



Maryland

Energy Administration

TO: Chair Guzzone, Vice Chair Rosapepe, and Members of the Budget and Taxation Committee

FROM: MEA

SUBJECT: SB 105 - Green and Renewable Energy for Nonprofit Organizations Loan Program and Fund

DATE: January 15, 2025

MEA Position: FAVORABLE WITH AMENDMENTS

Senate Bill 105 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 the transition to renewable energy such as geothermal or solar energy systems. Additionally, the Program applicants can simultaneously apply for other, complimentary State and federal programs. MEA already operates the Jane E. Lawton conservation loan program (\$3 million in FY25). Lawton is offered to Maryland Nonprofit Organizations, Local Governments, Maryland Businesses, and State Agencies for the implementation of cost-effective energy efficiency and conservation improvements for existing or to-be-constructed facilities.

The Maryland Clean Energy Center (MCEC) is the state's official "green bank", and it advances a clean energy future by making affordable, accessible technologies available to all Marylanders, in part through innovative financing options just like the program being put forth in this bill. MEA recommends amending the bill to make MCEC the administrator of the program. It may be more appropriate to place the proposed program within MCEC given its experience with financing mechanisms.

Additionally, to the extent that the Strategic Energy Investment Fund or "SEIF" is used to fund the program in the future, it is likely that that expenditure will have an impact on other MEA programs. Caution should therefore be utilized prior to committing SEIF as a funding source for any new program.

For the foregoing reasons, MEA urges the committee to transition the Green and Renewable Energy for Nonprofit Organizations Loan Program to MCEC before issuing a **favorable as amended** report. For questions or additional information, please contact Landon Fahrig directly at landon.fahrig@maryland.gov or 410.931.1537.