

# **SB0319-EHE\_MACo\_SUP.pdf**

Uploaded by: Butler, Alex

Position: FAV



**MARYLAND**  
*Association of*  
**COUNTIES**

## **Senate Bill 319**

### *Clean Energy Loan Program - Remediation and Resiliency*

MACo Position: **SUPPORT**

To: Education, Health, and Environmental  
Affairs Committee

Date: January 28, 2021

From: Alex Butler

The Maryland Association of Counties (MACo) **SUPPORTS** SB 319. The bill expands the purpose of local government Clean Energy Loan program to include loans for water efficiency, environmental remediation, and resiliency projects to increase the capacity of a property to withstand the effects of climate change.

As Maryland continues to feel the effects of climate change, it is clear that mitigation, adaption, and resiliency will require multi-faceted solutions. MACo supports SB 319 because it would provide counties with another way to support residents with loans under an existing clean energy loan program.

SB 319 sensibly allows local governments to offer loans to a variety of different projects that benefit their residents, thus giving counties more flexibility and resources where there is a demand. For this reason, MACo urges the committee to issue a **FAVORABLE** report on SB 319.

# **SB0319\_MD-PACE\_Support.pdf**

Uploaded by: Coleman, Jessa

Position: FAV



Jessa Coleman  
Senior Manager  
[jcoleman@paceservicing.com](mailto:jcoleman@paceservicing.com)  
202-844-9504

*PACE Financial Servicing (PFS) is program administrator of the Maryland Commercial Property Assessed Clean Energy (MD-PACE) program, which is sponsored by the Maryland Clean Energy Center (MCEC).*

*PFS is led by the award-winning team who created the country's most successful PACE program and its leadership team has advised or worked with virtually every commercial PACE program nationally. With more experience in commercial PACE administration than anyone in the country, PFS offers unparalleled service to its public sector partners. PFS has leveraged its PACE experience and technology to help develop a highly efficient PACE administration and servicing platform, all of which has earned PFS national recognition as the gold standard in PACE financing. PFS makes PACE easy: its goal is to build PACE programs that seamlessly connect PACE capital to interested building owners. The result is increased economic activity, reduced environmental pollution, and new jobs.*

### **SB0319 – Clean Energy Loan Program –Remediation and Resiliency**

**Hearing Date: January 28<sup>th</sup>, 2021**

**Committee: Education, Health, and Environmental Affairs**

#### **Recommendation: Support with Amendments**

As manager of the Maryland Commercial Property Assessed Clean Energy (“MD-PACE”) program (the Clean Energy Loan Program established by §§ 1-1101 et. seq. of the Local Government Article of the Maryland State Code, and which SB0319 will amend), I can comment confidently on the impact of SB0319 on the program. I am pleased to support SB0319.

The MD-PACE program is the statewide vehicle for property assessed clean energy (“PACE”) financing in Maryland. C-PACE-enabling legislation is active in thirty-six states plus D.C., and C-PACE programs are active in twenty-four states plus D.C. Maryland is one of the early adopters of PACE-enabling legislation. The MD-PACE program is sponsored by the Maryland Clean Energy Center (“MCEC”) and administered by my firm, PACE Financial Servicing (“PFS”). The MD-PACE program must be adopted by local governments and we currently serve sixteen jurisdictions in Maryland. Montgomery County and Prince George’s County operate their own standalone C-PACE programs, meaning that eighteen jurisdictions across the state benefit from a C-PACE program. C-PACE financing allows commercial and non-profit property owners to access low interest, long term financing from private capital providers for energy efficiency and renewable energy improvements to both new and existing buildings. No government funds are involved in administering the program or financing C-PACE projects.

The program has been actively funding projects for approximately four years, during which time forty-seven properties across the state have been able to access \$44.3 million of private financing for energy-related improvements which would not otherwise have been available. These projects have ranged from main street businesses in Chestertown to non-profits in Baltimore to summer youth camps in Frederick and hotels in Towson and Gambrills. Most recently, the program allowed for it’s largest project yet, over

\$8 million in financing for the construction of an apartment complex in Baltimore City. Looking ahead, the program has reached an inflection point. In the past year alone, we have more than doubled the program's financial impact and made Maryland a state with one of the most robust C-PACE programs in the country.

Senate Bill 0319 will facilitate a second evolution of the MD-PACE program. States that have most recently passed C-PACE-enabling legislation have expanded the public benefit that C-PACE is mandated to support to include resiliency measures, effectively creating what some now call a "C-PACER" program. Senate Bill 0319 will do the same, expanding the measures that are eligible for C-PACE financing in Maryland beyond energy efficiency and renewable energy measures to include environmental remediation, resiliency improvements, and air quality improvements, including those building improvements necessary to allow Marylanders to safely return to work. This will place Maryland on the cutting edge of the C-PACE industry.

