

Chapter 365

(Senate Bill 985)

AN ACT concerning

Maryland Clean Energy Center – Green Banks and Clean Bank Financing ~~and Risk Management Program~~ – Study

FOR the purpose of ~~establishing the Maryland Clean Energy Financing and Risk Management Program; establishing the purposes of the Program; requiring the Maryland Clean Energy Center to administer the Program; requiring the Center to provide certain forms of financing support or risk management for certain projects that meet certain guidelines; requiring the Center to assess certain fees, ensure that certain bonds are sold in a certain manner, use certain networks and methods to identify certain projects, coordinate with certain other projects, and adopt certain regulations; authorizing the Center to take certain measures to cover certain risks and to facilitate certain transactions to carry out the purposes of the Program; requiring an applicant for financing support or risk management to submit a certain application to the Center in a certain manner; requiring the Center to consider certain criteria in evaluating an applicant for financing support or risk management; authorizing the Center to provide financing support or risk management for a clean energy project only under certain conditions; requiring the Executive Director of the Center to require an entity that receives certain financing support or risk management to provide a certain quarterly report and make the report available to the public; authorizing the Executive Director to establish additional reporting requirements; authorizing the Executive Director to deobligate certain financing support and award the funds to another applicant under certain circumstances; establishing the Maryland Clean Energy Center Fund as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the Center to administer the Fund; requiring the State Treasurer to hold the Fund and invest the money of the Fund in a certain manner; requiring that any investment earnings of the Fund be credited to the Fund; requiring the Comptroller to account for the Fund; specifying the contents of the Fund; providing for expenditures from the Fund; requiring a certain annual report to include certain information; exempting the Fund from a certain provision of law requiring interest on State money in special funds to accrue to the General Fund of the State; repealing a certain provision of law stating the intent of the General Assembly regarding funding from a certain source; clarifying the intent of the General Assembly regarding certain financial assistance; defining certain terms; requiring the Maryland Clean Energy Center, in collaboration with the Maryland Energy Administration, to conduct a study of green banks and clean bank financing initiatives; requiring the Center, in collaboration with the Administration, to consult with certain persons or entities; requiring the Center, in collaboration~~

with the Administration, to consider certain items in its analysis and make certain recommendations; requiring the Center, in collaboration with the Administration, to submit certain reports to certain committees of the General Assembly on or before certain dates; and generally relating to the Maryland Clean Energy Financing and Risk Management Program Center and a study of green banks and clean bank financing.

~~BY repealing and reenacting, without amendments,~~

~~Article — Economic Development~~

~~Section 10-801(a), (e), (f), (i), and (n), 10-802(b), 10-806(d), and 10-826~~

~~Annotated Code of Maryland~~

~~(2008 Volume and 2013 Supplement)~~

~~BY repealing and reenacting, with amendments,~~

~~Article — Economic Development~~

~~Section 10-802(e)~~

~~Annotated Code of Maryland~~

~~(2008 Volume and 2013 Supplement)~~

~~BY renumbering~~

~~Article — Economic Development~~

~~Section 10-854 and the part “Part V. Short Title”~~

~~to be Section 10-869 and the part “Part VI. Short Title”~~

~~Annotated Code of Maryland~~

~~(2008 Volume and 2013 Supplement)~~

~~BY adding to~~

~~Article — Economic Development~~

~~Section 10-854 through 10-866 to be under the new part “Part V. Maryland Clean Energy Financing and Risk Management Program”~~

~~Annotated Code of Maryland~~

~~(2008 Volume and 2013 Supplement)~~

~~BY repealing and reenacting, without amendments,~~

~~Article — State Finance and Procurement~~

~~Section 6-226(a)(2)(i)~~

~~Annotated Code of Maryland~~

~~(2009 Replacement Volume and 2013 Supplement)~~

~~BY repealing and reenacting, with amendments,~~

~~Article — State Finance and Procurement~~

~~Section 6-226(a)(2)(ii)76. and 77.~~

~~Annotated Code of Maryland~~

~~(2009 Replacement Volume and 2013 Supplement)~~

~~BY adding to~~

~~Article — State Finance and Procurement
Section 6 — 226(a)(2)(ii)78.
Annotated Code of Maryland
(2009 Replacement Volume and 2013 Supplement)~~

~~BY repealing and reenacting, with amendments,
Chapter 137 of the Acts of the General Assembly of 2008
Section 3~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That ~~Section(s) 10 — 854 and the part “Part V. Short Title”, respectively, of Article — Economic Development of the Annotated Code of Maryland be renumbered to be Section(s) 10 — 869 and the part “Part VI. Short Title”, respectively;~~

(a) The Maryland Clean Energy Center, in collaboration with the Maryland Energy Administration, shall conduct a study of green banks and clean bank financing initiatives, including aspects of implementation and funding, as specified under this section.

