TO:	Chair Guzzone, Vice Chair Rosapepe, and members of the Budget and Taxation Committee
FROM:	MEA
SUBJECT:	SB0169 - Green and Renewable Energy for Nonprofit Organizations Loan Program and Fund
DATE:	January 17, 2024

MEA Position: FAVORABLE WITH AMENDMENTS

Senate Bill 169 would create a revolving loan fund within the Maryland Energy Administration (MEA) to benefit nonprofits that install renewable energy assets.

The Green and Renewable Energy for Nonprofit Organizations Loan Program (Program) would create greater opportunities for nonprofits to finance renewable geothermal or solar energy systems. Additionally, the Program applicants can simultaneously apply for other, complimentary State and federal programs.

The structure of the Program is based largely on the Jane E. Lawton Loan Program, already housed within MEA. These similarities will likely result in some operational inefficiencies that will limit the bill's effects on MEA operations and expenses. MEA initially plans to ramp-up lending over a yet undetermined course of time that will allow it to operate as a revolving loan fund; only requiring future injections of capital for expansion of the program.

To the extent that the Strategic Energy Investment Fund, or "SEIF" is used to fund the program in the future, it is likely that that expenditure will have an impact on other MEA programs .

MEA is offering three (3) amendments on the following page that can be described as corrective or even technical. The amendments will provide clarity as to who may legally bind a nonprofit to a Program loan, alter the metric used to define priority applicants, and clarify that MEA has the freedom to set requirements for borrower assurances.

For the foregoing reasons, MEA urges the committee to issue a **favorable report as amended**. For questions or additional information, please contact Landon Fahrig directly at landon.fahrig@maryland.gov or 410.931.1537.

Amendment No. 1 better defines who may commit a nonprofit to a loan.

AMENDMENT NO. 1

On page 3, strike beginning with the second "**THE**" in line 19 down through "**OF**" in line 20 and substitute "**AN AGENT WITH THE LEGAL AUTHORITY TO BIND**".

Amendment No. 2 ties the metric used to determine program priority to a number that is required in the annual federal tax filing for nonprofits.

AMENDMENT NO. 2

On page 4, in line 10, strike "**AN ANNUAL BUDGET**" and substitute "**TOTAL REVENUE**".

Amendment No. 3 clarifies that other assurances may be required by the Administration in addition to a promissory note and a plan for repayment.

AMENDMENT NO. 3

On page 4, in line 30, after "**REPAYMENT**" insert "**AND ADDITIONAL ASSURANCES AS REQUIRED BY THE ADMINISTRATION**".

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