I encourage the enthusiastic support of SB0319. The MD-PACE program has had a considerable impact on economic development and the improvement of the state's building stock. Through this legislation, the program will be able to have an even greater impact on improving the economies and environments of our local communities.

# **SB319\_Preservation Maryland\_FAV.pdf**

Uploaded by: Cowan, Eleanor

Position: FAV

Testimony of Elly Colmers Cowan  
Director of Advocacy, Preservation Maryland

Before the  
Senate Education, Health, and Environmental Affairs Committee  
January 28, 2021

Pertaining To: SB319, Clean Energy Loan Program –Remediation and Resiliency

***SUPPORT***

---

On behalf of the staff and Board of Directors of Preservation Maryland and our thousands of statewide supporters, I thank you for the opportunity to provide testimony on the value of history and preservation in Maryland.

Preservation Maryland is the statewide voice for historic preservation that works to protect the best of Maryland. Since 1931, we have worked tirelessly to protect the places, stories and communities in Maryland that matter. Through our Smart Growth Maryland program, we advocate for a more environmentally and economically sustainable future that creates opportunities for all Marylanders through better development patterns.

SUPPORT FOR SENATE BILL 319

Preservation Maryland supports SB319, which would expand the definition of what qualifies for the PACE financing program to include environmental remediation and resiliency projects. Both of these types of projects are essential to maintaining Maryland's historic built environment for future generations.

For Maryland, the impact of an increasingly volatile climate and changing weather patterns presents real and dramatic challenges for communities across the state – especially historic resources which are often located in vulnerable locations. As we face the reality of higher seas, stronger storms, and more frequent flooding, the need to make structures in at risk areas resilient is becoming more and more pressing. SB319 would help make necessary resiliency improvements, such as flood remediation, a more viable option for many property owners.

Preservation Maryland has supported and engaged in conversations and projects focused on increasing the resiliency of historic resources throughout the state, including in historic Ellicott City after the recent devastating floods and in Dorchester County where historic resources are already being lost to sea-level rise. While certain incentive programs already exist to help rebuild *after* a flood, something more is needed to help Maryland's oldest communities prepare their built environment *before* a natural disaster. While Preservation Maryland will continue to work with communities to respond in the wake of devastation caused by sea-level rise, we believe that the proactive approach of making buildings more resilient should be encouraged, and SB319 would help accomplish that.

Another issue that many historic properties face is the need to for environmental remediation, such as lead paint and asbestos abatement, and a recently released study on the reuse of historic government complexes in Maryland has recommended utilizing a PACE program to help finance remediation projects. One large historic rehabilitation project can be a catalyst for a community – and as a result can have a very positive economic effect for a broader area than just the project site. Indeed, historic rehabilitation projects have been shown to increase property values by 25%. Those who undertake the rehabilitation of historic properties already face the difficulties of increased project costs, with environmental remediation often being a large financial burden. Allowing the PACE program to include remediation projects would help encourage private financial investment in the redevelopment of historic structures across Maryland.

The opportunity to utilize PACE financing to make historic structures more resilient and undergo environmental remediation would go a long way to helping the private sector safeguard and preserve Maryland's historic assets, with no cost to the state.

I respectfully urge the committee to return a favorable report on SB319.



# **MDGA\_SenatorHester\_FAV\_SB319\_KFH.docx.pdf**

Uploaded by: Hester, Katie

Position: FAV

**KATIE FRY HESTER**  
*Legislative District 9*  
Carroll and Howard Counties

Education, Health, and  
Environmental Affairs Committee

Chair, Joint Committee on  
Cybersecurity, Information Technology  
and Biotechnology



*Annapolis Office*  
James Senate Office Building  
11 Bladen Street, Room 304  
Annapolis, Maryland 21401  
410-841-3671 • 301-858-3671  
800-492-7122 Ext. 3671  
KatieFry.Hester@senate.state.md.us

**THE SENATE OF MARYLAND**  
**ANNAPOLIS, MARYLAND 21401**

**Sponsor Testimony In Support of SB319 - Clean Energy Loan Program -  
Remediation and Resiliency**

January 28th, 2021

Good afternoon Chairman Pinsky, Vice Chair Kagan, and members of the Senate Education, Health and Environmental Affairs Committee:

For the record, Senator Katie Fry Hester, pleased to present Senate Bill 319, a simple bill that would expand financing options for property owners seeking to invest in environmental and health remediation or resilience projects for their commercial property.