(b) In conducting the study, the Center, in collaboration with the Administration, shall consult with any person or entity that the Center determines appropriate, including utilities, industry representatives, financial organizations, and the Coalition for Green Capital.

(c) In conducting the study, the Center, in collaboration with the Administration, shall:

(1) review the structure and organization of green banks and clean bank financing initiatives established in other states;

(2) examine the method of capitalization of established green banks and clean bank financing initiatives;

(3) examine the sources, type, and amount of private capital leveraged or invested in connection with the establishment of a green bank or clean bank financing initiative;

(4) review the financial services provided by existing green banks and clean bank financing initiatives;

(5) review the need to provide low-cost financing to clean energy, renewable energy, and energy efficiency projects; consider whether to warehouse and securitize clean energy, renewable energy, and energy efficiency financial instruments; and review any other gaps in the availability of financing for clean energy, renewable energy, and energy efficiency projects in the State;

(6) review the impact of existing Maryland financial programs on the renewable and energy conservation industries; and

(7) consider any other relevant information that the Center or Administration determines appropriate.

(d) Based on its analysis in conducting the study, the Center, in collaboration with the Administration, shall make recommendations as to:

(1) the need for a green bank or clean bank financing initiative in the State;

(2) the scope of a proposed green bank or clean bank financing initiative, including target industries and financing capabilities;

(3) the possible sources of capital for a green bank or clean bank financing initiative;

(4) the best method for establishing a green bank or clean bank financing initiative in the State; and

(5) any other relevant aspect relating to green banks and clean bank financing initiatives that the Center or Administration determines appropriate.

(e) (1) On or before December 1, 2014, the Center, in collaboration with the Administration, shall submit an interim report, in accordance with § 2-1246 of the State Government Article, on its findings and recommendations to the Senate Finance Committee and the House Economic Matters Committee.

(2) On or before December 1, 2015, the Center, in collaboration with the Administration, shall submit a final report, in accordance with § 2-1246 of the State Government Article, on its findings and recommendations to the Senate Finance Committee and the House Economic Matters Committee.

~~SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:~~

~~Article — Economic Development~~

~~10-801.~~

~~(a) In this subtitle the following words have the meanings indicated.~~

~~(e) “Center” means the Maryland Clean Energy Center.~~

- ~~(f) "Clean energy" includes:~~
- ~~(1) solar photovoltaic technology;~~
 - ~~(2) solar heating;~~
 - ~~(3) geothermal;~~
 - ~~(4) wind;~~
 - ~~(5) biofuels;~~
 - ~~(6) ethanol;~~
 - ~~(7) other qualifying biomass as defined in § 7-701 of the Public Utilities Article;~~
 - ~~(8) ocean, including energy from waves, tides, currents, and thermal differences;~~
 - ~~(9) a fuel cell that produces energy from biofuels, ethanol, or other qualifying biomass;~~
 - ~~(10) energy efficiency and conservation;~~
 - ~~(11) any other technology or service that the Center determines will contribute directly or indirectly to the production of energy from renewable or sustainable sources, or to the improvement of efficiency in the use of energy; and~~
 - ~~(12) deployment of any of the technologies or services listed in items (1) through (11) of this subsection.~~
- ~~(i) "Executive Director" means the Executive Director of the Maryland Clean Energy Center.~~
- ~~(n) (1) "Project" means any property, the acquisition or improvement of which the Board, in its sole discretion, determines by resolution will accomplish at least one of the purposes listed in § 10-802(b) of this subtitle, whether or not the property:~~
- ~~(i) is or will be used or operated for profit or not for profit;~~
 - ~~(ii) is or will be located on a single site or multiple sites; or~~
 - ~~(iii) may be financed by bonds, the interest on which is exempt from income taxation under federal law.~~

- ~~(2) “Project” includes:~~
- ~~(i) land or an interest in land;~~
 - ~~(ii) structures, equipment, furnishings, rail or motor vehicles, barges, and boats;~~
 - ~~(iii) property and rights related to property, appurtenances, rights of way, franchises, and easements;~~
 - ~~(iv) property that is functionally related and subordinate to a project; and~~
 - ~~(v) patents, licenses, and other rights necessary or useful in the improvement or operation of a project.~~

