

Green Ribbon Commission Meeting

Wisconsin Economic Development Corporation

201 W. Washington Ave.

Madison, WI 53703

Tuesday, Sept. 5, 2023

8 a.m. – 11 a.m.

COMMISSIONERS PRESENT:

- Masood Akhtar
- Pamela Boivin
- John Brogan
- Andy Buck
- Sara Conzemius
- Abigail Corso
- Sam Dunaiski (arrived at 8:43am)
- Kamaljit Kaur Jackson
- Sean Kennedy
- Montre Moore
- Mike Noreen
- Kara Pennoyer
- Maria Redmond
- Ty Rohloff
- State Rep. Katrina Shankland
- Antonia Butts
- Dean Warsh

COMMISSIONERS NOT PRESENT:

- Nicole Rakobitsch
- Sandra Henry

- I. Welcome and Roll Call
 - i. Welcome from Missy Hughes
- II. Review of GIF Strategic Vision
 - i. Kamaljit – pyramid represents what we want to do to move forward
 - ii. Abby – captures most, if not all, of what we talked about
- III. Review of GIF Tribal Consultation/Feedback
 - i. Good feedback

- ii. Echoed that they really hope that the investments made must be holistic and integrated with technical assistance and workforce engagement
- iii. Establish a baseline and make sure the innovation fund measures success and impact
- iv. Cultural competency – administers and the wraparound
- v. Eleven tribal nations – there is a process that needs to be followed from one sovereign nation to another
 - 1. We'll make sure there is a conversation with the elected leaders
- vi. Pamela – protocols are going to vary by tribe, Great Lakes Intertribal Council may
- vii. John – strong feedback on legislative barriers for them to move forward with gride and energy providers with the state
- viii. Sean – importance of where this process lies

IV. Discussion: GIF Technical Aspects

- i. Investment vehicles
 - 1. Direct loan
 - a. Direct loan from a bank – provider capital to a borrower with terms to repay
 - i. Doesn't necessarily provide the leverage – less money in the portfolio
 - 2. Loan guarantee
 - a. Similar to direct loan – work to guarantee a loan by other lenders – commitment from bank to guarantee risk
 - b. Put private capital on the streets; allows a pool of capital to leverage funding in the community
 - 3. Loan Loss Reserve
 - a. Set aside money when you do a loan deal to offset the potential risk or collect the money back
 - 4. Participation Loan
 - a. 2 sources of capital (bank & green bank); agrees to terms and execute but only put a percentage in; leverage private funds and provide more capital to the lender
 - 5. Other
 - a. Rates are lower/higher depending on sliding income scale – used within the above options; create an inverted sliding structure – for example, those that wouldn't otherwise be able to access solar
 - b. Partial grants – for individuals that don't have leverage
 - i. Discussion – doesn't revolve so the impact of the funds may be less
- ii. Administration
 - 1. WEDC directly
 - a. Not the desired route as there is less flexibility

2. WEDC via approved third-party partners (certified group of partner lenders)
 - a. Group of lenders, private community, CDFI, nonprofit, etc.
 - b. Come together and agree on terms and wrap around services
 3. WEDC via third-party vendor to third-party partners
 - a. Issue an RFP and have some other organization do all of the work
 4. Other
 - a. Michigan (MichiganSaves) and Indiana just stood up non-profit entities that administer the green bank – eligible for other money as a 501(c)(3)
 - i. Ability to bring in other capital
 - b. Foundations that can help with wraparound services and technical assistance
 5. Make sure we're being equitable and that the process is accessible – it needs to be available to all – not everyone has the infrastructure to do this
 6. How the money gets allocated and what is the ratio; speed-to-market
 7. Ease of business is the biggest factor on working with government programs from the banking side of things (Ty)
 8. Kamaljit – guarantee takes forever - SBA takes four to six weeks to get project going and then months to get moving; can get people frustrated
 9. John – complexity needs to be associated with the size of the deal
 10. Pamela – lessons learned from the CDFI perspective in working with DOA and WEDC; will depend on capacity
 11. Abby – looking at private capital lenders; ease of getting to market – small banks and credits unions are doing this type of thing every day and they just need some training
 12. Kamaljit – there is going to be a risk factor on some project; what parameters will be set if an entity doesn't know how to work with a startup
 13. Masood – banks don't have expertise but the state may have it as this is structured
- iii. Who are the GIF's clients (eligible borrowers)?
1. Commercial/industry
 - a. Industrial sector
 2. Multi-family housing
 - a. Abby – unsubsidized has a need; subsidized have conversations with developers with their complex capital profile
 3. Residential

