



I. Katherine Magruder
Executive Director
ikm@mdcleanenergy.org
301-314-6061

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 focuses on an economic development mission to advance the adoption of clean energy and energy efficiency products, services and technologies along with the associated jobs and wages for Maryland. MCEC leverages private capital and private sector capabilities; facilitates the commercialization of innovative advanced energy technologies; strives to reduce energy costs for consumers, and drive reductions in greenhouse gas emissions associated with the use of fossil fuels.

HB 708 Comprehensive Climate Solutions

Hearing Dates: 3.4.22 House Economic Matters Committee

Recommendation: SUPPORT with AMENDMENT

MCEC appreciates the comprehensive nature of this proposed legislation, with the understanding that addressing the potential impacts of climate change while ensuring environmental justice requires a broad scope of measures AND investments.

The scale and scope of measures required for implementation to achieve the laudable goals and desired outcomes is significant, and will require significant public and private financial investment. HB 708 does not propose a strategy designed to **“promote environmental justice and to leverage increased private capital investment in technology development and deployment”**, as seen in SB 528, which calls for the creation and implementation of a Climate Catalytic Capital Fund (C3F) to be managed by the Maryland Clean Energy Center (MCEC). With similar language included in HB 708 MCEC is supportive of its passage.

MCEC believes:

- **There will always be more need for investment to commercialize and implement advanced clean energy infrastructure and climate mitigation measures than public funds alone can address.**
- **The proposed Climate Catalytic Capital Fund would use a smaller investment of public funds to “crowd in” greater amounts of private capital for projects to address related challenges.**
- **Operating as a statewide green bank, MCEC is statutorily enabled to deploy these targeted resources to increase the overall amount of funds invested by public and private sources and achieve the intent of the Comprehensive Climate Solutions bill.**
- **MCEC is able to utilize financing incentives to attract private capital in the form of loss reserves, rate buy-downs, gap financing and direct investment of lower cost capital as examples.**

With appropriate resources made available MCEC can create a Maryland Green Bond program modelled after the successful version implemented by the Connecticut Green Bank, which has generated over \$16M in private capital investment since its inception in 2021. <https://www.ctgreenbank.com/2021-green-liberty-bond-the-issuance-announced/>

Other states have utilized a green bank investment strategy successfully to ramp up investment in and adoption of clean energy and energy efficiency solutions to achieve de-carbonization goals. Maryland aspires to laudable goals, but must strategically target investments of public funds to attract a greater share of private capital to serve the market and encourage investment to achieve desired outcomes related to environmental justice. MCEC was created for that purpose, and is ready to go to work!

MCEC encourages the committee to amend HB708 to include language, in keeping with the content in proposed SB 528, with the directive to create and support a Climate Catalytic Capital Fund (C3F).