

ENERGY TRANSITION SUMMIT

MINNESOTA

Welcome to Becker, MN

Monday, July 26, 2023

Wi-Fi Network: *Pebble Creek Guest* Password: 7632004263



Mayor Tracy Bertram

City of Becker, MN





Kevin McKinnon

Department of Employment & Economic Development

Deputy Commissioner





Matt Varilek

Department of Employment & Economic Development

Commissioner





Jon Grosshans

Interagency Working Group on Coal and Power Plant Communities



Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization

Josh Grosshans

June 2023



- The Interagency Working Group (IWG) was established by <u>Executive Order 14008</u>, Sec. 218, on Jan. 27
- Initially identified **\$38 billion** in federal funding for energy communities... that number is now more than **\$900 billion**
- Two public reports outlining recommendations to catalyze economic activity



Getting More Funds, to More Places, More Quickly





Upgrade Infrastructure



Clean Up Environmental Damage



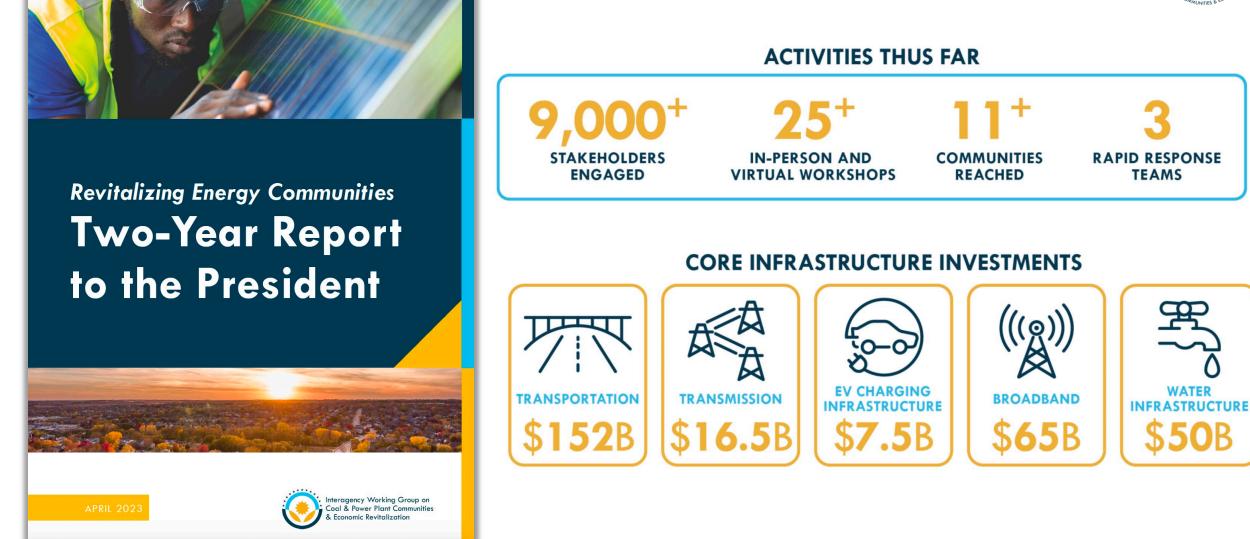
Promote Entrepreneurship



Support Workforce Development

Two-Year Report to the President









Value of Open/Planned Competitive Funding



Value of Open/Planned Formula Funding

Open/Planned Opportunities

48 Opportunities w/ no cost share



https://energycommunities.gov/funding/

The Inflation Reduction Act (IRA)

Tax Credits & Loan Guarantees

IRA provides targeted investments in energy communities.



Workers/Community/EJ

IRA supports energy workers, and their families, who built this country.



\$250 Billion in Authority for Redeveloping & Repurposing



Bonus Tax Credits for Clean Energy Projects in Energy Communities

\$4 Billion Clean Energy Manufacturing Tax Credits for Energy Communities



Black Lung **Disability Trust** Fund Reinstated



Gas

Fund

\$27 Billion



\$145 Million Tribal Electrification

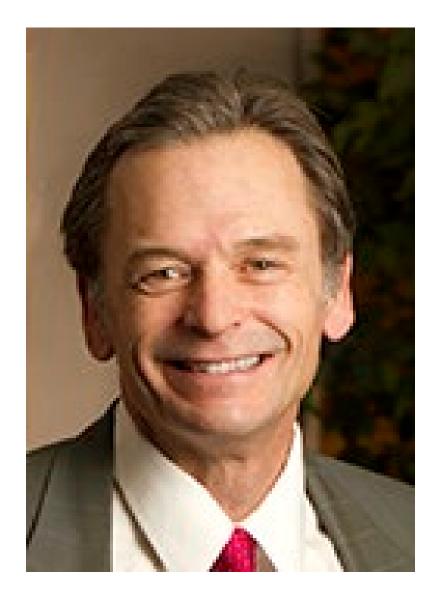
\$3 Billion for Environment and Climate Justice

Green House Reduction

Sharing Information: IWG Website & Social Media







Don Hickman Initiative Foundation Interim Co-President





Federal Panel

Moderator:

Shane Zahrt, Senior Attorney/Lobbyist Flaherty & Hood, PA



Federal Panel

Chuck Phillips US Department of Agriculture Area Director



7/18/2023



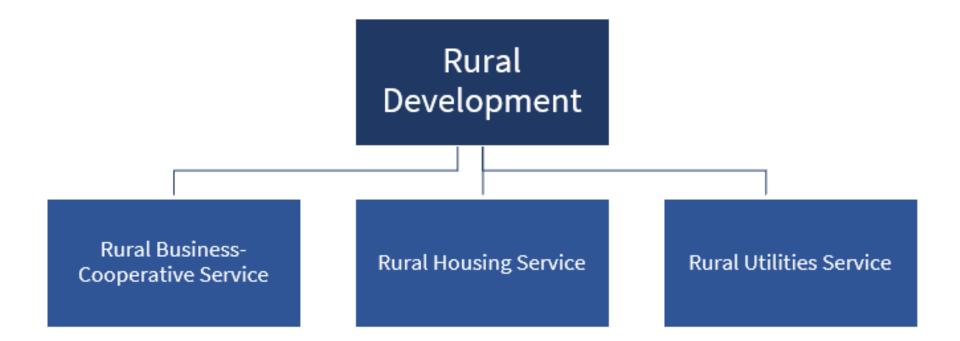
Your Partner in Prosperity

Minnesota

Colleen Landkamer | State Director



Rural Development Offices



Business Programs

- Intermediary Relending Program
- Rural Business Development Grant Program
- Rural Economic Development Loan and Grant Program

Energy Programs

- Advanced Biofuel Payment Program
- Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program
- Repowering Assistance Program
- Rural Energy for America Program (REAP)
- Energy Audits & Renewable Energy Development Grants
- Renewable Energy Systems & Energy Efficiency Improvement Loans & Grants



REAP

- Install energy efficient lighting
- Upgrade refrigeration systems
- Improve insulation, duct work, windows, and other building upgrades
- Lower heating and cooling costs with heating, ventilation, and air conditioning upgrades
- Install solar panels or wind turbines
- Purchase anaerobic digesters

Electric Programs



Inflation Reduction Act

- Powering Affordable Clean Energy (PACE)
- Empowering Rural America

Contact Information

Assistance under USDA Rural Development programs is available to applicants in areas designated as "rural." Under law, the definition of "rural area" is different for each program.

Contact your local USDA Rural Development office for more information.

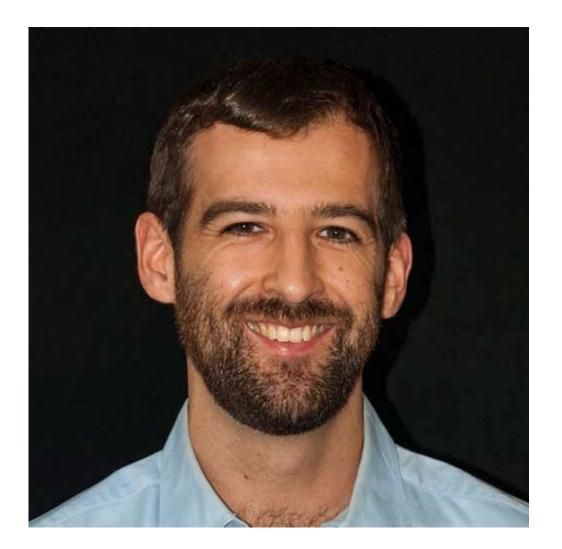
Visit: www.rd.usda.gov/mn

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USDA is an equal opportunity provider, employer, and lender.



Federal Panel

Dan Cross-Call US Department of Energy Senior Consultant





Financing the Energy Transition: DOE and Infrastructure Reinvestment

Minnesota Energy Transition Summit

Dan-Cross-Call

Senior Consultant, DOE Loan Programs Office

June 26, 2023

A Historic Shift in Thinking for DOE

From Place-Neutral Technology...

...to Place- and People-Based Approach



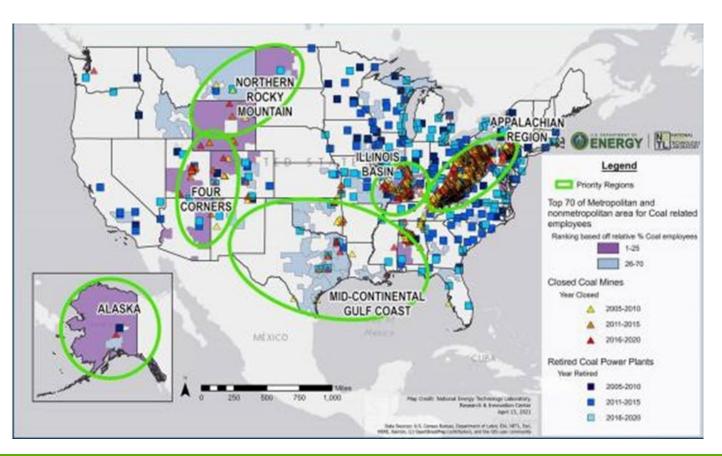


Priority Places: Energy Communities

"Mining and power plant workers" drove the industrial revolution and the economic growth that followed and have been essential to the growth of the United States. As the Nation shifts to a clean energy economy, Federal leadership is essential to foster economic revitalization of and investment in these communities, ensure the creation of good jobs that provide a choice to join a union, and secure the benefits that have been earned by workers."

- President Biden, E.O. 14008

Coal Plant & Mine Closures: 2005-2020





The Inflation Reduction Act (IRA)

Tax Credits/Loan Guarantees

The Inflation Reduction Act authorizes more than \$250 billion for infrastructure and worker investments and helps revitalize economies of energy communities in areas such as:



\$250 Billion for Redeveloping & Repurposing



Bonus Tax Credits for Clean Energy Projects

4	

\$4 Billion Clean Energy Manufacturing Tax Credits



The Inflation Reduction Act (IRA)

Energy Justice/Community

In addition, the IRA invests directly in the energy workers, and their families, who built this country.



Black Lung Disability Trust Fund Reinstated



\$8 Billion Green Bank for Energy Communities



\$2.8 Billion Grants for EJ Communities



\$145 Million Tribal Electrification



What LPO Does

There are many areas that are mature from a technology standpoint but not mature from an access to capital standpoint — that's a nexus where there's a clear mandate for LPO to participate. LPO Director Jigar Shah

The U.S. Department of Energy Loan Programs Office (LPO) works with the private sector to finance the deployment and scale-up of innovative clean energy technologies, build energy infrastructure and domestic supply chains, create jobs, and reduce emissions in communities across the United States.



Portfolio Impact

Catalyzing U.S. Markets

Over a decade of success in building a bridge to clean energy commercialization

Critical Materials Supply Chain

Financed critical minerals processing and recycling projects, supporting battery cell manufacturing and bolstering domestic EV supply chains.

Utility-Scale Renewables Innovation

Financed large-scale, innovative solar, wind, geothermal, and transmission projects across the West.





What LPO Offers Borrowers

LPO loans and loan guarantees are

differentiated in the clean energy debt capital marketplace in **three primary ways:**



Access to Patient Capital

that private lenders cannot or will not provide.



Flexible Financing

customized for the specific needs of individual borrowers.



Committed DOE Partnership

offering specialized expertise to borrowers for the lifetime of the project.



LPO Financing Programs



Loan guarantees for:

- Innovative Energy & Innovative Supply Chain (1703)
- State Energy Financing Institution (SEFI)-Supported (1703)
- Energy Infrastructure Reinvestment (EIR, 1706)



Tribal Energy (TELGP)

Direct loans & loan guarantees for:

Tribal energy development projects



Advanced Transportation (ATVM)

Direct loans for:

 Manufacturing of advanced technology vehicles, several modes of ATVs, components, and EV charging infrastructure

CO₂ Transportation Infrastructure (CIFIA)

Direct loans & loan guarantees for:

 Large-capacity, common carrier CO₂ transportation projects



Title 17 Program Eligibility

All Projects Must:

 Be located in the United States, territories, or possessions.