- a. Abby – robust direct-lending system that could benefit from a loan loss reserve
- 4. Public bodies
 - a.
- 5. Other
 - a. Consumers – EV, mass transit
 - b. Agriculture
 - c. Antonio – this slide is really important from a reverse-engineering perspective
 - d. Nonprofits
 - e. Schools
 - f. MUSH - Municipal and state governments, universities, schools, and hospitals
 - g. Cooperative
 - h. Public lands
 - i. Tribal government; tribal-owned businesses
 - i. Mitigate barriers based on tribe
- 6. Ty – you can't be everything to everyone
- 7. Antonio – to what degree can we control the geography of where the funding lands?
 - a. John – insourcing – make it more cost effective to be in-state vs. out of state
 - b. Abby – if we're working through a class of direct lenders start with a group that has a diverse geography
 - c. Andy – prioritize Wisconsin workers and contractors
 - d. Antonio – be clear and specific on where the money can land within the rules; thinking about the end in mind to start
 - e. Abby – started with credit unions in Michigan because they had the widest range and were everywhere
- iv. What does the GIF invest in?
 - 1. Renewable energy systems
 - a. Wind generation, solar, geothermal, etc.
 - b. Ethanol?
 - c. Efficiency at ethanol or bio-diesel facility
 - 2. Efficiency Investments
 - 3. What else?
 - a. Energy storage
 - b. Zero-emission transportation
 - c. Manufacturing of green technologies
 - d. R&D
 - e. Waste heat power
 - f. Nuclear
 - g. Beneficial electrification

- h. Workforce
 - i. Electrical service
 - i. Most homes are not able to take on a car charger without updating electrical
 - 1. Abby – electric upgrades are eligible cost under IRA
 - j. Kara - Keeping it broad leaves it open to new technologies
 - i. Abby – there are specific definitions, so we have to be thoughtful of those guidelines
 - k. John – is there thought of being able to fund a project that is off site?
 - i. Abby – more of a local question
 - ii. Sam D. – can do this through a power purchase agreement
 - l. Have to work with the utilities or change policies for many of these
 - m. Kamaljit – not everyone’s needs will be the same – you can’t put solar on a house with 500-year-old windows
 - n. Green infrastructure
 - o. Adaptation and resiliency – Affordability
 - p. Manure digesters
- v. Other considerations
- 1. Workforce
 - a. Maria – some of the tools to build up the workforce (specificity – tangible things, training centers, curriculum development)
 - b. Andy – opportunity for everybody; apprenticeship and pre-apprenticeship – his training centers are willing and ready
 - c. Kamaljit – leveraging technical college partners because they do a lot of workforce training
 - d. Antonio – is there room to consider policy/regulation that we should keep an eye on?
 - i. Sam R. – from the tribal feedback – starting with a baseline – will help us drive policy with the measurements
 - 2. Community empowerment
 - 3. Prioritizing underserved
- vi. Interoperability
- 1. Solar for All
 - 2. Others
 - a. WHEDA tax credits
 - b. WEDC tax credits
 - c. Focus on Energy

- d. DOA – Weatherization
- e. Other
 - i. Federal tax credits
 - ii. Sometimes utilities have subsidization
 - iii. Federal incentives for tribal nations?
 - iv. REAP grants
 - v. Federal competitive opportunities
 - 1. Greenhouse gas
 - 2. Climate reduction grant
 - vi. Kamaljit - How are we leveraging our private foundations in Wisconsin?

V. GIF Public Stakeholder Meeting

- i. Heather will reach out by end of the week to schedule a 90-minute virtual meeting
 - 1. Hear other thoughts or considerations
 - 2. Late September or early October

VI. Additional Questions/Comments

- a. Kamaljit – definitions for the community to understand
- b. Masood – WEDC will be one stop shop for this?
 - i. Sam R. – WEDC will have a one stop information for everyone but because we don't see WEDC as a participant with the borrower; WEDC will invest in marketing the funds and get people to the network of lenders
- c. John – where do we start?
 - i. Sam R. – recruiting network of partners and get the structure together
- d. Sam R. – WEDC hiring vice president of productivity and sustainability – have had some great candidates

VII. Close