



Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor
Mary Beth Tung, Director

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.¹

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**.

¹ WEATHERING THE STORM: Report of the Grid Resiliency Task Force.
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.