**The problem:**

As you are aware, over the past several decades, instances of severe natural disaster events have caused substantial damage to communities around the State of Maryland, and are on increasing in terms of frequency and severity. In my own District, we have seen habitual and severe flood events affect rural and urban communities alike - from Sykesville's Main Street to the twin floods that afflicted Historic Ellicott City in 2016 and 2018. As State and Local governments wrestle with the challenges of financing resilient infrastructure improvements that would reduce the cost of such disasters on our businesses and community members, our commercial property owners are facing similar hurdles in financing improvements to their own properties that would mitigate the effects of natural disasters and crises. This is especially true in light of the COVID-19 pandemic, because of which commercial property owners in all of our jurisdictions are attempting to finance property improvements such as HVAC upgrades and modifications for increased ventilation, in order to mitigate COVID related health risks. Whether you are looking to mitigate the effects of flooding at your commercial property, remediate mold or asbestos, or upgrade your facilities to mitigate COVID risks, there is a pressing need for financial tools to enable this wide array of important property improvements in an economically feasible manner.

### The solution:

The “Commercial Property Assessed Clean Energy (C-PACE) Program,” also known as the “Clean Energy Loan Program,” is a financing mechanism that provides owners of commercial property with 100% of the up-front capital necessary to implement building upgrades that save energy and lower energy utilization. Unlike a traditional loan product however, C-PACE financing allows property owners to repay the cost of their asset upgrade through a lien on the property that transfers with the sale of the property. This lien is given priority over other liens on the property to ensure minimal risk on investment, and is transferred with the sale of the property, enabling financial institutions to provide long-term, low interest loans to commercial property owners at no cost to the State.

Senate Bill 319 expands the authority of this program to include:

- Environmental remediation projects, defined as projects intended to remove environmental or health hazards (i.e. asbestos remediation, lead paint removal, mold remediation, or other projects that promote indoor air and water quality).
- Resiliency projects, defined as projects intended to increase the capacity of a property to withstand natural disasters and the effects of climate change.

Additionally, this bill expands the flexibility of the program by allowing this financing mechanism to be used for the purposes of refinancing existing projects that fall under the scope of the program.

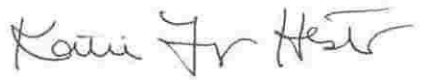
### Why should you vote for this bill?

Today I want to share with you three reasons for you to vote for this legislation:

- 1) With the intensity and frequency of severe weather events increasing, as well as the heightened urgency for environmental and health remediation measures in commercial properties in light of the COVID-19 pandemic, our constituents require additional financial tools to adequately meet the challenges they will predictably face in the future. This expansion of the C-PACE program will provide them another tool in that effort.
- 2) **This expansion can be achieved with no additional State or local expenditure.** This program is administered by PACE Financial Servicing, a private entity, and the loans made through this program are made entirely by private banks and lenders.
- 3) PACE Financial Servicing has stated that it is their intent to work with localities to update their ordinances to match the provisions of this legislation. Therefore, **the implementation of this legislation will not require any additional non-monetary State or Local resources.**

In summary, this legislation provides us with the rare opportunity to provide substantial additional benefits to our constituents in accessing capital for environmental and health resiliency and remediation projects, at no cost to the State or localities. For that reason, **I respectfully request a favorable report for Senate Bill 319.**

Sincerely,

A handwritten signature in black ink, reading "Katie Fry Hester". The signature is written in a cursive, flowing style.

Senator Katie Fry Hester  
Carroll and Howard Counties

# **SB 319 Clean Energy Loan Program – Remediation and**

Uploaded by: Kerr, Cait

Position: FAV

**Thursday January 28, 2021**

**TO:** Paul Pinsky, Chair of Senate Education, Health and Environmental Affairs Committee and Committee Members

**FROM:** Caitlin Kerr, The Nature Conservancy, Conservation & Climate Policy Analyst; and Kelly Leo, The Nature Conservancy, Maryland/DC Resilient Coasts Program Director

**POSITION:** Support SB 319 Clean Energy Loan Program – Remediation and Resiliency

The Nature Conservancy (the Conservancy) strongly supports SB 319 offered by Senator Hester. SB 319 expands on the existing Property Assessed Clean Energy program (PACE) by allowing property owners to finance or refinance projects that remediate environmental issues and improve their properties' resilience. Currently, the PACE program provides a financing mechanism at the county level for commercial property owners to improve energy efficiency – such as through installing renewable energy generating sources like solar panels or improving the building's heat recovery system. The PACE structure is a solid foundation upon which to build resiliency projects. The program allows localities to secure upfront capital costs to fund construction, while spreading the repayment out over many years. It can also lead to lower interest rates on the loan due to higher repayment through the property tax bill, and importantly does not require general fund appropriations for the projects. PACE ties the financing and repayment not to an individual, but to the property.

