Montgomery County Council

Committee: TE
Committee Review: Completed
Staff: Khandikile Mvunga Sokoni, Legislative Attorney
Purpose: Final action – vote expected
Keywords: #ClimateChange #GreenBank #ResilienceAuthority

REVISED
AGENDA ITEM#4C
March 21, 2023
Action

SUBJECT

Bill 3-23, Environmental Sustainability – Montgomery County Green Bank
Lead Sponsor: Council President at the request of the County Executive

EXPECTED ATTENDEES

- Stan Edwards, Energy, Climate, & Compliance Division, Department of Environmental Protection
- Thomas Deyo, Chief Executive Officer, Green Bank
- Stephen Morel, Chief Investment Officer, Green Bank

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION:

The Transportation and Environment Committee unanimously recommended enactment of Bill 3-23 as amended. The Decision point for the Council is whether to enact Bill 3-23 as amended as recommended by the Committee.

DESCRIPTION/ISSUES

Bill 3-23 will amend Montgomery County Code Chapter 18A, Environmental Sustainability Sections 18A-44, 18A-45, and 18A-49.

- This bill will modify the enabling language in Article 7, Section 18A of the Montgomery County Code to allow the Montgomery County Green Bank to engage in activities related to climate resilience in the same manner as energy efficiency and renewable energy.

<u>This report contains:</u>

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REVISED
Agenda Item #4C
March 21, 2023
Action

M E M O R A N D U M

March 20, 2023

TO: County Council

FROM: Khandikile Mvunga Sokoni, Legislative Attorney

SUBJECT: Bill 3-23, Environmental Sustainability – Montgomery County Green Bank

PURPOSE: Final Action – roll call vote expected

COMMITTEE RECOMMENDATION: The Transportation and Environment Committee unanimously recommends enactment of Bill 3-23 as amended.

Expected Attendees:

- Stan Edwards, Energy, Climate, & Compliance Division, Department of Environmental Protection
- Thomas Deyo, Chief Executive Officer, Green Bank
- Stephen Morel, Chief Investment Officer, Green Bank

Bill 3-23, Environmental Sustainability – Montgomery County Green Bank, sponsored by Council President Glass at the request of the County Executive was introduced on January 31, 2023. A public hearing was held on February 14, 2023, and the committee worksession before the Transportation and Environment (TE) Committee was held on March 6, 2023.

BACKGROUND AND BILL SPECIFICS

In 2020, the Maryland General Assembly enacted legislation that authorized a local governing body to create a Resilience Authority by local law in accordance with Title 22 of the Local Government Article. (at © 15). This law set out a detailed process for setting up such a body as well as authorized a local government to, in its sole discretion, by local law:

(i) set or change the powers, structure, organization, procedures, programs, or activities of the Resilience Authority;

(ii) determine the revenue sources of the Resilience Authority, including the use of general fund revenue and general obligation bonds;

(iii) establish the budgetary and financial procedures of the Resilience Authority; and

(iv) terminate the Resilience Authority.

The State enabling legislation also sets out the authority of a Resilience Authority (at © 20):

"A Resilience Authority has and may exercise all powers necessary or convenient to undertake, finance, manage, acquire, own, convey, or support resilience infrastructure projects, including the power to:

(1) acquire by purchase, lease, or other legal means, but not by eminent domain, property for resilience infrastructure;

(2) establish, construct, alter, improve, equip, repair, maintain, operate, and regulate resilience infrastructure owned by the incorporating local government or the Resilience Authority;

(3) receive money from its incorporating local government, the State, other governmental units, or private organizations;

(4) charge and collect fees for its services;

(5) subject to the approval of the local governing body, charge and collect fees to back its bond issuances;

(6) have employees and consultants as it considers necessary;

(7) use the services of other governmental units; and

(8) act as necessary or convenient to carry out the powers granted to it by law."

The State law defines "resilience infrastructure" as infrastructure that mitigates the effects of climate change and includes flood barriers, green spaces, building elevation, and stormwater infrastructure.

