



P.O. Box 278
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Committees: Budget and Taxation

Testimony on: SB 683 “Renewable Energy for Nonprofit Organizations Loan Program”

Position: Support

Hearing Date: March 2, 2022

The Maryland Chapter of the Sierra Club supports SB 683. This bill would create a zero interest revolving loan program in the Maryland Energy Administration (MEA) to support adoption of renewable energy systems by nonprofit entities. The bill would require the Governor to include \$5 million in the budget in each year from 2024 through 2026 to provide funding for the program.

This bill begins to close a gap in the renewable energy incentives the state offers by providing zero interest loans with 90% financing for nonprofit organizations, which cannot take advantage of tax-based incentives to install solar panels and geothermal heat pumps.

Like government, many nonprofit organizations are prominent in their communities, and their leadership can provide an inspiration for broader change. We appreciate the intent of the bill to prioritize applications from nonprofits with budgets less than \$1 million; racial, geographic, and mission diversity; and organizations that own their building. To reach smaller nonprofits, good outreach and advertising for this program will be critical.

For those nonprofits that do not own their own buildings, another tool is financing through the use of a “Power Purchase Agreement”(PPA), whereby they purchase directly from a green energy supplier. We would encourage MEA and the General Assembly to find ways to increase the availability of, and possibly subsidizing, such financing in the future.

Increased adoption of solar and geothermal renewable energy systems by additional nonprofit entities would reduce greenhouse gas emissions and enable more sectors of our state’s economy to participate in our goal of reaching zero net emissions from buildings by 2045. Reducing our state’s emissions of greenhouse gases will be most successful if all sectors of the economy participate.

SB 683 provides an innovative approach to supporting the nonprofit sector in its participation in this effort. We urge a favorable report.

As a member of Maryland Nonprofits, we further support their testimony and recommendations.

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Founded in 1892, the Sierra Club is America’s oldest and largest grassroots environmental organization. The Maryland Chapter has over 70,000 members and supporters, and the Sierra Club nationwide has over 800,000 members and nearly four million supporters.