Be an energy-related project.



- Achieve significant and credible GHG or air pollution reductions.
- 4. Have a reasonable prospect of repayment.
- Involve technically viable and commercially ready technology.



- Include a Community Benefits Plan.
- 7. Not benefit from prohibited federal support.

Category-Specific Requirements:

Projects must also meet additional requirements specific to their category:



Innovative Energy (1703)



Innovative Supply Chain (1703)



State Energy Financing Institutions (1703)



Energy Infrastructure Reinvestment (1706)





State Energy Financing Institution 1703

Financing that aligns federal dollars with state clean energy priorities

Project Eligibility

In addition to meeting the common Title 17 eligibility requirements, SEFI projects must:

- 1. Involve at least one 1703 Eligible Technology
- 2. Receive **meaningful financial support** or credit enhancements from a SEFI.

Notes

- SEFI projects **DO NOT** have an innovation requirement.
- "Meaningful" support will be determined on a case-by-case basis.

What is a SEFI?

A State Energy Financing Institution (SEFI) is a quasiindependent entity or an entity within a state agency or financing authority established by a State to:

 Provide financing support or credit enhancements, including loan guarantees and loan loss reserves, for eligible projects under Title 17;

AND

 Create liquid markets for eligible projects, including warehousing, or taking other steps to reduce financial barriers to the deployment of existing and new eligible projects.





Energy Infrastructure Reinvestment 1706

Financing to leverage existing U.S. energy infrastructure for the clean energy future

Project Eligibility

In addition to meeting the common Title 17 eligibility requirements, EIR projects must:

- 1. Retool, repower, repurpose, or replace energy infrastructure that has ceased operations, **OR**
- 2. Enable operating energy infrastructure to avoid, reduce, utilize, or sequester air pollutants or anthropogenic emissions of greenhouse gases.

What is "Energy Infrastructure"?

A facility, and associated equipment, used for:

 The generation or transmission of electric energy;

OR

 The production, processing, and delivery of fossil fuels, fuels derived from petroleum, or petrochemical feedstocks.

Notes

- EIR projects **DO NOT** have an innovation requirement.
- Conditional commitments must be issued by September 30, 2026.

 Environmental remediation costs and refinancing outstanding indebtedness directly relevant to the energy infrastructure can be eligible for EIR financing as part of a larger reinvestment plan.





Energy Infrastructure Reinvestment 1706

Financing to leverage existing U.S. energy infrastructure for the clean energy future

Example Projects

Power plant (or associated infrastructure) <u>retooled,</u> <u>repowered, repurposed or replaced</u> with:

- Renewable energy (and storage)
- Distributed energy (e.g., VPPs)
- Transmission interconnection to off-site clean energy
- New manufacturing facilities for clean energy products or services
- Nuclear generation

- Reconductoring transmission lines and upgrading voltage
- Installing emissions control technologies, including carbon capture and sequestration (CCS)
- Repurposing oil and gas pipelines (e.g., for H₂, CO₂)
- Upgrading refineries for biofuels or hydrogen
- <u>ffh</u>

(H₂)́

 Upgrading or uprating existing generation facilities (with emissions control technologies for projects involving fossil generation)











Community Benefits Plans

A New Title 17 Project Application Requirement

- ✓ A Community Benefits Plan (CBP) is now considered in the evaluation of Title 17 project applications.
 - LPO can discuss and provide feedback during pre-application consultations.
 - CBPs will be preliminarily evaluated during the Part II evaluation.
 - Applications with inadequate CBPs may not be invited to proceed to due diligence.
- ✓ LPO considers the quality of a CBP among the factors that indicate the prospect of loan repayment.
- LPO is leveraging commitments made for state and city incentives, and IRA Incentives
- ✓ Borrowers will report on their fulfillment of goals and activities included in the CBP.

CBP Four Priorities

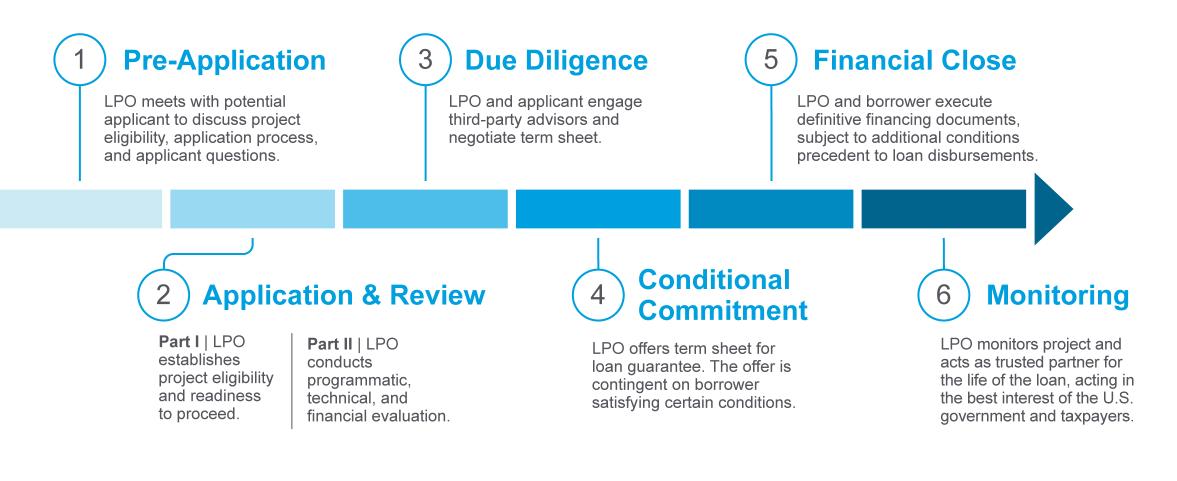
1) Justice 40

- 2) Diversity, Equity, Inclusion, and Accessibility
- 3) Good Jobs
- 4) Workforce and Community Agreements



Title 17 Loan Transaction Process

LPO engages early with applicants and remains a partner for the lifetime of the loan





Let's Talk About Your Project

Contact LPO to see what financing options may be available for your project

Questions?

<u>n n</u>	

To **schedule** a no-fee, pre-application consultation, go to: **Energy.gov/LPO/Pre-App**

Call or write the LPO Team: 202-287-5900 | LPO@hq.doe.gov



Download the full Title 17 Guidance document at: **Energy.gov/LPO/Clean-Energy Learn more** about LPO and all of its financing programs at: **Energy.gov/LPO**





Federal Panel

Darrin Fleener

US Economic Development Administration Economic Development Representative





Overview of EDA Programs

Darrin Fleener Economic Development Representative, Minnesota Chicago Regional Office (312) 405-8521 dfleener@eda.gov

EDA OVERVIEW

MISSION

EDA's mission is to lead the Federal economic development agenda by promoting innovation and competitiveness, and preparing and supporting American regions for growth and success in the global economy



EDA OVERVIEW

Investment Priorities

- Equity
- Recovery & Resilience
- Workforce Development
- Manufacturing
- Technology-Based Economic Development
- Environmentally-Sustainable Development
- Exports & FDI

https://www.eda.gov/funding/investment-priorities



FIRST STEPS

Information to Gather

Applicant Eligibility

- State, Tribal, Local and Special Purpose Units of Local Government
- Institutions of Higher Education
- Non-Profits (in cooperation with a unit of local government)
- EDA Economic Development Districts

Area Eligibility

- High Unemployment: 24-month unemployment rate for the region must be greater than 1% of the National Average
- Low Per Capita Income: The PCI for the region must be less than 80% of the National Average.
- Special Needs: Sudden and severe unemployment event or natural disaster
- CEDS consistency

Important Elements

- Source of local match
- Estimated job creation/retention
- Estimated private investment
- Site control
- Partnerships
- BABA

Open Opportunities

- Planning and Local Technical Assistance Program
- □ Public Works and Economic Adjustment Assistance
- Economic Adjustment Assistance
- 2022 FEMA Disaster
- National Programs

https://www.eda.gov/funding/funding-opportunities



Implementation

Public Works (PW)

- "Implementation" only
- Construction of infrastructure and facilities, often associated with industrial and manufacturing developments that benefit multiple companies
- Average size of investment \$1.4 million
- 50/50 match rate unless a Special Need exists
- Often include road, water sewer, rail, or port infrastructure projects.
- Can include construction of incubators, accelerators or workforce development facilities
- Project must meet EDA distress eligibility criteria

https://www.eda.gov/funding/funding-opportunities



Strategy

Short-Term Planning (STP) & Local Technical Assistance (LTA)

- "Strategy" only
- Helps identify and fill the knowledge and information gaps in distressed areas to create better regional decision-making
- Typically range between \$50,000 \$100,000
- 50/50 match rate
- Projects can include: Economic cluster research, supply chain analysis, feasibility studies, manufacturing strategies, skill shed-analysis, gap analysis, economic impact studies, development or update of a Comprehensive Economic Development Study (CEDS)
- Distress criteria does not apply to STP/LTA

https://www.eda.gov/funding/funding-opportunities



Implementation & Strategy

Economic Adjustment Assistance (EAA)

- Strategy" or "Implementation" projects are eligible
- Average size of investment \$650,000
- Typically funded at a 50/50 rate
- Project must meet EDA distress eligibility criteria (Special Need)
- Includes Revolving Loan Fund Program
- Includes Disaster Supplemental, Assistance to Coal

Communities (ACC), Nuclear Closure Communities (NCC),

Biomass Closure Communities (BCC) funding

https://www.eda.gov/funding/funding-opportunities



What is a coal related closure?

- Closure of a coal mine, coal-fired power plant, closure of various coal economy supply chain businesses
- Took place within 1-15 years prior to the application submission date

INFORMATION AND TOOLS

Websites and Resources

www.EDA.gov

- Sign up for EDA's newsletter
 - National Competitions
- Notice of Funding Opportunities (NOFOs)
- Investment Priorities
- Press Releases
- CEDS information, videos, library
- <u>National Economic Resilience Data Explorer</u> (tools for Calculating Distress Criteria)



Thank you!

Darrin Fleener Economic Development Representative ~ Minnesota Chicago Regional Office (312) 405-8521 <u>dfleener@eda.gov</u>





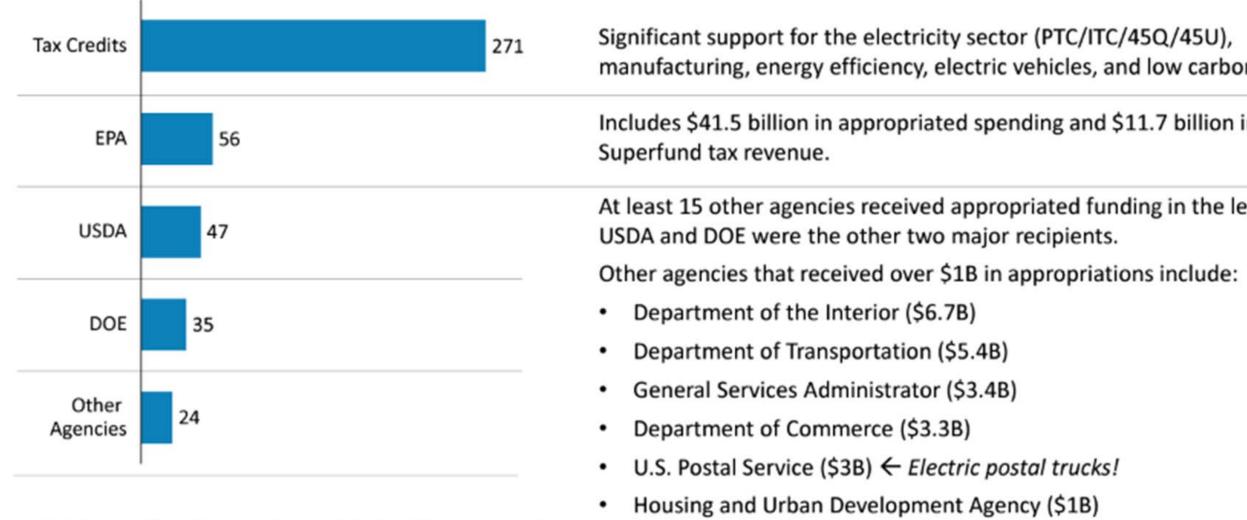
Jon Grosshans

Jon Grosshans US Environmental Protection Agency Senior Advisor



BREAKDOWN OF CLIMATE & ENERGY FUNDIN

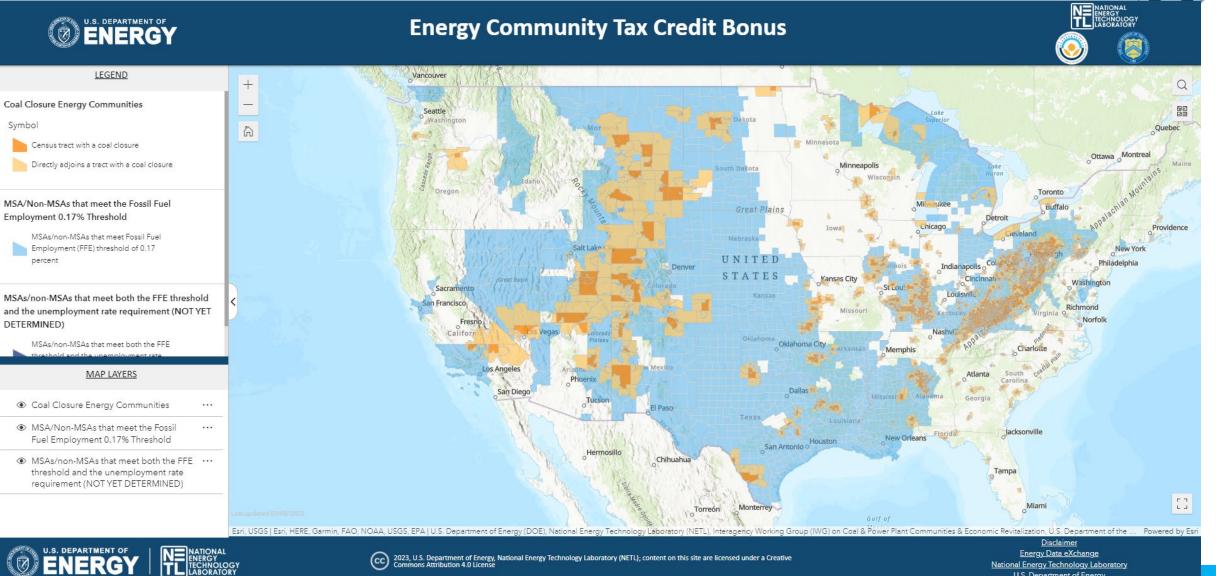
Total Climate and Energy Funding (\$, billions)



