2022 JCRC SB 683 Renewable Energy for Nonprofit or Uploaded by: Ashlie Bagwell



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Testimony in SUPPORT of Senate Bill 683 – Renewable Energy for Nonprofit Organizations Loan Program Budget and Taxation Committee March 2, 2022

The Jewish Community Relations Council of Greater Washington (JCRC) serves as the public affairs and community relations arm of the Jewish community. We represent over 100 Jewish organizations and synagogues throughout Maryland, Virginia, and the District of Columbia. The JCRC is strongly committed to cultivating a society based on freedom, justice, and pluralism. We work tirelessly throughout the entire Greater Washington area to advocate for our agencies that serve the most vulnerable residents, support our Jewish day schools and community centers, and to campaign for important policy interests on behalf of the entire Jewish community.

The JCRC has a long history of favoring policies which protect the environment and reverse climate change. Our agency is committed to addressing the need to protect our environment – public lands, water, and air and, in particular, the critical, indeed, existential threats climate change poses to our world.

Senate Bill 683 aligns with our efforts to support renewable energy sources and assists our nonprofit agencies in achieving that goal. The Bill establishes the Renewable Energy for Nonprofit Organizations Loan Program in the Maryland Energy Administration and authorizes nonprofit organizations to apply for and obtain loans from the Program for the purchase and installation of qualifying renewable energy systems. Additionally, SB 683 establishes the Renewable Energy for Nonprofit Organizations Loan Fund as a special, nonlapsing fund, and requires the Governor to provide \$5 million dollars for the Fund in the annual budget bill for FY2024-2026.

The climate is changing in alarming and rapid ways and the causes stem from human behaviors, many of which are within our power to change. We firmly believe that the Jewish community—in fact, all communities--must act unequivocally to protect nature and the environment from further harm and to ameliorate, to the extent possible, the effects of harms we can no longer prevent. In order to help nonprofit organizations, fight climate change, it is essential that they receive financial assistance to purchase and install proper renewable energy systems. For these reasons, we ask the committee to give a favorable report on SB 683.

RENO JFGH Testimony 3-2-22.pdf Uploaded by: David Ervin Position: FAV



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(z"l) of blessed memory

SB683: Renewable Energy for Nonprofit Organizations (RENO) Senate Budget & Taxation Committee Wednesday, March 2, 2022

FAVORABLE

Jewish Foundation for Group Homes, Inc., is a Maryland-based nonprofit whose mission is to support and empower people with intellectual and developmental disabilities (IDD) to achieve the quality of life to which they aspire. JFGH supports more than 200 people with IDD across Montgomery County, Maryland, and in Northern Virginia, striving to build community where people with IDD share the same options and opportunities for a well-lived life as all other members of the community.

Sen Cheryl Kagan's Senate Bill 683 creates a fund to provide interest-free loans for nonprofits to "go green." By installing solar or geothermal energy made affordable and accessible through SB683 in some or all the 23 Maryland single family homes and townhomes, JFGH and the community it supports could make a significant difference in our climate crisis, while being a model for fellow nonprofits and our neighbors in each of our dozens of communities.

We believe SB683 is a strategic, community investment in clean energy to which people with IDD, their families and all of JFGH's stakeholders benefit immeasurably. As a nonprofit citizen, JFGH is committed to doing its part in addressing the climate crisis—we are ready to do our part to reduce our carbon footprint. Catalytic investment by the State of Maryland to this end is a tipping point.

Please give a FAVORABLE report to SB683.



David A. Ervin
Chief Executive Officer



OTC Testimony.SB683 .pdfUploaded by: Dennis Blackledge Position: FAV

Testimony – SB683
Olney Theatre Center
Dennis A. Blackledge
Owners Representative
dblackledge@olneytheatre.org
(301) 924-4485 x131

The Olney Theatre Center is a not-for-profit performing arts theatre located in Montgomery County at 2001 Olney-Sandy Spring Road, Olney MD. 20832.