The Council enacted a Bill No. 18-15 in June, 2015 establishing a Green Bank to leverage private investment in clean energy. Therefore, the creation of the County's Green Bank pre-dates the State's adoption in 2020 of legislation on Resilience Authorities. The County Council must designate, by resolution approved by the County Executive, a qualifying single nonprofit corporation as the County's Green Bank.[1] The designation is valid for 5 years and if the Council President does not notify the Chair of the designated Green Bank's Board of Directors, not later

[1] Sec. 18A-46. Designation

than June 30th of the 4th fiscal year of the designation term that the Council may allow the current designation to expire, the designation is automatically extended for another 5-year term.[2]

In the transmittal memorandum the County Executive (at © 9) states that after reviewing Title 22 of the Local Government Article, the County Executive has determined that creating a Resilience Authority in Montgomery County at this time would not provide any benefits to the County that could not be achieved by expanding the authority of the Green Bank. Hence this bill to amend the scope of the types of activities the existing Green Bank would be able to undertake, making climate change mitigation and adaptation a prominent focus of the Green Bank. The Executive emphasizes that this is merely an enabling bill that does not commit the Green Bank to engage in any specific resilience activities, nor does it require the County to commit any resources to the Green Bank to engage in resilience related activities should it be advantageous to the County.

SUMMARY OF IMPACT STATEMENTS

The Office of Legislative Oversight (OLO) provided a Climate Impact Assessment dated February 21, 2023. In summary OLO's assessment is that Bill 3-23 will likely have a positive but indeterminant impact on the County's contribution to addressing climate change as the intended outcome of the bill is to engage in projects that will ultimately increase community resilience and could decrease greenhouse gas emissions as a co-benefit. However, as the bill does not commit the Montgomery County Green Bank to engage in any specific resilience activities, nor require the County to commit any resources to the Green Bank in support of resilience activities, the overall impact is indeterminant.

The February 22, 2023 Racial Equity and Social Justice (RESJ) Impact Statement by OLO finds that the RESJ impact of Bill 3-23 is indeterminant, stating "Black, Indigenous, and Other People of Color (BIPOC) constituents could benefit from increased investment in climate resiliency projects since they are disproportionately harmed by climate change. However, it is unclear from available information whether BIPOC constituents will be the primary beneficiaries of Green Bank investments".

Although OLO did not suggest any specific amendments to the bill, OLO offers one item for consideration (at © 36) if the Council seeks to improve the RESJ impact of the Bill:

> *"Where feasible, request more detailed RESJ data collection and reporting for Green Bank investments. OLO suggests the collection of race and ethnicity data for residential customers and commercial customers, where feasible. Reports could provide a breakdown of all Green Bank investments by race and ethnicity. For commercial customers where race and ethnicity data may be unavailable, reports could provide a breakdown of investments by entity type (e.g., affordable housing development, faith-based organization, small business, etc.) and location. More detailed reporting of RESJ data would give a*

[2] Sec. 18A-46(b)

baseline understanding of potential racial and ethnic disparities in Green Bank investments, which could be used to further identify opportunities for enhancing RESJ."

OLO also supplied an Economic Impact Statement (© 38), which in summary, anticipates that Bill 3-23 would have a positive impact on economic conditions in the County in terms of the Council's priority indicators, although it adds the caveat that this would occur if greater funding were made available to the Green Bank.

SUMMARY OF PUBLCI HEARING TESTIMONY

Stephen Morel, Chief Investment Officer of the Green Bank, was the only speaker who appeared for the public hearing and submitted testimony. His written submission is attached at © 42.

COMMITTEE RECOMMENDED AMENDMENTS

The TE Committee unanimously recommended enactment of Bill 3-23 with the following amendments:

1. To increase the maximum number of voting Green Bank board members from 11 to 15. This amendment was done in part to ensure adequate board representation and expertise to address the potential expanded scope of the Green Bank.
2. The requirement for the Board of the Green Bank to meet with the Executive and the President of the Council at least annually was changed (see line 149 of the bill) so that the meeting must be with the committee charged with overseeing matters related to environmental sustainability and not with the Council President as follows:

"18A-49. Work program; staff; support from County Government.

* * *

(c) The Board must meet with the Executive and the President of the Council at least **[**semi-annually**]** annually.

* * *

(e) Funding sources for the Green Bank may include:

* * *

[[(2)]](3) charitable gifts, grants, or contributions, investments, and loans from individuals, corporations, university endowments, and philanthropic foundations; and

[[(3)]](4) earnings and interest derived from its investments and financing support for climate change mitigation and adaptation activities [for clean energy technologies] backed by the Green Bank.

