



Committee: Finance
Testimony on: SB460 Economic Development – Advanced Clean Energy and Clean Energy Innovation Investments and Initiatives
Organization: MLC Climate Justice Wing
Submitted by: Diana Younts, co-chair
Position: Favorable
Hearing Date: February 16, 2021

M. Chair and Members of the Committee,

Thank you for allowing our testimony today in support of SB460. MLC’s Climate Justice Wing is a statewide coalition of over 50 grassroots and grasstops organizations focused on getting State level climate justice legislation passed. SB460 establishes the Maryland Clean Energy Center (MCEC) as Maryland’s Green Bank with access to sufficient capital to support its operations and expands the mandate of the MCEC and the Maryland Energy Innovation Institute to support *advanced* clean energy and *clean energy innovation*, as defined in the bill.

Maryland needs a green bank to support the large-scale investment required for its rapid transition to a net-zero economy. Financing is critical to rapid clean energy deployment, and green banks are a powerful tool to accelerate clean energy financing and investment. Unlike most other forms of public finance, green banks can use limited public dollars to leverage significantly greater levels of private investment in the transition to a clean energy economy. Green banks utilize finance tools such as green bonds, credit enhancements, preferential loans, aggregation, and more to reduce risks to private investors, lower the cost of capital, and accelerate clean energy deployment. In providing these services, green banks do not compete with the private sector; rather, they fill niches that the private sector does not and provide tools that can unleash private-sector dollars. Thus, they can actually expand opportunities for private sector investment.

Currently, there are 15 green banks in the U.S., and more are being planned and created. In 2018, Washington, DC became the first city in the United States to establish a green bank. At last tally (the end of 2019), green banks leveraged \$3.60 in overall investment in the American clean energy economy for every \$1 of green bank investment.

In Maryland, the Montgomery County Green Bank has done even better, leveraging private dollars at a 7:1 ratio through a range of renewable energy and energy efficiency programs for homeowners, renters, nonprofits, businesses, multifamily residences, condominiums, and industrial facilities.

In 2019, as required by the General Assembly, MCEC released a study of how to improve its sustainability and enhance its impact. The MCEC is required by law to “establish a work plan to become self-sustaining within 5 years after [its establishment].” Of utmost importance, the study found that “(t)o ultimately be successful, and self-sustainable, MCEC requires a stable source of capital to support operations and to invest in financing models that will generate revenue.” The funding for MCEC provided by SB460 is essential, not only to enable it to become Maryland’s green bank, but for its continued existence.

For these reasons we urge you to vote favorably for SB460.

MLC Climate Justice Wing:

Maryland Legislative Coalition
MD Campaign for Environmental Human Rights
Chesapeake Climate Action Network
WISE
Frack Free Frostburg
Mountain Maryland Movement
Clean Water Action
Maryland Sierra Club
Howard County Indivisible
Howard County Sierra Club
Columbia Association Climate change and sustainability advisory committee
HoCo Climate Action
CHEER
Climate XChange - Maryland
Mid-Atlantic Field Representative/
National Parks Conservation Association
350 MoCo
Glen Echo Heights Mobilization
The Climate Mobilization Montgomery County
Montgomery County Faith Alliance for Climate Solutions
Montgomery Countryside Alliance
Takoma Park Mobilization Environment Committee
Audubon Naturalist Society
Cedar Lane Unitarian Universalist Church

Environmental Justice Ministry
350 Baltimore
Coalition For Smarter Growth
DoTheMostGood Montgomery County
MCPS Clean Energy Campaign
MoCo DCC
Potomac Conservancy
Casa de Maryland
Nuclear Information & Resource Service
Clean Air Prince Georges
Laurel Resist
Greenbelt Climate Action Network
Maryland League of Conservation Voters
MD Campaign for Environmental Human Rights
Unitarian Universalist Legislative Ministry of Maryland
Concerned Citizens Against Industrial Cafos
Wicomico NAACP
Chesapeake Physicians for Social Responsibility
Chispa MD
Climate Law & Policy Project
Poor Peoples Campaign
Labor for Sustainability
The Nature Conservancy
Clean Air Prince Georges