~~10-802.~~

- ~~(b) The purposes of this subtitle are to:~~
- ~~(1) encourage the development of clean energy industries in the State;~~
 - ~~(2) encourage the deployment of clean energy technologies in the State;~~
 - ~~(3) help retain and attract business activity and commerce in the clean energy technology industry sector in the State;~~
 - ~~(4) promote economic development; and~~
 - ~~(5) promote the health, safety, and welfare of residents of the State.~~
- ~~(c) The General Assembly intends that:~~
- ~~(1) the Center operate and exercise its corporate powers in all areas of the State;~~
 - ~~(2) without limiting its authority to otherwise exercise its corporate powers, the Center exercise its corporate powers to assist governmental units and State and local economic development agencies to contribute to the expansion, modernization, and retention of existing enterprises in the State as well as the attraction of new business to the State;~~
 - ~~(3) the Center cooperate with private industries and local governments in maximizing new economic opportunities for residents of the State; and~~

~~(4) the Center accomplish at least one of the purposes listed in subsection (b) of this section and complement existing State marketing and financial assistance programs by:~~

~~(i) owning projects;~~

~~(ii) leasing projects to other persons; or~~

~~(iii) [lending the proceeds of bonds] PROVIDING RISK MANAGEMENT AND FINANCIAL SUPPORT, INCLUDING MAKING LOANS to other persons to finance the costs of acquiring or improving projects that the persons own or will own.~~

~~10-806.~~

~~(d) The purposes of the Center are to:~~

~~(1) promote economic development and jobs in the clean energy industry sector in the State;~~

~~(2) promote the deployment of clean energy technology in the State;~~

~~(3) serve as an incubator for the development of clean energy industry in the State;~~

~~(4) collect, analyze, and disseminate industry data; and~~

~~(5) provide outreach and technical support to further the clean energy industry in the State.~~

~~10-826.~~

~~(a) On or before October 1 of each year, the Center shall report to the Governor, the Administration, and, in accordance with § 2-1246 of the State Government Article, the General Assembly.~~

~~(b) The report shall include a complete operating and financial statement covering the Center's operations and a summary of the Center's activities during the preceding fiscal year.~~

~~**PART V. MARYLAND CLEAN ENERGY FINANCING AND RISK MANAGEMENT PROGRAM.**~~

~~10-854.~~

~~(A) IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(B) "CLEAN ENERGY INFRASTRUCTURE PROJECT" MEANS THE CONSTRUCTION, ALTERATION, OR REPAIR OF ANY INFRASTRUCTURE NECESSARY FOR THE DEPLOYMENT OF TECHNOLOGIES, PRODUCTS, OR SERVICES THAT AVOID OR REDUCE EMISSIONS OF AIR POLLUTANTS OR GREENHOUSE GASES, INCLUDING:~~

~~(1) ELECTRIC TRANSMISSION AND DISTRIBUTION FACILITIES INTERCONNECTED TO RENEWABLE ENERGY PROJECTS OR SYSTEM EFFICIENCY PROJECTS;~~

~~(2) NATURAL GAS TRANSPORTATION AND DISTRIBUTION SYSTEMS, INCLUDING NATURAL GAS VEHICLE FUELING STATIONS;~~

~~(3) HYDROGEN TRANSPORTATION AND DISTRIBUTION SYSTEMS, INCLUDING HYDROGEN VEHICLE FUELING STATIONS; AND~~

~~(4) ELECTRIC VEHICLE CHARGING STATIONS.~~

~~(C) (1) "CLEAN ENERGY PROJECT" MEANS AN ACTIVITY THE PRIMARY PURPOSE OF WHICH IS THE DEVELOPMENT OR DEPLOYMENT, INCLUDING MANUFACTURING, OF AN ENERGY TECHNOLOGY, PRODUCT, OR SERVICE THAT AVOIDS OR REDUCES EMISSIONS OF AIR POLLUTANTS OR GREENHOUSE GASES.~~

