



MARYLAND STATE TREASURER
Dereck E. Davis

Testimony of the Maryland State Treasurer's Office

Position: FAVORABLE

Senate Bill 179 – Energy Performance Contracts – Duration

January 19, 2022

Senate Bill 179 (SB 179) extends the statutorily permissible duration of Energy Performance Contracts (EPCs) from 15 to 30 years. This would allow the State Treasurer's Office (STO) more flexibility to finance the equipment for EPCs using capital leases with terms of up to 30 years. With this longer term, the State would be able to use EPCs to make more impactful energy efficiency improvements to State buildings, including replacement of HVAC systems and other upgrades that cannot be paid back in shorter, 15-year terms. Since the costs of EPCs are fully offset by the utility savings generated by the projects, these improvements would have no net cost to the State.

For the foregoing reasons, STO requests a favorable committee report on SB 179. Please contact Laura Atas, Deputy Treasurer for Public Policy (latas@treasurer.state.md.us), with any questions.