1. Preliminary Joint Committee on Taxation analysis. Further CBO projections pending. Source: Senate Democrats, Joint Committee on Taxation, CBO

Energy Community Map for Bonus Tax Credit





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Energy Data eXchange National Energy Technology Laboratory U.S. Department of Energy

<u>Overview of EPA IIJA Resources over the next 5 years</u>

Water Investments

\$23.4 billion to traditional Clean Water and Drinking Water State Revolving Funds **\$15 billion** dedicated to lead pipe replacement **\$10 billion** to addressing emerging contaminants like PFAS **\$1.7 billion** across 12 geographic water programs **\$267 M** for other water quality programs

Environmental Cleanup

\$3.5 billion for the Superfund program
\$1.5 billion for the Brownfields program
\$375 M for solid waste infrastructure and battery recycling programs
\$100 M for Pollution Prevention (P2) grants

Clean School Buses

\$5 billion to replace diesel buses with electric and low emission alternatives

EPA PROGRAMS

EPA received \$41.5 billion in appropriations to support 24 new and existing programs. This makes EPA the second largest recipient of discretionary funding after USDA.

Six new EPA programs account for 98% of this total funding:

- Greenhouse Gas Reduction Fund (\$27 billion) Provide capital to greenhouse gas mitigation projects not currently able to access
 private capital, particularly in low-income and disadvantaged communities.
- Climate Pollution Reduction Grants (\$5 billion) Provide grants at the state, local, and Tribal level to develop plans to reduce greenhouse gas emissions and implement those plans. At least one grant will go to an eligible entity in every state.
- Environmental and Climate Justice Block Grants (\$3 billion) Fund community-based nonprofit organizations to support a wide range of climate and environmental justice activities.
- Grants to Reduce Air Pollution at Ports (\$3 billion) Award rebates and grants for ports to purchase and install zero-emission technology and develop climate action plans.
- Methane Emissions Reduction Program (\$1.55 billion) Fund grants and technical assistance to accelerate emissions reduction from petroleum and natural gas systems. Also establish a methane waste emissions charge starting at \$900 per ton in 2024 and increasing to \$1,500 per ton by 2026.
- Clean Heavy-Duty Vehicles (\$1 billion) Provide grants, rebates, and contract support to replace heavy duty vehicles with zero
 emission alternatives. \$400 million is specifically for nonattainment areas.

New Federal Funding Opportunities

General Approach



- Large Amounts of Federal Funding in Broad Categories
- Same Starting Point = Simultaneous Federal Funding Program Rollout
- Looking Forward, Not Backward: Federal Funding Tends to Focus on Upcoming Projects
- Funding flows in multiple pathways: Direct discretionary grants from federal government to grantees, state formula grants, tax credits, technical assistance
- Partnerships Necessary
- Planning usually precedes larger amounts of funding



Federal Panel

Cindy Winland

Interagency Working Group on Coal and Power Plant Communities



Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization

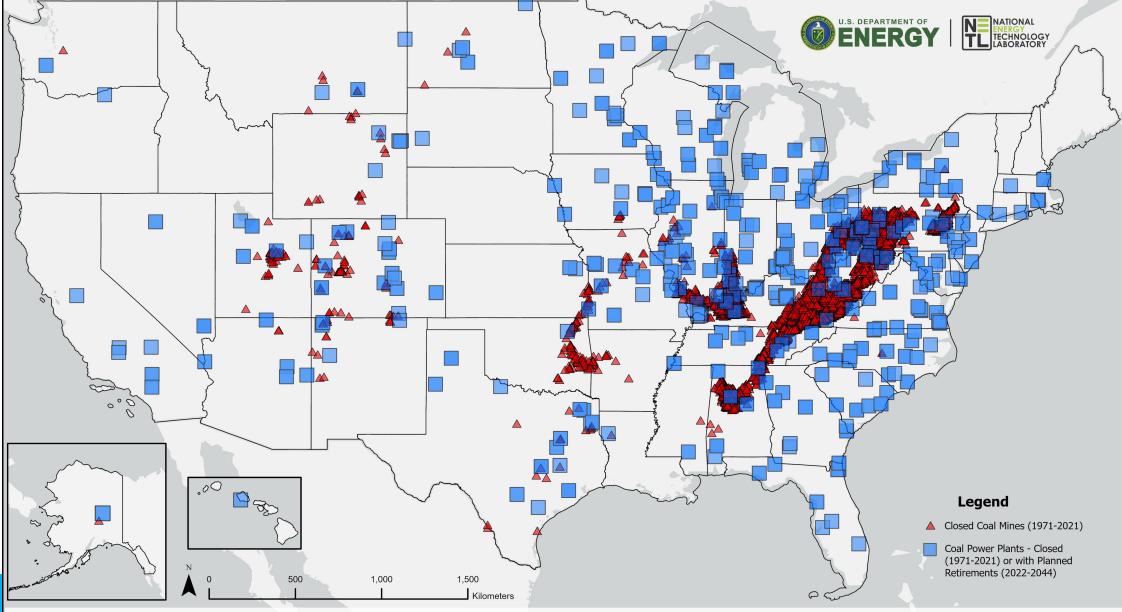


Cindy Winland Subject Matter Expert

June 2023

Coal Jobs Hard Hit





Map Credit: National Energy Technology Laboratory (NETL), Research & Innovation Center, December 9, 2022 | Data Sources: NETL, U.S. Census Bureau, EIA, MSHA, Esri, FAO, NOAA, USGS, Esri, Garmin, FAO, NOAA, USGS, EPA

- Community Capacity and Technical Assistance
- Environmental Remediation
- Basic Infrastructure
- Economic Development
- Displaced Worker Benefits and Workforce Development
- Affordable Housing
- Low-income Programs
- Health Care



"In order to attract new investment and expand businesses, our aging infrastructure must be prioritized and addressed."

> Respondent from Falls City EDGE

Energy Communities IWG Request for Information Response

- The Interagency Working Group (IWG) was established by <u>Executive</u> <u>Order 14008</u>, Sec. 218, on Jan. 27
- Initially identified \$38 billion in federal funding for energy communities... that number is now more than \$900 billion
- Two public reports outlining recommendations to catalyze economic activity







\$531B+

Value of Open/Planned Competitive Funding



Value of Open/Planned Formula Funding

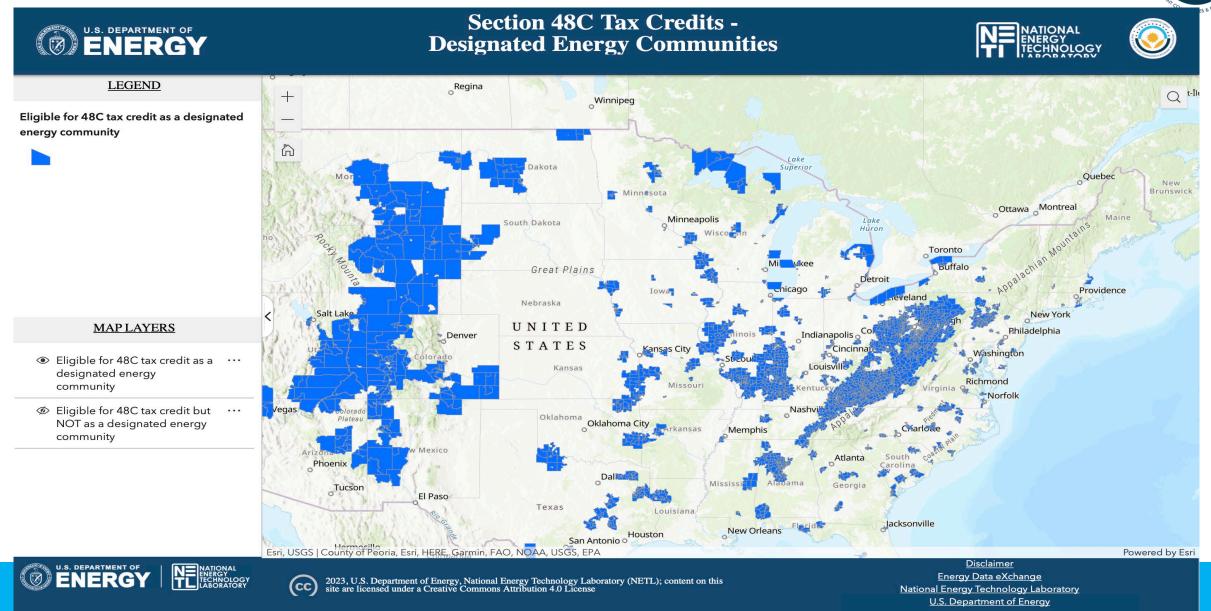
Open/Planned Opportunities

44 Opportunities w/ no cost share



https://energycommunities.gov/funding/

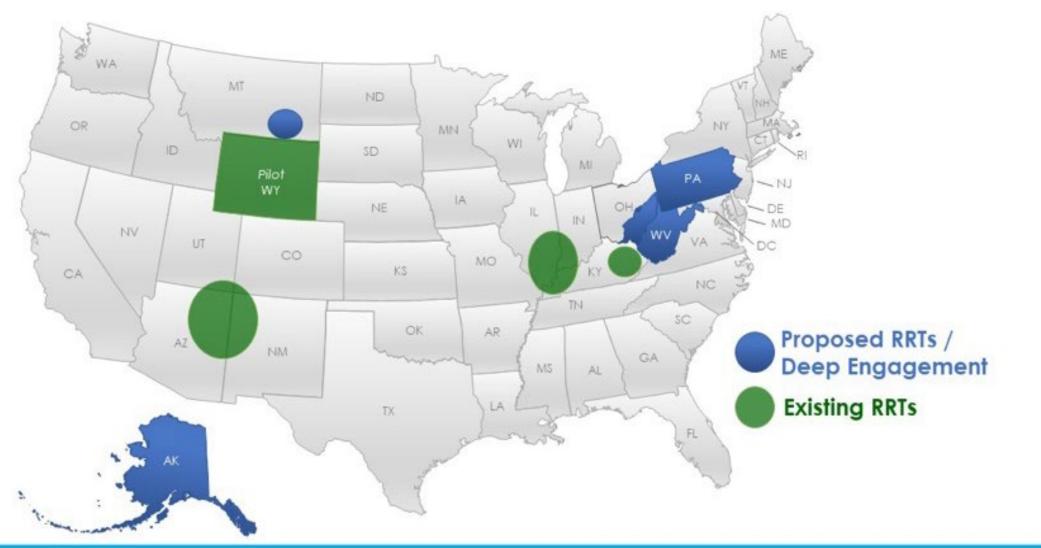
Advanced Energy Project Tax Credit (48C)



Rapid Response Teams (RRTs)

NUMBER OF CONCERNMENT OF CONCERNMENT. OF CONCERNMENT OF CONCERNMENT OF CONCERNMENT OF CONCERNMENT OF CONCERNMENT. OF CONCERNMENT OF CONCERNMENT OF CONCERNMENT. OF CONCERNMENT OF CONCERNMENT. OF CONCERNMENT OF CONCERNMENT. O

Providing on-the-ground assistance to energy communities



Stakeholder engagement opportunities

✓ Try out the funding clearinghouse
 ✓ Sign up at website/follow social media
 ✓ Attend webinars and workshops

Act on BIL & IRA funding opportunities

- ✓Learn about opportunities
- ✓Cultivate coalitions
- ✓ Assemble resources for grant writing
- \checkmark Secure matching funds, where necessary





Thank you!

Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization





@EnergyComm_US



@EnergyCommunitiesUS

@energycommunitiesus



Federal Panel - Questions

Moderator:

Shane Zahrt, Senior Attorney/Lobbiest Flaherty & Hood, PA



NACO BRECC Program Overview



Renee Regal

City of Becker Economic Development Coordinator



The BRECC Commitment Coalition Empowering Local Leaders





The BRECC Commitment Coalition Empowering Local Leaders

- The BRECC National Network
- The Coal Communities Commitment Coalition
- The Coal Communities Action Challenge
- A National Storytelling Campaign



The BRECC Commitment Coalition Empowering Local Leaders





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The BREE Coalition Commitment Coalition Empowering Local Leaders

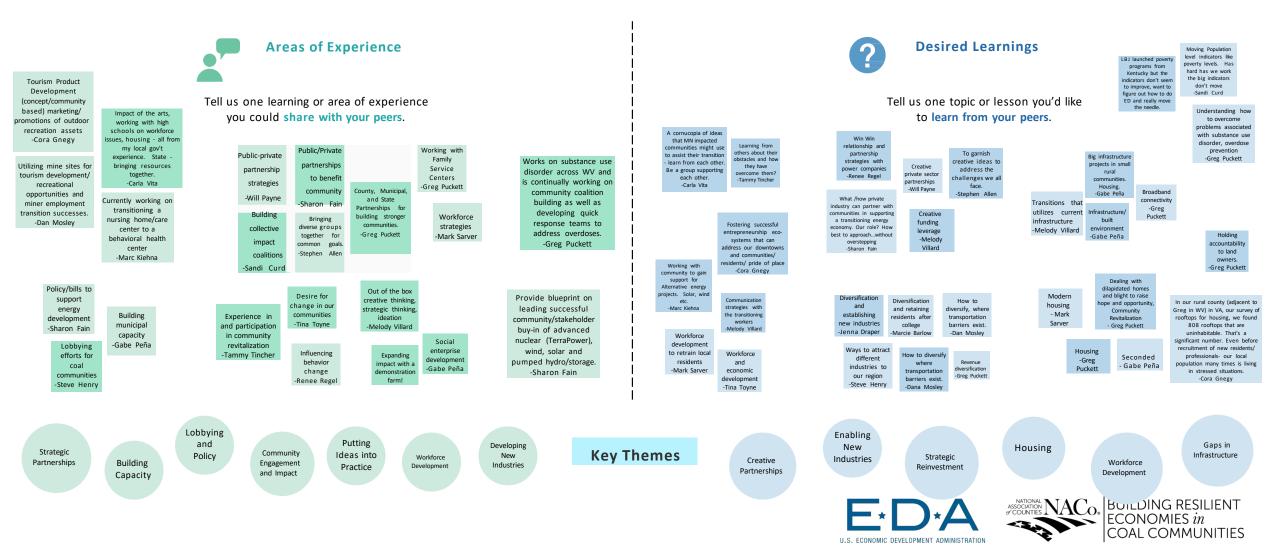
- 1. Stephen Alen, Liaison, South Lincoln County Economic Development Corporation, Lincoln County, Wyo.
- 2. Marcie Barlow, Community Development Director, Scioto County, Ohio
- 3. Stuart Clason, Regional Growth Director, Utah Association of Counties, counties of Carbon and Emery, Utah
- 4. Dr. Sandy Curd, Promise Zone Coordinator, Kentucky Highlands Investment Corporations, USDA Rural Partners
- 5. Jenna Draper, Economic Deployment Director, Six County Association of Governments, counties of Juab, Millard, Piute, Sanpete, Sevier and Wayne, Utah
- 6. Sharon Fain, Vice President, PacifiCorp/Rocky Mountain Power, counties of Lincoln, Converse, Sweetwater and Campbell, Wyo. and Emery County Utah
- 7. Cora Gnegy, Tourism Director, Giles County, Va
- 8. Hon. Steve Henry, Judge/Executive, Webster County, Ky
- 9. Hon. Marc Kiehna, Commissioner Randolph County, Ill
- 10. Carolea Mills, Deputy Judge/Executive and Economic Development Director, Martin County, Ky
- 11. Hon. Dan Mosley, Judge/Executive, Harlan County, Ky
- 12. Will Payne, Managing Partner of Coalfield Strategies, counties of Bland, Buchanan, Carroll, Dickenson, Grayson, Lee, Russell, Scott, Smuth, Tazewell, Washington, Wise and Wythe, Va.
- 13. Councilperson Gabe Pena, Fayetteville Town Council, Fayetteville County, W.Va
- 14. Hon, Greg Puckett, Commissioner, Mercer County, W.Va
- 15. Renee Regel, Economic Development Coordinator, City of Becker, Minn
- 16. Dr. Mark Sarver, Associate Professor of Business and Workforce Learning, Glenville State University, USDA Rural Partners Network, counties of Braxton, Calhoun, Clay, Gilmer, Nicholas, Roane, Webster and Wirt, W.VA
- 17. Hon. Tammy Tincher, Commissioner, Greenbrier County, W.Va
- 18. Tina Toyne, Economic Development Director, Big Horn County, Mont
- 19. Hon. Melody Villard, Commissioner, Moffat County, Colo
- 20. Carla Vita, Director of Energy Transition, Minnesota Department of Economic Development, counties of Chippewa, Otter Trail, St. Louis, Cook, Sherburne, Itasca and Washington, Minn





The BRECC Commitment *Coal*ition

Empowering Local Leaders March 9th, 2023 Kick-Off Meeting



A REAL PROPERTY

The BRECC Commitment *Coal*ition

Empowering Local Leaders



The BRECC Action Challenge Building Community Resilience



The BRECC Commitment Coalition Empowering Local Leaders

NACo proudly announces the following community teams participating in the first Cohort of BRECC's Action Challenge:

Cumberland Plateau Planning District Commission, Va.: In southwestern Virginia, the Cumberland Plateau Planning District Commission is a regional Economic Development District serving the counties of Buchanan, Dickenson, Russell and Tazewell. With a regional approach, this team seeks to grow economic resilience through entrepreneurship and business development strategies.

City of Richwood, Nicolas County, W.Va.: In central West Virginia, the City of Richwood is experiencing population loss tied to the decline of the local coal industry. Building on natural assets, this team looks to expand its outdoor recreation economy with a special focus on a local trail network.

Counties of Apache, Coconino and Navajo, Ariz.: In Northern Arizona, the counties of Apache, Coconino and Navajo face the closure and decommissioning of several coal-fired power plants. Collaborating across county borders, this team will coordinate planning to create a complimentary, shared strategy for economic diversification.

Floyd County, Ky.: In eastern Kentucky, Floyd County has seen a decline in coal production over the past three decades and recent flooding has exacerbated economic hardships. Led by a newly created long-term recovery group, this team will pursue opportunities in outdoor and cultural tourism as well as residential attraction.

Pike County, Ind.: In southwestern Indiana, Pike County's employment and tax base are closely tied to a coalfired plant slated to be decommissioned. This team will create a local strategy around business attraction and workforce retention goals.

Perry County, Ohio: Perry County is facing the impact of its last two mines closing. This team will advance planning for placemaking economic development strategies.

Northwest Colorado Development Council, Colo.: In Northwest Colorado, the Northwest Colorado Development Council serves the counties of Rio Blanco, Moffat and Routt, which faces the impending closure of two coal-fired power plants. In partnership with a regional community college, this team will expand on strategies for advancing clean energy initiatives.

San Juan County, N.M.: In northwest New Mexico, San Juan County is experiencing the closure of one coal-fired power plant and faces the impending closure of another. In partnership with Four Corners Economic Development, this team will advance strategies for workforce redevelopment and business expansion.

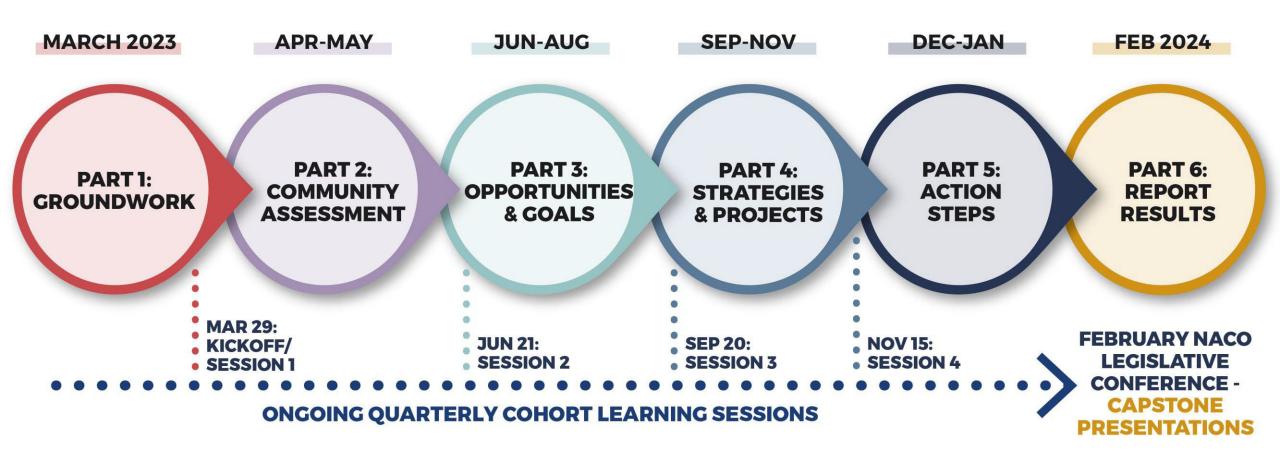






BRECC ACTION CHALLENGE Community Coaching Process Overview

COHORT 1: March 2023 - February 2024





The BRECC Commitment Coalition Empowering Local Leaders

Applications for Cohort 2 will open in Fall 2023





The BRECC Commitment Coalition Empowering Local Leaders

- Regionalism works
- Relationships -> Friendships are gamechangers
- Reclamation is an opportunity for revitalization
- Innovation is within reach, even in rural and remote places!
- Find your community's rhythm. Build on your community's assets and cultural identity.





Legislative Update, DEED

Deven Bowdry, Legislative Liaison



Deven Bowdry

Department of Employment & Economic Development

Legislative Liaison



EMPLOYMENT AND ECONOMIC DEVELOPMENT

Legislative Update

Deven Bowdry | Legislative Liaison

Energy Transition

Energy Transition Grant Program

- Funded at \$5 million/yr in FY 24-25
- Increased maximum grant award from \$500 thousand to \$1 million
- Allows DEED to transfer administrative funds to the EQB to assist with regulatory coordination
- Expanded eligible use of grant funds
- Expanded eligible grant recipient plant (whose current operating license expires within 15 years)

Energy Transition Advisory Council

- Renewed through June 30, 2027
- Must meet quarterly
- Updated energy transition plan due annually to the governor and legislature



Economic Expansion

- Minnesota Forward Fund \$400 million to attract business, leverage federal funds, and deploy capital quickly.
- Broadband \$100 million
- Explore Minnesota for Business \$11 million to create the Office of Economic Promotion





Growing Small Businesses

- **PROMISE Act \$125.25 million** for grants and loans for working capital and development.
- Expanding Opportunity Fund \$10 million in capital for small businesses through partnerships with nonprofit lenders.
- Small Business Assistance Partnership \$12.85 million for partners to provide business development and technical assistance services.



- Small Business Development Center Support \$1 million for business assistance and counseling.
- Launch Minnesota \$5 million to support the innovation ecosystem.

Invest in Talent

- Drive for 5 Workforce Fund \$20 million to prepare the workforce to enter five of the most critical occupational categories in the state with high-growth jobs and familysustaining wages.
- Clean Economy Equitable Workforce \$3 million to prepare workers for high-demand fields of construction, clean energy and energy efficiency.
- Targeted Population Workforce Programs \$50 million to bring workers who have been overlooked for employment - particularly people of color – into the workforce at family-sustaining wages.
- Youth Workforce Development \$20 million in the FY24-25 biennium toward youth workforce development.





Invest in Talent

- Minnesota Reasonable Accommodation Program \$4 million to reimburse small- to mid-sized Minnesota employers for expenses tied to providing reasonable accommodations for employees with disabilities.
- Individual Placement and Supports (IPS) Program Increases
 - \$3.89 million to provide specialized supports to people with serious mental illness so they can find and maintain steady employment.
- State Services for the Blind \$4 million so the state can maximize federal funds to assist more individuals in this program.



Child Care

- Child Care Economic Development Grants \$15 million in the FY24-25 biennium and \$3 million in the FY26-27 biennium to support child care economic development.
- Office of Child Care and Community Partnerships
 - **\$1 million** to support this new office.