~~(2) "CLEAN ENERGY PROJECT" INCLUDES:~~

~~(I) A CLEAN ENERGY INFRASTRUCTURE PROJECT;~~

~~(II) AN ENERGY EFFICIENCY PROJECT;~~

~~(III) AN INNOVATIVE ENERGY TECHNOLOGY PROJECT;~~

~~(IV) A RENEWABLE ENERGY PROJECT;~~

~~(V) A SYSTEM EFFICIENCY PROJECT; AND~~

~~(VI) ANY COMBINATION OF THE PROJECTS LISTED IN ITEMS (I) THROUGH (V) OF THIS PARAGRAPH.~~

~~(D) (1) "ENERGY EFFICIENCY PROJECT" MEANS ANY PROJECT, TECHNOLOGY, PRODUCT, SERVICE, FUNCTION, OR MEASURE OR AN~~

~~AGGREGATION OF PROJECTS, TECHNOLOGIES, PRODUCTS, SERVICES, FUNCTIONS, OR MEASURES THAT:~~

~~(I) RESULTS IN THE REDUCTION OF ENERGY USE REQUIRED TO ACHIEVE THE SAME LEVEL OF SERVICE OR OUTPUT AS THAT ACHIEVED BEFORE THE APPLICATION OF THE PROJECT, TECHNOLOGY, PRODUCT, SERVICE, FUNCTION, OR MEASURE; OR~~

~~(II) REDUCES EMISSIONS OF GREENHOUSE GAS RELATIVE TO EMISSIONS THAT WOULD HAVE OCCURRED BEFORE THE APPLICATION OF THE PROJECT, TECHNOLOGY, PRODUCT, SERVICE, FUNCTION, OR MEASURE.~~

~~(2) "ENERGY EFFICIENCY PROJECT" INCLUDES PROJECTS, TECHNOLOGIES, PRODUCTS, SERVICES, FUNCTIONS, OR MEASURES THAT REDUCE THE AMOUNT OF ENERGY ASSOCIATED WITH WATER CAPTURE, CONVEYANCE, USE, REUSE, RECYCLING, OR TREATMENT.~~

~~(E) "FUND" MEANS THE MARYLAND CLEAN ENERGY CENTER FUND.~~

~~(F) "INNOVATIVE ENERGY TECHNOLOGY PROJECT" MEANS AN ACTIVITY:~~

~~(1) (I) THE PRIMARY PURPOSE OF WHICH IS THE DEVELOPMENT OR DEPLOYMENT, INCLUDING MANUFACTURING, OF AN ENERGY TECHNOLOGY, PRODUCT, OR SERVICE THAT AVOIDS OR REDUCES EMISSIONS OF AIR POLLUTANTS OR GREENHOUSE GASES; AND~~

~~(II) THAT EMPLOYS NEW OR SIGNIFICANTLY IMPROVED TECHNOLOGIES COMPARED TO THE TECHNOLOGIES IN GENERAL USE IN THE COMMERCIAL MARKETPLACE IN THE UNITED STATES; OR~~

~~(2) (I) THE PRIMARY PURPOSE OF WHICH IS MANUFACTURING A COMMERCIALY READY ENERGY TECHNOLOGY OR PRODUCT THAT AVOIDS OR REDUCES EMISSIONS OF AIR POLLUTANTS OR GREENHOUSE GASES; AND~~

~~(II) THAT INCORPORATES AN INNOVATIVE MANUFACTURING PROCESS NOT IN GENERAL USE IN THE COMMERCIAL MARKETPLACE IN THE UNITED STATES.~~

~~(G) "PROGRAM" MEANS THE MARYLAND CLEAN ENERGY FINANCING AND RISK MANAGEMENT PROGRAM.~~

~~(H) "PROJECT" INCLUDES A CLEAN ENERGY PROJECT.~~

~~(I) “RENEWABLE ENERGY PROJECT” MEANS THE DEVELOPMENT, CONSTRUCTION, DEPLOYMENT, ALTERATION, OR REPAIR OF THE FOLLOWING TYPES OF ENERGY GENERATION FACILITIES:~~

- ~~(1) SOLAR;~~
- ~~(2) WIND;~~
- ~~(3) GEOTHERMAL;~~
- ~~(4) APPROPRIATELY SOURCED BIOMASS;~~
- ~~(5) NONCOMBUSTION WASTE TO ENERGY;~~
- ~~(6) SMALL HYDROPOWER;~~
- ~~(7) OCEAN OR TIDAL;~~
- ~~(8) FUEL CELL; OR~~
- ~~(9) ADVANCED BIOFUEL.~~

~~(J) “SYSTEM EFFICIENCY PROJECT” MEANS THE DEVELOPMENT, CONSTRUCTION, DEPLOYMENT, ALTERATION, OR REPAIR OF ANY DISTRIBUTED GENERATION, ENERGY STORAGE, SMART GRID TECHNOLOGY, ADVANCED BATTERY, MICROGRID, FUEL CELL, OR COMBINED HEAT AND POWER SYSTEMS.~~

