



January 25, 2021

House Environment & Transportation Committee Members
251 House Office Building
6 Bladen Street
Annapolis, Maryland 21401

Re: HB 517 Clean Energy Loan Program - Remediation and Resiliency

REQUEST FAVORABLE SUPPORT

Ladies and Gentlemen:

I would like to call your attention to HB 517 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, HB 517 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.



Page 2/ MCEC Testimony HB 517

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 HB 517 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 written in a cursive style and is positioned above the typed name and title.

I. Katherine Magruder
Executive Director