This bill expands the options for PACE funding to include resilience projects that promote environmental health and public safety by reducing flood risk and improving water quality through flood mitigation, fire and wind resistance, stormwater management projects, and increasing the capacity of our natural systems to provide benefits like storing rainwater and preventing erosion. It would also provide new funding opportunities for remediation projects that promote human health through improving indoor air and water quality, and removing health hazards like mold, lead paint, and asbestos. Through this approach, we are providing a pathway that significantly reduces or eliminates upfront costs for the property owner. Currently, resilience and remediation projects like the aforementioned can only be funded through grants or private financing, which often require the property owner to expend funds upfront or repay financing over a shorter timeframe.

This new funding mechanism also targets some of the most vulnerable parts of our economy. The Federal Emergency Management Agency (FEMA) estimates that over 40% of all small businesses never reopen their doors following a natural disaster. We are already experiencing climate change impacts across Maryland, including more frequent and intense storms, floods, and other natural disasters, and these threats will only continue to increase in frequency and severity in the coming years. Expanding PACE would give small business owners a new, more accessible tool to finance or refinance and deploy projects that could improve their resilience to the growing threat of natural catastrophes and the increasing everyday challenges like nuisance flooding resulting from climate change.

The Conservancy commends Senator Hester and Senator Elfreth for identifying a solution that creates resources and improves flexibility for property owners and businesses to implement solutions to environmental and human health risks without increasing state or county general fund expenditures.

**Therefore, we urge a favorable report on SB 319.**

# **GHHI Written Testimony - SB319.pdf**

Uploaded by: Lewis, Jamal

Position: FAV



**Green & Healthy Homes Initiative®**

2714 Hudson Street  
Baltimore, MD 21224-4716

**P:** 410-534-6447

**F:** 410-534-6475

[www.ghhi.org](http://www.ghhi.org)

January 26, 2021

Senator Paul G. Pinsky, Chair  
Senate Education, Health, and Environmental Affairs Committee  
Miller Senate Office Building, 2 West  
11 Bladen Street  
Annapolis, Maryland 21401

**Re: SB319 – Clean Energy Loan Program - SUPPORT**

Dear Chairman Pinsky and Members of the Committee:

The Green & Healthy Homes Initiative (GHHI) is dedicated to addressing the social determinants of health and the advancement of racial and health equity through the creation of healthy, safe and energy efficient homes. By delivering a standard of excellence in our work, GHHI aims to eradicate the negative health impacts of unhealthy housing and unjust policies for children, seniors, and families to ensure better health, economic and social outcomes with an emphasis on low-income black and brown communities. We achieve healthy homes through the alignment of resources to eliminate health hazards and upgrade houses with improved energy efficiency measures. Our collective efforts to coordinate lead hazard reductions, asthma trigger controls, fall/injury preventions, energy efficiency efforts, weatherization upgrades and housing rehabilitation service delivery options have helped countless children and families in Maryland and across the nation reside in safe and healthy homes. Housing quality and conditions significantly impact occupant health and well-being. Unfortunately, low-income communities and communities of color often contain substandard housing with environmental health and safety hazards that contribute to widespread health, economic and social inequities.

We are writing in **SUPPORT of SB319** which will be critical in promoting energy, environmental, health and racial equity for Marylanders through the promotion of healthy, safe and energy efficient housing for children, seniors and other vulnerable populations.

**Need to be Addressed by SB319**

Currently, there are programs in Maryland that support residential clean energy and energy efficiency projects. These programs include Empower Maryland and the Clean Energy Loan Program, which localities can establish. These programs are often limited in scope and are only able to support clean energy and energy efficiency projects. However, in many cases, clean energy and energy efficiency projects can only be completed in homes that are in good condition. Many limited-income families and families of color in Maryland live in older, deteriorated homes that contain environmental and/or health hazards. Once these hazards are addressed then clean energy and energy efficiency project can be completed. Unfortunately, many of the families that occupy homes with these hazards are unable to access resources needed to address



the hazardous conditions or the health and safety funds available by the weatherization programs are limited which results in their home being deferred for weatherization. Tragically, these same families often stand to benefit the most from clean energy and energy efficiency investments. Below are examples of health and social conditions that SB319 would help to improve by providing for funding to address greater health and safety hazards and reduce deferral rates.

