



I. Katherine Magruder Executive
Director ikm@mdcleanenergy.org
301-314-6061

Maryland Clean Energy Center (MCEC) was created as a not-for-profit corporate instrumentality of state in 2008 through an act of the Maryland General Assembly.

MCEC focuses on an economic development mission to advance the adoption of clean energy and energy efficiency products, services, and technologies with associated jobs, wages, and tax revenue for Maryland. MCEC leverages private capital and private sector capabilities; facilitates the commercialization of innovative advanced energy technologies; implements climate justice initiatives, strives to reduce energy costs for consumers, and drives reductions in greenhouse gas emissions associated with the use of fossil fuels.

HB1040 – Maryland Strategic Energy Investment Fund - Mandated Uses - Climate Change Programs Hearing Date:

Tuesday, March 3, 2026

Committee: House Environment & Transportation Committee
House Appropriations Committee

Recommendation: FAVORABLE REPORT

With the specter of rising energy costs and possible detrimental impacts of climate change in mind, MCEC appreciates the need to take a proactive approach toward addressing both challenges simultaneously. MCEC is concerned about the possibility of policymakers redirecting funds created to support the growth of the clean energy and climate economy, to generate related jobs and tax benefits for the state, as well as dramatic reductions in harmful greenhouse gas emissions.

A key aspect of prioritizing the investment of SEIF resources through the state green bank is that over 80% percent of the fund could be recycled and reinvested allowing numerous future projects and improvements over time, as loans and investments are repaid.

With \$50M MCEC could make affordable loans and leverage private capital investment in improvements at homes, businesses, farms, schools, institutions, hospitals, municipal government and non-profit facilities resulting in energy cost savings, greenhouse gas reduction, local job creation and a more resilient grid.

With the investment of \$45M in existing funds currently committed to MCEC, along with an additional \$50M appropriation made possible through the passage of HB1040, MCEC has a plan to generate over \$650M in private leveraged investment.

Using the funds appropriated through HB1040, through existing and new financing programs along with technical assistance MCEC will provide:

- 0% and low-cost loans to over 10,000 single and multi-family households across the state enabling installations of energy efficiency measures, HVAC upgrades, solar generation and solar with battery storage capacity,
- Loans and credit enhancements to assist over 140 small business and commercial property owners and operators implement measures to comply with Building Energy Performance Standard (BEPS) regulations and reduce energy costs,
- Advantageously structured and lower cost bond financing for large scale decarbonization and clean energy projects undertaken to achieve greater affordability and improved building performance for at least 49 municipal, university, school, and hospital facilities,
- Technical Assistance, loans, lines of credit and direct investment to enable clean energy project developers to execute approximately 34 commercial scale transactions implementing decarbonization solutions, 40% of which would serve low income and underserved communities, and

Because meeting climate goals will not be possible with current technology alone, we must accelerate related innovation and help emerging solutions scale quickly, so MCEC proposes to use a portion of funds appropriated to:

- Support climate tech entrepreneurs building Maryland based start-ups focusing on bringing cutting-edge climate and advanced energy technologies to the market.

We encourage the general assembly to act with deliberation to direct the use of SEIF funds in keeping with the original intent for the collection of the associated revenue and spend and invest them wisely to generate the greatest leverage of private capital and return on investment to Maryland constituents.

HB1040 calls for several targeted investments with strong potential for impact. We urge you to recognize that the Maryland Clean Energy Center has already proven to be highly effective at deploying scalable programs and investments resulting in a win-win outcome for Maryland. According to the independent BEACON Economic Impact Study, MCEC supported activities have generated \$621 million in economic impact \$236M in labor income, generated over \$82M in state and local tax revenue, and returned \$21.68 dollars for every dollar invested demonstrating its value in strengthening Maryland's economy.

More importantly, MCEC has proven it can take a dollar of public funds and crowd-in 10 times that amount in private capital resulting in critically needed cost savings, environmental improvements and grid reliability. This capability is much needed as energy demands and prices increase.

We respectfully request your FAVORABLE REPORT for HB1040 with a greater investment in the Maryland Clean Energy Center.

APPENDIX I

\$50M INVESTMENT IN MCEC GENERATES \$650M IN PRIVATE CAPITAL LEVERAGED INVESTMENT

SECTOR	CURRENT FUND INVESTMENT by SOURCE							TOTAL	PROJECTED Capital LEVERAGE	PROJECTED Capital LEVERAGE	PROJECTED Capital LEVERAGE	PROJECTED Capital LEVERAGE	Transactions	
	C3 F	MCAP	MDPACE	BFF	SRF	JELLP	CEA Empower							Total MCEC Funds INVESTMENT
Target Market	LMI 40%			SEIF/50% LMI	SEIF/50% LMI					*Mostly recycled capital				
Single Family							\$6.05	\$ 6.05	\$ 25.00	\$5.00	\$50.00	\$ 11.05	\$ 75.00	3,250
Affordable Multi- Family Housing					\$5.00			\$ 5.00	\$ 25.00	\$5.73	\$40.00	\$ 10.73	\$ 65.00	6,770
Small Businesses										\$17.53	\$41.80	\$ 17.53	\$ 41.80	121
Commercial Industrial	\$2.70		\$0.50			\$0.98		\$ 4.18	\$ 140.58	\$4.36	\$58.50	\$ 8.54	\$ 199.08	24
Clean Energy Project Developers	\$9.00			\$5.00				\$ 14.00	\$ 56.25	\$3.34	\$18.20	\$ 17.34	\$ 74.45	34
Muni, Schools, Hospitals	\$1.80	\$0.50				\$8.82		\$ 11.12	\$ 92.05	\$9.47	\$62.60	\$ 20.59	\$ 154.65	49
Clean Tech Entrepreneurs	\$4.50							\$ 4.50	\$ 15.63	\$4.54	\$27.10	\$ 9.04	\$ 42.73	22
								\$ -						
Total	\$ 18.00	\$ 0.50	\$ 0.50	\$ 5.00	\$ 5.00	\$ 9.80	\$ 6.05	44.9	\$ 354.50	\$ 50.0	\$ 298.20	\$ 94.9	\$ 652.70	10,270

TARGET MARKETS

- Single Family Homeowners **\$8.3M** achieves **\$75M** in private capital leveraged
- Affordable & Multifamily Housing **\$5.73M** generates **\$40M** leveraged private capital
- Small Businesses **\$17.5M** catalyzes more than **\$41.8M** in private capital
- Commercial Industrial **\$4.36M** achieves **\$58.5M** in private capital leveraged
- Clean Energy Project Developers **\$3.3M** generates over **\$18M** in leveraged private capital
- Municipal Governments, Hospitals, Schools & Institutions **\$9.5M** results in **\$62.6** in leveraged investments
- Climate Tech Entrepreneurs **\$4.5M** generates **\$27.1M** in leveraged investments

With \$50M of SEIF funds invested as MCEC proposes, a great percentage of the funds would be recycled for potential reinvestment to address future market needs.