan.
- Haagenson inquired about the Habitat for Humanity buildings not being connected to the system. Kasid responded that they were outside the distribution area but that the connection of those buildings was still being explored.
- McKinnon inquired about the Investment Tax Credit. Klein indicated that the ITC was the expected source of the loan repayment. It just will not arrive until the system is completed and the buildings are connected. That is expected to occur in 2027.
- Motion to approve by Fowler, Second by Teiken.
- Unanimous approval – roll call vote.

Adjournment:

- Motion by Kumar, Second by
- Unanimous approval – Roll call.
- Meeting adjourned at 11:08 AM.