4. Restrict the use of the 10% fuel-energy tax revenue received by the Green Bank to only activities involving clean energy technologies (not resiliency activities) as follows:

"Sec. 18A-49. Work program; staff; support from County Government.

* * *

(e) Funding sources for the Green Bank may include:

(1) federal or State funds provided to it;

(2) County funds, including a portion of the fuel-energy tax revenue received by the County[;], provided that any funds given to the Green Bank under Chapter 52, Sec. 52-14 must only be used to promote the investment in clean energy technologies and to provide financing for clean energy technologies, including renewable energy and energy efficiency projects and must not be used for resiliency activities;

(3) charitable gifts, grants, or contributions and loans from individuals, corporations, university endowments, and philanthropic foundations; and

(4) earnings and interest derived from financing support activities for clean energy technologies backed by the Green Bank.

The Green Bank may also raise private funds and may accept services from any source consistent with its purpose."

Further Action Recommended by Committee

Even though the Green Bank Chapter of the Code which was the subject of this Executive Bill will contain a provision restricting the use of the 10% fuel energy tax revenue, the Committee also voted unanimously to sponsor a Bill to amend Chapter 52, Sec. 52-14 to specifically restrict use of the 10% fuel-energy tax revenue received by the Green Bank to only activities involving investing in clean energy technologies (not resiliency activities).

In adopting Bill 44-21, the Council specifically provided in the County's Taxation chapter for the appropriation of 10% of the revenue received by the County from the fuel-energy tax each year to the nonprofit corporation designated as the Montgomery County Green Bank. At the time, the Green Bank's authority was limited to primarily investing in clean energy technologies. The Committee was concerned that if, by enacting Bill 3-23 the Council now expands its scope and authorizes the Green Bank to engage in climate resiliency activities, Council must ensure to limit the use of that 10% appropriation from the fuel energy tax to clean energy technologies, and not leave the door open to use of those funds for both clean energy technologies and resilience activities.

WHAT ARE OTHER JURISDICTIONS DOING?

Charles County and Anne Arundel County have both since created Resilience Authorities. Information on the Charles County Resilience Authority can be found at https://www.charlescountymd.gov/government/boards-commissions/resilience-authority.
Information on the Anne Arundel County Resilience Authority can be found at https://resilienceauthority.org/.

This packet contains:	Circle #
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Memorandum of the County Executive	© 9
Legislative Request Report	© 11
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Bill No. 03-23
Concerning: Environmental Sustainability – Montgomery County Green Bank
Revised: January 31, 2023
Draft No. 1
Introduced: January 31, 2023
Expires: December 7, 2026
Enacted: [date]
Executive: [date signed]
Effective: [date takes effect]
Sunset Date: [date expires]
Ch. [#], Laws of Mont. Co. [year]

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: County President at the request of the County Executive

AN ACT to:

(1) make climate change mitigation and adaptation a prominent focus of the Montgomery County Green Bank's mission; and

(2) generally revise County law regarding environmental sustainability.

By amending

Montgomery County Code
Chapter 18A, Environmental Sustainability
Sections 18A-44, 18A-45, and 18A-49.

Boldface	*Heading or defined term.*
Underlining	*Added to existing law by original bill.*
[Single boldface brackets**]**	*Deleted from existing law by original bill.*
Double underlining	*Added by amendment.*
[[Double boldface brackets**]]**	*Deleted from existing law or the bill by amendment.*
* * *	*Existing law unaffected by bill.*

The County Council for Montgomery County, Maryland approves the following Act:

Sec. 1. Sections 18A-44, 18A-45, and 18A-49 are amended as follows:

18A-44. Purpose.

The County Government [should support] supports the formation of a Montgomery County Green Bank to promote and support [the] investment in climate change mitigation and adaptation activities and provide financing for climate change mitigation and adaptation activities in the County. These activities include clean energy technologies [in the County] and resiliency, sustainability, or climate adaptive projects.

The Green Bank must be able to:

(a) serve and support [the deployment of clean energy technologies in any sector] climate change mitigation and adaptation activities in all sectors, including residential single-family homes and multifamily, commercial, industrial, non-profit, municipal governments, universities and colleges, schools, and hospitals;

(b) offer a range of financing structures, forms and techniques, such as senior loans, subordinate loans, credit enhancements, guarantees, warehousing, securitization, and other techniques that can both lower the cost of financing and increase private investment in [clean energy technologies] climate change mitigation and adaptation activities;

(c) leverage private investment in [energy projects] climate change mitigation and adaptation activities through financing mechanisms that support, enhance, or complement private investment.

