



January 25, 2021

The Honorable Delores Kelley, Chair
Members of the Senate Finance Committee
3 East Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

**Re: FAVORABLE SUPPORT FOR SB 460
“Economic Development- Advanced Clean Energy & Clean Energy Innovation Investments and Initiatives”**

As members of the Board of Directors of the Maryland Clean Energy Center, we are writing to request your favorable support for SB 460; “Economic Development- Advanced Clean Energy & Clean Energy Innovation Investments and Initiatives”.

This legislation focuses on providing financial support for the commercialization of advanced energy technologies and innovation, as well as a commitment of consistent, predictable and acceptable amount of baseline operating capital to allow MCEC to operate in the marketplace with certainty.

Since its inception MCEC has leveraged over \$75M in private capital against the total amount of state funds invested, resulting in approximately a 10 to 1 return on investment. However, unlike successful green banks set up in statute by other states, MCEC has never had a dedicated source of operating or leveraging funds, consequently the impact envisioned for its mission has been limited.

In 2017 statute directed \$1.5M per year to the MEIF with subsequent distribution of approximately \$900K to MCEC and \$600K for research supporting grants to Maryland Energy Innovation Institute (MEI²). Funds flow through the Maryland Energy Investment Fund (MEIF), created by statute in 2017, to MCEC and the MEI², housed at the University of Maryland Energy Research Center at UM College Park. This current funding commitment is scheduled to sunset in FY22.

SB 460 would direct \$2.1M of funding, from RGGI proceeds housed in the Strategic Energy Investment Fund (SEIF), annually to keep MCEC in operation, and signal capital providers that partnering with the instrumentality for clean energy project delivery is a worthwhile investment. RGGI auction proceeds collected by Maryland overall have been averaging \$80M annually consequently, should that trajectory continue, the investment of those proceeds in MEIF proposed in this bill would be less than 3% overall.

The increase of funding is largely intended to be used for additional research grants, and technical support being provided by MCEC through the Maryland Energy Innovation Accelerator (MEIA) to rapidly move advanced energy technologies from concept to the market. This tech transfer initiative will create companies, jobs and revenue for the Maryland economy.

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The bill calls for an ex-officio seat to be created for the Director of the Maryland Energy Innovation Institute on the Board of Directors of the Maryland Clean Energy Center, to facilitate cooperation and communication between both entities.

In SB 460, MCEC is seeking official designation as the statewide green bank, as intended when the instrumentality was created. MCEC is well positioned with its statutory capabilities, to be the conduit for Federal investment in the Clean Energy & Sustainability Accelerator currently proposed in congressional legislation supported by the Biden Administration to flow to Maryland. MCEC can facilitate expeditious deployment of funds, combined with private investment to install clean energy and energy efficiency measures desired by various consumer stakeholders in the state.

We are requesting your favorable support for this legislation, which will help MCEC and MEI² crowd in even more private investment per public dollar spent. We believe the funding requested in SB 460 is a sound investment of publically managed funds to do more to help create and retain jobs in the energy sector, reduce energy costs for consumers, and mitigate the impact of climate change as a broader but related goal.