

TESTIMONY BY ADRIANA HOCHBERG, ON BEHALF OF COUNTY EXECUTIVE MARC
ELRICH

on Bill 46-21, Commercial Property Assessed Clean Energy (C-PACE) Financing Amendments

January 11, 2022

My name is Adriana Hochberg, Acting Director of the Department of Environmental Protection and the County's Climate Change Officer. Thank you for the opportunity to testify on behalf of the County Executive on Bill 46-21, which further amends the Commercial Property Assessed Clean Energy (C-PACE) Financing program, jointly managed by DEP and the Department of Finance, and administered by the Montgomery County Green Bank.

The County Executive strongly supports passing Bill 46-21 so the County can begin offering expanded C-PACE opportunities for commercial property owners.

As highlighted in the Paying for Climate Action Implementation section of the Climate Action Plan released in June 2021, C-PACE is a critical tool for building owners to make their buildings more energy efficient, reduce operating costs, and reduce greenhouse gas emissions. These amendments expand the access and scope of this existing financial tool in our toolbelt to achieve our climate goals and improve the resiliency of properties in the county.

Specifically, Bill 46-21 amends the C-PACE program to reflect enhancements made to the state enabling law in 2021 and adds clarifications to the County's C-PACE law. The primary enhancements expand the scope of allowable projects to include water conservation, health and safety upgrades, and climate adaptation and resiliency measures. The amendments also permit twelve-month retroactive financing for eligible measures, introduce a five-year pilot for higher loan amounts relative to the value of the building for existing and new construction, and make other minor, clarifying changes so the program is easier for building owners to use.

C-PACE has been an important tool for the County's climate efforts and allows commercial property owners to access funding for their own efforts. Since the County opened the C-PACE program in April 2016, more than \$10M in projects have been financed by private capital funding for energy efficiency and renewable energy projects. Further leveraging these existing opportunities enables property owners to meet the 2018 International Green Construction Code requirements, as well as the proposed Building Energy Performance Standards that the County Executive sent to the Council in April 2021.

I am excited for the passage of Bill 46-21 and the prospect it gives private property owners to improve their buildings, reduce their emissions, and prepare for the challenges associated with climate change.