#### Energy Insecurity

Low-income communities and communities of color experience higher levels of energy insecurity. Energy insecurity refers to the inability of households to meet their basic energy needs and can include the inability to afford energy bills or the inability to sufficient heat or cool the home because of physical deficiencies. In 2015, the U.S. Energy Information Administration found that over 37 million Americans (over one-third of all Americans) were energy insecure. Of that number, over 22 million households were low-income and over 20 million were Black or African American.

Energy insecurity is related to the substandard housing conditions as deteriorated housing often include energy-related issues such as poor insulation, air leaks and drafts, inefficient and poorly maintained heating, cooling and ventilation (HVAC) systems, and outdated lighting and appliances. The same EIA study found that over 22 million energy insecure households lived in homes that were built before 1980.

Energy Insecurity is also linked to a sister concept, known as energy burden, which refers to the percentage of household income that is spent on energy/utility services. A recent 2020 study by the American Council for an Energy Efficient Economy (ACEEE) found that over 25 million low-income households, over 10 million African American or Hispanic households, and over 15.9 million households living in a home built before 1980 across the U.S. experience a high energy burden (over 6 percent of income is spent on energy/utility services). The same study found that Baltimore's low-income population experienced the highest second highest median energy burden (10.5%) of all low-income populations within the top 25 most populated metro areas in the country. Often, energy insecurity and high energy burdens often overlap other health and social issues such as food insecurity, high housing cost burdens, and inadequate access to health care in the same communities. In fact, the EIA study found that low-income households and households of color are disproportionately subject to trade-offs such as forgoing food and medicine to pay for energy and utilities.

#### Asthma

The burden of asthma, a chronic disease, is a growing problem that greatly contributes to social inequalities in health outcomes and health disparities, which are neither inevitable nor irremediable, especially for children and minorities in Maryland. Determinants of health related to air quality and indoor environments are known to be significant contributing causes of asthma morbidity and exacerbations and disproportionately burden populations, especially children and

minorities. Poor outdoor and indoor air quality and housing conditions such as mold, pests, and other allergens contribute to asthma episodes for Maryland residents. Mold and pest issues can also result in client deferral for energy efficiency programs. 25 million Americans have asthma and it has been shown to be the cause of the biggest loss in productivity through school and work absenteeism. Nationally, over 14.4 million school days and 14.2 million work days are missed due to asthma episodes.

Over 500,000 adults in Maryland have been diagnosed with asthma. Maryland spends \$42.1 million annually for asthma related hospitalizations and \$93.3 million for asthma related emergency department visits. Research has shown that race, ethnicity and income are also common risk factors in asthma diagnoses. Asthma-related health disparities have disproportionately affected African American residents in Maryland, specifically children. Data available from the Maryland Asthma and Surveillance Report demonstrates that African American asthmatics in Maryland visit the emergency room 5 times more often than White asthmatics and are hospitalized 2.5 times more often than White asthmatics in Maryland.

#### Lead Poisoning

In 2019, there were 1,526 children with elevated blood levels (EBLs) of 5 µg/dl or higher in Maryland. Lead poisoning from lead in paint, lead in water, and contaminated soil contributes to significant brain damage, learning disabilities, speech development problems, attention deficit disorder, and poor school performance. Lead poisoning is irreversible and has a significant impact on societal costs including thousands of school age children. Millions of dollars are spent on special education and juvenile justice costs in Maryland to combat the effects of lead poisoning, and thousands of children enter our public-school systems, disproportionately in black and brown communities, with impediments to their development, unable to achieve academically at the rate of their classmates.

Lead poisoning directly contribute to the cycle of learning disabilities, poor school performance, steep school dropout rates and juvenile delinquency that prevent low income children in particular from being able to thrive and which burdens the State through increased special education and criminal justice costs Maryland. Lead poisoning has a disparate impact on minority, low income communities in Maryland and in children's ability to reach their full potential. Children poisoned by lead are 7 times more likely to drop out of school and 6 times more likely to end up in the criminal justice system than the population as a whole. A child poisoned by lead has decreased lifetime earnings of \$1,086,645 per child. Lead hazards in pre-1978 properties can result in a home being deferred for energy efficiency programs without other financial support being provided to the client applicant.

