

SENATE BILL 985

C8, M3

4lr1686

By: **Senator Frosh**

Introduced and read first time: February 10, 2014

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Clean Energy Financing and Risk Management Program**

3 FOR the purpose of establishing the Maryland Clean Energy Financing and Risk
4 Management Program; establishing the purposes of the Program; requiring the
5 Maryland Clean Energy Center to administer the Program; requiring the
6 Center to provide certain forms of financing support or risk management for
7 certain projects that meet certain guidelines; requiring the Center to assess
8 certain fees, ensure that certain bonds are sold in a certain manner, use certain
9 networks and methods to identify certain projects, coordinate with certain other
10 projects, and adopt certain regulations; authorizing the Center to take certain
11 measures to cover certain risks and to facilitate certain transactions to carry out
12 the purposes of the Program; requiring an applicant for financing support or
13 risk management to submit a certain application to the Center in a certain
14 manner; requiring the Center to consider certain criteria in evaluating an
15 applicant for financing support or risk management; authorizing the Center to
16 provide financing support or risk management for a clean energy project only
17 under certain conditions; requiring the Executive Director of the Center to
18 require an entity that receives certain financing support or risk management to
19 provide a certain quarterly report and make the report available to the public;
20 authorizing the Executive Director to establish additional reporting
21 requirements; authorizing the Executive Director to deobligate certain financing
22 support and award the funds to another applicant under certain circumstances;
23 establishing the Maryland Clean Energy Center Fund as a special, nonlapsing
24 fund; specifying the purpose of the Fund; requiring the Center to administer the
25 Fund; requiring the State Treasurer to hold the Fund and invest the money of
26 the Fund in a certain manner; requiring that any investment earnings of the
27 Fund be credited to the Fund; requiring the Comptroller to account for the
28 Fund; specifying the contents of the Fund; providing for expenditures from the
29 Fund; requiring a certain annual report to include certain information;
30 exempting the Fund from a certain provision of law requiring interest on State
31 money in special funds to accrue to the General Fund of the State; repealing a

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 certain provision of law stating the intent of the General Assembly regarding
2 funding from a certain source; clarifying the intent of the General Assembly
3 regarding certain financial assistance; defining certain terms; and generally
4 relating to the Maryland Clean Energy Financing and Risk Management
5 Program.

6 BY repealing and reenacting, without amendments,
7 Article – Economic Development
8 Section 10–801(a), (e), (f), (i), and (n), 10–802(b), 10–806(d), and 10–826
9 Annotated Code of Maryland
10 (2008 Volume and 2013 Supplement)

11 BY repealing and reenacting, with amendments,
12 Article – Economic Development
13 Section 10–802(c)
14 Annotated Code of Maryland
15 (2008 Volume and 2013 Supplement)

16 BY renumbering
17 Article – Economic Development
18 Section 10–854 and the part “Part V. Short Title”
19 to be Section 10–869 and the part “Part VI. Short Title”
20 Annotated Code of Maryland
21 (2008 Volume and 2013 Supplement)

22 BY adding to
23 Article – Economic Development
24 Section 10–854 through 10–866 to be under the new part “Part V. Maryland
25 Clean Energy Financing and Risk Management Program”
26 Annotated Code of Maryland
27 (2008 Volume and 2013 Supplement)

28 BY repealing and reenacting, without amendments,
29 Article – State Finance and Procurement
30 Section 6–226(a)(2)(i)
31 Annotated Code of Maryland
32 (2009 Replacement Volume and 2013 Supplement)

33 BY repealing and reenacting, with amendments,
34 Article – State Finance and Procurement
35 Section 6–226(a)(2)(ii)76. and 77.
36 Annotated Code of Maryland
37 (2009 Replacement Volume and 2013 Supplement)

38 BY adding to
39 Article – State Finance and Procurement
40 Section 6–226(a)(2)(ii)78.

1 Annotated Code of Maryland
2 (2009 Replacement Volume and 2013 Supplement)

3 BY repealing and reenacting, with amendments,
4 Chapter 137 of the Acts of the General Assembly of 2008
5 Section 3

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
7 MARYLAND, That Section(s) 10–854 and the part “Part V. Short Title”, respectively,
8 of Article – Economic Development of the Annotated Code of Maryland be renumbered
9 to be Section(s) 10–869 and the part “Part VI. Short Title”, respectively.

