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 grid 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 wrap around 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