(d) consider [the inclusion of any non-energy or supporting] improvements ancillary to the primary [energy efficiency or renewable energy] climate change mitigation and adaptation project[, up] or related to [a stated limit in scope] environmental health or building safety or [amount, in each program or mechanisms it offers] durability;

(e) accept capital from the county, the state, the federal government, [from] non-profits, [from] foundations, and any other capital source that the Green Bank governance deems to be attractive and useful;

(f) recapitalize its funds through market means, including by selling whole or portions of assets (loans) through private placement or other securitization;

(g) stimulate the demand for [clean energy and the deployment of clean energy technologies] climate change mitigation and adaptation activities that serve end-use customers;

(h) before making a loan, loan guarantee, or other form of financing support for [clean energy technologies] climate change mitigation and adaptation activities, develop rules, policies, and procedures to specify borrower eligibility and any other term or condition of financial support;

(i) provide by resolution for the issuance of revenue bonds to finance [clean energy technologies] climate change mitigation and adaptation activities;

(j) provide information regarding best practices for overseeing [energy] climate change mitigation and adaptation activity projects and other appropriate consumer [protection information] education;

* * *

(l) assess reasonable fees and charges on its financing activities to cover its reasonable costs and expenses, as determined by the Board of Directors appointed under Section 18A-47;

(m) make information regarding rates, terms, and conditions for all of its financing support transactions available to the public for inspection, including any formal annual reviews by both a private auditor and the Director of Finance, and provide details to the public on the Internet unless such disclosure includes a trade secret, confidential commercial information, or confidential financial information;

* * *

18A-45. Definitions.

In this Article, the following words have the meanings indicated:

Clean energy technologies means measures addressing energy resources and emerging **[**technologies that do not involve the combustion of coal, petroleum or petroleum products, municipal solid waste, or nuclear fission. Clean**]** energy technologies **[**includes**]**, including renewable energy systems and sources, renewable energy projects, energy efficiency projects, alternative fuels used for electricity generation, alternative fuel vehicles and related infrastructure such as electric vehicle charging station infrastructure, smart grid, and battery storage.

Climate change mitigation and adaptation activities means activities that include clean energy technologies or resiliency, sustainability, or climate adaptive projects.

Energy efficiency project means **[**a**]** an **[**permanent**]** improvement made to an existing property that reduces consumption of energy.

[*Energy efficiency and/or renewable energy improvement* or *improvement* means any equipment, device, or material that:

(1) meets safety and performance standards set by a nationally recognized testing laboratory for that kind of device, if these standards are available, and

(2) is intended to decrease energy consumption or expand use of renewable energy sources, including:

(A) heating, ventilation, and cooling and distribution system modification or replacement, such as:

(i) replacing existing equipment with a high efficiency model;

(ii) installing a device or retrofit to existing equipment that increase energy efficiency and conservation;

(iii) any electrical or mechanical furnace ignition system which replaces a standing gas pilot;

(iv) any tune-up or maintenance activity that increases the operating efficiency;

(B) a programmable thermostat;

(C) ceiling, attic, wall, roof, foundation, or floor insulation;

(D) whole house air sealing;

(E) water heater tune-up, water heater insulation, pipe insulation, or change out to an ENERGY STAR qualified water heater;

(F) storm windows or doors or ENERGY STAR-qualified window or door replacement;

(G) caulking and weather-stripping doors and windows;

(H) air distribution system improvements, including duct insulation and air sealing;

(I) any device or energy management system which controls demand of appliances or equipment and aides load management manually, remotely, and/or automatically;

(J) a measure that reduces the usage of water or increases the efficiency of water usage;

(K) an energy recovery system;

(L) electric vehicle infrastructure, such as installation of electric vehicle charging station(s) and any necessary installation or upgrades to electrical wiring or outlets;

(M) commercial-scale lighting upgrades or daylighting system;

(N) any measure or system that makes use of or expands a renewable source of energy, including solar thermal and solar electric, wind turbine, biomass, hydroelectric, geothermal electric, geothermal heat pumps, anaerobic digestion, tidal or wave produced energy, fuel cells using renewable fuels and geothermal direct-use; or