~~10-855.~~

~~(A) THERE IS A MARYLAND CLEAN ENERGY FINANCING AND RISK MANAGEMENT PROGRAM.~~

~~(B) THE CENTER SHALL ADMINISTER THE PROGRAM.~~

~~10-856.~~

~~THE PURPOSES OF THE PROGRAM ARE TO:~~

~~(1) EVALUATE AND COORDINATE FINANCING SUPPORT AND INCREASE PRIVATE INVESTMENT IN CLEAN ENERGY PROJECTS WITH A FOCUS ON PARTICULAR PROJECTS THAT CANNOT BE FINANCED ON REASONABLE TERMS IN THE CURRENT CAPITAL MARKETS;~~

- ~~(2) REDUCE RATES AND DECREASE COSTS FOR UTILITY CUSTOMERS;~~
- ~~(3) EXPAND THE ACCESSIBILITY AND AFFORDABILITY OF CLEAN ENERGY FOR END USERS;~~
- ~~(4) ENSURE THE RELIABILITY AND SAFETY OF THE STATE'S ENERGY SUPPLY;~~
- ~~(5) INCREASE THE USE OF CLEAN ENERGY;~~
- ~~(6) PROMOTE ENERGY EFFICIENCY;~~
- ~~(7) ADVANCE THE STATE'S ENERGY AND INFRASTRUCTURE RELATED ECONOMY;~~
- ~~(8) FOSTER THE CREATION OF FINANCIAL PERFORMANCE DATA, STANDARDIZED CONTRACTS, UNDERWRITING STANDARDS, AND MEASUREMENT AND VERIFICATION PROTOCOLS FOR CLEAN ENERGY PROJECTS;~~
- ~~(9) PROVIDE CLEAN ENERGY PROJECTS WITH FINANCING SUPPORT AND RISK MANAGEMENT, INCLUDING BOND GUARANTEES, LOANS, LOAN GUARANTEES, LOAN WAREHOUSING, DEBT SECURITIZATION, INSURANCE, AND PORTFOLIO INSURANCE; AND~~
- ~~(10) ACHIEVE A LEVEL OF FINANCING SUPPORT FOR CLEAN ENERGY PROJECTS NECESSARY TO ADVANCE THE STATE'S POLICY OBJECTIVES, INCLUDING THE REDUCTION OF AIR POLLUTANTS AND GREENHOUSE GAS EMISSIONS.~~

~~10-857.~~

~~TO CARRY OUT THE PURPOSES OF THE PROGRAM, THE CENTER SHALL:~~

- ~~(1) PROVIDE LOANS, LOAN GUARANTEES, LOAN WAREHOUSING, DEBT SECURITIZATION, INSURANCE, PORTFOLIO INSURANCE, AND OTHER FORMS OF FINANCING SUPPORT OR RISK MANAGEMENT ON A COMPETITIVE BASIS FOR QUALIFIED CLEAN ENERGY PROJECTS THAT MEET THE GUIDELINES ESTABLISHED BY THE CENTER;~~
- ~~(2) ASSESS REASONABLE FEES ON THE FINANCING SUPPORT AND RISK MANAGEMENT ACTIVITIES PROVIDED UNDER THE PROGRAM IN AMOUNTS SUFFICIENT TO COVER THE REASONABLE COSTS OF THE PROGRAM;~~

~~(3) ENSURE THAT ANY BONDS ISSUED UNDER THIS PART ARE SOLD THROUGH A COMPETITIVE BIDDING PROCESS;~~

~~(4) USE EXISTING CLEAN ENERGY DEVELOPMENT NETWORKS AND OTHER APPROPRIATE METHODS TO IDENTIFY CLEAN ENERGY PROJECTS;~~

~~(5) COORDINATE WITH OTHER CLEAN ENERGY RESEARCH, DEVELOPMENT, AND DEPLOYMENT PROGRAMS IN THE STATE; AND~~

~~(6) ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS PART, INCLUDING:~~

~~(i) GUIDELINES AND PROCEDURES FOR THE SELECTION OF CLEAN ENERGY PROJECTS IN ACCORDANCE WITH THE CRITERIA SET OUT IN THIS PART AND ANY OTHER CRITERIA DEEMED NECESSARY AND APPROPRIATE FOR EVALUATING CLEAN ENERGY PROJECTS AS DETERMINED BY THE CENTER; AND~~