Capital Investment Bill

The Capital Investment bill made many investments in public infrastructure, including **funding for three of DEED's existing programs and one new program**:

- Business Development Public Infrastructure Grant Program -\$10 million
- Innovative Business Development Public Infrastructure Grant Program - \$1.5 million
- Transportation Economic Development Infrastructure Grant Program - \$1.5 million
- Greater Minnesota Child Care Facilities \$900 thousand

There are also several other GO bonding and cash provisions totaling \$47.7 million in General Obligation bonds and \$395.567 million in cash projects that DEED will administer.





Lunch

We will resume at 1pm

7/18/2023



State Panel – Business Development

Moderator: Don Hickman, Interim Co-President of the Initiative Foundation



State Panel Business Development

Catalina Valencia

Department of Employment & Economic Development

Executive Director of Business Development





State Panel Business Development

David Heyer

Department of Employment & Economic Development

ENERGY TRANSITION SUMMIT

Federal Trade Zone Manager & Business Development Manager

MINNESOT/





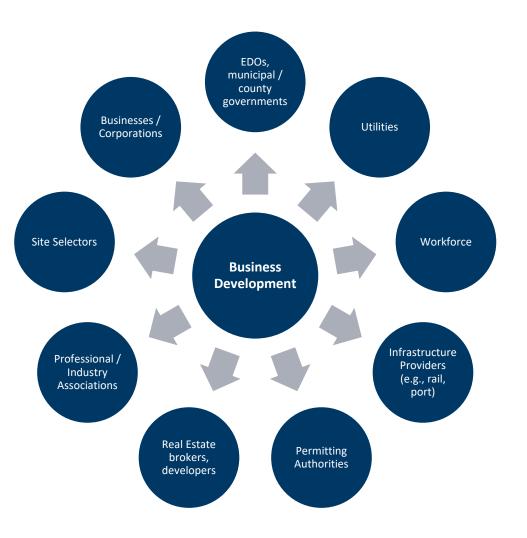
Business Location & Expansion Assistance for Energy Transition Communities

Catalina Valencia, Executive Director of Business Development David Heyer, Business Development Manager West Central Region



How will DEED's Business Development Office support energy transition communities?

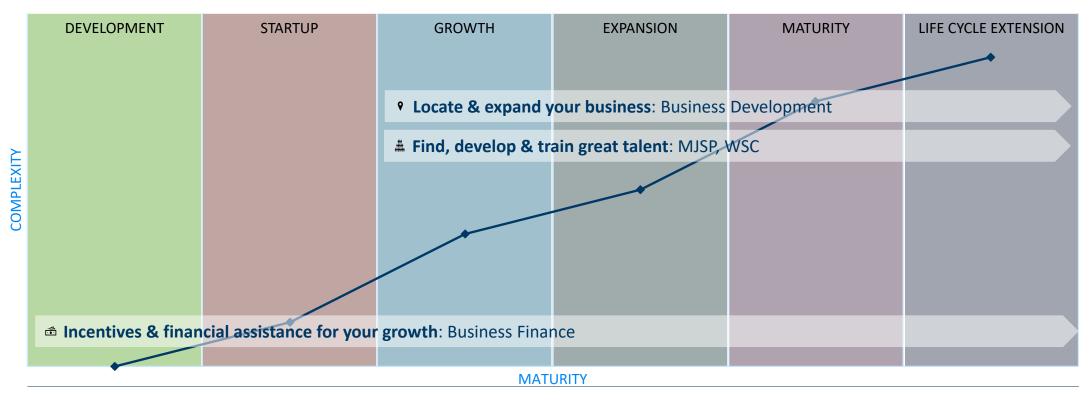
- DEED's Business Development office will continue to support communities with *Economic Diversification* efforts.
- Efforts include leveraging and partnering with local resources (Chambers, community organizations and others) on facilitating business attraction, retention and expansion.
- How do we do that?





We help businesses locate and expand by leveraging workforce, business & community finance resources, and partnerships

BUSINESS LIFECYCLE

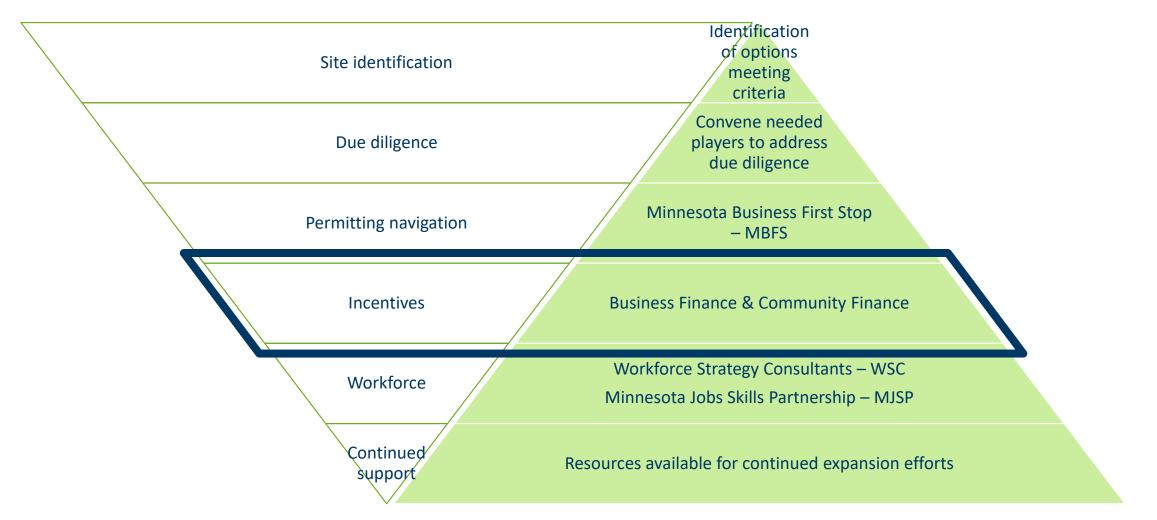


+ COMMUNITY ASSISTANCE – Support your community's and businesses' growth

% Community Finance Office

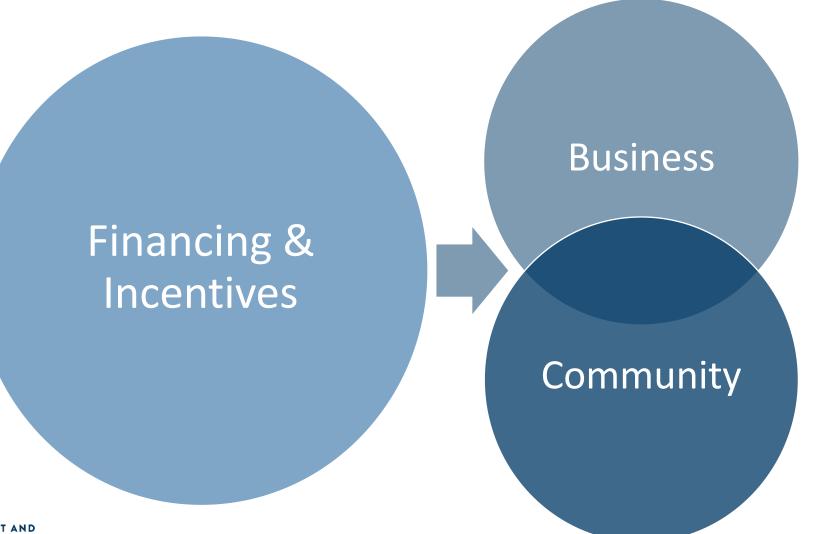


We support location & expansion projects throughout and at any step of the decision-making process



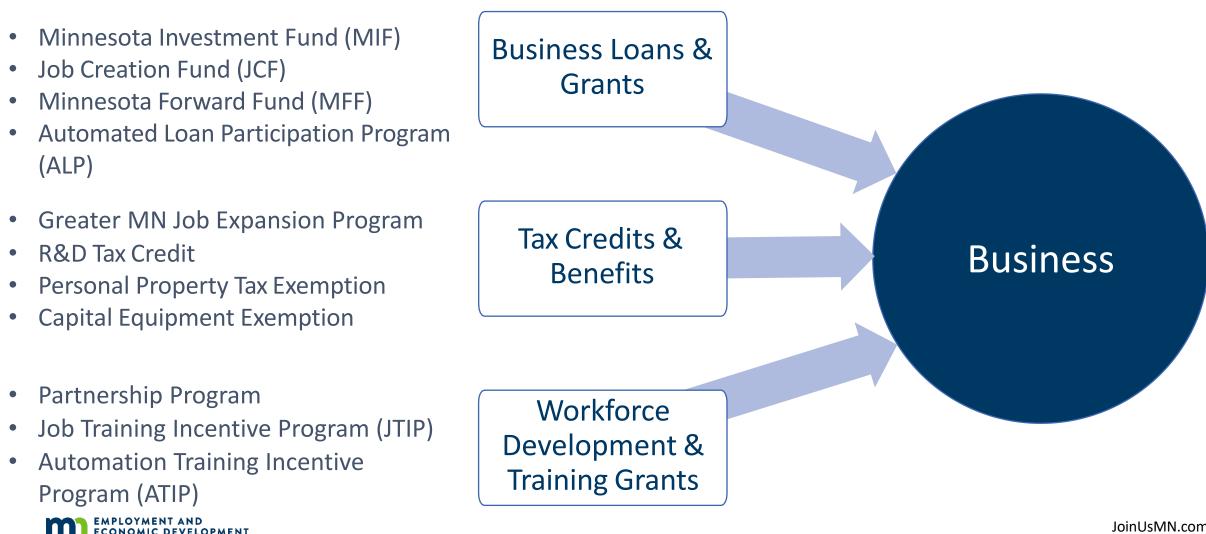


We offer financial and incentive assistance to help companies and communities realize these expansion plans



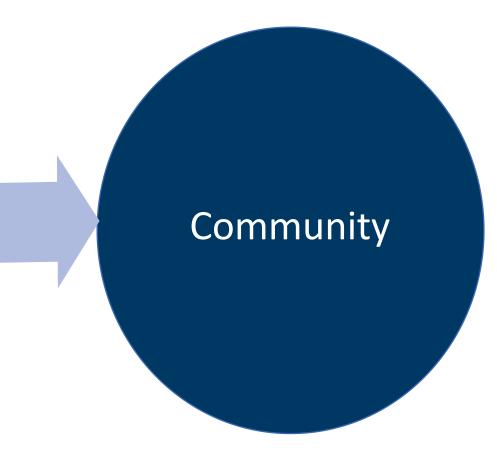


Our business finance tools support diverse needs, from real estate and M&E, to R&D and workforce training



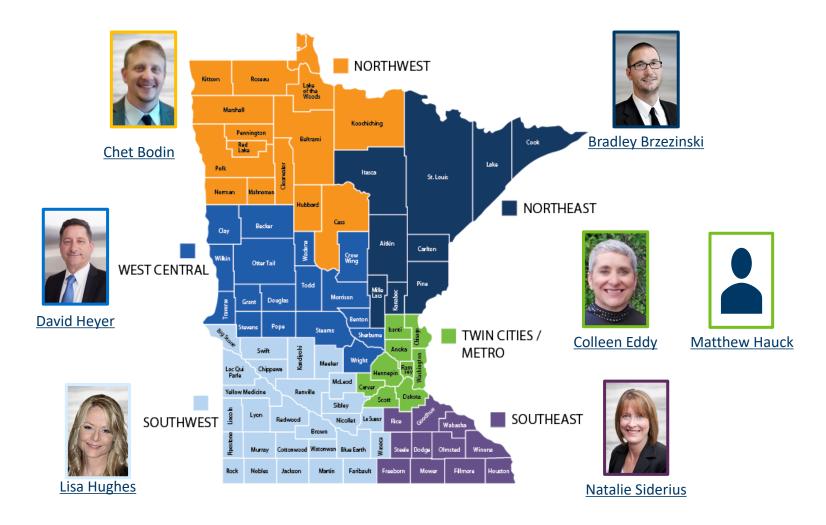
We additionally provide tools to support the community with public infrastructure improvements

- Greater Minnesota Public Infrastructure Grant Program
- Innovative Business Development Public
 Infrastructure (IBDPI)
- Transportation Economic Development Infrastructure (TEDI) Program





Our team aligns resources and works with partners all over the state to support business location & expansion efforts in your communities







Thank You!