(O) any other installation or modification of equipment, device, infrastructure, structure, or other material necessary to:

(i) install, operate, or maintain the improvement being installed; or

(ii) resolve any structural, mechanical, electrical, or other issue that directly jeopardizes the well-being or safety of the building occupants, quality of the indoor environment, or the durability or longevity of the structure on which the project is being installed.**]**

Green Bank means the Green Bank that the County has designated to promote and support **[**the**]** investment in climate change mitigation and adaptation activities in the County, including clean energy technologies **[**and provide financing for clean energy technologies, including renewable energy and energy efficiency projects**]**; resiliency, sustainability, and climate adaptive projects; and other related risk reduction activities.

* * *

[*Renewable energy source* means a source of energy that naturally replenishes over a human, not a geological, time frame and that is ultimately derived from solar power, water power, or wind power.

Renewable energy source does not include petroleum, nuclear, natural gas, or coal. A renewable energy source comes from the sun or from thermal inertia of the earth and minimizes the output of toxic material in the conversion of the energy and includes:

(1) non-hazardous, organic biomass material;

(2) solar electric and solar thermal energy;

(3) wind energy;

(4) geothermal energy; and

(5) methane gas captured from a landfill.]

Resiliency, sustainability, or climate adaptive projects mean measures designed to support 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 adaption of systems to manage changes to the climate, such as activities responding to extreme weather events.

18A-49. Work program; staff; support from County Government.

* * *

(c) The Board must meet with the Executive and the President of the Council at least [semi-annually] annually.

* * *

(e) Funding sources for the Green Bank may include:

* * *

(2) charitable gifts, grants, or contributions, investments, and loans from individuals, corporations, university endowments, and philanthropic foundations; and

(3) earnings and interest derived from its investments and financing support for climate change mitigation and adaptation activities [for clean energy technologies] backed by the Green Bank.

The Green Bank may also raise private funds and may accept services from any source consistent with its purpose.

OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

December 6, 2022

TO: Evan Glass, President
Montgomery County Council

FROM: Marc Elrich, County Executive

SUBJECT: Introduction of Bill XX-22, Environmental Sustainability – Montgomery County Green Bank

I am transmitting Bill XX-22, Environmental Sustainability – Montgomery County Green Bank, to the County Council for introduction. This bill will modify the enabling language in Article 7, Section 18A of the Montgomery County Code to allow the Montgomery County Green Bank engage in activities related to climate resiliency in the same manner as energy efficiency and renewable energy.

As highlighted in the April 2021 report from the Office of Legislative Oversight entitled Measuring Climate Resilience and the County's Climate Action Plan, critical infrastructure faces increased risks due to extreme weather events precipitated by climate change. This trend is expected to worsen over time. Identifying and implementing solutions to minimize these risks will be costly, and the County and private sector will bear these costs.

In 2020, the Maryland General Assembly adopted legislation authorizing a local government to create a "Resilience Authority" to mitigate the impacts of climate risk. Title 22 of the Local Government Article prescribes the operating parameters of a Resilience Authority, including the steps required to create such a body, its structure, and the activities which it can engage in. After reviewing the details of Article 22 with the County Attorney, it was determined that creating a Resilience Authority in Montgomery County at this time would not provide any benefits to the County that could not be achieved by expanding the authority of the Green Bank.

It is important to note that this bill does not commit the Green Bank to engage in any specific resilience activities, nor does it require the County to commit any resources to the Green Bank in support of resilience activities. It simply authorizes the Green Bank to engage in resilience related activities should it be advantageous to the County.

If you have any questions, please contact Stan Edwards, Division Chief, Environmental Climate and Compliance Division in the Department of Environmental Protection, at stan.edwards@montgomerycountymd.gov.