~~(ii) ANY LENDING GUIDELINES, INCLUDING MATURITY DATES, INTEREST RATES, AND PENALTIES ESTABLISHED BY THE CENTER.~~

~~10-858.~~

~~TO CARRY OUT THE PURPOSES OF THE PROGRAM, THE CENTER MAY:~~

~~(1) FIX AND COLLECT AN INSURANCE PREMIUM OR LOAN LOSS RESERVE CONTRIBUTION FROM AN APPLICANT IN AN AMOUNT ADEQUATE TO COVER THE FINANCIAL RISKS ASSOCIATED WITH THE PROGRAM; AND~~

~~(2) FACILITATE FINANCING TRANSACTIONS IN TAX EQUITY MARKETS AND LONG TERM PURCHASING OF CLEAN ENERGY BY NONPROFIT ENTITIES IF DETERMINED BY THE CENTER TO BE APPROPRIATE AND CONSISTENT WITH THE PROVISIONS OF THIS PART.~~

~~10-859.~~

~~EXCEPT AS OTHERWISE PROVIDED IN THIS PART, THE PROVISIONS OF PART IV OF THIS SUBTITLE APPLY TO BONDS ISSUED UNDER THIS PART.~~

~~10-860.~~

~~(A) AN APPLICANT FOR FINANCING SUPPORT OR RISK MANAGEMENT SHALL SUBMIT AN APPLICATION TO THE CENTER IN THE FORM AND MANNER DETERMINED BY THE CENTER.~~

~~(B) THE APPLICATION SHALL CONTAIN ANY INFORMATION THE CENTER DETERMINES IS NECESSARY.~~

~~10-861.~~

~~IN EVALUATING AN APPLICANT FOR FINANCING SUPPORT OR RISK MANAGEMENT, THE CENTER SHALL CONSIDER WHETHER THE CLEAN ENERGY PROJECT WILL:~~

~~(1) MAXIMIZE ECONOMIC AND ENVIRONMENTAL BENEFITS TO THE STATE;~~

~~(2) FOSTER JOB CREATION BY PROMOTING PROJECTS CARRIED OUT BY WORKERS AND BUSINESSES IN THE STATE;~~

~~(3) COMPLEMENT OTHER EFFORTS TO IMPROVE AIR QUALITY IN THE STATE;~~

~~(4) DIRECT INVESTMENT TO DISADVANTAGED COMMUNITIES AND HOUSEHOLDS IN THE STATE;~~

~~(5) PROVIDE OPPORTUNITIES FOR BUSINESSES, PUBLIC AGENCIES, NONPROFITS, AND OTHER COMMUNITY INSTITUTIONS TO PARTICIPATE IN AND BENEFIT FROM EFFORTS TO REDUCE AIR POLLUTANTS OR GREENHOUSE GAS EMISSIONS;~~

~~(6) IMPROVE ENERGY EFFICIENCY, CLEAN AND RENEWABLE ENERGY GENERATION, OR CLEAN AND RENEWABLE ENERGY DISTRIBUTION, TRANSMISSION, OR STORAGE THROUGH THE USE OF DISTRIBUTED GENERATION, SMART GRID TECHNOLOGY, ADVANCED BATTERY, MICROGRID, FUEL CELL, OR COMBINED HEAT AND POWER SYSTEMS;~~

~~(7) DEVELOP:~~

~~(I) STATE OF THE ART SYSTEMS TO MOVE GOODS AND FREIGHT;~~

~~(II) ADVANCED TECHNOLOGY VEHICLES AND TRANSPORTATION INFRASTRUCTURE;~~

~~(III) ADVANCED BIOFUELS; AND~~

~~(IV) LOW-CARBON AND EFFICIENT PUBLIC TRANSPORTATION;~~

~~(8) INVOLVE THE STRATEGIC PLANNING AND DEVELOPMENT OF SUSTAINABLE INFRASTRUCTURE PROJECTS, INCLUDING TRANSPORTATION AND HOUSING;~~

~~(9) INVEST IN PROGRAMS IMPLEMENTED BY LOCAL AND REGIONAL AGENCIES AND COLLABORATIVES, OR BY NONPROFIT ORGANIZATIONS COORDINATING WITH LOCAL GOVERNMENTS; OR~~

~~(10) FURTHER THE RESEARCH, DEVELOPMENT, AND DEPLOYMENT OF INNOVATIVE TECHNOLOGIES, MEASURES, AND PRACTICES RELATED TO PROGRAMS AND PROJECTS FUNDED UNDER THIS PART.~~

