



DATE: March 23, 2023

TO: Senate Commerce and Consumer Protection Committee

FROM: Jen Fuller, Policy Advocate, Minnesota Center for Environmental Advocacy

RE: SF 2301 (Xiong) Minnesota Climate Innovation Finance Authority

Chair Klein and Members of the Committee,

The Minnesota Center for Environmental Advocacy (MCEA) supports SF 2301 (Xiong). To meet the state's newly established clean energy standards, more Minnesotans deserve the ability to work, economically benefit, and innovate in the clean energy economy. The Minnesota Climate Innovation Finance Authority, or MNCIFA, establishes enduring funding streams to maximize federal and one-time monies through the Infrastructure Investment and Jobs Act and the Inflation Reduction Act, in addition to our state surplus. It would expand investment in climate solutions by reducing up-front costs for people who have so far lacked easy access to capital.

Importantly, MNCIFA would evaluate gaps in existing financing opportunities and focus on bringing money into the communities who need it most (Subd. 5). Under this bill, "The authority's targets and strategies must be designed to ensure that no less than 40 percent of the direct benefits of authority activities flow to environmental justice communities," defined as communities of color, Indigenous communities, and low-income communities that have been historically overburdened with exposure to pollution and high energy costs. In order to have a just energy transition, we need to re-train workers in places where fossil fuel electricity plants are retiring. This bill sets forth a preference for local Minnesota workers who live within 150 miles of a proposed MNCIFA project, as well as people living in environmental justice communities.

Understanding the numerous funding streams recently made available for innovative climate solutions can be difficult. To that end, the MNCIFA would establish a community navigator program, which would provide information and technical assistance to help people access funds. MCEA finds this capacity-building to be key in implementing a sustainable and widespread financing authority.

This bill addresses existing inequities in financing access, promotes local jobs, and leverages historic federal and state funding to bolster climate solutions that benefit everybody. For all these reasons, we strongly urge you to support SF 2301.

Jen Fuller
Policy Advocate
Minnesota Center for Environmental Advocacy
jfuller@mncenter.org

Andrea Lovoll
Legislative Director
Minnesota Center for Environmental Advocacy
alovoll@mncenter.org