ME:ah

Enclosures

cc: Yaakov "Jake" Weissmann, Assistant Chief Administrative Officer, Office of the County Executive
Adriana Hochberg, Acting Director, Department of Environmental Protection
Stan Edwards, Division Chief, Environmental Climate and Compliance Division, Department of Environmental Protection
Jason Mathias, Policy/Legislative Analyst, Department of Environmental Protection

<u>LEGISLATIVE REQUEST REPORT</u>

BILL: XX-22, Environment Sustainability – Montgomery County Green Bank

DESCRIPTION:	Bill XX-22 grants the Montgomery County Green Bank the ability to act as a Resilience Authority.
PROBLEM:	The Montgomery County Green Bank is limited in scope, being unable to engage in resilience related activities should they be advantageous to the County. Climate change has caused and will continue to cause extreme weather events resulting in risks for critical infrastructure in the County. In 2020, the Maryland General Assembly adopted legislation authorizing a local government to create a "Resilience Authority" to assist in mitigating these risks. Title 22 of the Local Government Article prescribes the operating parameters of a Resilience Authority, including the steps required to create such a body, its structure, and the activities which it can engage in. After reviewing the details of Article 22 with the County Attorney, it was determined that creating a Resilience Authority in Montgomery County at this time would not provide any benefits to the County that could not be achieved by expanding the authority of the Green Bank.
GOALS AND: OBJECTIVES	Bill XX-22 grants the Green Bank authority to engage in resilience related activities should it be advantageous to the County. It will allow the Montgomery County Green Bank to engage in resiliency authority activities related to 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 water treatment, sustainable agricultural activities, and adaptation of systems to manage changes to the climate, such as activities responding to extreme weather events.
COORDINATION:	Department of Environmental Protection
FISCAL IMPACT:	Office of Management and Budget
ECONOMIC: IMPACT	Office of Legislative Oversight
EVALUATION:	To be researched
EXPERIENCE: ELSEWHERE	To be researched
SOURCE OF: INFORMATION	Jason Mathias, Policy and Legislative Manager, Department of Environmental Protection, (240)-405-6499

APPLICATION: WITHIN MUNICIPALITIES Not applicable

PENALTIES: Not applicable

Fiscal Impact Statement
Bill XX-22, Environmental Sustainability – Montgomery County Green Bank

1. **Legislative Summary.**

   Bill XX-22 revises the potential activities in which the Montgomery County Green Bank (MCGB) could engage to 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
   - adaption of systems to manage changes to the climate, such as activities responding to extreme weather events.

   Currently, the MCGB is limited to offering financing for clean energy and energy efficiency projects, and the purchase of an infrastructure for alternative fuel vehicles.

2. **An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes source of information, assumptions, and methodologies used.**

   Bill XX-22 expands the allowable uses of MCGB financing and is not expected to impact County revenues or expenditures.

3. **Revenue and expenditure estimates covering at least the next 6 fiscal years.**

   Bill XX-22 expands the allowable uses of MCGB financing and is not expected to impact County revenues or expenditures over the next six fiscal years.

4. **An actuarial analysis through the entire amortization period for each bill that would affect retiree pension or group insurance costs.**

   Bill XX-22 does not impact retiree pensions or group insurance costs.

5. **An estimate of expenditures related to County's information technology (IT) systems, including Enterprise Resource Planning (ERP) systems.**

   Bill XX-22 would not result in any IT-related expenditures.

6. **Later actions that may affect future revenue and expenditures if the bill authorizes future spending.**

   Bill XX-22 does not authorize future spending.

7. **An estimate of the staff time needed to implement the bill.**

   Bill XX-22 would not require additional Montgomery County staff time to implement.

8. **An explanation of how the addition of new staff responsibilities would affect other duties.**

   Not applicable.

9. **An estimate of costs when an additional appropriation is needed.**

   Bill XX-22 does not require any additional appropriation.

10. **A description of any variable that could affect revenue and cost estimates.**

    See the response to Question 2.

11. **Ranges of revenue or expenditures that are uncertain or difficult to project.**

    Not applicable.

12. **If a bill is likely to have no fiscal impact, why that is the case.**

    Bill XX-22 modifies the enabling legislation of the MCGB but does not commit the County to raise any additional revenue or incur any additional expenditures.

13. **Other fiscal impacts or comments.**

    Not applicable.

14. **The following contributed to and concurred with this analysis:**

    - Stan Edwards, Department of Environmental Protection
    - Richard H. Harris, Office of Management and Budget

Jennifer R. Bryant

Jennifer R. Bryant, Director
Office of Management and Budget

2-2-22
Date

Md. Local Government Code Ann. § 22-101

Current with all legislation from the 2022 Regular Session of the General Assembly; including legislation ratified by the voters at the November 2022 election.

Michie's™ Annotated Code of Maryland > Local Government (Divs. I — V) > Division IV. Local Finance. (Titles 16 — 22) > Title 22. Resilience Infrastructure. (§§ 22-101 — 22-113)

§ 22-101. Definitions.