~~10-862.~~

~~THE CENTER MAY PROVIDE FINANCING SUPPORT OR RISK MANAGEMENT FOR A CLEAN ENERGY PROJECT ONLY IF:~~

~~(1) THE CLEAN ENERGY PROJECT IS LOCATED IN THE STATE;~~

~~(2) FOR A CLEAN ENERGY PROJECT OTHER THAN AN INNOVATIVE ENERGY TECHNOLOGY PROJECT, THE CLEAN ENERGY PROJECT CAN SUPPORT A COMMERCIAL RATE OF DEBT THAT IS ADJUSTED DOWNWARD TO ACCOUNT FOR THE PROGRAM'S LOWER COSTS AND ABILITY TO OFFER LONGER TENORS;~~

~~(3) FOR A CLEAN ENERGY PROJECT OTHER THAN AN ENERGY EFFICIENCY PROJECT OR AN INNOVATIVE ENERGY TECHNOLOGY PROJECT, THE REQUESTED FINANCING SUPPORT IS ADEQUATELY SECURED AS DETERMINED BY THE EXECUTIVE DIRECTOR;~~

~~(4) THE CLEAN ENERGY PROJECT IS CONSISTENT WITH ANY CRITERIA, PRIORITIES, AND GUIDELINES ESTABLISHED BY THE CENTER; AND~~

~~(5) AS DETERMINED BY THE CENTER:~~

~~(i) THE PRIVATE CAPITAL MARKET IS NOT PROVIDING ADEQUATELY LOW PRICED OR LONG TERM FINANCING TO ENABLE OTHERWISE CREDITWORTHY OR COMMERCIALY VIABLE ENTITIES TO DEPLOY CLEAN~~

~~ENERGY PROJECTS AT A REASONABLE COST WITH A REASONABLE RATE OF RETURN OF AND ON INVESTED CAPITAL;~~

~~(II) THE FINANCING SUPPORT WOULD FACILITATE DEPLOYMENT OF A CLEAN ENERGY PROJECT AT AN ACCELERATED RATE; AND~~

~~(III) THE FINANCING SUPPORT:~~

~~1. WOULD STIMULATE, AID, OR OTHERWISE SUPPORT MANUFACTURING OF FINISHED PRODUCTS OR COMPONENT PARTS USED IN INNOVATIVE ENERGY TECHNOLOGY PROJECTS IN THE STATE;~~

~~2. IS NECESSARY TO CREATE LIQUID MARKETS FOR ENERGY SECURITIES; OR~~

~~3. OTHERWISE ADDRESSES BARRIERS THAT HAVE PREVENTED ADEQUATE COMMERCIAL FINANCING OF CLEAN ENERGY PROJECTS.~~

~~10-863.~~

~~(A) THE EXECUTIVE DIRECTOR SHALL:~~

~~(1) REQUIRE AN ENTITY THAT RECEIVES FINANCING SUPPORT OR RISK MANAGEMENT UNDER THIS PART TO REPORT QUARTERLY, IN A FORMAT DETERMINED BY THE EXECUTIVE DIRECTOR, ON THE USE OF THE FINANCING SUPPORT OR RISK MANAGEMENT AND THE PROGRESS MADE TOWARD FULFILLING THE OBJECTIVES OF THE PROGRAM; AND~~

~~(2) MAKE THE REPORTS REQUIRED UNDER ITEM (1) OF THIS SUBSECTION AVAILABLE TO THE PUBLIC.~~

~~(B) THE EXECUTIVE DIRECTOR MAY:~~

~~(1) ESTABLISH ADDITIONAL REPORTING OR INFORMATION REQUIREMENTS FOR A RECIPIENT OF FINANCING SUPPORT OR RISK MANAGEMENT UNDER THIS PART; AND~~

~~(2) IF A RECIPIENT OF FINANCING SUPPORT OR RISK MANAGEMENT UNDER THIS PART DEMONSTRATES AN INSUFFICIENT LEVEL OF PERFORMANCE OR WASTEFUL OR FRAUDULENT SPENDING, TO THE EXTENT CONSISTENT WITH OTHER PROVISIONS OF FEDERAL AND STATE LAW, DEOBLIGATE THE FINANCING SUPPORT AND AWARD THE FUNDS TO ANOTHER APPLICANT.~~