The Olney Theatre was founded more than 80-years ago as a summer theatre, and over time has grown to an annual operating budget of \$8,000,000, 40 fulltime employees, and many individual contractors. Although we are now a year-round operation, we are proud of our designation as the Official Summer Theatre of Maryland.

Our 14-acre campus currently has three theatres: the recently renovated Mulitz-Gudelsky Theatre Lab (150 seats), 1938 Original Theatre (450 seats), and the Main Stage (420 seats). OTC also has an outdoor summer stage, the Root Family Stage, home to a variety of performances during evening hours in the summer, and capable of accommodating up to 400 patrons. Also on the property: the Crawford House for Administrative Staff and residents, as well Production Facilities abutting the Original Theatre for scenery, properties, costumes, lighting, sound, and projections. Our buildings combine for approximately 80,000 square feet of indoor space.

OTC is currently examining plans to renovate existing facilities, and add much needed space for Education programs, and Production. Much of our equipment at all levels, including HVAC is from previous generations and showing its age, and inefficiencies. During preliminary planning sessions we investigated the possibility of converting the campus to geo-thermal energy, considering it the best long-term plan for efficiency, the environment, our staff, patrons, and community. Initial cost projections of \$1,000,000 makes this a daunting expenditure, and it obligates us to also look at less effective, but more affordable systems. The \$1,000,000 figure was calculated in 2019, and no doubt those costs have increased significantly.

The Olney Theatre supports Senator Cheryl C. Kagan and SB683. While still too early in our process for OTC to know for sure that thermal will be our future solution, it would be great to know that this bill could make it an option for us where otherwise it might not be. I am confident that this is also true for many other not-for-profit organizations. Thank you.

Dennis A. Blackledge

SB683_ Temple Solel Testimony FAV (1).pdf Uploaded by: Felicia Snyder



Renewable Energy for Nonprofit Organizations (RENO) Loan Program

Senate Budget and Taxation Committee Wednesday, March 2, 2022 | 1pm

Chair Guzzone and Vice Chair Rosapepe:

In 1964, two groups looking for a spiritual home in Bowie, MD found each other, and these 18 families became the heart of what is now Temple Solel. From this foundation, we have grown into a connected community made special by the diversity of our membership, collectively focused on the development of Jewish spiritual life, love of learning, and "Tikkun Olam"— repairing the world.

Our role from creation has been to be "good shepherds" of the earth. With this in mind, our Social Action Committee has been hyper-focused on finding ways to reduce our carbon footprint both within and outside our synagogue. Though we've taken small steps, including switching to motion-sensor lights, we know we want and need to make a bigger impact.

Unfortunately, the stuck point for all nonprofits is clear. Because we cannot benefit from tax incentives, switching to renewable energy is a great hurdle. In fact, we were recently quoted over \$85,000 to install solar panels on our property. We simply do not have the cash flow to support this kind of endeavor, and no fundraiser we host could possibly bring in the funds to carry the project.

Note: There's one option for nonprofits that want to go solar-- entering a Power Purchase Agreement. However, this involved allowing another business to own infrastructure on our property, which is not appealing or "kosher" for our community.

We are grateful to Senator Kagan, the Senator for the nonprofit sector, who heard our needs and concerns. By taking this issue seriously, she was able to craft a solution that will benefit not only our synagogue but nonprofit organizations across the state. SB683 would create a revolving fund that would provide interest-free loans for nonprofits to shift to renewable infrastructure. We would finally be able to carry out our desired shift to solar energy, with only a need for 10% upfront costs. \$8,500 is something that our congregation likely *could* fundraise and support for an important shift such as this.

On top of the moral and environmental reasons for supporting this bill, Temple Solel and other nonprofits that receive a loan will realize lower utility bills. This piece is key, as we are a small congregation with financial need.

It is important to lead by example, and we are hopeful that by taking "green" initiatives, our members will begin to do the same.

