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Maryland Clean Energy Center (MCEC) was created as a not-for-profit corporate instrumentality of state in 2008 through an act of the Maryland General Assembly.

MCEC has an economic development mission to advance the adoption of clean energy, and energy efficiency products, services and technologies. MCEC leverages private capital and private sector capabilities engages in efforts to help create and retain jobs; drive economic and business development in local communities; assist in the commercialization of innovative technologies; reduce energy costs for consumers, and drive reductions in greenhouse gas emissions associated with the use of fossil fuels.

Bill Number: SB 192

Title: Budget Reconciliation and Financing Act of 2020

Hearing Dates: February 26, 2020

Committee: Senate Budget & Taxation Committee

Recommendation: REQUEST AMENDMENT to Reject Language that Eliminates Funding for Maryland Clean Energy Center

The Maryland Clean Energy Center (MCEC) was envisioned to operate like similar successful entities in the nation, and designed to leverage private investment to grow the advanced energy economy in the state. To date, MCEC has demonstrated its value toward achieving this directive and continues to be impactful even with ongoing uncertainty about funding for its operation.

MCEC has the capability and flexibility to do what the public sector cannot and the private sector will not. This makes MCEC critical in the transition of the clean energy industry, from the early days of pump priming, through public subsidies to its rapidly emerging, market-driven future. With a small staff and modest budget, MCEC has an outsized impact.

Since inception, MCEC has:

- Leveraged more than \$75M in private capital for energy project financing
- Generated more than 500 clean energy jobs
- Launched an innovative technology accelerator to move clean energy technology developed in Maryland university labs to the marketplace
- Facilitated financing for over \$38 million in energy efficiency improvement upgrades at state institutions; including: The University of Maryland College Park, UMBC, Coppin State, and the Institute for Bioscience and Biotechnology Research at Shady Grove
- Provided access to over \$30M in low-cost loans to over 4,000 homeowners to improve the energy efficiency of their home with new HVAC systems and weatherization measures

- Enabled access over \$6.5 M to convenient and affordable loans using Property Assessed Clean Energy (PACE) financing for commercial property owners in 15 jurisdictions in the state with the MDPACE program
- Connected numerous innovative clean energy businesses across the country with project development opportunities and partners in Maryland

With regard to funding, MCEC is providing a return on investment. To date MCEC has leveraged private investment at ratio of almost 19 to 1, for every public dollar spent, to succeed at its statute directed mission. For this success to continue MCEC must have a stable, definitive commitment of revenue to help support its operation and signal to project partners and capital providers that they can predictably count on MCEC for investment transactions. This legislation calls for such an investment which will allow MCEC to continue to be impactful.

In 2017 SB 313 was passed by the General Assembly and signed by the Governor, stipulating a 5 year funding commitment for MCEC as an affiliate of the Maryland Energy Innovation Institute (MEI²). This commitment helped send the signal to finance and energy sector partners that the center was a worthy investment partner.

However, the cut proposed in the Budget Reconciliation and Financing Act of 2020 (BRFA), which will eliminate funding promised in statute for the Maryland Energy Innovation Fund, subsequently taking a step backward for the state.

To discontinue this funding indicates that the state is abandoning its commitment to support and advance growth of the clean energy economy. It sends the wrong signal to the market place.

On behalf of the Board of Directors of MCEC, I respectfully request that the committee members reject the language in the BRFA, and continue to fund the worthy enterprise MCEC has proven to be for our state.



Geoff Oxnam
Founder & CEO; American Microgrid Solutions
Chairman of the Board; Maryland Clean Energy Center