

Bill Number 3-23
Environmental Sustainability – Montgomery County Green Bank

Submitted Remarks by Montgomery County Green Bank

The Montgomery County Green Bank (“Green Bank”) is honored to be able to serve the County and to aid it in achieving the substantial goals it has set out for greenhouse gas reductions and environmental sustainability.

The County demonstrated national leadership in establishing the Green Bank to advance environmental action of its residents, businesses, and all enterprises in mitigating the effects of climate change. The Green Bank leverages its structure as an independent financial intermediary to turn limited public funds into a much larger pool of private capital for making access to clean energy and climate improvements affordable and equitable across the County.

The Green Bank operates under a sound and dutiful governance structure with an 11-member Board of Directors who serve on multiple committees that meet regularly to oversee the financial, operating, and investment activities of the Green Bank. The Green Bank has completed annual audits since FY17 conducted by a CPA firm with experience in nonprofit financial intermediaries.

To date, the Green Bank has demonstrated strong success in unlocking new private capital that is accelerating investment in clean energy in the County. Energized by the County Council’s deployment of 10% of the Fuel Energy Tax into the Green Bank in FY23, the Green Bank’s efforts and outcomes have grown rapidly.

Overall, the Green Bank’s successes include:

- \$31.7 million in clean energy projects supported.
- 5,300 metric tons of greenhouse gas emission avoided annually.
- 3.8 MW of solar PV projects.
- Leverage of \$1.5 private capital for each \$1 of Green Bank capital committed.
- 1,500 households benefitting, the vast majority of which are low- and moderate-income.

Moving forward, the Green Bank can serve a larger role for the County in addressing climate change through the same techniques it uses for clean energy investing. In particular, the Green Bank can support efforts to address resiliency infrastructure projects related to the impacts of climate change as expressed in the Maryland Resilience Authorities Authorization Act.

Bill 3-23 is intended to provide provisions in the Green Bank charter that allow it to support resiliency, sustainability, and climate adaptive projects in the County and in the words of the County Executive “make climate change mitigation and adaptation a prominent focus of the Green Bank.”

These include:

- property or community resilience, reliability, and environmental sustainability;
- property or community environmental health and environmental safety;
- property or community water conservation and on-site management;
- sustainable waste treatment; sustainable agricultural activities; and

- adaptation of systems to manage changes to the climate, such as activities responding to extreme weather events.
- Nature-based solutions to climate resilience.

Such an expansion of the Green Bank charter would allow the Green Bank to use its current operating and investment structure to work in ways intended by the Maryland Resilience Authorities Authorization Act.

Expanding the Green Bank charter to include resiliency, sustainability, and climate adaptive infrastructure projects makes sense for many reasons as demonstrated in the Green Bank's executions to date:

- the Green Bank has broad knowledge and skills in a market acceptable and innovative financing techniques;
- the Green Bank works collaboratively with financial partners to bring private capital into the financial structures;
- the Green Bank can learn, develop responses, and engage thoughtfully and expertly on the subject matter;
- the Green Bank can identify and secure resources to support its mission; and
- the Green Bank can create the financial, investment, and operational structures to support the activities assigned to it in its mission.

Bill 3-23 also gives the Green Bank the opportunity to grow the resources needed to support this broader climate mitigation role. With the charter enhancement of Bill 3-23, the Green Bank can seek existing and future federal, state, and private resources for resiliency projects, and to leverage such funds with private sector capital resources.

As with the original vision of the County to establish the Green Bank, Bill 3-23 shows the progressive thinking of the County to use the valuable tools it has created to do more for the County. The Green Bank stands ready to take on this new challenge.