

REGIONALISM

Breakout Group A.

September 22, 2010

About the participants

- Roughly two-dozen people attended this breakout session
- Participants represented a cross-section of private business, clean energy accelerators and networks, technology councils, state government, federal government, public policy and global affairs interest groups, higher education, business finance and investment experts
- Respondents came from 6-7 different states

Some observations

- Participants had the opportunity to work in small groups to arrive at consensus around 1-2 issue priorities around which to do action planning.
- Only one of 4 groups was able to arrive at consensus and begin working on priorities during the allocated time.
- Participants acknowledged that coming to consensus is difficult—it is no wonder there is not an overarching Midwest policy group working now on investment issues.
- The one group that arrived at consensus chose to focus action planning around the “fund of funds” concept.

Regional fund of funds

- Regional fund supported by fed government, state government/pension funds, institutional investors, corporate pension funds, endowments, family offices (incenting these investors to support this strategy)
- The fund should be focused on new energy/clean tech
- Investment mindset should focus on decades, not just 4-5 years
- MGA should focus on Fund of Funds strategy, not necessarily on the fund itself
- There should be a regional leader/driver for this effort (MGA could help drive the agenda—it lives beyond political cycles)
- Exemplary practices: 50% tax credits: KBA model to drive research and innovation
- See Brookings study

Other significant meta-regional investment strategies

Mechanisms for action:

- Quebec model for 401(k) investment in clean energy; a 401(k) tax credit for investment
- Region-wide energy investor affinity group (a la Midwest Health Investor Network) specifically focused on energy/clean tech
- Marcy Kaptur's [regional borrowing authority](#)

Would authorize the Secretary of Energy to create power marketing authorities in regions that would serve as vehicles for administering \$ billions in borrowing authority to stimulate economic development through creation of green energy such as solar power and wind power

Federal opportunities to leverage

- National Advisory Council – comprehensive framework that will encourage/advance innovation and entrepreneurship – accelerating innovative technologies and companies (not focused on new energy/clean tech but may cover some of this)
 - Action: Convince congress to support and get to the president by late winter to endorse
- Regional Innovation Acceleration Network – SSTI staffing project – will offer thought leadership from the states to identify, understand best practices from across the states
 - 50% of membership could be from the Midwest
 - Once again, could include new energy/clean tech

Things to keep in mind...

- Must acknowledge that energy related investments are different than other sector investments; need to talk about an expanded investment landscape that includes more than venture capital
- Must be more honest about costs, physical complexities, and the timing

Other thoughts/ideas shared

- **EXEMPLARY PRACTICES:** State policy toolbox to support investment ecosystem for governors and legislators to copy/replicate; Regional Innovation Acceleration Network (share “what works”)
- **FEDERAL POLICY:** Intermediate (3-7 years) and long-term (7-20 year) federal energy policy that includes incentives, tax structures, and goals for energy usage; federal energy tax incentive policies
- **STATE POLICY:** a single policy statement endorsed by 10 governors on what should be achieved by when
- **INCENTIVES:** tax incentives for investment; fully refundable credit for angels; 10-state investment tax credit (reciprocated—a credit in Missouri would be matched in Iowa)
- **DEMAND:** state policy that encourages new-energy usage

Consensus around priorities

The following items received the most interest from the group in terms taking action as a region in support of Midwest investment:

- Policy agenda that supports the strategic development of new-energy economy sectors (**5 votes**)
- Better communication and coordination among groups across the Midwest that are pursuing similar goals (**5 votes**)
- Advocate for and generally promote enhanced federal investment in the Midwest (**3 votes**)
- Work directly with federal agencies and departments to inform and develop funding priorities and strategies that benefit the Midwest (**3 votes**)