10 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
11 read as follows:

12 **Article – Economic Development**

13 10–801.

14 (a) In this subtitle the following words have the meanings indicated.

15 (e) “Center” means the Maryland Clean Energy Center.

16 (f) “Clean energy” includes:

17 (1) solar photovoltaic technology;

18 (2) solar heating;

19 (3) geothermal;

20 (4) wind;

21 (5) biofuels;

22 (6) ethanol;

23 (7) other qualifying biomass as defined in § 7–701 of the Public
24 Utilities Article;

25 (8) ocean, including energy from waves, tides, currents, and thermal
26 differences;

27 (9) a fuel cell that produces energy from biofuels, ethanol, or other
28 qualifying biomass;

29 (10) energy efficiency and conservation;

1 (11) any other technology or service that the Center determines will
2 contribute directly or indirectly to the production of energy from renewable or
3 sustainable sources, or to the improvement of efficiency in the use of energy; and

4 (12) deployment of any of the technologies or services listed in items (1)
5 through (11) of this subsection.

6 (i) “Executive Director” means the Executive Director of the Maryland Clean
7 Energy Center.

8 (n) (1) “Project” means any property, the acquisition or improvement of
9 which the Board, in its sole discretion, determines by resolution will accomplish at
10 least one of the purposes listed in § 10–802(b) of this subtitle, whether or not the
11 property:

12 (i) is or will be used or operated for profit or not for profit;

13 (ii) is or will be located on a single site or multiple sites; or

14 (iii) may be financed by bonds, the interest on which is exempt
15 from income taxation under federal law.

16 (2) “Project” includes:

17 (i) land or an interest in land;

18 (ii) structures, equipment, furnishings, rail or motor vehicles,
19 barges, and boats;

20 (iii) property and rights related to property, appurtenances,
21 rights-of-way, franchises, and easements;

22 (iv) property that is functionally related and subordinate to a
23 project; and

24 (v) patents, licenses, and other rights necessary or useful in the
25 improvement or operation of a project.

26 10–802.

27 (b) The purposes of this subtitle are to:

28 (1) encourage the development of clean energy industries in the State;

29 (2) encourage the deployment of clean energy technologies in the
30 State;

1 (3) help retain and attract business activity and commerce in the clean
2 energy technology industry sector in the State;

3 (4) promote economic development; and

4 (5) promote the health, safety, and welfare of residents of the State.

5 (c) The General Assembly intends that:

6 (1) the Center operate and exercise its corporate powers in all areas of
7 the State;

8 (2) without limiting its authority to otherwise exercise its corporate
9 powers, the Center exercise its corporate powers to assist governmental units and
10 State and local economic development agencies to contribute to the expansion,
11 modernization, and retention of existing enterprises in the State as well as the
12 attraction of new business to the State;

13 (3) the Center cooperate with private industries and local
14 governments in maximizing new economic opportunities for residents of the State; and

15 (4) the Center accomplish at least one of the purposes listed in
16 subsection (b) of this section and complement existing State marketing and financial
17 assistance programs by:

18 (i) owning projects;

19 (ii) leasing projects to other persons; or

20 (iii) [lending the proceeds of bonds] **PROVIDING RISK**
21 **MANAGEMENT AND FINANCIAL SUPPORT, INCLUDING MAKING LOANS** to other
22 persons to finance the costs of acquiring or improving projects that the persons own or
23 will own.

24 10–806.

25 (d) The purposes of the Center are to:

26 (1) promote economic development and jobs in the clean energy
27 industry sector in the State;

28 (2) promote the deployment of clean energy technology in the State;

29 (3) serve as an incubator for the development of clean energy industry
30 in the State;

1 (4) collect, analyze, and disseminate industry data; and

2 (5) provide outreach and technical support to further the clean energy
3 industry in the State.

4 10–826.

5 (a) On or before October 1 of each year, the Center shall report to the
6 Governor, the Administration, and, in accordance with § 2–1246 of the State
7 Government Article, the General Assembly.