#### **The Need for More Flexible Funding and the Return on Investment**

Providing resources through SB319 and the Clean Energy Fund to address the root causes of the above conditions found in homes being weatherized can produce significant impact for Maryland's children in improved health and education outcomes and result multiple cost savings

for the state. Every dollar invested in lead hazard remediation prevention in homes results in health, educational, and other savings of at least \$17-\$221 in return. Every dollar invested in prevention asthma programs and interventions results in savings of \$5.30-\$14 in return. Every dollar invested in residential energy efficiency and weatherization, which are interventions that simultaneously improve housing quality and upgrade energy infrastructure, return \$1.72 in energy benefits and an additional \$2.78 in health and other societal benefits.

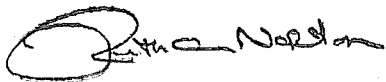
**SB319 will:**

- Expand the Clean Energy Loan Program to include environmental remediation such as mold, asbestos, and lead paint remediation as allowable uses of the program funds and reduce client deferrals.
- Expand the Clean Energy Loan Program to include resilience projects such as flood mitigation, stormwater management, fire and wind resistance projects, alternative vehicle charging infrastructure, and energy storage.

SB319 enables communities that are disproportionately impacted by substandard housing conditions to access resources to address environmental health hazards so that all Marylanders can benefit from residential clean energy and energy efficiency improvements.

**We urge the passage of SB319.**

Respectfully Yours,

A handwritten signature in black ink, appearing to read "Ruth Ann Norton". The signature is fluid and cursive, with a large initial "R" and "A".

Ruth Ann Norton  
President and CEO

# **CBall\_2021- SB319 Clean Energy Loan Program-Final**

Uploaded by: Manley , Josh

Position: FAV



## HOWARD COUNTY OFFICE OF COUNTY EXECUTIVE

3430 Courthouse Drive ■ Ellicott City, Maryland 21043 ■ 410-313-2013 Voice/Relay

Calvin Ball  
Howard County Executive  
cball@howardcountymd.gov

www.howardcountymd.gov  
FAX 410-313-3051

January 28, 2020

Senator Paul G. Pinsky, Chair  
Education, Health and Environmental Affairs Committee  
Miller Senate Office Building, 2 West  
Annapolis, MD 21041

Re: Testimony **IN SUPPORT** of SB 319: Clean Energy Loan Program – Remediation and Resiliency

Dear Chair Pinsky and Members of the Committee,

I commend Senator Hester for introducing Senate Bill 319, which would expand the authority of the Commercial Property Assessed Clean Energy (C-PACE) Program.

Senate Bill 319 would help commercial businesses finance resilient infrastructure improvements and environmental remediation projects through property liens that transfer with the sale of the property. This program will give our business community additional financing options to sustain their commercial properties, reducing their energy footprint, and withstand natural disaster.

Unfortunately, Howard County is all too familiar with the importance of helping businesses fortify their buildings against potential threats. In 2016 and 2018, Ellicott City experienced two historic floods that devastated our historic town. Many businesses experienced significant losses as floodwaters heavily damaged buildings and destroyed inventory. In 2019, my Administration created the Flood Mitigation Assistance Grant Program to provide property owners with match funding to construct flood resilience projects on their properties. More than three dozen projects were submitted for funding. The program was so popular that another round of funding was announced late last year.

If passed, Senate Bill 319 would provide another tool in the toolbox for businesses looking to make their business more resilient, which will become increasingly more important as severe weather events continue to become more frequent.

Businesses across our State are investing in critical infrastructure and system upgrades to meet COVID-19 safety protocols and respond to the effects of climate change. SB 319 would lower the financial cost of these actions and complement existing private-sector remediation and resilience efforts.

Thank you for your consideration and I urge a favorable report on SB 319.

All the Best,

Calvin Ball  
Howard County Executive

# **MCEC Testimony SB319 EHEA.pdf**

Uploaded by: Powers, Pamela

Position: FAV



January 25, 2021

Senate Education, Health, and Environmental Affairs Committee  
2 West Miller Senate Office Building  
11 Bladen Street  
Annapolis, Maryland 21401

**Re: SB 319 Clean Energy Loan Program - Remediation and Resiliency**

**REQUEST FAVORABLE SUPPORT**

**Ladies & Gentlemen:**

I would like to call your attention to SB 319 and urge your FAVORABLE SUPPORT.

The Maryland Clean Energy Center (MCEC) was created as an instrumentality of the state with a mission to facilitate the adoption of advanced clean energy technologies, services, and solutions. MCEC is uniquely positioned to act as a bridge between industry, academia, consumers, and government. MCEC can enter into effective public-private partnerships to expedite outcomes.

MCEC enables investments and creates partnerships to achieve desired outcomes, including energy demand reduction for cost savings, deployment of renewable energy generation for carbon reduction, and implementation of efficiency measures for building health, comfort, and improved systems management.

