

# **Thank You Joining The Todd Wadena Development Summit**

**The Summit Will Begin at 9:00 AM**

**Please Mute Yourself While You are  
Waiting For the Summit to Begin**

# **Todd Wadena Development Summit**

**Minnesota Power – Arik Forsman**

**Todd-Wadena Electric Cooperative – Allison Uselman**

**Clean Energy Resource Teams – Melissa Birch**

**The Economic Alliance – Katie Heppner**

**Todd County Development Corporation – Rick Utech**

**Region Five Development Commission – Cheryal Hills**

**West Central Telephone Association – Chad Bullock**

**Consolidated Telephone Company – Joe Buttweiler**



# **Minnesota Power**

## ***Providing Business a Competitive Edge***

3/12/2021

Arik Forsman

# Minnesota Power Regional Development

- Business Retention & Expansion Visits
- Shovel Ready Sites
- Regional Capacity Building
- Advocacy
- **Business Expansion Incentive Rate**



Shovel Ready Sites



# Business Expansion Incentive

A new electric demand discount program

- Available to any new or existing commercial or industrial customers with expanded electrical demand of 250 kW or greater
- Significant discounts apply to the customer's electrical demand charges in years one to five, with normal charges resuming in year six

## Case Study:

Existing mid-size manufacturing plant that expands with 400 kW of new demand (at a 50% Load Factor) could save \$20,000-\$25,000 annually on its bill by using the BEI.

# Conservation Improvement Program

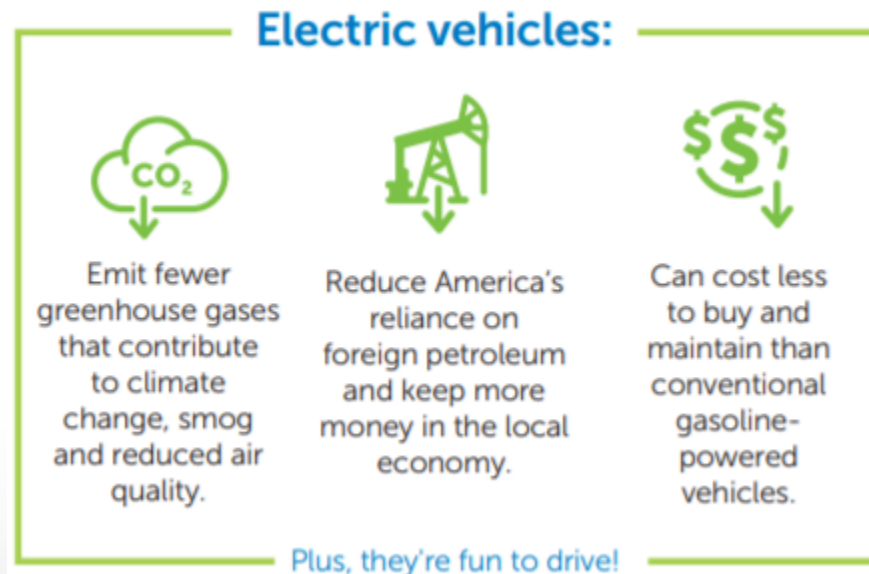


- MP spends 1.5% of retail sales in conservation rebates and incentives
- If you are a customer, you are eligible.
- Lighting, controls, air handling, heating, air conditioning, Variable frequency drives.
- 67.7 Million kilowatt-hours saved in 2019 (enough for 7,500 homes)
- 52,600 tons of CO2 reduced in 2019 (10,400 cars off the road)

<https://www.mnpower.com/ProgramsRebates/BusinessIncentives>



- Special time-of-use rate for EV drivers
- Working with business owners and others to expand the number of publicly available charging stations in central and northeastern Minnesota



# Give us a call or visit us online

- We schedule a time to talk to you
- Plan review with contractors and architects
- Options presented
- Paybacks projected

Step 1:  
Getting Started

Step 2:  
Customer Information

Step 3:  
Terms and Conditions

Step 4:  
Review and Submit

Step 5:  
Confirmation

### Business Energy Conservation Program Application

Please complete the request form and you will be contacted by our conservation team to help you save energy at your business.

Indicate who is completing this application:

☐ Account Holder

☐ Contractor

☐ Other

### Account Information

Account Number

Account Number (no space or dashes)

Click **Next** if an account number is not available.



