



Montgomery County

Office of Intergovernmental Relations

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SB 319

DATE: January 26, 2021

SPONSOR: Senators Hester and Elfreth

ASSIGNED TO: Health, Education, and Environmental Affairs

CONTACT PERSON: Amy Samman (amy.samman@montgomerycountymd.gov)

POSITION: Support

Clean Energy Loan Program – Remediation and Resiliency

This bill allows local governments to expand clean energy loan programs to include a range of defined environmental remediation and resiliency projects, including activities related to indoor air quality, mold remediation, flood mitigation, and stormwater management projects. In 2015, Montgomery County enacted a local law establishing its Commercial Property Assessed Clean Energy Program (C-PACE). Through C-PACE, eligible property owners can finance energy efficiency and renewable energy projects and repay the loan through a surcharge on their property tax bill. A C-PACE loan typically has more favorable terms than a commercial loan as a result of the security of the repayment process. This bill would allow the County's C-PACE program to extend funding to a much wider range of projects.

The County's draft Climate Action Plan (CAP) identifies a number of significant energy efficiency and renewable energy actions that will be necessary to meet the County's greenhouse gas reduction goals. Many of these activities could utilize the County's existing C-PACE program to access favorable financing. However, the draft CAP also identifies the major hazards that the County will face due to a changing climate. These include extreme heat, increased rainfall, and more severe storms. The impact of these hazards will require buildings to undertake projects to address poor indoor air quality, increased mold issues, and drainage and flooding issues. Projects to address these issues do not have the inherent financial payback built into energy efficiency and renewable energy projects, increasing the need for financing tools that minimizes costs to property owners. Under Senate Bill 319, C-PACE could become one of these financing tools.

For the foregoing reasons, Montgomery County supports Senate Bill 319 and respectfully requests a favorable Committee report.