Catalina Valencia

catalina.valencia@state.mn.us

David Heyer

david.j.heyer@state.mn.us



State Panel Business Development

Della Ludwig

Department of Employment & Economic Development

Workforce Strategy Consultant

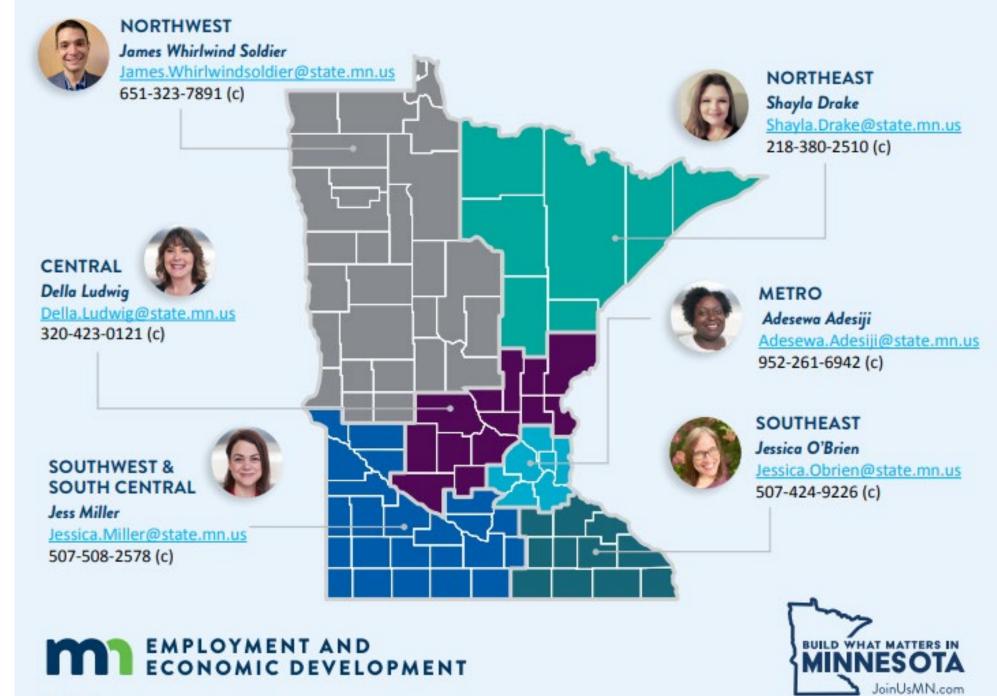




Workforce Strategy

Della Ludwig

Workforce Strategy Consultant - Central MN



May 2022

MINNESOTA WORKFORCE STRATEGY CONSULTANTS

MISSION

Develop innovative workforce solutions by aligning resources, facilitating collaboration, and leveraging expertise in targeted industry sectors to drive economic equity and growth.

THE VALUE WE BRING

- > Provide tools and resources to support businesses in developing strategic workforce strategies
- > Connect stakeholders to economic development and workforce development resources
- > Focus on workforce diversity, equity, and inclusion initiatives
- > Enhance Minnesota's economic prosperity through workforce and economic development partnerships
- > Work in partnership with our stakeholders to provide workforce training development solutions to meet your talent needs



WORKFORCE STRATEGY CONSULTANTS

Five Common Workforce Themes



Workforce Strategy Resources & Assistance

Regional Team: <u>https://www.careerforcemn.com/meet-your-regional-team</u>

Workforce Strategy Blogs: <u>https://www.careerforcemn.com/future-attracting-and-retaining-workforce</u>

Workforce Wednesday: https://www.careerforcemn.com/WorkforceWednesday

State of Minnesota Job Bank: MinnesotaWorks.net



Della Ludwig *Workforce Strategy Consultant, Central MN* **Contact:** Della.Ludwig@state.mn.us

https://www.careerforcemn.com/workforce-strategy-consultants



State Panel Business Development

Jeremy LaCroix

Department of Employment & Economic Development

BDPI (Business Development Public Infrastructure)



June 26, 2023



Greater Minnesota Business Development Public Infrastructure (BDPI)

BDPI Purpose & Goals

- Stimulate new economic development
- Public infrastructure project to create or retain full-time jobs in the community
- Increase a community's tax base
- Project will be used to attract public and private capital investment
- Provide economic development benefit to the community



BDPI Eligible Applicants

- Eligible applicants are cities and counties outside the 7-county metro area
- *Not* eligible counties/cities within:
 - Hennepin, Ramsey, Dakota, Anoka, Washington, Scott, Carver



BDPI Eligible Industries

- Manufacturing
- Technology
- Warehousing and distributing
- Research and development;
- Agriculture processing
 - Transforming, packing, sorting, grading livestock
 - Includes goods for nonfood use
- Speculative Industrial Park development (which will include the above uses)



BDPI Ineligible Industries

- Retail development
- Housing
- Office space-unless incidental
- Up to 15% can be for a non-BDPI eligible use
- After 10 years use restrictions may be lifted



BDPI Funding

Provided through

- State General Obligation Bonds
- General Funds
- Current balance of funding is \$12 million



BDPI Funding-continued

• Grants will be 50% of the eligible <u>capital costs</u> of infrastructure





BDPI Applications

- Applications accepted on an on-going pipeline
- Up to \$2,000,000 per two-year period based on award date



BDPI Eligible Activities

Publicly owned infrastructure that supports economic development projects:

- Water supply systems
- Wastewater collection and treatment
- Sewers
- Drinking water
- Storm water systems
- Utility extensions
- Streets



Other DEED Public Infrastructure Programs

- Innovative Business Development Public Infrastructure Program (IBDPI)
- Transportation Economic Development Infrastructure Program (TEDI)



DEED Public Infrastructure Contact Information

Jeremy LaCroix 651-470-7457 Jeremy.lacroix@state.mn.us





State Panel Business Development

Chet Bodin Department of Employment & Economic Development

Minnesota Business First Stop





Minnesota Business First Stop

Chet Bodin | Executive Director



https://mn.gov/deed/business/help/first-stop/



Business Engagement Process Development



Corporate location opportunities are growing in number, size and pace

Southeast > Kentucky

Home » Industry News » Automotive » Hyundai Will Build First Fully-Dedicated E Home > Region > Southeast > North Carolina

Hyundai Will Build First Fully-	Dedicated EV NC: Steel Company Nucor Corp. to Carolina with \$350M Micro Mill, C	•	:h Central Ke ic ` '	entucky Annour	nces Second Largest	
Hyundai Motor Group will invest more than \$5. which will be built at the Bryan County Megasite May 23, 2022	^{5B in the electric vehil} e. Intel to invest up to \$10	0	U.S. with	-	fied Future in the lion Investment	
GM and LG Energy Solution	Investing \$2.6 Ohio chip plants	reen. T		October 18, 2021	.tory m	
Ultium Cells Manufacturing F	Plant in Lansii Published FRI, JAN 21 2022-5:37 AM EST UPDATED FRI, JAN 21 2022-12:20 PM EST	Dec. 0	07.2021			
2022-01-25	CONTINUE TO UNVE DATA CONTON SHARE CONTINUE TO UNVE DATA CONTON SHE SELECTION, WITH SUSTAINADINTY considerations and emerging technologies becoming increasing		Toyota Selects North Carolina for New U.S. Automotive Battery Plant Plant is first to produce automotive batteries for Toyota in North America, enough battery			
VinFast Picks North Carolina For \$2B Electric \ Assembly Plant Automotive IN: Largest U.S. Steel Producer Investing \$29 Indiana Operations		Pla				
		News Release, Management, Innovation, CASE, Electric, Region, U.S. reports Chain Store Age.				
Vietnamese auto maker VinFast its first North American electric manufacturing plant in Chathar	Avill Croate 7 ^E INDUSTRY SECTORS IN DEVELOPMENT NEWS [©] Feb 07, 2022 Auto Gia Nucor Corporation announced an expansion a		Region > Pacific > Oregon			
	Battery sheet mill operations in Crawfordsville, Ind.	:		•	re., Opens \$3 Billion	
Stellantis, LG Energ invest \$4.1 billion ir battery plant	More than \$20 billion worth of new EV battery assembly facilities are being built in the U.S., but 90 percent of battery components are imported, and Tesla is busy preparing for a global shortage of lithium battery cells	bunces plan for 'məəəəənin on in Tennessee, twin battery 'B In Michigan Expansion	Area Development News Desk 05/12/2022 Area Development News Desk 05/12/2022 recycling and rolli 3,000-acre South		world leader in aluminum rolling and recycling, Novelis plans to build a new low-carbon recycling and rolling plant at the 3,000-acre South Alabama Mega Site	
	Jack Rogers Q1 2022 Vichigan Expansion				in Bay Minette, <u>Alabama</u> . The \$2.5 billion project is expected to create 1,000 jobs in Baldwin County.	
	LGES will expand its Holland, MI plant to produce con creation of 1,200 new jobs.	nponents for electric vehicle batteries, re	resulting in the		1,000 jobs in balanin county.	



Minnesota is receiving such opportunties

• \$2.5B CAPEX

•>1,000 FTEs

- 1M to 1.6M sq. ft. building; with potential to expand
- Utility needs Electricity, 48 64 MW
- Infrastructure needs onsite rail

• \$4.2B CAPEX

- 3,500 FTEs
- >500-acre site; 7M sq. ft. building
- Utility needs Electricity, 100 MW renewable; 2.2 MGPD water
- Infrastructure needs onsite rail preferred, proximity to deep-water port

• \$850M CAPEX

- 200 FTEs
- >100-acre site
- Utility needs Electricity, 25MW renewable
- Infrastructure needs onsite rail; barge, deep-water port access
- Attainment

Production of polymers from recycled plastics



Automotive battery facility



EV battery facility



Where does MBFS add the most value?

• \$2B CAPEX

• 2,000 FTEs

- >140-acre site; ~1.2M sq. ft. building
- Utility needs Electricity, 30MW; >1.3 MGPD water

Biopharmaceutical facility



• \$2B CAPEX (potential for \$2B more)

- 250 FTEs (potential for 250 more)
- 200-acre site
- Utility needs Electricity, 150-300 MW; 31 – 105 MGPD water (for cooling)
- Infrastructure needs rail access; direct water withdrawal and discharge

Battery materials manufacturing



•~\$630M CAPEX

- 1,500 FTEs (Phase I)
- 120-acre site
- Utility needs Electricity, 10MW

Solar module manufacturing



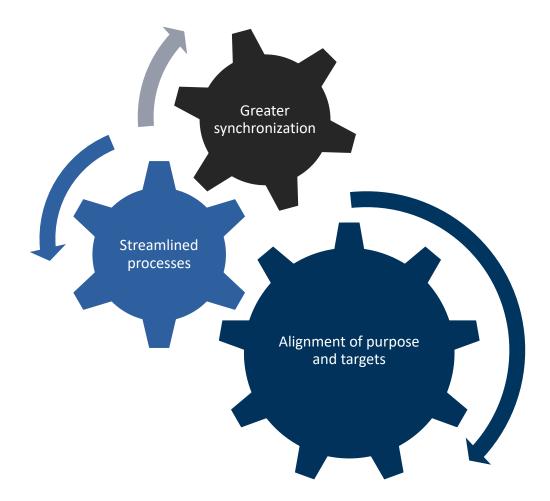


As projects grow in size, so does their complexity and the challenges to compete





Improving the MBFS Engagement Process





For further discussion...

Key Questions

- 1) Where does MBFS add the most value?
- 2) What projects should MBFS prioritize?
- 3) Should MBFS projects be expediated in any way?
- 4) What role is there for EQB?
- 5) What services should MBFS projects have available to them?



Interagency Roadmap



MOVING MINNESOTA FORWARD:

Interagency Roadmap

Themes

- Business Development Funds
- Online Permitting / Public Engagement
- Permitting Staff Levels
- Tribal Engagement

Notes

- Captures new agency resources for FY 24-25
- Allows MBFS to identify ongoing gaps
- Hard Copies available soon

Final Thoughts

Thank you!!

Chet Bodin:

chet.bodin@state.mn.us

(218) 232-0022



State Panel – Redevelopment

Moderator: Don Hickman, Interim Co-President of the Initiative Foundation



State Panel Redevelopment

Erin Welle

Department of Employment & Economic Development

Brownfields



Brownfields and Redevelopment Unit

Erin Welle | Project Manager



mn.gov/deed

Brownfields and Redevelopment Programs

- Contamination Cleanup and Investigation Grant Program
- Cleanup Revolving Loan Program (EPA)
- Redevelopment Grant Program
- Demolition Loan Program



Contamination Cleanup and Investigation Grants

- Investigation and RAP Development Grants
 - Phase I, Phase II, Vapor Assessments, etc. and RAP development costs
 - Max grant is \$50,000
- Cleanup Grants
 - MPCA approved RAP required
 - Known soil, soil vapor, groundwater contamination costs, environmental oversight and reporting costs
- Required match is 25%
 - 12% from unrestricted source
- Applications are competitive May 1 and November 1 deadlines

Cleanup Revolving Loan Program

- Applications are accepted throughout the year
- Must own or have ownership interest
- 22% match requirement from a non-federal source
- Interest rate and term are negotiable
- Funds may be available as subgrants/forgivable loans for public entities or nonprofits



Redevelopment Grant Program

- Demolition, asbestos/lead abatement, geotechnical soil correction, public infrastructure improvements
- Required match is 50%, any source
- Applications are competitive February 1 and August 1 deadlines
- Development and economic benefits must happen within five years
- Apply when ready to start work



Demolition Loan Program

- Same application deadlines as Redevelopment February 1 and August 1
- Applicant must own property
- Expectation of potential future development with economic benefits
- Structures vacant at least one year, threat to public safety
- Not listed on National Register of Historic Places
- Acquisition, asbestos/lead abatement, and demolition
- Interest and payment free first 2 years, then 2%, max term of 15 years
- Up to 50% forgiveness if development occurs

BROWNFIELDS AND BEYOND: 2023 MINNESOTA REDEVELOPMENT CONFERENCE SAVE THE DATE Thursday, October 26 – Friday, October 27, 2023 DoubleTree by Hilton Bloomington Registration opens Monday, August 21, 2023

mn.gov/deed/events/brownfields

EMPLOYMENT AND ECONOMIC DEVELOPMENT

Brownfields and Beyond 2023!