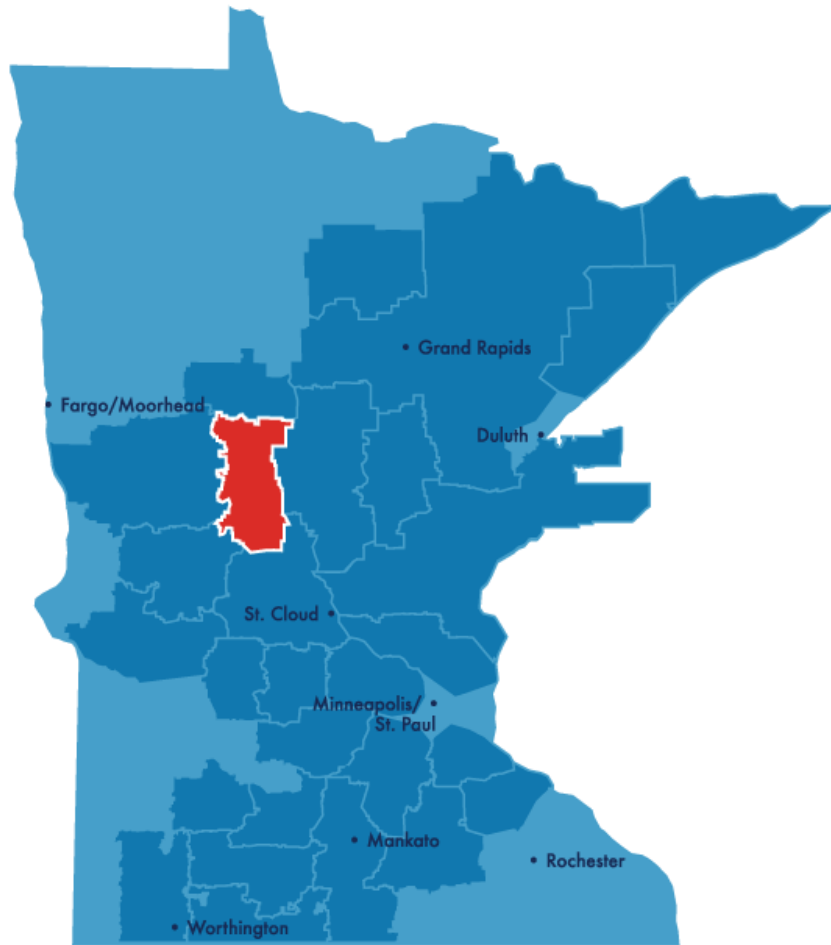
EnergyForward



**100% CARBON-FREE  
ENERGY BY 2050**

**Questions?**

Arik Forsman  
Regional Development Representative  
218-290-5496  
[aforsman@mnpower.com](mailto:aforsman@mnpower.com)



# TWEC AT A GLANCE

10

**1940**

Year Founded



**2,260**  
MILES  
ELECTRIC  
LINE



**27**  
Employees



**1,800**  
Square  
Miles  
Served



**191**  
MILLION  
**kWh**  
SOLD IN 2018



**20.2**  
MILLION  
ELECTRIC  
REVENUE  
IN 2018



**53**  
MILLION  
TOTAL ASSETS  
DECEMBER 31, 2018



**Power Suppliers**  
Great River Energy (85%)  
Western Area Power Admin (15%)

# Revolving Economic Development Loan

- ▶ Loan is Provided by the Todd-Wadena Electric Cooperative
- ▶ Applicants Do Not Need to be Members
- ▶ Minimum Loan: \$10,000
- ▶ Maximum Determined by Loan Committee on a Case-by-case Basis



"With the Economic Development Loan from TWEC, I was able to expand my facility and help keep jobs in Menahga," Terry Petersen, owner of Salo Manufacturing.



## Rural Economic Development Loan and Grant Program

- ▶ USDA Zero-interest Loan & Grant
- ▶ Must Apply Through a Rural Utilities Service Borrower, Such as TWEC
- ▶ Applicant Does Not Need to be a Member
- ▶ TWEC Required to Match a Percentage of the Loan
- ▶ **Loan** - USDA Reviews and Awards Pass-through **Loans** up to 80% of Project's cost (Up To \$2,000,000)
- ▶ **Grant** – USDA Reviews and Awards **Grant** Funding to TWEC up to \$300,000 to Lend at Zero Percent
- ▶ No Minimum Amount Required to Apply



The City of Browerville was awarded a REDLG Loan to expand water and sewer facilities to a new business.

