



Maryland
Energy
Administration

TO: Members, House Environment & Transportation Committee
FROM: Paul Pinsky - Director, MEA
SUBJECT: SB 186 - Green and Renewable Energy for Nonprofit Organizations Loan Program and Fund
DATE: January 25, 2023

MEA Position: FAVORABLE WITH AMENDMENTS

Senate Bill 683 would create a revolving loan fund within the Maryland Energy Administration (MEA) to benefit nonprofits that install renewable energy assets.

The Green and Renewable Energy for Nonprofit Organizations Loan Program (Program) would create greater opportunities for nonprofits to finance renewable geothermal or solar energy systems. Additionally, the Program applicants can simultaneously apply for other, complimentary State and federal programs.

The structure of the Program is based largely on the Jane E. Lawton Loan Program, already housed within MEA. These similarities will likely result in some operational inefficiencies that will limit the bill's effects on MEA operations and expenses. MEA initially plans to ramp-up lending over a yet undetermined course of time that will allow it to operate as a revolving loan fund; only requiring future injections of capital for expansion of the program.

MEA is offering three (3) amendments on the following page that can be described as corrective or even technical. The amendments will provide clarity as to who may legally bind a nonprofit to a Program loan, alter the metric used to define priority applicants, and clarify that MEA has the freedom to set requirements for borrower assurances.

For the foregoing reasons, MEA urges the committee to issue a **favorable report as amended**.

Amendment No. 1 better defines who may commit a nonprofit to a loan.

AMENDMENT NO. 1

On page 3, strike beginning with the second “THE” in line 21 down through “OF” in line 22 and substitute “AN AGENT WITH THE LEGAL AUTHORITY TO BIND”.

Amendment No. 2 ties the metric used to determine program priority to a number that is required in the annual federal tax filing for nonprofits.

AMENDMENT NO. 2

On page 4, in line 13, strike “AN ANNUAL BUDGET” and substitute “TOTAL REVENUE”.

Amendment No. 3 clarifies that other assurances may be required by the Administration in addition to a promissory note and a plan for repayment.

AMENDMENT NO. 3

On page 4, in line 26, after “REPAYMENT” insert “AND ADDITIONAL ASSURANCES AS REQUIRED BY THE ADMINISTRATION”.