



Bill Number: HB 1426

Title: Economic Development-Advanced Clean Energy and Clean Energy Innovation Investments and Initiatives

Hearing Date: Monday, March 9, 2020

Committee: House Economic Matters Committee

Recommendation: FAVORABLE REPORT

Mr. Chair, Madam Vice Chair, and Members of the Committee:

My name is Alex Kragie, and I am the Director of the American Green Bank Consortium. The Consortium is a membership organization composed of 15 Green Banks from across the United States. Collectively, Green Banks in the United States have caused over \$4b in total investment in local clean energy markets. The Maryland Clean Energy Center (MCEC) is a member of the Consortium.

Green Banks connect clean energy projects with the financing that is needed to allow these projects to move forward. Green Banks are not in the business of competing directly with private capital in perfectly liquid markets, but instead they often tackle the thorniest problems in clean energy financing markets, serving as the glue that holds together an otherwise unfinanceable project in the eyes of the private sector. Green Banks are focused on using limited public funds to maximize overall investment in local clean energy markets.

I am writing in strong support of Senate Bill 739 and House Bill 1426 in the Maryland legislature. These bills could provide \$2.1m to fund energy technology research and development activities through the work of the MCEC, broaden the definition of clean energy to include advanced energy and grid modernization techniques, and clarify the capability of the MCEC to finance energy measures on state facilities.

These bills would represent a modest first step toward the ultimate goal of creating a full-fledged Green Bank in Maryland at the MCEC. I have watched with frustration over the past several years as the organization has had to fight to simply keep its head above water from a funding perspective. This pattern of minimal funding has set Maryland back in its efforts to build out a clean energy economy in the state. These two bills represent a step in the right direction, and I am proud to support them. In spite of the constant financial headwinds, MCEC has used its spare resources to act as a conduit to capital markets for the financing of large-scale projects while also serving as a key technical assistance provider to clean energy projects across the state.

I would encourage the legislature to let these bills serve as the opening salvo in an effort to grow Maryland's clean energy economy while creating jobs, saving residents money, making homes and businesses more comfortable, and battling the climate crisis. A well-funded Green Bank can make a tremendous impact in its community. The legislature does not need to look further than Delaware to see

the potential impact a Green Bank can have, where the Delaware Sustainable Energy Utility is funded through roughly \$11 million a year in RGGI proceeds. Other notable states that fund Green Banks include New York (\$1 billion one time capitalization), Connecticut (~\$40m annually through ratepayer and RGGI funds), Hawaii (\$100 million bond issuance), and the District of Columbia (\$7 million annually for 5 years). Full funding for MCEC in the short term could also bridge toward much larger funding availability down the road, such as funds provided by a National Climate Bank as envisioned in the National Climate Bank Act of 2019, a proposed \$35 billion nonprofit organization that would provide funding to state and local Green Banks such as MCEC. This bill is being championed in the US Senate by Senators Van Hollen and Markey.

In conclusion, I ask that the legislature consider using House Bill 1426 as a starting point for a larger effort to grow Maryland's clean energy economy. If any elected officials or staff have further questions on Green Banks, I can be reached at alex@coalitionforgreencapital.com. You can also find more information on Green Banks in the US by visiting the Consortium's website at www.greenbankconsortium.org.

I respectfully request a FAVORABLE REPORT on HB 1426.

Thank you for the opportunity to submit this testimony.

A handwritten signature in blue ink, appearing to read 'Alex Kragie', with a stylized flourish at the end.

Alex Kragie
Director
American Green Bank Consortium