8 (b) The report shall include a complete operating and financial statement
9 covering the Center’s operations and a summary of the Center’s activities during the
10 preceding fiscal year.

11 **PART V. MARYLAND CLEAN ENERGY FINANCING AND RISK MANAGEMENT**
12 **PROGRAM.**

13 **10–854.**

14 **(A) IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS**
15 **INDICATED.**

16 **(B) “CLEAN ENERGY INFRASTRUCTURE PROJECT” MEANS THE**
17 **CONSTRUCTION, ALTERATION, OR REPAIR OF ANY INFRASTRUCTURE**
18 **NECESSARY FOR THE DEPLOYMENT OF TECHNOLOGIES, PRODUCTS, OR**
19 **SERVICES THAT AVOID OR REDUCE EMISSIONS OF AIR POLLUTANTS OR**
20 **GREENHOUSE GASES, INCLUDING:**

21 **(1) ELECTRIC TRANSMISSION AND DISTRIBUTION FACILITIES**
22 **INTERCONNECTED TO RENEWABLE ENERGY PROJECTS OR SYSTEM EFFICIENCY**
23 **PROJECTS;**

24 **(2) NATURAL GAS TRANSPORTATION AND DISTRIBUTION**
25 **SYSTEMS, INCLUDING NATURAL GAS VEHICLE FUELING STATIONS;**

26 **(3) HYDROGEN TRANSPORTATION AND DISTRIBUTION SYSTEMS,**
27 **INCLUDING HYDROGEN VEHICLE FUELING STATIONS; AND**

28 **(4) ELECTRIC VEHICLE CHARGING STATIONS.**

29 **(C) (1) “CLEAN ENERGY PROJECT” MEANS AN ACTIVITY THE**
30 **PRIMARY PURPOSE OF WHICH IS THE DEVELOPMENT OR DEPLOYMENT,**
31 **INCLUDING MANUFACTURING, OF AN ENERGY TECHNOLOGY, PRODUCT, OR**

1 SERVICE THAT AVOIDS OR REDUCES EMISSIONS OF AIR POLLUTANTS OR
2 GREENHOUSE GASES.

3 (2) "CLEAN ENERGY PROJECT" INCLUDES:

4 (I) A CLEAN ENERGY INFRASTRUCTURE PROJECT;

5 (II) AN ENERGY EFFICIENCY PROJECT;

6 (III) AN INNOVATIVE ENERGY TECHNOLOGY PROJECT;

7 (IV) A RENEWABLE ENERGY PROJECT;

8 (V) A SYSTEM EFFICIENCY PROJECT; AND

9 (VI) ANY COMBINATION OF THE PROJECTS LISTED IN ITEMS
10 (I) THROUGH (V) OF THIS PARAGRAPH.

11 (D) (1) "ENERGY EFFICIENCY PROJECT" MEANS ANY PROJECT,
12 TECHNOLOGY, PRODUCT, SERVICE, FUNCTION, OR MEASURE OR AN
13 AGGREGATION OF PROJECTS, TECHNOLOGIES, PRODUCTS, SERVICES,
14 FUNCTIONS, OR MEASURES THAT:

15 (I) RESULTS IN THE REDUCTION OF ENERGY USE
16 REQUIRED TO ACHIEVE THE SAME LEVEL OF SERVICE OR OUTPUT AS THAT
17 ACHIEVED BEFORE THE APPLICATION OF THE PROJECT, TECHNOLOGY,
18 PRODUCT, SERVICE, FUNCTION, OR MEASURE; OR

19 (II) REDUCES EMISSIONS OF GREENHOUSE GAS RELATIVE
20 TO EMISSIONS THAT WOULD HAVE OCCURRED BEFORE THE APPLICATION OF
21 THE PROJECT, TECHNOLOGY, PRODUCT, SERVICE, FUNCTION, OR MEASURE.

22 (2) "ENERGY EFFICIENCY PROJECT" INCLUDES PROJECTS,
23 TECHNOLOGIES, PRODUCTS, SERVICES, FUNCTIONS, OR MEASURES THAT
24 REDUCE THE AMOUNT OF ENERGY ASSOCIATED WITH WATER CAPTURE,
25 CONVEYANCE, USE, REUSE, RECYCLING, OR TREATMENT.

