

March 6, 2024

Minnesota Senate
Committee on Energy, Utilities, Environment, and Climate
Minnesota Senate Building, Room 1150
Saint Paul, MN 55155

RE: Senate File 3535 - Commercial Property Assessed Clean Energy (C-PACE) Program Amendment

Dear Chair Frentz, Senator Port, and Committee Members, ,

On behalf of Clean Energy Economy MN (CEEM), we write today in support of Senate File 3535, a bill updating the Commercial Property Assessed Clean Energy (C-PACE) Program. CEEM supports the several proposed changes to the C-PACE program to increase the maximum financing term to 30 years, increase the loan to value limit to 30%, and to add building resiliency as an eligible financing measure. The amendment will bring Minnesota in line with national trends in C-PACE financing making it a more advantageous location to improve commercial building sustainability through attractive financing and increased flexibility.

CEEM is an industry-led, nonpartisan, non-profit organization representing the business voice of energy efficiency and clean energy in Minnesota. We are focused on educating Minnesotans about the economic benefits of transitioning to a clean energy economy. Our business membership is comprised of over 60 clean energy companies ranging from start-up businesses to Fortune 100 and 500 corporations that employ tens of thousands of Minnesotans across the state. CEEM stands committed to delivering a 100% clean energy future where all Minnesota businesses and citizens will thrive.

The proposed changes will bring Minnesota in line with most C-PACE statutes across the country and accurately reflect the average useful life of the financed equipment. Additionally, the amendments also remove certain limitations that previously prevented building electrification, decarbonization, and resiliency. According to C-PACE Alliance, Minnesota ranked the 5th most invested state with C-PACE at \$316 million cumulative funding in 2023. It is imperative to make these changes to ensure Minnesota continues onward to meet its 100% carbon free goals by 2040 while also supporting critical climate financing tools, like the C-PACE program.

We thank Senator Port for authoring this bill and Chair Frentz for hearing it in committee. These changes to the C-PACE program will allow Minnesota to continue improving commercial buildings for the benefit of the public and the clean energy economy while continuing to leverage private financing. We appreciate the opportunity to share our support for SF3535. Please let us know if you have any questions. Thank you.

Sincerely,



George Damian
Director of Government Affairs
gdamian@cleanenergyeconomymn.org



Chandra Her
Policy Associate
cher@cleanenergyeconomymn.org