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

(b)

(1) "Bond" means an obligation for the payment of money, by whatever name known or source of funds secured, issued by a local government or Resilience Authority under State and local general or special statutory authority.

(2) "Bond" includes a refunding bond, a note, and any other obligation.

(c) "Capital costs" means costs incurred for acquisition, planning, design, construction, repair, renovation, reconstruction, expansion, site improvement, and capital equipping.

(d) "Chief executive" means the president, the chair, the mayor, the county executive, or any other chief executive officer or head of a local government.

(e) "Climate change" includes sea level rise, nuisance flooding, increased rainfall events, erosion, and temperature rise.

(f) "Local government" means a county or municipality.

(g) "Resilience Authority" means an authority incorporated by one or more local governments in accordance with this title whose purpose is to undertake or support resilience infrastructure projects.

(h)

(1) "Resilience infrastructure" means infrastructure that mitigates the effects of climate change.

(2) "Resilience infrastructure" includes flood barriers, green spaces, building elevation, and stormwater infrastructure.

(i) "Resilience infrastructure project" means a project to finance or refinance the capital costs associated with resilience infrastructure.

History

2020, ch. 235, § 1; *ch. 236, § 1*.

Annotations

Notes

Editor's note. —

Md. Local Government Code Ann. § 22-102

Current with all legislation from the 2022 Regular Session of the General Assembly; including legislation ratified by the voters at the November 2022 election.

Michie's™ Annotated Code of Maryland > Local Government (Divs. I — V) > Division IV. Local Finance. (Titles 16 — 22) > Title 22. Resilience Infrastructure. (§§ 22-101 — 22-113)

§ 22-102. Resilience authority created by local government — Articles of incorporation — Structure and powers.

(a) A local government may create a Resilience Authority by local law in accordance with this title.

(b) A local law adopted under this section:

(1) is administrative in nature; and

(2) is not subject to referendum.

(c) Notwithstanding any other provision of law or charter provision, subsection (a) of this section is self-executing and fully authorizes a local government to establish a Resilience Authority.

(d) A local law adopted under subsection (a) of this section shall include proposed articles of incorporation of the Resilience Authority that state:

(1) the name of the Resilience Authority, which shall be "Resilience Authority of (name of the incorporating local government)";

(2) that the Resilience Authority is formed under this title;

(3) the names, addresses, and terms of office of the initial members of the board of directors of the Resilience Authority;

(4) the address of the principal office of the Resilience Authority;

(5) the purposes for which the Resilience Authority is formed; and

(6) the powers of the Resilience Authority, subject to the limitations on the powers of a Resilience Authority under this title.

(e)

(1) The chief executive of the incorporating local government, or any other official designated in the local law establishing the Resilience Authority, shall execute and file the articles of incorporation of the Resilience Authority for record with the State Department of Assessments and Taxation.

(2) When the State Department of Assessments and Taxation accepts the articles of incorporation for record:

(i) the Resilience Authority becomes a body politic and corporate and an instrumentality of the incorporating local government; and

(ii) the Chief Executive of the incorporating local government, or any other official designated in the local law establishing the Resilience Authority, shall submit the articles of incorporation, in accordance with *§ 2-1257 of the State Government Article*, to:

1. the Senate Budget and Taxation Committee and the Senate Education, Health, and Environmental Affairs Committee; and

2. the House Appropriations Committee and the House Environment and Transportation Committee.

(3) Acceptance of the articles of incorporation for record by the State Department of Assessments and Taxation is conclusive evidence of the formation of the Resilience Authority.

(f)

(1) The local governing body shall approve any amendment to the articles of incorporation of the Resilience Authority.

(2) Articles of amendment may contain any provision that lawfully could be contained in articles of incorporation at the time of the amendment.

(3) The articles of amendment shall be filed for record with the State Department of Assessments and Taxation.

(4) The articles of amendment are effective as of the time the State Department of Assessments and Taxation accepts the articles for record.

(5) Acceptance of the articles of amendment for record by the State Department of Assessments and Taxation is conclusive evidence that the articles have been lawfully and properly adopted.