26 (E) "FUND" MEANS THE MARYLAND CLEAN ENERGY CENTER FUND.

27 (F) "INNOVATIVE ENERGY TECHNOLOGY PROJECT" MEANS AN
28 ACTIVITY:

1 **(1) (I) THE PRIMARY PURPOSE OF WHICH IS THE**
2 **DEVELOPMENT OR DEPLOYMENT, INCLUDING MANUFACTURING, OF AN ENERGY**
3 **TECHNOLOGY, PRODUCT, OR SERVICE THAT AVOIDS OR REDUCES EMISSIONS OF**
4 **AIR POLLUTANTS OR GREENHOUSE GASES; AND**

5 **(II) THAT EMPLOYS NEW OR SIGNIFICANTLY IMPROVED**
6 **TECHNOLOGIES COMPARED TO THE TECHNOLOGIES IN GENERAL USE IN THE**
7 **COMMERCIAL MARKETPLACE IN THE UNITED STATES; OR**

8 **(2) (I) THE PRIMARY PURPOSE OF WHICH IS MANUFACTURING**
9 **A COMMERCIALLY READY ENERGY TECHNOLOGY OR PRODUCT THAT AVOIDS OR**
10 **REDUCES EMISSIONS OF AIR POLLUTANTS OR GREENHOUSE GASES; AND**

11 **(II) THAT INCORPORATES AN INNOVATIVE MANUFACTURING**
12 **PROCESS NOT IN GENERAL USE IN THE COMMERCIAL MARKETPLACE IN THE**
13 **UNITED STATES.**

14 **(G) “PROGRAM” MEANS THE MARYLAND CLEAN ENERGY FINANCING**
15 **AND RISK MANAGEMENT PROGRAM.**

16 **(H) “PROJECT” INCLUDES A CLEAN ENERGY PROJECT.**

17 **(I) “RENEWABLE ENERGY PROJECT” MEANS THE DEVELOPMENT,**
18 **CONSTRUCTION, DEPLOYMENT, ALTERATION, OR REPAIR OF THE FOLLOWING**
19 **TYPES OF ENERGY GENERATION FACILITIES:**

20 **(1) SOLAR;**

21 **(2) WIND;**

22 **(3) GEOTHERMAL;**

23 **(4) APPROPRIATELY SOURCED BIOMASS;**

24 **(5) NONCOMBUSTION WASTE-TO-ENERGY;**

25 **(6) SMALL HYDROPOWER;**

26 **(7) OCEAN OR TIDAL;**

27 **(8) FUEL CELL; OR**

28 **(9) ADVANCED BIOFUEL.**

1 **(J) “SYSTEM EFFICIENCY PROJECT” MEANS THE DEVELOPMENT,**
2 **CONSTRUCTION, DEPLOYMENT, ALTERATION, OR REPAIR OF ANY DISTRIBUTED**
3 **GENERATION, ENERGY STORAGE, SMART GRID TECHNOLOGY, ADVANCED**
4 **BATTERY, MICROGRID, FUEL CELL, OR COMBINED HEAT AND POWER SYSTEMS.**

5 **10–855.**

6 **(A) THERE IS A MARYLAND CLEAN ENERGY FINANCING AND RISK**
7 **MANAGEMENT PROGRAM.**

8 **(B) THE CENTER SHALL ADMINISTER THE PROGRAM.**

9 **10–856.**

10 **THE PURPOSES OF THE PROGRAM ARE TO:**

11 **(1) EVALUATE AND COORDINATE FINANCING SUPPORT AND**
12 **INCREASE PRIVATE INVESTMENT IN CLEAN ENERGY PROJECTS WITH A FOCUS**
13 **ON PARTICULAR PROJECTS THAT CANNOT BE FINANCED ON REASONABLE**
14 **TERMS IN THE CURRENT CAPITAL MARKETS;**