PROGRAM NAME	MAXIMUM LOAN	MAXIMUM MATURITY	RATES AND FEES	LOAN USES	ADDITIONAL INFORMATION
<b>Business Expansion Loan Program</b> Available to C&I customer or municipality serving a C&I customer of Great River Energy's all requirements member-owner cooperatives Loans can be structured as a direct loan to the borrower, or loan participation with other lenders Facilitates commercial and industrial investment, and supports projects that will result in new energy sales	\$500,000	10 years	Below market interest rates available No closing costs other than "out of pocket" legal expenses	Land acquisition and pre-development activities Construction costs Furniture, fixtures and equipment	Eligible projects shall result in a minimum new electrical demand of 500 kW Limited to 50% of total project costs For a direct loan, the loan must be collateralized through an annually-renewing letter of credit or through a municipal guaranty with a value equal to 100% of the loan amount For a loan participation, a shared collateral position with the lead lender is required
<b>E3 Fund (Energy Efficiency &amp; Electrification Fund)</b> Available to Great River Energy's all requirements member-owner cooperatives Loans structured as a pass-through loan to the member co-op to provide loans to C&I customers Facilitates the installation of high efficiency equipment and supports beneficial electrification	\$350,000	10 years based upon the useful life of the equipment	Below market interest rates available No closing costs other than "out of pocket" legal expenses Up to 1% servicing fee charged annually	Energy conservation projects (equipment & installation) <i>*Equipment financed shall not receive CIP rebate funds</i> Beneficial electrification projects resulting in net carbon reduction and new energy sales Engineering and design costs	Corporate guarantees Real estate mortgage and/or equipment liens Personal guarantees from owners are required Requires board approval from a participating member-owner cooperative

## Energy Efficiency Rebates & Incentives

- ▶ TWEC Spent 1.5% of Revenue
- ▶ Achieved a KWh savings of 1,521,112
- ▶ Electric Yard Tool
- ▶ Electric Vehicle Charger
- ▶ Appliances
- ▶ Air Source Heat Pump
- ▶ Ground Source Heat Pump
- ▶ Lighting
- ▶ Wi-Fi Smart Thermostat
- ▶ Custom Commercial & Industrial Rebates



# Load Management Energy Programs

## Programs

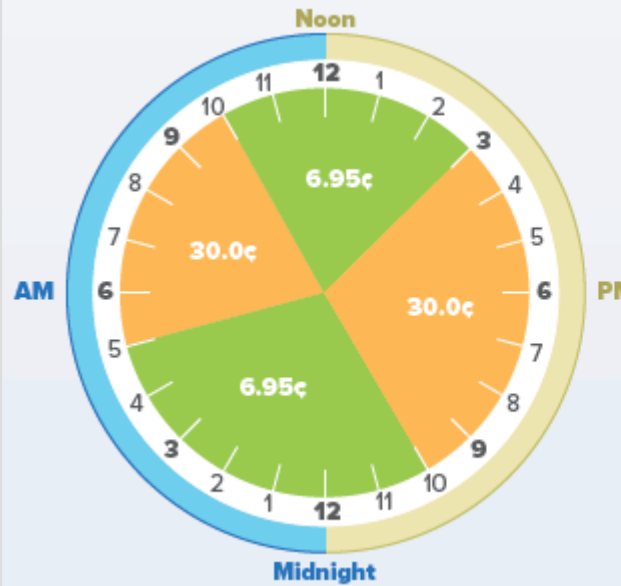
- ▶ Dual Fuel
  - ▶ Off Peak Heating
  - ▶ ETS Heating
- ▶ Water Heating
  - ▶ ETS
  - ▶ Peak Shave
- ▶ Energy Analysis
- ▶ Commercial & Industrial



## Electric Vehicles

**\$416.00**  
Annually

### TIME-OF-USE RATE



**CHARGING TIMES**

10 AM – 3 PM  
10 PM – 5 AM

5 AM – 10 AM  
3 PM – 10 PM

**RATE**

\$0.0695/kWh

\$0.30/kWh

**Off-peak Rate: 6.95¢/kWh**

**On-peak Rate: 30.0¢/kWh**

**\$193.00**  
Annually



### STORAGE RATE

**CHARGING TIME**

11 PM – 7 AM

7 AM - 11 PM

**RATE**

\$0.043/kWh

Charging N/A

**Storage Rate: 4.3¢/kWh**

Charging Not Available

**\$500 Rebate**  
Available

## Any Questions



# Getting Your Energy Project Done: CERTs, PACE, and REAP

Melissa Birch

Clean Energy Resource Teams  
Todd Wadena Development Summit  
March 12, 2021

# Today's Talk

- About CERTs
- Property Assessed Clean Energy
- USDA REAP Grants
- Some Past Projects



