

# Harmonizing State Investment Strategies

Breakout Group B.  
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# Strategies that offer incentives to and make requirements of energy suppliers/consumers

1. Need federal incentives for states to collaborate together (some federal RFPs are already beginning to do this). Best if this were in form of financial reward/recognition (already disparities among states in terms of federal resources flowing back to them).
2. A key recommendation in the Investment Platform needs to be simply that governors be vocal in championing a regional approach.
3. Utilities are multi-state, so our state policies need to match each other.
4. Using LEED (and similar standards) in state contracts (be cautious here, since LEED is much broader than just energy).
5. Leveraging best in class state programs. States copying one another.
6. Have one Midwestern voice when approach feds.

# Strategies that offer incentives to and make requirements of energy suppliers/consumers

1. Design loan guarantee programs that would be available to those who can't get conventional financing.
2. Reach out internationally based on the Midwest rather than state-by-state.
3. Anti-poaching between states, based on some kind of revenue-sharing arrangements.
4. Motivation to use landfills and other non-performing assets for alt. energy (solar, wind, etc.; states can conduct land audits to ID these opportunities—did it in MI, was eye-opening).

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1. Unifying public service commission policies across states (net metering, wheeling, RPSs). Having these be all different if you are a multi-state utility is a challenge.
2. How best to engage and educate the new governors? A regional trade mission might be an ideal way to engage new governors right from the start.
3. Perhaps a Regional Public Benefits Fund could be the prelude to harmonizing other types of policies. Could start with a modest charge.
4. What are the best models of multi-state collaboration, and what can we learn from them? (RGGI, Western state efforts on various topics: water, etc.)

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1. DOE would love to see multiple states come forward with collaborative proposals.
2. Need innovation architecture focused around manufacturing and commercialization TODAY (and not 5 years from now). Should approach DOE on how to use the dollars they are poised to spend on this. States have built their own “atomized” innovation infrastructure. Could states save budget dollars by making some of these multi-state and regional? (every state has a division that does this)
3. Should bring utilities together to get a sense of what policies they would like to see. Together with energy innovators and investors to ID what’s possible.
4. DOE and SBA have incentives for larger-scale research funding (e.g., PA funding). Midwest could agitate for this to evolve into a “super-cluster” of states.
5. Governors need to launch this “Invest Midwest” effort as a 10-20 year initiative that they are willing to stay behind. This needs bipartisan support and a long-term commitment.

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- Need consistency across states on their “content requirements” (instead of a state saying 50% of content has to come from them; could there be a consistent regional approach)?

Three types of needs:

- Innovation early stage
- Project finance for power generation
- To help manufacturers pivot to serve low-carbon energy sectors

# Regional Fund-of-Funds

1. Calpers looking to invest in new energy technologies.
2. Allows states to aggregate their resources.
3. Would offer new businesses a single point of contact for information on standards and access to capital. Would eliminate all of the bewildering hoops investors and entrepreneurs now have to jump through (Gateway Energy Fund, \$80m. is an example).

# Regional Fund-of-Funds

1. There are statutory and constitutional issues with states spending money in other states. This is where pension funds can help get past this barrier.
2. Current document is very biased toward venture capital. Need a regional mechanism that makes it easier.
3. CONVENE PENSION FUND MANAGERS IN THE REGION. To discuss a Fund of Funds and the idea of dedicating 5% of state retirement plans will be invested in low-carbon energy.
4. You can throw all your money at innovation, but if you don't create demand for what would get funded, then it's all for naught. Otherwise we're busy trying to improvement investment for products with an uncertain market. Project financing will take care of itself once we have the right policies in place to create a long-term stable market.
5. Both public and private funds (ARRA, and Venture Capital).
6. OH has a good template that places like IL could adopt when it comes to early-stage companies.
7. MGA needs to take up federal issues that are barriers (e.g., NAFTA drawing market away).