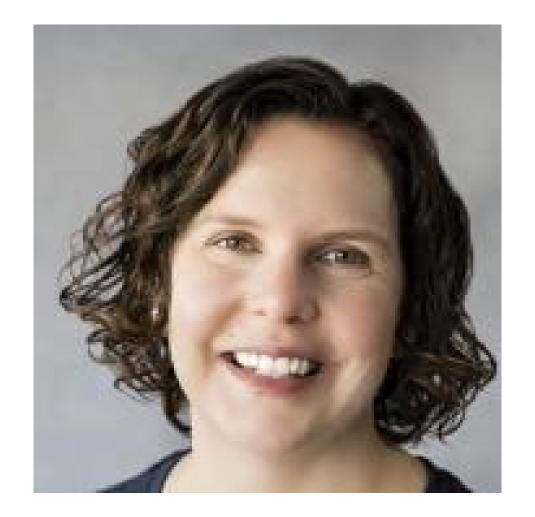


Thank You!

Erin Welle

erin.welle@state.mn.us

651-259-7453



State Panel Redevelopment

Catherine Neuschler

Environmental Quality Board Executive Director





Environmental Review and Energy Transition

Catherine Neuschler | Executive Director, Environmental Quality Board



Energy Transition Communities | www.eqb.state.mn.us

Who is the Environmental Quality Board?

- EQB is an 18-member board made up of state agency commissioners and public members
- Staff provides coordination and support
- Key staff role: Technical assistance for environmental review



Promotes strategic interaction of multiple state agencies



Serves as forum for public to engage in environmental decisionmaking



Stewards Minnesota environmental review process

Environmental Review and Energy Transition

Environmental Review

- Provides information on potential environmental effects important for effective decisionmaking
- Considers diverse project types using a predictable process
- Requires consideration of public input

Energy Transition Areas

- Redevelopment opportunities that result in economic benefit to communities
- Large geographic areas previously used for industrial activities
- Consideration of future infrastructure needs

Environmental Review and Energy Transition

- Many new projects may need to undergo environmental review in order to become shovel- ready
- We will be working closely with DEED to support their goals for energy transition communities
 - From the 2023 grant legislation
 - "Environmental Quality Board to assist communities with regulatory coordination and dedicated technical assistance"
 - Can use the grant for "impact studies and other planning activities enabling communities to become shovel-ready"

Alternative Urban Areawide Review (AUAR)



AUAR process

- Used instead of an individual project EAW or EIS
- Defined geographic area
- 5-year expiration; can be updated
- Limited to residential, commercial, warehousing, and light industrial development and associated infrastructure

Eligibility and Examples

- Local unit of government
- Adopted comprehensive plan that includes at least:
 - \circ $\,$ A land use plan $\,$
 - A public facilities plan
 - An implementation program

AUAR project examples:

- Cottage Grove Business Park (City of Cottage Grove)
- South Loop District (City of Bloomington)
- Gonz Lake West (City of St. Michael)

AUAR process benefits

- Allows projects to be closer to "shovel ready"
- Better information from review of wider geographic area
- Better information about potential cumulative environmental impacts from different project types
- Local communities can see the "big picture"

Available support from EQB staff

- Provide coordination of state agency participation in AUAR process
- We hope to dedicate an EQB web page specifically for AUAR resources and guidance
- Provide technical assistance with understanding of applicable rules
 - Environmental review generally or AUAR procedures
 - Env.Review@state.mn.us
 - 651-757-2873



Thank You!

Catherine Neuschler

catherine.neuschler@state.mn.us

651-757-2607

Energy Transition Communities | www.eqb.state.mn.us



State Panel Redevelopment

MINNESOTA

Liz McLoone

Department of Employment & Economic Development

Rapid Response



EMPLOYMENT AND ECONOMIC DEVELOPMENT

Rapid Response Process

Liz Mcloone

Rapid Response Sr Specialist/Labor Liaison

What is Rapid Response?

• Purpose:

Rapid Response exists to assist workers and businesses through the inevitable periods of economic transitions that will occur throughout the business cycle. Fundamentally, its goal is straightforward: to prevent layoffs, when possible, limit their impact on workers should they occur, and help dislocated workers transition to new employment as quickly as possible.

• TEN 3-10: The National Rapid Response Initiative

Rapid Response is a primary gateway to the workforce system for both dislocated workers and employers. It provides immediate, on-site services for workers and employers, and works to minimize the impacts of those layoffs...as quickly as possible.



Layoff Aversion Techniques

Ongoing strategic activities

- Creating and sustaining effective partnerships with a wide range of organizations that contribute to layoff aversion strategies
- Gathering data and intelligence related to economic transition trends within industries, communities, or at specific employers, and planning strategies for intervention
- Developing early warning networks and systems utilizing data and intelligence gathered (not formalized to date)
- Identifying heavily concentrated industries and sectors and related training needs in the geographic area
- Connecting employers and workers with short-term, onthe-job, and customized training and apprenticeships before or after layoff and prior to new employment



Notification of Closing or Layoff

• Fed and state statutes:

Worker Adjustment and Retraining Notification (WARN) Act

- Rapid Response Coordinator sends out WARN email broadcast
 - Commissioner's office
 - Communications
 - ETP Director, Deputy Director and all ETP Directors.
 - Rapid Response supervisor and State Rapid Response Team (SRRT).
 - Service Providers, WSC's, Sr. LVER's, media etc.



Rapid Response Process

- Face-to-face meeting with employer
- Group information meetings with workers
- Committee meetings
- Service delivery



Rapid Response Process

1. Face-to-face meeting with employer

- Employer Handbook
 - What is the company's current situation?
 - What do you know about the Dislocated Worker Program?
 - Possibility of being Trade Affected?
 - Rapid Response Process
 - Group Info Meetings (UI and DW)
 - Rapid Response Competitive Process
 - Committee Meetings
 - Service Delivery
- Employer Layoff Questionnaire

3. Committee meetings

- Competitive Process
- 7-9 volunteers from affected workforce
- Facilitate the process
 - Assist with RFI process, read proposals,
 - Interview providers (if committee chooses),
 - Select a provider, plan services for group,
 - Quality assurance (follow-up survey)

2. Group information meetings with workers

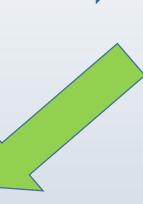
- Unemployment Insurance
- Dislocated Worker Program
 - Local provider is involved, if no competition
 - Dislocated Worker program
 - Rapid Response survey
 - Helpful Websites

4. Service delivery

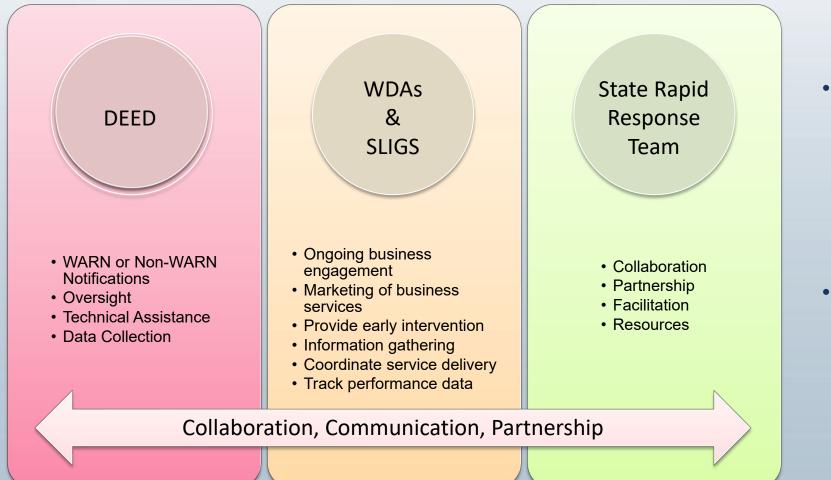
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- Services can start right away
- Coordinate with company
 - Group enrollment/orientation meetings onsite?
 - Meetings with counselors onsite?
 - Resource room onsite?
 - Workshops onsite?
 - Job Fair onsite?





Communication / Collaboration



- Email Distribution Lists WARN
 - Email Broadcast
 - Service Provider Broadcast
 WARN Broadcast

EMPLOYMENT AND

ECONOMIC DEVELOPMENT

- Individual Email
 If requested
- Phone Calls & Emails

Contact Info

Liz McLoone | Rapid Response Senior Specialist | Labor Liaison Employment & Training Programs Minnesota Department of Employment and Economic Development Direct: 651-259-7145 Fax: 651-296-0288 liz.mcloone@state.mn.us http://mn.gov/deed/dw





State Panel – Community Development

Moderator: Don Hickman, Interim Co-President of the Initiative Foundation



State Panel Community Development

Pete Wyckoff

Department of Commerce Assistant Commissioner of Federal and State Initiatives





Energy Transition Summit

Pete Wyckoff, Assistant Commissioner Division of Energy Resources

6/26/2023

mn.gov/commerce

Until recently, I had a different job

Dr. Pete Wyckoff Senior Policy Advisor for Energy & Climate Office of Senator Tina Smith



The IRA135 distinct programs and tax credits

Puts U.S. on a path to 40% greenhouse gas emission reductions by 2030 (2005 baseline)

- Grants = \$110 billion (capped)
- Clean energy loans ~ \$500 billion

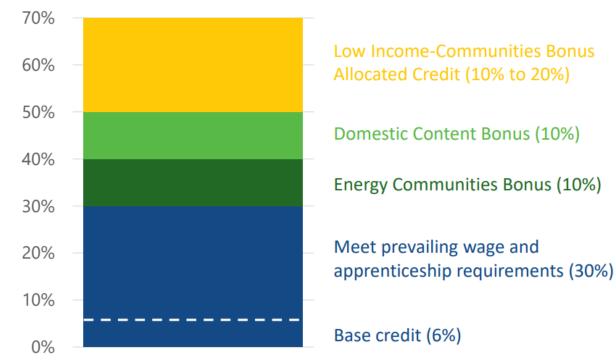
Tax Credits ~ \$700 billion to \$1.2 trillion (uncapped, estimated)

• "Direct Pay" for local governments, Tribal Nations, and non-profits

Tax Credit Adders & Stacking

Clean Energy Layer Cake

Total Investment Tax Credit



A hypothetical 1 MW community solar facility costing \$1 million could earn a **70% tax credit** worth \$700,000

If it is owned by a tax-exempt entity, this could be a **direct cash payment** from the IRS

Applies to clean electricity investment and production tax credits, available till at least 2032 Slide Credit: Paul Donohoo-Vallet, US DOE

Idea credit Paul Horn, Inside Climate News



Tax Credits for domestic manufacturing





- Buy Clean, Buy Fair Minnesota
- 100% Carbon-Free Electricity by 2040
- Sustainable Building Guidelines Modifications
- Preference Order for Purchase of State Vehicles
- RDA Projects Subject to Prevailing Wage/Diversity Report
- Solar Reward Expansion
- Air Ventilation Program Act
- Auto dealers must employ personnel with knowledgeable of electric vehicles
- Utility Reporting Due Date Modification
- Repeal/Reinstatement of Intervenor Compensation Statute
- Electric Vehicle Deployment Program
- Strengthen MN Homes
- Customer's Access to Electricity Usage Data
- Transportation Electrification Plan
- Community Solar Garden Modifications
- Prairie Island Nuclear Power Plan Settlement Payments
- Distributed Solar Energy Standard
- Energy Storage Systems Deployment Target
- Utility Customer Dispute Resolution
- Definition of Low-Income Household
- Approval of Projects to Modernize Transmission and Distribution System
- Large Wind Energy Conversion System Certification of Need Exemption
- Modification of Threshold Requiring PUC Approval
- Commerce's Assessment Increase
- Compensation for Certain PUC Proceeding Participants
- State Competitiveness Fund
- State Competitiveness Fund 2.0
- Climate Innovation Finance Authority
- Commissioner authority to administrator Solar for Schools Program
- Pre-weatherization and Workforce Training Program
- Energy Benchmarking
- Electric School Bus Deployment Program
- Solar for School Modifications from Xcel to Commerce Department
- Solar on Public Building Program Establishment
- Energy Storage Incentive Program
- Distribute Energy Resources System Upgrade Program
- Electric Vehicle Rebates
- Dealers Grants to Cover cost manufacturer certification
- PACE Loan Program
- Residential Electrical Panel Upgrade Grant Program
- Residential Heat Pump Rebate Program
- Public Utility Diversity Reporting
- Energy Storage System Definition
- Conforming Changes to definition of large energy power facilities and site permit
- Gas and Hazardous Liquid Definitions Changes
- Greenhouse Gas Emission Reduction Goal Modifications
- Modification to Annual Report on Telecommunications Access Program
- Restriction on single family solar installations prohibited
- Extension of Sunset on Gas Utility Recovery of Infrastructure Costs
- Creation of a Tribal Advocacy Council on Energy
- Electric Grid Resiliency Grants
- Community Solar Garden Study
- Local Climate Action Grant Program
- Transfer of Unencumbered Withheld RDA Funds
- Decommissioning of Allen S. King Coal Plant
- Utility Energy Storage System Capacity Study
- Investment in Green Fertilizer