# Helping Minnesotans Build Clean Energy



## MISSION

We connect individuals and their communities to the resources they need to identify and implement community-based clean energy projects



# How Does CERTs Help?



## Hands-on assistance

For cities, counties, utilities, farmers, businesses, and other organizations looking to make a change



## Practical steps to clean energy

Resources for getting started, moving forward, and completing projects



## Learning opportunities

We host events, create resources, and highlight clean energy stories and jobs

**CERTs**  
**Partners**

Regional Sustainable  
Development Partnerships  
UNIVERSITY OF MINNESOTA  
**EXTENSION**



**GREAT PLAINS  
INSTITUTE**



**m1** **COMMERCE  
DEPARTMENT**

# CERTs Is Here for You!



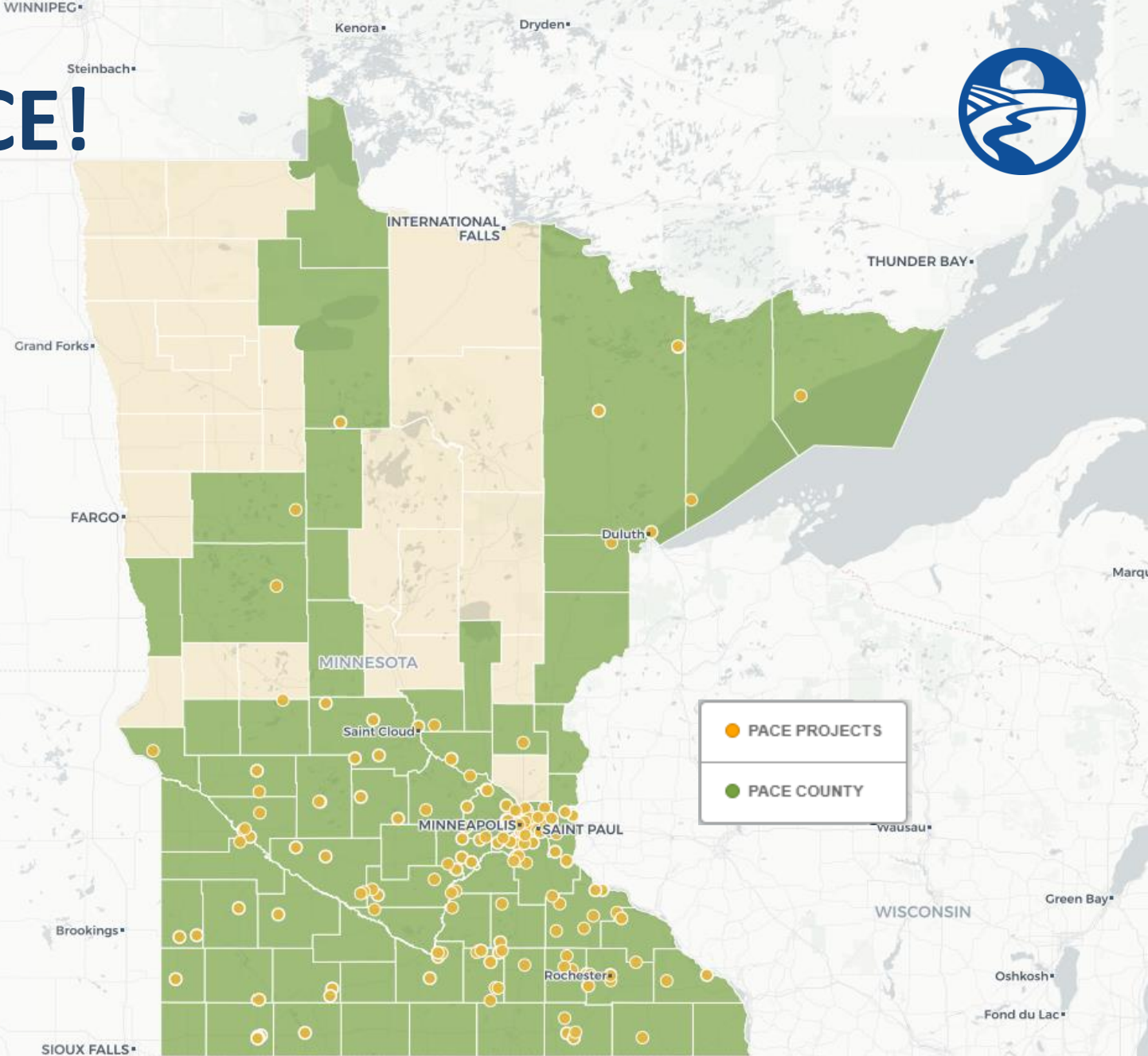
## Farmers and small businesses can get assistance with:

- Solar site assessments
- Support with grants like USDA REAP and MDA's Livestock Investment Grant
- Available utility incentives
- Guidance on federal tax credit, depreciation
- Property Assessed Clean Energy



# Let's Talk about PACE!

- Property-Assessed Clean Energy (PACE) is a way to finance energy efficiency and renewable energy upgrades to the buildings of commercial, industrial, nonprofit, and multifamily housing property owners.
- Project financing is repaid as a separate item on the property tax assessment.



# Let's Talk Development: PACE Results



- ~300 projects
- \$10 million annual savings
- 500 billion BTUs saved annually
- 2,000 jobs retained or created
- 1,300 construction jobs created



PHOTO

Solar PV at Winona Rental

# Let's Talk Projects: PACE process



1. Submit application with energy audit, lender consent & financials
2. Loan gets approved
  - Interest rate: 4%
  - Terms up to 20 years
  - Up to 20% appraised property value
3. Complete project
4. Savings pay for assessment



# USDA Rural Development



## Rural Energy for America Program

- Started in 2002 Farm Bill
- Grant and Guaranteed Loan Program
- Agriculture and rural small businesses
- Wind, solar, biomass, biogas, efficiency (lighting, pumps, motors, fans, dryers...)

# REAP: Grant Program



## Grant Program

- **25%** of eligible project costs
  - Labor, equipment, fees, permits...
  - Competitive

## Eligibility:

- Farms
- Rural Small Businesses
- Rural Electric Cooperatives
- Tribal Entities



Created by Oksana Latysheva

# Blue Line Travel Center

WORTHINGTON



- **Project:** Lighting
- **Cost:** \$74,000
- **Sources of Funds:**
  - RMEB PACE Program
  - Worthington Public Utilities
  - USDA REAP Grant
- **Finances:**
  - Annual Savings: \$14,000
  - Assessment: \$9,000
  - Total Net Savings: \$85,000

# Parkwood Place

## MOUNTAIN LAKE



- **Project:** Lots of efficiency measures!
- **Cost:** \$90,000
- **Sources of Funds:**
  - RMEB PACE Program
  - Mountain Lake Utility Rebates
  - USDA REAP Grant
- **Finances:**
  - Annual Savings: \$9,700
  - Assessment: \$8,700
  - Total Net Savings: \$15,000



# Peterson Farm

MEEKER COUNTY



- **Project:** 40 kW Solar
- **Cost:** \$174,000
- **Sources of Funds:**
  - MinnPACE Funds
  - USDA REAP Grant
- **Total Net Savings (25 yrs):**  
\$250,000+