15 **(2) REDUCE RATES AND DECREASE COSTS FOR UTILITY**
16 **CUSTOMERS;**

17 **(3) EXPAND THE ACCESSIBILITY AND AFFORDABILITY OF CLEAN**
18 **ENERGY FOR END-USERS;**

19 **(4) ENSURE THE RELIABILITY AND SAFETY OF THE STATE’S**
20 **ENERGY SUPPLY;**

21 **(5) INCREASE THE USE OF CLEAN ENERGY;**

22 **(6) PROMOTE ENERGY EFFICIENCY;**

23 **(7) ADVANCE THE STATE’S ENERGY– AND**
24 **INFRASTRUCTURE–RELATED ECONOMY;**

25 **(8) FOSTER THE CREATION OF FINANCIAL PERFORMANCE DATA,**
26 **STANDARDIZED CONTRACTS, UNDERWRITING STANDARDS, AND MEASUREMENT**
27 **AND VERIFICATION PROTOCOLS FOR CLEAN ENERGY PROJECTS;**

1 **(9) PROVIDE CLEAN ENERGY PROJECTS WITH FINANCING**
2 **SUPPORT AND RISK MANAGEMENT, INCLUDING BOND GUARANTEES, LOANS,**
3 **LOAN GUARANTEES, LOAN WAREHOUSING, DEBT SECURITIZATION, INSURANCE,**
4 **AND PORTFOLIO INSURANCE; AND**

5 **(10) ACHIEVE A LEVEL OF FINANCING SUPPORT FOR CLEAN**
6 **ENERGY PROJECTS NECESSARY TO ADVANCE THE STATE'S POLICY OBJECTIVES,**
7 **INCLUDING THE REDUCTION OF AIR POLLUTANTS AND GREENHOUSE GAS**
8 **EMISSIONS.**

9 **10-857.**

10 **TO CARRY OUT THE PURPOSES OF THE PROGRAM, THE CENTER SHALL:**

11 **(1) PROVIDE LOANS, LOAN GUARANTEES, LOAN WAREHOUSING,**
12 **DEBT SECURITIZATION, INSURANCE, PORTFOLIO INSURANCE, AND OTHER**
13 **FORMS OF FINANCING SUPPORT OR RISK MANAGEMENT ON A COMPETITIVE**
14 **BASIS FOR QUALIFIED CLEAN ENERGY PROJECTS THAT MEET THE GUIDELINES**
15 **ESTABLISHED BY THE CENTER;**

16 **(2) ASSESS REASONABLE FEES ON THE FINANCING SUPPORT AND**
17 **RISK MANAGEMENT ACTIVITIES PROVIDED UNDER THE PROGRAM IN AMOUNTS**
18 **SUFFICIENT TO COVER THE REASONABLE COSTS OF THE PROGRAM;**

19 **(3) ENSURE THAT ANY BONDS ISSUED UNDER THIS PART ARE**
20 **SOLD THROUGH A COMPETITIVE BIDDING PROCESS;**

21 **(4) USE EXISTING CLEAN ENERGY DEVELOPMENT NETWORKS AND**
22 **OTHER APPROPRIATE METHODS TO IDENTIFY CLEAN ENERGY PROJECTS;**

23 **(5) COORDINATE WITH OTHER CLEAN ENERGY RESEARCH,**
24 **DEVELOPMENT, AND DEPLOYMENT PROGRAMS IN THE STATE; AND**

25 **(6) ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF**
26 **THIS PART, INCLUDING:**

27 **(i) GUIDELINES AND PROCEDURES FOR THE SELECTION OF**
28 **CLEAN ENERGY PROJECTS IN ACCORDANCE WITH THE CRITERIA SET OUT IN**
29 **THIS PART AND ANY OTHER CRITERIA DEEMED NECESSARY AND APPROPRIATE**
30 **FOR EVALUATING CLEAN ENERGY PROJECTS AS DETERMINED BY THE CENTER;**
31 **AND**

1 **(II) ANY LENDING GUIDELINES, INCLUDING MATURITY**
2 **DATES, INTEREST RATES, AND PENALTIES ESTABLISHED BY THE CENTER.**

3 **10-858.**

4 **TO CARRY OUT THE PURPOSES OF THE PROGRAM, THE CENTER MAY:**

5 **(1) FIX AND COLLECT AN INSURANCE PREMIUM OR LOAN LOSS**
6 **RESERVE CONTRIBUTION FROM AN APPLICANT IN AN AMOUNT ADEQUATE TO**
7 **COVER THE FINANCIAL RISKS ASSOCIATED WITH THE PROGRAM; AND**