Since 2014 MCEC, in partnership with PACE FINANCIAL SERVICING (PFS) through our MDPACE Program, has been at the forefront of enabling Property Assessed Clean Energy (PACE) Financing in Maryland. There are currently 18 of the 24 major jurisdictions enabled to offer this advantageous financing tool to commercial, industrial, agricultural, and not-for-profit property owners in the state. To date, over \$35M in PACE transactions have occurred in Maryland, \$25M of those in the 16 MDPACE administered territories. Measures financed by PACE financing have the potential to reduce the impacts of climate change, greenhouse gas emissions, and consumption of energy.

**MCEC supports, SB 319 which proposes to amend existing measures, eligible in statute for PACE financing, with the following additions to the list: environmental remediation, water conservation, air quality, and resilience measures related to mitigating the impacts of climate change and addressing sea-level rise. It would also permit refinancing of eligible measure to convert related debt to a PACE financed solution, which may be more advantageous for a property owner to carry than typical bank-financed debt.**



MCEC believes the additional measures proposed, once added, will clear the way for property owners to make more comprehensive and cost-effective improvements to their buildings, which could add value, reduce energy costs, and improve the efficiency of operations. The projects associated with these financings help support demand for full-time equivalent job hours with contractors that is an economic benefit to the state as well.

For these reasons, we request favorable support for SB 319 and will gladly respond to your request for additional information as you contemplate this important legislation.

Best regards,

A handwritten signature in blue ink that reads "Katherine Magruder". The signature is fluid and cursive, with a long horizontal stroke at the end.

I. Katherine Magruder  
Executive Director



# **SB319\_CleanWaterAction\_Support\_EmilyRanson.pdf**

Uploaded by: Ranson, Emily

Position: FAV

## **SB319: Clean Energy Loan Program - Remediation and Resiliency**

Senate Education, Health, and Environmental Affairs

January 28, 2021

**Positon: Favorable**

Dear Chairman Pinsky and Members of the Committee,

Thank you for this opportunity to testify in favor of SB319 to expand the Clean Energy Loan Program to include remediation and resiliency projects. PACE allows property owners to finance or refinance projects, and this is a great tool to make available for remediation and resiliency projects that improve the long term viability of the property, and ties financing and repayment to the property.

Resiliency projects help properties maintain their viability by increasing their capacity to withstand natural disasters and the effects of climate change, especially through flood mitigation, stormwater management, increased capacity of a natural system, and inundation adaptation. Without resiliency projects, properties may lose value or habitability.

By using PACE, the state provides property owners with a pathway to fund the remediation and resiliency projects when they may not have the upfront funds on hand or equity in the property to afford the fixes. Expanding PACE enables small business property owners an accessible tool to finance the projects that improve their resilience in the face of increasing intensity storm events and inundation.

Thank you,

Emily Ranson  
Clean Water Action  
[eranson@cleanwater.org](mailto:eranson@cleanwater.org)

## **Letter in support of SB0319.pdf**

Uploaded by: Roush, Benjamin

Position: FAV



Seattle  
506 Second Avenue Suite 700  
Seattle, Washington 98104  
206.622.3321

Baltimore  
4709 Harford Road  
Baltimore, Maryland 21214  
410.929.6894

Spokane  
505 West Riverside Ave. Suite 440  
Spokane, Washington 99201  
509.215.1500

January 25, 2021

Chairman Paul Pinsky  
Chair, Education and Environmental Affairs Committee  
2 West, Miller Senate Office Building  
Annapolis, MD 21401

Subject: SB0319 Testimony and Support for FSi Engineers

Dear Chairman Pinsky and the members of the EHEA Committee,

Thank you for the opportunity to provide you with my testimony for the amendment to Senate Bill 0319 on PACE loans and resiliency remediation additions. This bill will allow the highly successful Maryland PACE loan program to expand to include climate resilience and environmental remediation funding.

I am a past Chair of the Board for the Maryland Chapter of the US Green Building Council, Chair of the AIA Baltimore Committee on the Environment, and I have long attended the Maryland Green Building Council meetings that are open to the public. I am a Principal at FSi, with 37 employees—we are mechanical engineers with a strong focus in green and net zero building. FSi has been a third-party technical reviewer for more than 20 PACE loans in Maryland.

We also provide third party review for PACE in several other states, many of which include PACE-R to include resiliency and remediation, and have seen the benefit of those systems in work. In California, PACE loans are used to fund structural upgrades and wildland/urban fire resiliency. We've also seen these funds used for flood mitigation. Particularly for existing buildings, PACE financing of resiliency and remediation will allow owners access to low interest loans to significantly improve their properties. In many cases, these projects would not be otherwise economically viable and may not occur at all, leaving more buildings open to the impacts of future climate change and more tenant with poor indoor air quality.