~~10-864.~~

- ~~(A) THERE IS A MARYLAND CLEAN ENERGY CENTER FUND.~~
- ~~(B) THE PURPOSE OF THE FUND IS TO IMPLEMENT THE MARYLAND CLEAN ENERGY FINANCING AND RISK MANAGEMENT PROGRAM.~~
- ~~(C) THE CENTER SHALL ADMINISTER THE FUND.~~
- ~~(D) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO REVERSION UNDER § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.~~
- ~~(E) (1) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY AND SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.~~
- ~~(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED TO THE FUND.~~
- ~~(F) THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.~~
- ~~(G) THE FUND CONSISTS OF:~~
- ~~(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;~~
- ~~(2) PROCEEDS OF BONDS THAT ARE ISSUED FOR THE PURPOSE OF CAPITALIZING THE FUND;~~
- ~~(3) MONEY MADE AVAILABLE TO THE FUND THROUGH FEDERAL PROGRAMS OR PRIVATE CONTRIBUTIONS;~~
- ~~(4) PAYMENTS OF PRINCIPAL OF AND INTEREST ON LOANS MADE UNDER THIS PART;~~
- ~~(5) PROCEEDS FROM THE SALE, DISPOSITION, LEASE, OR RENTAL BY THE CENTER OF COLLATERAL RELATED TO FINANCING SUPPORT THAT THE CENTER PROVIDES UNDER THIS PART;~~
- ~~(6) INVESTMENT EARNINGS OF THE FUND; AND~~
- ~~(7) ANY OTHER MONEY FROM ANY OTHER SOURCE, PUBLIC OR PRIVATE, ACCEPTED FOR THE BENEFIT OF THE FUND.~~

~~10-865.~~

~~(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE CENTER SHALL DETERMINE THE PROJECTS FOR WHICH FINANCING SUPPORT OR RISK MANAGEMENT MAY BE PROVIDED FROM THE FUND.~~

~~(B) IF MONEY IS MADE AVAILABLE TO THE FUND FOR THE EXPRESS PURPOSE OF PROVIDING FINANCING SUPPORT FOR A SPECIFIC CLEAN ENERGY PROJECT, THE MONEY SHALL BE USED ONLY FOR THAT CLEAN ENERGY PROJECT.~~

~~10-866.~~

~~THE ANNUAL REPORT REQUIRED UNDER § 10-826 OF THIS SUBTITLE SHALL INCLUDE A DESCRIPTION OF THE CENTER'S ACTIVITIES UNDER THIS PART, INCLUDING:~~

- ~~(1) A LIST OF APPLICATIONS ACCEPTED;~~
- ~~(2) THE NUMBER AND TYPES OF BONDS SOLD AND THE INTEREST RATES ON THE BONDS;~~
- ~~(3) THE AMOUNT OF OTHER PUBLIC AND PRIVATE FUNDS LEVERAGED BY THE PROVIDED ASSISTANCE;~~
- ~~(4) AN ACCOUNTING OF ALL REVENUES AND EXPENDITURES, SHOWN BY MAJOR CATEGORIES, INCLUDING THE AMOUNT AND SOURCE OF REVENUES AND THE AMOUNT AND TYPE OF EXPENDITURES;~~
- ~~(5) A PROJECTION OF PROGRAM REQUIREMENTS FOR THE FOLLOWING YEAR; AND~~
- ~~(6) ANY RECOMMENDATIONS FOR CHANGES IN STATE LAW TO MEET THE OBJECTIVES OF THIS PART.~~

~~10-867. RESERVED.~~

~~10-868. RESERVED.~~

~~Article - State Finance and Procurement~~

~~(a) (2) (i) Notwithstanding any other provision of law, and unless inconsistent with a federal law, grant agreement, or other federal requirement or with the terms of a gift or settlement agreement, not interest on all State money allocated by the State Treasurer under this section to special funds or accounts, and otherwise entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue to the General Fund of the State.~~

~~(ii) The provisions of subparagraph (i) of this paragraph do not apply to the following funds:~~

~~76. the Baltimore City Public School Construction Financing Fund; [and]~~

~~77. the Spay/Neuter Fund; AND~~

~~78. THE MARYLAND CLEAN ENERGY CENTER FUND.~~

~~Chapter 137 of the Acts of 2008~~

~~SECTION 3. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that [the Maryland Clean Energy Center established by this Act not rely on funding from appropriations made from the General Fund. Nothing] NOTHING in this Section may be construed to limit the ability of the MARYLAND CLEAN ENERGY Center ESTABLISHED BY THIS ACT to seek and obtain funding from the Department of Business and Economic Development and from other State units and programs for economic and community development, however funded, or from federal programs involving a requirement for matching State funds.~~

SECTION ~~3~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 5, 2014.