8 **(2) FACILITATE FINANCING TRANSACTIONS IN TAX EQUITY**
9 **MARKETS AND LONG-TERM PURCHASING OF CLEAN ENERGY BY NONPROFIT**
10 **ENTITIES IF DETERMINED BY THE CENTER TO BE APPROPRIATE AND**
11 **CONSISTENT WITH THE PROVISIONS OF THIS PART.**

12 **10-859.**

13 **EXCEPT AS OTHERWISE PROVIDED IN THIS PART, THE PROVISIONS OF**
14 **PART IV OF THIS SUBTITLE APPLY TO BONDS ISSUED UNDER THIS PART.**

15 **10-860.**

16 **(A) AN APPLICANT FOR FINANCING SUPPORT OR RISK MANAGEMENT**
17 **SHALL SUBMIT AN APPLICATION TO THE CENTER IN THE FORM AND MANNER**
18 **DETERMINED BY THE CENTER.**

19 **(B) THE APPLICATION SHALL CONTAIN ANY INFORMATION THE CENTER**
20 **DETERMINES IS NECESSARY.**

21 **10-861.**

22 **IN EVALUATING AN APPLICANT FOR FINANCING SUPPORT OR RISK**
23 **MANAGEMENT, THE CENTER SHALL CONSIDER WHETHER THE CLEAN ENERGY**
24 **PROJECT WILL:**

25 **(1) MAXIMIZE ECONOMIC AND ENVIRONMENTAL BENEFITS TO**
26 **THE STATE;**

27 **(2) FOSTER JOB CREATION BY PROMOTING PROJECTS CARRIED**
28 **OUT BY WORKERS AND BUSINESSES IN THE STATE;**

1 **(3) COMPLEMENT OTHER EFFORTS TO IMPROVE AIR QUALITY IN**
2 **THE STATE;**

3 **(4) DIRECT INVESTMENT TO DISADVANTAGED COMMUNITIES AND**
4 **HOUSEHOLDS IN THE STATE;**

5 **(5) PROVIDE OPPORTUNITIES FOR BUSINESSES, PUBLIC**
6 **AGENCIES, NONPROFITS, AND OTHER COMMUNITY INSTITUTIONS TO**
7 **PARTICIPATE IN AND BENEFIT FROM EFFORTS TO REDUCE AIR POLLUTANTS OR**
8 **GREENHOUSE GAS EMISSIONS;**

9 **(6) IMPROVE ENERGY EFFICIENCY, CLEAN AND RENEWABLE**
10 **ENERGY GENERATION, OR CLEAN AND RENEWABLE ENERGY DISTRIBUTION,**
11 **TRANSMISSION, OR STORAGE THROUGH THE USE OF DISTRIBUTED**
12 **GENERATION, SMART GRID TECHNOLOGY, ADVANCED BATTERY, MICROGRID,**
13 **FUEL CELL, OR COMBINED HEAT AND POWER SYSTEMS;**

14 **(7) DEVELOP:**

15 **(I) STATE-OF-THE-ART SYSTEMS TO MOVE GOODS AND**
16 **FREIGHT;**

17 **(II) ADVANCED TECHNOLOGY VEHICLES AND**
18 **TRANSPORTATION INFRASTRUCTURE;**

19 **(III) ADVANCED BIOFUELS; AND**

20 **(IV) LOW-CARBON AND EFFICIENT PUBLIC**
21 **TRANSPORTATION;**

22 **(8) INVOLVE THE STRATEGIC PLANNING AND DEVELOPMENT OF**
23 **SUSTAINABLE INFRASTRUCTURE PROJECTS, INCLUDING TRANSPORTATION AND**
24 **HOUSING;**

25 **(9) INVEST IN PROGRAMS IMPLEMENTED BY LOCAL AND**
26 **REGIONAL AGENCIES AND COLLABORATIVES, OR BY NONPROFIT**
27 **ORGANIZATIONS COORDINATING WITH LOCAL GOVERNMENTS; OR**