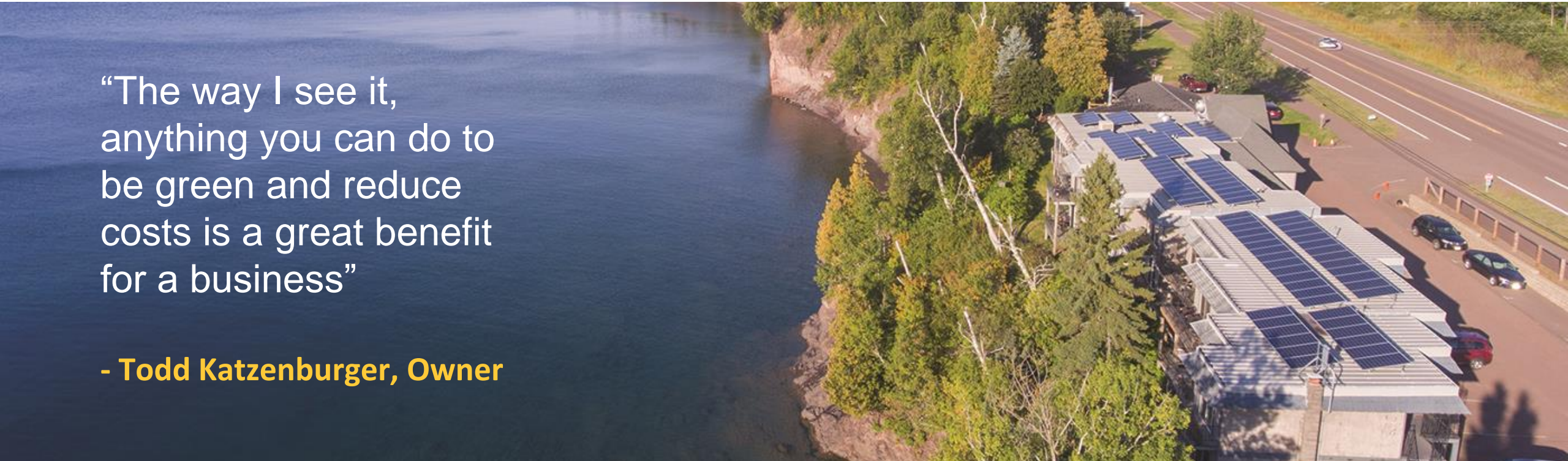
# Cliff Dweller Hotel

COOK COUNTY



“The way I see it,  
anything you can do to  
be green and reduce  
costs is a great benefit  
for a business”

- **Todd Katzenburger, Owner**



- Project: 40kW Solar

## Source of Funds

- MinnPACE
- IRRB Business Energy Retrofit Program
- Federal Tax Credits

Annual Savings: \$7,000

# The CERTs website is full of resources!



## Tools & Guides

by Topic | by Audience



**Biomass** (1)



**Community Planning** (3)



**Electric Vehicles** (3)



**Energy Efficiency** (10)



**Energy Storage** (1)

[CleanEnergyResourceTeams.org](https://CleanEnergyResourceTeams.org)

# How can CERTs help you build clean energy?



Visit [CleanEnergyResourceTeams.org](https://CleanEnergyResourceTeams.org) or  
connect with CERTs staff!

**YOUR REGIONAL COORDINATOR**

**Melissa Birch**

Central Region

218-866-2338

[melissa@cleanenergyresourceteams.org](mailto:melissa@cleanenergyresourceteams.org)



# Wadena County Tax Abatement Policy

Presented by:  
Katie Heppner  
Executive Director, the Economic  
Alliance



# What is the Economic Alliance?

- An economic development corporation that serves Wadena County, MN
- Can help with:
  - Business Planning
  - Site Selection
  - Connection to local governments for TIF, Tax Abatement, and other incentives
  - Connection to gap financing
  - Business Retention and Expansion
  - And more
- For community and economic



# The Economic Alliance

# Wadena County Tax Abatement



**Policy updated in December 2019**



**County Board considers Economic Development Abatements for projects that accomplish goals of economic development including:**

the creation of quality jobs

stable employment

wages with benefits

and the attraction, retention and expansion of businesses and housing options in Wadena County

# Conditions for Granting a Tax Abatement

The abatement must accomplish at least one of more of the following purposes:

- Increase or preserve the tax base
- Provide employment opportunities in the County
- Provide or help acquire or construct public facilities
- Help develop, redevelop, or renew blighted areas
- Help provide access to services for residents in the County
- Finance or provide public infrastructure
- Phase in a property tax increase of the parcel resulting from an increase of 50% or more in one year on established market value of the parcel, other than the increase attributable to improvement made to the parcel

# Conditions for Granting a Tax Abatement (cont.)

- Abatements may NOT be granted for a parcel that is located in a TIF district
- Property tax subject to abatement is the net tax capacity based tax of real property, including land and buildings.
- Before an abatement is considered, it and all the owners must be in good standing with Wadena County
- For full terms and conditions, review the Wadena County Economic Development Tax Abatement Policy

# Eligible Projects

Applies to residential, apartments, commercial/industrial business development and redevelopment projects.