We urge a favorable report on SB683.

Respectfully Submitted,

Temple Solel Executive Board

SB 683 to B&T Support --- Renewable Energy Loans Uploaded by: Henry Bogdan



March 2, 2022

Testimony on Senate Bill 683 Renewable Energy for Nonprofit Organizations Loan Program Senate Budget and Taxation Committee

Position: Favorable

Maryland Nonprofits is a statewide association of more than 1300 nonprofit organizations and institutions. We strongly urge you to support Senate Bill 683, to assist nonprofits with investments that will benefit their long-term financial stability and contribute to the state's efforts to maximize the benefits of clean energy.

Nonprofits have suffered along with the rest of the private sector throughout the pandemic, with disruption of operations, revenue losses, and workforce shortages. Their financial reserves, in most cases less than adequate even pre-pandemic, have suffered seriously. Even in the best of times, their ability to upgrade facilities or invest in newer technologies has been limited by difficulties in borrowing.

Significant financial incentives already exist to promote the broad use of renewable energy sources by individuals or businesses. But because the tax code is being used as the vehicle for these policy incentives, they are not applicable to tax exempt organizations.

Senate Bill 683 would provide many tax exempt nonprofits the opportunity to make long term investments in their buildings taking advantage of the benefits of renewable energy sources. These investments would benefit the public in several ways. Nonprofits can provide more services when operating more efficiently with reduced energy costs. The buildings they improve, or any value increase realized when they would be sold, are actually assets that must continue to be used or dedicated for the benefit of the public.

Finally, increased use of renewable energy helps the community and the state to reduce reliance on fossil fuels and lessen the threat of global warming.

We urge you to give SB 683 a favorable report.



SB683 Chris McCabe FAV.pdfUploaded by: Honorable Chris McCabe



CHRYSALIS HOUSE INC.

Supporting Women and Their Children Through Recovery Since 1986

Testimony on Senate Bill 683

I am writing in support of Senator Cheryl Kegan's. Senate Bill 683, The "Renewable Energy for Nonprofit Organizations (RENO) Loan Program," Chrysalis House, Inc. provides treatment services for women struggling with substance use and mental health disorders, All of our women – and their dependent children- are on Medicaid and other forms of state health insurance. Just over the past three sessions your Committee has approved two legislative bond bills and a capitals appropriation from the Governor's Maryland Department of Health capital budget for funding for a major expansion of our facilities in Crownsville. It is well underway. Thank you.

SB683 would create an interest-free, revolving loan fund, housed within the Maryland Energy Administration (MEA), to help nonprofits with purchasing renewable energy systems. These general funds of \$50 million for Maryland nonprofit organizations to obtain solar panels come will from the President's infrastructure bill. Each nonprofit must demonstrate that it can invest 10% of the cost when it submits its application to MEA. The loan would be repaid on a regular basis through the savings on electricity bills.

Most Maryland nonprofits of our size or smaller would need to access if tis present investment would make sense over the long term. Many of us have aging facilities, so any future renovations might include this initiative. In any event, such a fund as envisioned by SB 683 would be an overall benefit to our state and our environment, Maryland nonprofit health and human service agencies deserve this opportunity to invest its future with its partner. We recognize how important each dollar is to our ongoing financial health and such energy savings by reducing utility bills is welcomed.

As a former member of the Maryland Senate, I appreciate the careful balance The Budget and Taxation Committee must have in considering worthwhile projects and Pilot ideas which invariably have a cost implication. I am grateful to Senator Kagan for her foresight and for her long-standing support of Maryland's nonprofit community.

Respectfully Submitted, February 28, 2022

Chi, Mª Cabe

Christopher J. McCabe

Executive Director

Chrysalis House, Inc.