Senate Bill 0319, sponsored by Senators Hester and Elfreth is a significant step forward in the use and benefit of PACE financing. I look forward to seeing passage of this bill.

FSi Engineers

A handwritten signature in blue ink, appearing to read 'Ben Roush'.

Ben Roush, PE, FPE, LEED AP BD+C, ASHRAE BEMP and BEAP, Certified Commissioning Professional

Principal

# **SB 319 - MoCo (GA 21).pdf**

Uploaded by: Samman, Amy

Position: FAV



# Montgomery County

## Office of Intergovernmental Relations

---

ROCKVILLE: 240-777-6550

ANNAPOLIS: 240-777-8270

---

**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.

## **SB0319 - FWA.pdf**

Uploaded by: Fahrig, Landon

Position: FWA



**TO:** Members, Senate Education, Health & Environmental Affairs Committee  
**FROM:** Mary Beth Tung – Director, MEA  
**SUBJECT:** SB0319 – Clean Energy Loan Program - Remediation and Resiliency  
**DATE:** January 28, 2021

---

### **MEA POSITION: FWA**

Senate Bill 319 will expand the Clean Energy Loan Program (CELP) to include environmental projects. CELP already allows property owners to finance energy efficiency and renewable energy projects.

MEA has proposed legislation to authorize grid resilience as one of the technologies that can be incorporated into CELP, and by doing so, will support a greater number of future energy efficiency and renewable energy projects and investments. Grid resilience projects could reduce stress on Maryland's energy infrastructure and reduce system outage durations by enabling the consumption of electricity from an on-site source.

In 2012 The Grid Resiliency Task Force was commissioned to make recommendations on how to improve the resilience and reliability of the Maryland electric grid. That Task Force estimated the costs of storm outages on residential customers between 2010 & 2012 to be more than \$1 billion.<sup>1</sup>

Electric grid resilience measures can benefit households and communities by helping to reduce the negative impacts of wider system outages by providing electricity during those outages. One additional benefit of the independent operation feature is that the economic impact on a community during electrical disruptions can be minimized by allowing businesses to mitigate some of the resulting economic and productivity losses.

Modifying the eligibility of CELP to include resilience projects will allow a greater number of clean energy projects to pass economic muster, leading to an overall increase in adoption and the associated investments; thus providing benefits to residents and businesses in the State of Maryland.

MEA encourages the committee to append grid resilience projects by adopting the attached amendments. The amendments will in no way change the existing requirements of the program as they relate to creditworthiness or the ability of the county or municipality to collect loan payments. For these reasons, MEA urges a **favorable report as amended**.

---

<sup>1</sup> WEATHERING THE STORM: Report of the Grid Resiliency Task Force.  
[https://www.bateswhite.com/media/publication/13\\_GridResiliencyTaskForceReport.pdf](https://www.bateswhite.com/media/publication/13_GridResiliencyTaskForceReport.pdf)



## MEA Proposed Amendments

On page 2, in line 22, strike “**RESILIENCY**” and substitute “**ENVIRONMENTAL RESILIENCY**”; in line 25, strike “**RESILIENCY**” and substitute “**ENVIRONMENTAL RESILIENCY**”.

On page 3 strike in their entirety lines 10 through 21, inclusive, and substitute:

1-1103.

(a) The purpose of a program is to provide loans to:

(1) residential property owners, including low income residential property owners, to finance:

(I) energy efficiency [and] **PROJECTS**;

(II) renewable energy projects; [and]

(III) **ENVIRONMENTAL REMEDIATION PROJECTS;**

(IV) **ENVIRONMENTAL RESILIENCY PROJECTS; AND**

(V) **GRID RESILIENCY PROJECTS WHEN INSTALLED WITH ENERGY EFFICIENCY PROJECTS OR RENEWABLE ENERGY PROJECTS; AND**

(2) commercial property owners to finance:

(i) energy efficiency projects; [and]

(ii) renewable energy projects; [and]

(III) **ENVIRONMENTAL REMEDIATION PROJECTS;**

(IV) **ENVIRONMENTAL RESILIENCY PROJECTS; AND**

(V) **GRID RESILIENCY PROJECTS WHEN INSTALLED WITH ENERGY EFFICIENCY PROJECTS OR RENEWABLE ENERGY PROJECTS.**

(b) A private lender may provide capital for a loan provided to a commercial property owner under the program.