- **“Residential”** means the house and attached garage only
- **“Apartments”** means rental housing 4 or more units
- **“Commercial/Industrial”** means retail business and manufacturing business
- **“Business development”** means starting a new business
- **“Redevelopment”** means development existing property

# How it Works

- On any abatement, the only abated portion of the property tax will be the increase in property tax based on the new construction of the property
- The abatement must be approved prior to any new construction or improvements being made to the proposed property
- The duration of the abatement will be for a max. of 5 years
- The County Board will only provide tax abatement financing in the form of a rebate of property taxes to the property owner

Year 1: 100% of taxes on improvements are rebated

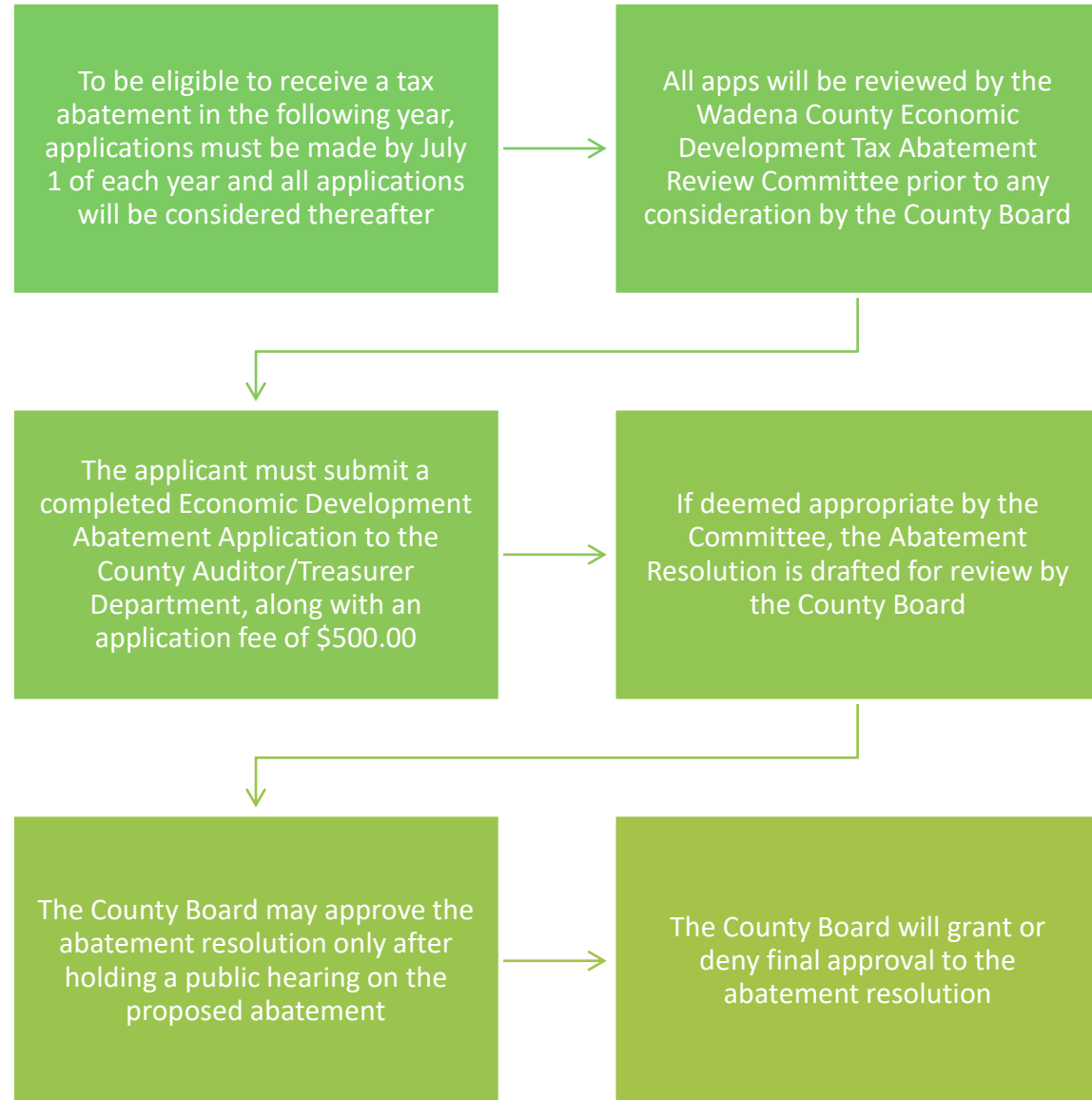
Year 2: 100% of taxes on improvements are rebated

Year 3: 80% of taxes on improvements are rebated

Year 4: 60% of the taxes on improvements are rebated

Year 5: 40% of the taxes on improvements are rebated

# Application Process



For full policy and application...