(Former Maryland state senator and secretary, Md. Department of Human Resources)

Jamie SB 0683 testimony.pdf Uploaded by: Jamie DeMarco Position: FAV



Testimony in Support of \$\$B0683\$ Senate Education, Health, and Environmental Affairs March 2, 2022

Jamie DeMarco, Federal Policy Director Chesapeake Climate Action Network Action Fund

On behalf of the Chesapeake Climate Action Network Action Fund, I strongly urge a favorable report on SB 0683.

Mission driven non-profits overwhelmingly want to install solar panels, but also mostly lack access to upfront capital. SB 0683 would provide the money for nonprofits to put solar panels on their buildings. Nonprofits would repay the loan in full, so the state would not lose money through this program. This is a win-win-win.

This bill should go into effect on July 1, 2023 in order to give MEA time to design and launch the application process. MEA shall establish guidelines and considerations for application, selection, and repayment that include:

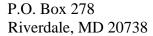
- Nonprofits that own--rather than rent-- their buildings;
- Property size/kilowatt-hours used;
- Geographic diversity;
- Ethnic/racial diversity;
- Economic diversity;
- Mission diversity;
- Access to the required matching funds indicated above; and
- Process and frequency of loan repayment.

Our vital nonprofit organizations deserve the chance to reduce their utility bills and carbon footprint by reducing greenhouse gas emissions.

Best, Jamie



SB683_MDSierraClub_fav 2March2022.pdfUploaded by: Josh Tulkin





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.

Brandon Smith Clean Energy Committee Smithb3@gmail.com Josh Tulkin Chapter Director Josh.Tulkin@MDSierra.org

SB 683_CBF SUPPORT.pdfUploaded by: Joshua Kurtz



CHESAPEAKE BAY FOUNDATION

Environmental Protection and Restoration
Environmental Education

Senate Bill 683

Renewable Energy for Nonprofit Organizations Loan Program

Date: March 2, 2022 Position: **Support**

To: Education, Health, and Environmental Affairs From: Robin Clark, Maryland Staff Attorney

Chesapeake Bay Foundation (CBF) **SUPPORTS** SB 683. This legislation establishes a Renewable Energy for Nonprofit Organizations Loan Program in the Maryland Energy Administration (MEA) and requires the Governor to include an appropriation of \$5.0 million in the annual State budget bill for each of fiscal 2024 through 2026 to fund the program.

Nimble Nonprofits Could Be Renewable Energy Influencers

SB 683 will provide opportunities to Maryland's nonprofits to adopt renewable energy technology, reducing their greenhouse gas emissions. Many Maryland nonprofits may relatively readily adopt renewable energies for their buildings to align with their values and missions. These nonprofits, many of which have a broad base of Maryland members and work with the public and private sectors, may serve as an example to other private businesses in Maryland and be an inspiration to their members and the public. The Chesapeake Bay Foundation's Philip Merrill Center in Annapolis is the world's first LEED Platinum building.

Renewable Energy Adoption Will Accelerate Greenhouse Gas Reduction in Maryland

Atmospheric deposition of nitrogen is the highest nitrogen input load in the Chesapeake Bay. Nitrogen pollution feeds algal blooms that block sunlight to underwater grasses and suck up life supporting oxygen when they die and decompose. The principal source of oxidized nitrogen, also called NOx, is produced by machines or processes that are powered by gas, coal or oil, like the heating of a building. According to the U.N. climate science panel, man-made carbon dioxide emissions need to fall by 45% by 2030 and reach net zero by 2050 to prevent catastrophic environmental consequences.

CBF urges the Committee's FAVORABLE report on SB 683. For more information, contact Robin Jessica Clark, Maryland Staff Attorney at 443.995.8753 and rclark@cbf.org

¹ Chesapeake Bay Program, Air Pollution: What airborne pollutants are affecting Bay health?

Maryland Office • Philip Merrill Environmental Center • 6 Herndon Avenue • Annapolis • Maryland • 21403 Phone (410) 268-8816 • Fax (410) 280-3513

² Rowling Megan, <u>Net-Zero emissions: What it is and why does it matter so much?</u>, World Economic Forum, Sept. 23, 2020.