2023 MN ENERGY LEGISLATION



New Minnesota programs to leverage federal funds

State Competitiveness Fund	
Matching funds for Federal Grants	\$ 100,000,000
Technical Assistance Grants	\$ 6,000,000
Grants to leverage tax credits and loans	\$ 75,000,000
New Minnesota "Green Bank"	\$ 45,000,000



Minnesota Housing Overview

June 26, 2023



Our Unique Role



Independent agency established in 1971

Seven-member board

Annual independent financial audit and rating agency reviews

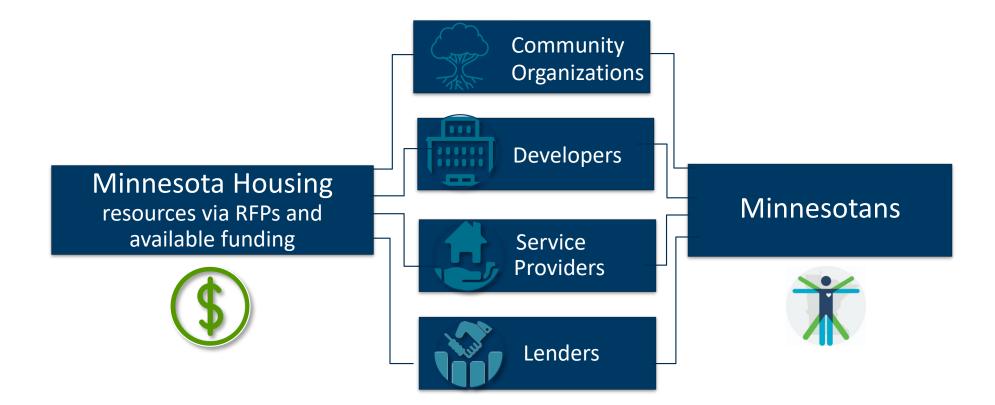
Annually serves about 90,000 Minnesota households

In Minnesota, 536,000 households are cost burdened by their housing payment

Our Housing Continuum

	oportive ousing	g Manufactured Housing	Homeownership
--	--------------------	---------------------------	---------------

Our Program Delivery Process



What Minnesota Housing Does

Homeownership	Rental		
Finances mortgages and downpayment/closing cost loans	Finances the creation and preservation of affordable rental housing		
Finances home improvement and rehabilitation loans	Funds rental assistance and operating subsidies		
Funds homeowner counseling, education and training	Funds homelessness prevention and assistance		
Funds intensive financial coaching (improving credits scores, savings, etc.)	Administers project-based Section 8 contracts in Minnesota on behalf of HUD		
Finances the development of affordable single-family homes			
Temporarily administers COVID-19 housing assistance for past-due housing payments, including mortgage and rent			
Leads and takes action on critical housing issues, working with partners to advocate for solutions and leverage private and public resources			

What Minnesota Housing Doesn't Do

Build or develop housing

Own properties

Regulate housing or development

Mediate general landlord-tenant disputes

Help people find housing

Set/control local housing, zoning or land-use policies

Administer Section 8 Housing Choice Vouchers



Minnesota Housing Resources

Community Homeownership Impact Fund

Impact Fund RFP is open: Due Thursday, July 13, 2023 at 12:00pm

Uses: The Community Homeownership Impact Fund (Impact Fund) provides funding for developers and administrators of single family, owner-occupied affordable housing activity throughout the state

1. New construction, including demolition or removal of existing structures with rebuild

2. Acquisition (land or properties), rehabilitation and resale of existing housing

- 3. Construction Financing and Gap Financing
- 4. Lending products for individual homeowners

Questions about project or program: impact.fund.mhfa@state.mn.us

Greater Minnesota Workforce Homeownership

- Owner occupied rehab, acquisition, rehab
- Priority for newer construction, smaller communities, smaller developers for a larger scale application
- Price Range: No maximum dollar amounts or appraised value/purchase price, cost reasonableness & feasibility
- Down Payment Assistance
- Rehab program for existing homeowners
- Income Targeting for workforce: Maximum is 115% AMI (statutory)
 - Base on community need
 - Target towards households of greatest needs

Multifamily Development

- Annual Multifamily Consolidated RFP Consolidated RFP is open (Intent to Apply Due: 5/11, Application Due: 7/13, Noon CT
- Primary mechanism that Minnesota Housing uses to award and allocate federal and state resources.
- Consolidates and coordinates multiple housing resources into one multifamily application process.
- Deploys significant capital funds and includes various multifamily programs.

• Low-income Housing Tax Credits (HTC)

• HOME

- National Housing Trust Fund (NHTF)
- Economic Development and Housing Challenge (EDHC)
- Preservation Affordable Rental Investment Fund (PARIF)
- Housing Infrastructure Bonds (HIB)
- Low and Moderate Income Rental (LMIR)
- Flexible Financing for Capital Costs (FFCC)
- Section 811 Project Based Rental Assistance (PRA)

Workforce Housing Development Program

- Market rate program that is available outside the metro area and prioritizes small communities and small projects
- Eligible applicants are small- to medium-sized cities or communities
- Maximum funding request is 25% of total development costs (TDC)
- Must include a local match of funds for half of the funding request
- Applicants choose between a grant or a deferred forgivable loan

Publicly-Owned Housing Rehabilitation Program

Uses:

- Rehabilitation of public housing that addresses health and life safety, accessibility, energy and water efficiency, and critical needs.
- Other improvements that add value to a building and are not of a recurring nature. These improvements must have an intended minimum life expectancy of ten years.
- Expenditures of a capital nature such as design, rehabilitation or major remodeling.

Purpose: Rehabilitate and preserve public housing properties that are operating under HUD's Public Housing Program.

Financing: 20-year forgivable loan

RFP: Depends on legislative approval (Governor's Request \$60 Million)

Example: 2017 Award to Cook County HRA for the Homestead and Pioneer project

Contact: Dani Salus, Dani.Salus@state.mn.us

General Tips for Competitiveness

- Local contributions from the county, city, and/or employers
- Request Technical Assistance from the program you are applying for
 - 1:1 Meeting
 - Specific feedback on your project concept



Legislative Session Recap

Historic Investment in Housing

- Session ended on Monday, May 22
- Over \$1.3 billion for housing across the continuum: new construction, preservation, rental assistance, downpayment assistance.
 - Base budget is \$115 million
- Significant resources in existing programs and over 15 new programs/activities

Serving All of Minnesota

The budget responds to the range of housing needs felt by Minnesotans in all regions of the state, while focusing on closing disparities and assisting lowest-income Minnesotans and serving underserved geographies:

- Rental and homeownership
- New construction and preservation
- Deeply affordable housing and market-rate housing in Greater Minnesota
- Homelessness prevention and homeownership development
- Rental assistance and downpayment assistance

Housing Program Highlights

- Challenge Program

 From \$25 million to \$120 million
- Housing Infrastructure \$200 million
- Workforce
 Homeownership
 Development
 - From \$500,000 to
 \$60.5 million

- Greater Minnesota
 Workforce Housing

 From \$4 million to \$39 million
- Local Housing Trust Fund Match
 \$4.8 million
- Greater Minnesota
 Housing Infrastructure

 \$8 million (new)

Agency Next Steps

- Resources in existing programs have already begun to be allocated through existing funding processes and staffing
- New staff need to be hired
- Program development
 - Stakeholder outreach
 - Program guides
 - Funding processes
 - Grant agreements and grants management

Let's Stay in Touch

- <u>Sign up for eNews</u> for Agency and program specific updates
- Website: <u>www.mnhousing.gov</u>
- Alyssa Wetzel-Moore, Community Development Director: <u>Alyssa.Wetzel-Moore@state.mn.us</u>



Thank you!



State Panel Community Development

Mike E. McCrownsey

Department of Employment & Economic Development

Energy Transition Office Grants Coordinator





ENERGY TRANSITION SUMMIT

MINNESOTA

Community Energy Transition Grant Program Presentation

Presented by: Mike McCrownsey Grants Specialist Coordinator, Energy Transition Office

Background

 The Community Energy Transition Grant Program was created by the Legislature to assist communities to address the economic dislocation associated with closing an electric generating plant.
 Minnesota Statute 116J.55

Grant Eligibility/Eligible Communities

• For the purposes of the grant, "eligible community" means a county, municipality, or tribal government located in Minnesota in which an electric generating plant owned by a public utility, as defined in section 216B.02, that is powered by coal, nuclear energy, or natural gas:

Grant Eligibility/Eligible Communities

- 1. is currently operating and
 - I. is scheduled to cease operations,
 - II. whose cessation of operations has been proposed in an integrated resource plan filed with the commission under section <u>216B.2422</u>, or
 - III. whose current operating license expires within 15 years of the effective date of this section; or
- 2. ceased operations or was removed from the local property tax base no earlier than five years before the date an application is made for a grant under this section.

Grant Awards; Limitations

- (a) A grant awarded to an eligible community must not exceed \$1,000,000 in a calendar year. Grant Applications will be accepted on an ongoing or rolling basis.
- (b)Grants funded with revenues from the renewable development account established in section <u>116C.779</u> must be awarded to an eligible community located within the retail electric service territory of the public utility that is subject to section <u>116C.779</u> or to an eligible community in which an electric generating plant owned by that public utility is located.

Eligible Expenditures/Projects

• Money can be used to plan for or address the economic and social impacts on the eligible community of the electric generating plant's cessation of operations including but not limited to

Land use studies

- > Economic planning, researching, planning, and implementing activities
- Capital costs of public infrastructure necessary for economic development
- Impact studies and other planning activities enabling communities to become shovel-ready and support the transition from power plants to other economic activities to maximize the negative impacts of power plant closures on tax revenues and job

Eligible Expenditures/Projects

- All projects/plans must be designed to:
 - 1. Assist workers at the plant find new employment, including worker retraining and developing small business start-up skills;
 - 2. Increase the eligible community's property tax base; and
 - 3. Develop alternative economic development strategies to attract new employers to the eligible community.

Appropriations: Community Energy Transition Grants

Total funds appropriated is \$10 million

- >\$5 million SFY 24 (July 1, 2023 June 30, 2024)
- >\$5 million SFY 25 (July 1, 2024 June 30, 2025)

Total grant award amount

>\$1,000,000 max per eligible community per year.

Applications/Process

Application forms will be placed on DEED website @ Energy <u>Transition Office / Minnesota Department of Employment</u> and Economic Development (mn.gov)

The goal is to have the application out by July 2023
 The Notice of Grant Opportunity and application will be sent to all impacted communities and members on the ETAC. If you are not receiving information from Carla, or want to ensure that your name is on the list, please let Carla and I know.

Application Scoring Criteria

The total of 100 points possible

Categories	Maximum Points
Project Scope	15
Timing	15
Financing	10
Economic Impacts	25
Community Impacts	25
Partnerships and Collaboration	10
Total	100

Application Scoring Criteria

- Project Scope A clearly defined, relevant and attainable plan with measured outcomes correlating with the plant closure.
- **Timing** The immediacy of the plant closure, the project start date, and the completion of the project. The timeline is logical, the project is ready to begin, and it will be completed within the grant term.
- Financing The project budget is detailed, clear, and logical with all costs reasonable and necessary for implementation. With the addition of DEED money, the project is fully financed and ready for implementation.

Application Scoring Criteria

- Economic Impacts The impact of the loss of property tax base and employment on the community and how the project addresses these losses to attain positive outcomes.
- Community Impacts The impact to the community due to plant closure and how the project addresses this and other local challenges to attain positive outcomes.
- Partnerships and collaboration The formal and informal partnerships between entities with similar strategies, linked to comprehensive plans, to address the impacts of plant closure in the community. Joint agreements and letters of support provide evidence of strong partnerships toward a common goal.

DEED Award Timeframe

- > The goal is to have the grant application out July 2023.
- Within 30 days after applications are reviewed, grant contracts are sent to grantees.
- Funds can only be drawn/reimbursed when the contracts are signed by all parties and fully executed.
- > Funds should be spent by June 30, 2025.



Questions?

FAQ will be answered on the Energy Transition Office website



Thank you!

Mike McCrownsey

Mike.mccrownsey@state.mn.us

651-259-7037



Pitch Fest



Thank you for attending safe travels

Please complete your survey that is being emailed to you