28 **(10) FURTHER THE RESEARCH, DEVELOPMENT, AND DEPLOYMENT**
29 **OF INNOVATIVE TECHNOLOGIES, MEASURES, AND PRACTICES RELATED TO**
30 **PROGRAMS AND PROJECTS FUNDED UNDER THIS PART.**

31 **10-862.**

1 **THE CENTER MAY PROVIDE FINANCING SUPPORT OR RISK MANAGEMENT**
2 **FOR A CLEAN ENERGY PROJECT ONLY IF:**

3 **(1) THE CLEAN ENERGY PROJECT IS LOCATED IN THE STATE;**

4 **(2) FOR A CLEAN ENERGY PROJECT OTHER THAN AN INNOVATIVE**
5 **ENERGY TECHNOLOGY PROJECT, THE CLEAN ENERGY PROJECT CAN SUPPORT A**
6 **COMMERCIAL RATE OF DEBT THAT IS ADJUSTED DOWNWARD TO ACCOUNT FOR**
7 **THE PROGRAM'S LOWER COSTS AND ABILITY TO OFFER LONGER TENORS;**

8 **(3) FOR A CLEAN ENERGY PROJECT OTHER THAN AN ENERGY**
9 **EFFICIENCY PROJECT OR AN INNOVATIVE ENERGY TECHNOLOGY PROJECT, THE**
10 **REQUESTED FINANCING SUPPORT IS ADEQUATELY SECURED AS DETERMINED**
11 **BY THE EXECUTIVE DIRECTOR;**

12 **(4) THE CLEAN ENERGY PROJECT IS CONSISTENT WITH ANY**
13 **CRITERIA, PRIORITIES, AND GUIDELINES ESTABLISHED BY THE CENTER; AND**

14 **(5) AS DETERMINED BY THE CENTER:**

15 **(I) THE PRIVATE CAPITAL MARKET IS NOT PROVIDING**
16 **ADEQUATELY LOW-PRICED OR LONG-TERM FINANCING TO ENABLE OTHERWISE**
17 **CREDITWORTHY OR COMMERCIALY VIABLE ENTITIES TO DEPLOY CLEAN**
18 **ENERGY PROJECTS AT A REASONABLE COST WITH A REASONABLE RATE OF**
19 **RETURN OF AND ON INVESTED CAPITAL;**

20 **(II) THE FINANCING SUPPORT WOULD FACILITATE**
21 **DEPLOYMENT OF A CLEAN ENERGY PROJECT AT AN ACCELERATED RATE; AND**

22 **(III) THE FINANCING SUPPORT:**

23 **1. WOULD STIMULATE, AID, OR OTHERWISE**
24 **SUPPORT MANUFACTURING OF FINISHED PRODUCTS OR COMPONENT PARTS**
25 **USED IN INNOVATIVE ENERGY TECHNOLOGY PROJECTS IN THE STATE;**

26 **2. IS NECESSARY TO CREATE LIQUID MARKETS FOR**
27 **ENERGY SECURITIES; OR**

28 **3. OTHERWISE ADDRESSES BARRIERS THAT HAVE**
29 **PREVENTED ADEQUATE COMMERCIAL FINANCING OF CLEAN ENERGY**
30 **PROJECTS.**

1 **10-863.**

2 (A) **THE EXECUTIVE DIRECTOR SHALL:**

3 (1) **REQUIRE AN ENTITY THAT RECEIVES FINANCING SUPPORT OR**
4 **RISK MANAGEMENT UNDER THIS PART TO REPORT QUARTERLY, IN A FORMAT**
5 **DETERMINED BY THE EXECUTIVE DIRECTOR, ON THE USE OF THE FINANCING**
6 **SUPPORT OR RISK MANAGEMENT AND THE PROGRESS MADE TOWARD**
7 **FULFILLING THE OBJECTIVES OF THE PROGRAM; AND**

8 (2) **MAKE THE REPORTS REQUIRED UNDER ITEM (1) OF THIS**
9 **SUBSECTION AVAILABLE TO THE PUBLIC.**

10 (B) **THE EXECUTIVE DIRECTOR MAY:**

11 (1) **ESTABLISH ADDITIONAL REPORTING OR INFORMATION**
12 **REQUIREMENTS FOR A RECIPIENT OF FINANCING SUPPORT OR RISK**
13 **MANAGEMENT UNDER THIS PART; AND**