EFC UMD Hunninghake Testimony SB0683 3-2-22.pdf Uploaded by: Mike Hunninghake





Favorable Testimony – SB 0683

Date: February 24, 2022

Dear Chair Paul Pinsky, Vice Chair Cheryl Kagan, and Committee Members,

Thank you for the opportunity to speak about SB683 – Renewable Energy for Nonprofit Organizations Loan Program and its potential to create positive, climate-friendly change within organizations and within communities across the state of Maryland.

During my 10 years of working to support sustainability efforts in Maryland, I have come to recognize the importance of catalyzing local infrastructure projects to achieve ground-up change that translates into statewide impact. SB683 will provide much-needed funds for local and regional nonprofit organizations to reduce their energy costs and lower their carbon footprint. By doing so, they not only help directly contribute to achieving the State's environmental and climate goals, but they also provide a very public beacon of inspiration for the communities and residents these organizations serve.

This loan program will provide the upfront capital needed for renewable energy products that can be difficult for nonprofits to amass and allows these organizations to spread the financial burden out over time. The revolving nature of the program ensures that funds will continue to be available in future years as initial loans are paid back.

The priority that would be given to loan applicants with budgets of less than \$1,000,000 is a key part of this proposed legislation, as it would help make the installation of renewable energy systems more equitable, and more accessible to organizations working in underserved and overlooked communities, exactly the places where climate-forward funding programs should be focused.

Having worked with the Maryland Energy Administration in the past, to assist municipalities with their MEA Maryland Smart Energy Community grant applications, I can attest to the value of a funding programs in providing both the impetus for municipalities to purchase solar panels, electric vehicles and LED streetlights, but also the follow-on effect of implanting a sustainability ethos within those communities. Once these communities have the infrastructure, it essentially serves as a self-reinforcing reminder of their ability to achieve - and commitment to continue - the greening their communities.

SB683 would provide yet another tool in the State's climate toolbox by empowering nonprofits to do their part to help achieve a lower carbon future for the state of Maryland.

Sincerely,

Mike Hunninghake

M. Hunninghake

Program Manager - Sustainable Maryland

Environmental Finance Center at University of Maryland

SB683 BJC FAV Renewable Energy for Nonprofit Organ Uploaded by: Sarah Miicke

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Hadassah Har Sinai - Oheb Shalom Congregation J Street Jewish Federation of Howard County Jewish Labor Committee

Congregation Beit Tikvah

Congregation Beth Shalom of Carroll County

Congregation Tiferes Yisroel Federation of Jewish Women's

Organizations of Maryland

Jewish War Veterans Jewish War Veterans, Ladies Auxiliary Jewish Women International Jews For Judaism

Moses Montefiore Anshe Emunah Hebrew Congregation National Council of Jewish Women Ner Tamid Congregation

Rabbinical Council of America Religious Zionists of America Shaarei Tfiloh Congregation Shomrei Emunah Congregation Simon E. Sobeloff Jewish Law Society Suburban Orthodox Congregation Temple Beth Shalom

Temple Isaiah Zionist Organization of America Baltimore District



Written Testimony

Senate Bill 683 Renewable Energy for Nonprofit Organizations Loan Program

Budget and Taxation Committee - March 2, 2022

Support

Background: Senate Bill 683, (SB683) would establish the Renewable Energy for Nonprofit Organizations Loan Program and Fund in the Maryland Energy Administration. The fund would be funded at \$5 million dollars from FY24-FY26. The purpose of the Program is to provide zero interest loans to nonprofits wishing to install and purchase qualifying renewable energy systems. Qualifying systems include solar and geothermal heating and cooling systems. Nonprofits would be required to contribute at least 10% of the project's costs upfront, with priority given to nonprofits with annual budgets under \$1 million dollars.

