
WRITTEN TESTIMONY IN SUPPORT OF HB0119

Energy Performance Contracts—Navigators, Funding, and Requirements

Submitted to:

House Environment and Transportation Committee
Maryland General Assembly

Submitted by:

Otto Starzmann
ESG Strategy & Corporate Data Ethics Authority
Expert in Infrastructure Development, Energy Systems & Public-Private Partnerships
New York, New York

Date: February 3, 2026

Position: FAVORABLE (SUPPORT)

SUMMARY

I respectfully submit this testimony in *strong support of HB0119*—which establishes a Navigator program at the Maryland Clean Energy Center (MCEC) to provide technical assistance for energy performance contracts and decarbonization projects. With the agreed-upon amendments, this bill represents a pragmatic and well-structured approach to addressing a critical implementation gap in Maryland’s clean energy and climate strategy.

My support is informed by more than three decades of experience in infrastructure development, public-private partnership design, and operational transformation—including fourteen years leading complex development projects with the World Bank and Inter-American Development Bank across Latin America and the Caribbean. I have directly witnessed how project development capacity constraints prevent otherwise viable energy efficiency and decarbonization initiatives from advancing to execution.

HB0119 addresses precisely this challenge through a targeted, regionally deployed Navigator program that builds institutional capacity without creating new grant dependencies.

THE CORE CHALLENGE: PROJECT DEVELOPMENT CAPACITY

Across Maryland, state agencies, local governments, school systems, colleges, universities, and hospitals face increasing pressure to:—

- Reduce energy costs amid fiscal constraints
- Modernize aging facilities with limited capital budgets
- Meet state climate and energy mandates
- Implement cost-effective decarbonization solutions

While financing mechanisms and performance contracting tools exist, many institutions lack the internal capacity to move projects from concept to execution. Drawing from my multilateral

development experience, I have observed that project implementation barriers typically include:—

- ***Project scoping and sequencing:*** How to determine which interventions deliver optimal returns and in what order.
- ***Energy performance contract (EPC) procurement:*** How to navigate complex RFP processes and contract structures.
- ***Stakeholder coordination:*** How to align ESCOs, engineers, utilities, financiers, and institutional decision-makers.
- ***Risk management and compliance:*** How to ensure projects meet regulatory requirements and performance guarantees.

These are not trivial administrative tasks—they require specialized technical knowledge and project management expertise that most public institutions do not maintain in-house. As a result, otherwise viable projects are delayed or abandoned, leaving energy cost savings and emissions reductions unrealized.

HOW HB0119 ADDRESSES THIS GAP

Navigator Program at MCEC

HB0119 enables MCEC to deploy project development Navigators who provide hands-on technical assistance to public and institutional entities. This model focuses on ***capacity building, not grants***—ensuring that public institutions can effectively use existing financing and contracting tools rather than creating new subsidy dependencies.

Navigators will provide:—

- ***Early-stage project planning:*** This helps institutions identify, prioritize, and appropriately scope (a critical issue in all project management endeavors) energy efficiency and decarbonization opportunities.
- ***EPC structuring and procurement support:*** This guides institutions through performance contracting processes—which ensures competitive procurement and appropriate risk allocation.
- ***Decarbonization strategy development:*** This serves to *translate* state climate mandates into actionable, financially viable project pipelines—eliminating misinterpretation and associated complications.
- ***Coordination across stakeholders:*** This creates the *bridge* between technical and financial actors to ensure projects move *efficiently* from planning to execution—effectively addressing the use of the most problematic resource in all projects: **Time**.

This approach mirrors successful technical assistance models I have implemented in multilateral development contexts, where limited public resources must be leveraged to maximum effect through expert guidance rather than direct subsidies.

Regional Deployment for Equitable Access

The bill establishes Navigators operating across six regions of the state:—

- *Western Maryland*
- *Southern Maryland*
- *Central Maryland*
- *Eastern Shore*
- *Washington Metro (Montgomery and Prince George’s Counties)*
- *Baltimore Metro (Baltimore City and Baltimore County)*

This regional structure is critical. It reflects Maryland’s diverse building stock and institutional needs, while ensuring rural and underserved areas receive comparable support to metropolitan regions. In my infrastructure development work, I have consistently observed that technical assistance programs without deliberate geographic distribution systematically disadvantage smaller, less-resourced jurisdictions—the very entities that most need capacity support.