14 (2) **IF A RECIPIENT OF FINANCING SUPPORT OR RISK**
15 **MANAGEMENT UNDER THIS PART DEMONSTRATES AN INSUFFICIENT LEVEL OF**
16 **PERFORMANCE OR WASTEFUL OR FRAUDULENT SPENDING, TO THE EXTENT**
17 **CONSISTENT WITH OTHER PROVISIONS OF FEDERAL AND STATE LAW,**
18 **DEOBLIGATE THE FINANCING SUPPORT AND AWARD THE FUNDS TO ANOTHER**
19 **APPLICANT.**

20 **10-864.**

21 (A) **THERE IS A MARYLAND CLEAN ENERGY CENTER FUND.**

22 (B) **THE PURPOSE OF THE FUND IS TO IMPLEMENT THE MARYLAND**
23 **CLEAN ENERGY FINANCING AND RISK MANAGEMENT PROGRAM.**

24 (C) **THE CENTER SHALL ADMINISTER THE FUND.**

25 (D) **THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT**
26 **TO REVERSION UNDER § 7-302 OF THE STATE FINANCE AND PROCUREMENT**
27 **ARTICLE.**

28 (E) (1) **THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY**
29 **AND SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER**
30 **STATE MONEY MAY BE INVESTED.**

1 **(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE**
2 **CREDITED TO THE FUND.**

3 **(F) THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

4 **(G) THE FUND CONSISTS OF:**

5 **(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**

6 **(2) PROCEEDS OF BONDS THAT ARE ISSUED FOR THE PURPOSE OF**
7 **CAPITALIZING THE FUND;**

8 **(3) MONEY MADE AVAILABLE TO THE FUND THROUGH FEDERAL**
9 **PROGRAMS OR PRIVATE CONTRIBUTIONS;**

10 **(4) PAYMENTS OF PRINCIPAL OF AND INTEREST ON LOANS MADE**
11 **UNDER THIS PART;**

12 **(5) PROCEEDS FROM THE SALE, DISPOSITION, LEASE, OR RENTAL**
13 **BY THE CENTER OF COLLATERAL RELATED TO FINANCING SUPPORT THAT THE**
14 **CENTER PROVIDES UNDER THIS PART;**

15 **(6) INVESTMENT EARNINGS OF THE FUND; AND**

16 **(7) ANY OTHER MONEY FROM ANY OTHER SOURCE, PUBLIC OR**
17 **PRIVATE, ACCEPTED FOR THE BENEFIT OF THE FUND.**

18 **10-865.**

19 **(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE CENTER**
20 **SHALL DETERMINE THE PROJECTS FOR WHICH FINANCING SUPPORT OR RISK**
21 **MANAGEMENT MAY BE PROVIDED FROM THE FUND.**

22 **(B) IF MONEY IS MADE AVAILABLE TO THE FUND FOR THE EXPRESS**
23 **PURPOSE OF PROVIDING FINANCING SUPPORT FOR A SPECIFIC CLEAN ENERGY**
24 **PROJECT, THE MONEY SHALL BE USED ONLY FOR THAT CLEAN ENERGY**
25 **PROJECT.**

26 **10-866.**

27 **THE ANNUAL REPORT REQUIRED UNDER § 10-826 OF THIS SUBTITLE**
28 **SHALL INCLUDE A DESCRIPTION OF THE CENTER'S ACTIVITIES UNDER THIS**
29 **PART, INCLUDING:**

1 SECTION 3. AND BE IT FURTHER ENACTED, That it is the intent of the
2 General Assembly that [the Maryland Clean Energy Center established by this Act
3 not rely on funding from appropriations made from the General Fund. Nothing]
4 **NOTHING** in this Section may be construed to limit the ability of the **MARYLAND**
5 **CLEAN ENERGY** Center **ESTABLISHED BY THIS ACT** to seek and obtain funding
6 from the Department of Business and Economic Development and from other State
7 units and programs for economic and community development, however funded, or
8 from federal programs involving a requirement for matching State funds.

9 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 July 1, 2014.