Written Comments: The Baltimore Jewish Council and the The Associated Jewish Community Federation of Baltimore are committed to repairing our world. We represent The Pearlstone Center in Reisterstown, MD, a conference center and farm that employs and teaches sustainable practices. The Pearlstone Center and the Associated jointly run a Green Loan Fund, similar to the fund that is established in SB683. This fund has issued more than \$600,000 in loans for faith-based institutions in Maryland. Further, the Associated has signed a 20-year lease for all Associated owned properties to run on 50% solar, and Pearlstone at 75% solar, and Pearlstone will be 100% when it adds solar panels to its buildings.

Many nonprofits want to invest in green projects, but they do not have the capital reserves to fund them. SB683 would allow these nonprofits the chance to create greener buildings. We encourage this committee to join us in our mission to create a cleaner Maryland that is healthier for everyone.

For these reasons, the Baltimore Jewish Councils asks for a favorable report on SB683.

The Baltimore Jewish Council, a coalition of central Maryland Jewish organizations and congregations, advocates at all levels of government, on a variety of social welfare, economic and religious concerns, to protect and promote the interests of The Associated Jewish Community Federation of Baltimore, its agencies and the Greater Baltimore Jewish community.



Baltimore Jewish Council is an agency of The Associated

SB683_ Renewable Energy for Nonprofit Organization Uploaded by: Sen. Cheryl Kagan

CHERYL C. KAGAN Legislative District 17 Montgomery County

Vice Chair
Education, Health, and
Environmental Affairs Committee

Joint Audit Committee

Joint Committee on Federal Relations



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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 <u>switching to geothermal energy</u> 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.

SB 683 Renewable Energy for Nonprofit Organization Uploaded by: Barbara Wilkins

Position: INFO



LARRY HOGAN Governor

BOYD K. RUTHERFORD Lieutenant Governor DAVID R. BRINKLEY Secretary

MARC L. NICOLE Deputy Secretary

SENATE BILL 683 Renewable Energy for Nonprofit Organizations Loan Program (Kagan)

STATEMENT OF INFORMATION

DATE: March 2, 2022

COMMITTEE: Senate Budget & Taxation

SUMMARY OF BILL: SB 683 establishes the Renewable Energy for Nonprofit Organizations Loan Program in the Maryland Energy Administration, the purpose of which is to provide zero-interest loans to nonprofit organizations for the purchase and installation of geothermal heating and cooling or solar energy systems; and mandates an appropriation in the amount of \$5 million in FY 2024 - FY 2026.

EXPLANATION: The Department of Budget and Management's focus is not on the underlying policy proposal being advanced by the legislation, but rather on the aggregate \$15 million mandated appropriation provision that impacts the FY 2024 - FY 2026 budgets.

DBM has the responsibility of submitting a balanced budget to the General Assembly annually, which will require spending allocations for FY 2024 to be within the official revenues estimates approved by the Board of Revenue Estimates in December 2022.

Changes to the Maryland Constitution in 2020 provide the General Assembly with additional budgetary authority, beginning in the 2023 Session, to realign total spending by increasing and adding items to appropriations in the budget submitted by the Governor. The legislature's new budgetary power diminishes, if not negates, the need for mandated appropriation bills.

Fully funding the implementation of the Blueprint for Maryland's Future (Kirwan) will require fiscal discipline in the years ahead, if the State is to maintain the current projected structural budget surpluses. Mandated spending increases need to be reevaluated within the context of this education funding priority and the Governor's tax relief proposals.

Economic conditions remain precarious as a result of COVID-19. High rates of inflation and workforce shortages may be short lived or persist, thereby impacting the Maryland economy. While current budget forecasts project structural surpluses, the impact of the ongoing COVID-19 pandemic continues to present a significant budgetary vulnerability. The Department continues to urge the General Assembly to focus on maintaining the structural budget surplus.

For additional information, contact Barbara Wilkins at (410) 260-6371

or barbara.wilkins1@maryland.gov