The regional model ensures that a rural school system in Western Maryland receives the same quality of Navigator assistance as a large hospital system in Baltimore, addressing equity concerns while maximizing statewide impact.

IMPORTANCE OF THE AGREED-UPON AMENDMENTS

I understand the sponsor has agreed to amendments that remove certain requirements identified by stakeholders as potentially restrictive. Based on my experience managing complex public-sector projects under multilateral oversight, these amendments are important because they:—

- ***Preserve accountability while increasing program flexibility:*** The observed reality is that rigid procedural requirements invariably create compliance burdens that delay project delivery without improving outcomes.
- ***Avoid prescriptive constraints that could limit participation:*** In other words, the adjustments acknowledge that institutional contexts vary widely: What works for a state agency may not suit a nonprofit hospital.
- ***Allow Navigators to adapt to varied institutional environments:*** Effective technical assistance requires tailoring approaches to specific organizational cultures and decision-making processes.
- ***Improve the likelihood of timely and successful project delivery:*** Excessive procedural layers are the enemy of execution.

With these amendments, HB0119 strikes an appropriate balance between oversight and operational effectiveness. The bill maintains program accountability while giving Navigators the flexibility needed to serve diverse institutional clients efficiently.

WHY MCEC IS THE RIGHT INSTITUTIONAL HOME

The Maryland Clean Energy Center is well-suited to administer this program due to its unique ability to:—

- ***Operate across public, quasi-public, and market boundaries:*** MCEC understands both public-sector constraints and private-sector execution requirements.
- ***Coordinate technical, financial, and institutional actors:*** The Navigator role requires bridging engineering, finance, procurement, and policy—precisely MCEC’s organizational competency.
- ***Support complex project development and execution:*** MCEC has demonstrated capacity to manage multifaceted clean energy initiatives requiring both technical depth and institutional navigation.

Housing the Navigator program at MCEC complements existing state energy and financing tools and ***avoids duplicating*** agency functions. The Maryland Energy Administration appropriately focuses on policy development, regulatory oversight, and grant administration. MCEC’s organizational design—operating as a quasi-public entity with market engagement capacity—makes it the logical home for hands-on project development technical assistance.

This institutional placement also facilitates coordination between Navigators and other MCEC programs, creating potential synergies across the state’s clean energy financing ecosystem.

OPERATIONAL AND FISCAL IMPACT

The \$1.5 million annual appropriation represents a cost-effective investment in project acceleration infrastructure. Based on comparable technical assistance programs I have analyzed, well-deployed Navigators typically unlock ***10-20 times*** their cost in executed project value. If Maryland’s Navigators assist in developing even a modest pipeline of energy performance contracts, the resulting energy cost savings and avoided emissions will far exceed program costs.

Moreover, by focusing on capacity building rather than direct subsidies, HB0119 creates ***sustainable institutional capability***. Public entities that successfully complete EPC projects with Navigator assistance build internal knowledge that ***improves future project execution***—which creates a multiplier effect beyond the immediate program intervention.

CONCLUSION AND RECOMMENDATION

With the agreed-upon amendments, HB0119 provides a practical, scalable solution to one of the most persistent barriers to public-sector decarbonization: insufficient project development *capacity*.

By funding regional Navigators at MCEC, the bill:—

- *Accelerates energy performance contracting* across state and local government, educational institutions, and healthcare facilities.
- *Improves project quality and outcomes* through expert technical assistance.
- *Maximizes the impact of existing public investments* in clean energy financing and incentive programs.
- *Supports Maryland’s climate, fiscal, and infrastructure goals simultaneously.*

Based on my extensive experience with infrastructure project development in resource-constrained public-sector environments, I can attest that HB0119 is precisely the type of targeted, capacity-focused intervention that delivers results.

I respectfully urge the Committee to *report HB0119 favorably* and support its advancement.

Thank you for the opportunity to provide this testimony. I am available to serve as a resource to the Committee on technical questions related to energy performance contracting, public-private partnership structures, or project development capacity building.

Contact Information:

Otto Starzmann

otto@ottostarzmann.com

www.linkedin.com/in/ottostarzmann