

The Heights Awarded \$4.7 Million for Geothermal Energy System by Newly-Created MN Climate Innovation Financing Authority



SAINT PAUL, MN – Today, the Minnesota Climate Innovation Finance Authority (MnCIFA) awarded a \$4.7 million loan, the first for MnCIFA, to The Heights Community Energy, who plans to construct and operate a district geothermal energy system at The Heights development on the East Side of Saint Paul.

"Using the Earth's natural energy to heat and cool a whole community is a big step toward achieving our local climate goals," **said Mayor Carter**. "Together, with the support of MnCIFA and our partners at the Port Authority and District Energy, we're building a neighborhood that can be a blueprint for a cleaner, more sustainable future."

Ward 6 Councilmember Nelsie Yang said, "The Heights is truly a once-in-a-lifetime investment to the East Side of Saint Paul. With the addition of a geothermal energy system, we hope to achieve the creation of sustainable, energy-efficient homes and close the clean energy divide by eliminating the burden of high utility bills and increasing access to the tools that'll help communities lower their carbon footprint. This is a precedent for what is to come. I look forward to continuing to work with community leaders and all of our partners in advancing towards environmental and climate sustainability for all."

During the 2023 session, the Minnesota Legislature passed bills that created and funded MnCIFA, which is structured as a publicly accountable financing authority, commonly known in other states as a "green bank."

Peter Klein, MnCIFA Executive Director, said, "The Heights' renewable energy system is a prime example where public financing is crucial to fill the gaps that exist with traditional financing. Once the multi-family housing and light-industrial buildings are constructed, the development agreement requires the buildings to all be hooked up to the energy system. At that point, the private sector will be willing to step in and fund the system."

The Heights Community Energy will own and operate the geothermal system under the direction of District Energy St. Paul, a long-standing nonprofit utility partner to the City of Saint Paul, and the Saint Paul Port Authority, owner and master developer of The Heights.

“The community has an aspirational environmental vision for The Heights development, and advocates now have the backing of MnCIFA to help make this project a reality,” **said Michael Auger, Senior Vice President and Chief Business Officer with District Energy St. Paul.** “Funding support is critical in this moment of development when traditional financial avenues are not feasible, and the approval of this loan demonstrates the value of MnCIFA to decarbonize Minnesota’s building sector.”

“The delivery of a district geothermal energy system aligns perfectly with our mission around sustainable and equitable development,” **said Saint Paul Port Authority President, Todd Hurley.** “This system will go a long way toward achieving our goals around the creation of a carbon neutral community at The Heights.”

Once completed, The Heights will not only be home to one of the largest district geothermal energy systems in the state and the first to use aquifer thermal energy but will also help the City of Saint Paul and State of Minnesota meet their goals to be net zero by 2050 for greenhouse gas emissions across all sectors.

“St. Paul 350 and other community members were engaged with The Heights plan over the last five years. We knew district geothermal was the key to clean and affordable heat for our future neighbors at The Heights, and we know this development will be a catalyst for more community-scale climate action for new and existing Saint Paul neighborhoods,” **said Chelsea DeArmond, founder of St. Paul 350, a neighborhood-led environmental advocacy group.**

ABOUT THE HEIGHTS The Heights is currently the largest investment in Saint Paul’s Greater East Side and is set to deliver 1,000 new housing units and 1,000 living wage jobs, alongside notable housing partners Sherman Associates, JO Companies, and the 2024 Carter Work Project with Twin Cities Habitat for Humanity. With the addition of a district networked geothermal energy system, The Heights will also play a significant role in addressing the high energy burden across the East Side, providing more sustainable energy alternatives to fossil fuels and significantly lowering the cost of energy.

ABOUT MNCIFA MnCIFA is being set up within the Department of Commerce’s Energy Resources Division but is an independent agency with its own board of directors. In addition to accelerating clean energy projects, MnCIFA aims to expand access to untapped markets and bring benefits to historically underserved communities. Based on state law, MnCIFA must ensure at least 40 percent of the direct benefits of authority activities flow to environmental justice communities, which are typically determined by the U.S. census ethnic and income level characteristics. The Heights meets the definition of an environmental justice community.

ABOUT DISTRICT ENERGY ST. PAUL District Energy St. Paul is a leader in community energy, providing Saint Paul with reliable service, stable rates, and sustainable heating and cooling services for 41 years. As a mission-driven organization, District Energy has an ongoing commitment to advance its system through innovation, serving as environmental stewards, and being good community partners. For more information, visit districtenergy.com.

