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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Renewable Energy for Nonprofit Organizations (RENO) Loan Program

Senate Budget and Taxation Committee

Wednesday, March 2, 2022 | 1pm

The average home is roughly 2,300 sq ft; installing solar panels would cost approximately \$12,000 - \$14,000. The initial cost for [switching to geothermal energy](#) is roughly \$2500 per installed kilowatt, and the average household uses 28.9 kWh per day.

Maryland homeowners and businesses shifting to “green energy” can take advantage of federal and state tax incentives. Because nonprofits generally do not pay taxes, they do not have access to these economic benefits. Many of our 32,000 nonprofit organizations in Maryland do not have the adequate cash flow to shift to renewable energy on their own. Establishing a fund to assist 501(c)(3) organizations would be an important step in reaching our climate goals.

[SB683](#) would create an interest-free, revolving loan fund, the “Renewable Energy for Nonprofit Organizations (RENO) Loan Program,” housed within the [Maryland Energy Administration](#) (MEA), to help nonprofits purchase and install solar panels or geothermal energy systems. Nonprofits would invest 10% of the cost to install the infrastructure in order to receive the loan, which would be repaid on a regular basis through the significant savings on the group’s electricity bills.

This program would launch on July 1, 2023, giving MEA one year from this bill’s effective date to design, advertise, and launch the Fund. MEA would establish considerations for application, selection, and repayment that include:

- Nonprofits that own (rather than rent) their buildings;
- Geographic diversity;
- Ethnic/racial diversity;
- Socioeconomic diversity;
- Mission diversity;
- Access to the required matching funds described above; and
- An agreed-upon schedule for repaying the loan.

For each of the next three years, FY24 through FY26, \$5,000,000 in General Funds would be appropriated. If demand is low and more funds aren’t needed, this bill anticipates that adjustments could be made after the first installment.

After describing the RENO concept to my Congressman and our former colleague, Jamie Raskin, I was thrilled to learn a few months later that President Biden's Infrastructure Bill was passed with a nod to this idea. The federal law allocated \$500 million for our nation's public schools and \$50 million for nonprofit organizations to "go solar." Although the federal program will provide minimal funding to Maryland, it reinforces the need for RENO.

Maryland's vital nonprofit organizations should have the chance to reduce their utility bills and carbon footprint. By participating in RENO, they would be able to lower their greenhouse gas emissions.

I urge a favorable report on SB683.