Heather Olson

Wadena County Auditor/Treasurer

O: 218-631-7784

C: 218-234-6234

[heather.olson@co.Wadena.mn.us](mailto:heather.olson@co.Wadena.mn.us)

# Questions?

Katie Heppner  
Executive Director  
The Economic Alliance  
C: 218-929-3015  
[wceda@wcta.net](mailto:wceda@wcta.net)



# TODD COUNTY DEVELOPMENT CORPORATION (TCDC)

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RICK UTECH – EXECUTIVE DIRECTOR

# SERVICES WE PROVIDE

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- Small Business Financing - TCDC Revolving Loan Fund
- Small Business Development Center (SBDC) services – North Central SBDC
- Business development and recruitment – site selection “LOIS”
- Broadband development
- TCDC Website (resource for business/communities) re-design in March 2021
- Housing development (2<sup>nd</sup> Avenue Apartments)
- Grant facilitation – CARES Act and state (Todd County grants)

# FINANCIAL PARTNERS

## RESOURCES FOR BUSINESSES

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- Local Financial Institutions
- Local and Regional city and non-profit lenders (SEDA, LPEDA, NCEDA, small community revolving loan funds, Initiative Foundation & Entrepreneur Fund)
- Electric power provider (Todd-Wadena Electric Cooperative, Minnesota Power & Stearns Electric Cooperative) business financing and incentives
- Minnesota Department of Employment and Economic Development (MN DEED)
- Federal agencies (SBA & USDA-Rural Development)

# SMALL BUSINESS DEVELOPMENT CENTER (SBDC) PROFESSIONAL COUNSELING

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- Start-up assistance
- Business plan development
- Project feasibility/projections
- Accounting systems and financial analysis
- Marketing plan development and research
- Buying/selling a business/succession planning
- Loan packaging



# THANK YOU

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## Todd County Development Corporation

*Small Business Development Center Outreach Office*

347 Central Avenue, PO Box 247

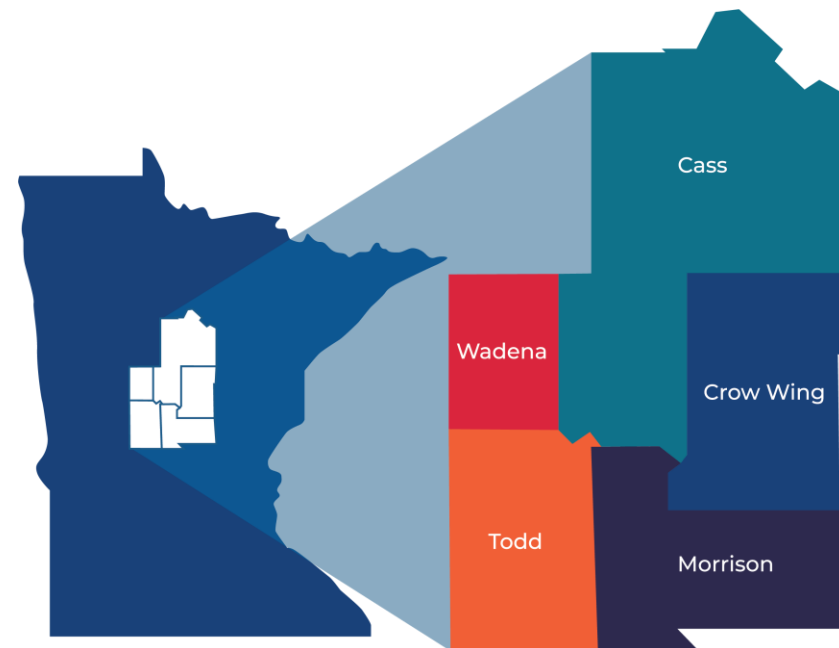
Long Prairie, MN 56347

Email: [rick.utech@co.todd.mn.us](mailto:rick.utech@co.todd.mn.us)

Website: [toddcountydevelopment.org](http://toddcountydevelopment.org)



**REGION FIVE**  
Development Commission



Bridging Relationships and Resources



**Cheryal Lee Hills**  
*Executive Director*



**Stephanie Barney**  
*Business Loan Developer*

Contact Stephanie or Cheryal: [regionfive.org/staff](https://regionfive.org/staff)



# Community Development

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Contact Dawn or Staci: [regionfive.org/staff](https://regionfive.org/staff)

**Questions?**  
**THANK YOU**