(g)

(1) Subject to the provisions of this title and any limitations imposed by law on the impairment of contracts, the incorporating local government, in its sole discretion, by local law may:

(i) set or change the powers, structure, organization, procedures, programs, or activities of the Resilience Authority;

(ii) determine the revenue sources of the Resilience Authority, including the use of general fund revenue and general obligation bonds;

(iii) establish the budgetary and financial procedures of the Resilience Authority; and

(iv) terminate the Resilience Authority.

(2) On termination of a Resilience Authority:

(i) title to all property of the Resilience Authority shall be transferred to and be vested in the incorporating local government; and

(ii) all obligations of the Resilience Authority shall be transferred to and assumed by the incorporating local government.

History

2020, ch. 235, § 1; *ch. 236, § 1*.

Annotations

Research References & Practice Aids

Hierarchy Notes:

Md. Local Government Code Ann

Md. Local Government Code Ann. § 22-103

Current with all legislation from the 2022 Regular Session of the General Assembly; including legislation ratified by the voters at the November 2022 election.

Michie's™ Annotated Code of Maryland > Local Government (Divs. I — V) > Division IV. Local Finance. (Titles 16 — 22) > Title 22. Resilience Infrastructure. (§§ 22-101 — 22-113)

§ 22-103. Appointment or hire of officers and employees — Personnel matters.

(a) Officers governing the Resilience Authority and employees of a Resilience Authority shall be appointed or hired as provided by local law.

(b) Except as otherwise provided in this title or the local law establishing the Resilience Authority, the procedures of the incorporating local government control any personnel matter relating to the internal administration of the Resilience Authority.

History

2020, ch. 235, § 1; *ch. 236, § 1*.

Annotations

Research References & Practice Aids

Hierarchy Notes:

Md. Local Government Code Ann

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Md. Local Government Code Ann. § 22-104

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§ 22-104. Use of net earnings.

Except as necessary to pay debt service or implement the public purposes or programs of the incorporating local government, the net earnings of a Resilience Authority may benefit only the incorporating local government and may not benefit any person.

History

2020, ch. 235, § 1; *ch. 236, § 1*.

Annotations

Research References & Practice Aids

Hierarchy Notes:

Md. Local Government Code Ann

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Md. Local Government Code Ann. § 22-105

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§ 22-105. Powers of resilience authority.

(a) Except as limited by the local law establishing the Resilience Authority or its articles of incorporation, a Resilience Authority has all the powers under this title.

(b) A Resilience Authority has and may exercise all powers necessary or convenient to undertake, finance, manage, acquire, own, convey, or support resilience infrastructure projects, including the power to:

(1) acquire by purchase, lease, or other legal means, but not by eminent domain, property for resilience infrastructure;

(2) establish, construct, alter, improve, equip, repair, maintain, operate, and regulate resilience infrastructure owned by the incorporating local government or the Resilience Authority;

(3) receive money from its incorporating local government, the State, other governmental units, or private organizations;

(4) charge and collect fees for its services;

(5) subject to the approval of the local governing body, charge and collect fees to back its bond issuances;

(6) have employees and consultants as it considers necessary;

(7) use the services of other governmental units; and

(8) act as necessary or convenient to carry out the powers granted to it by law.

History

2020, ch. 235, § 1; ch. 236, § 1.

Annotations

Research References & Practice Aids

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Md. Local Government Code Ann. § 22-106

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§ 22-106. Issuance and sale of bonds by resilience authority.

(a) Notwithstanding any other provision of law, a Resilience Authority may issue and sell bonds periodically:

(1) for resilience infrastructure projects;

(2) to refund outstanding bonds;

(3) to pay the costs of preparing, printing, selling, and issuing the bonds;

(4) to fund reserves; and

(5) to pay the interest on the bonds in the amount and for the period the Resilience Authority considers reasonable.

(b) Bonds issued by a Resilience Authority are limited obligations and are not a pledge of the faith and credit or taxing power of an incorporating local government.

History

2020, ch. 235, § 1; *ch. 236, § 1*.

Annotations

Research References & Practice Aids

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Md. Local Government Code Ann. § 22-107

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§ 22-107. Resolution by resilience authority on bond issue.

(a) For each issue of its bonds, a Resilience Authority shall adopt a resolution that:

(1) specifies and describes the resilience infrastructure;

(2) generally describes the public purpose to be served and the financing transaction;

(3) specifies the maximum principal amount of the bonds that may be issued; and

(4) imposes terms or conditions on the issuance and sale of bonds it considers appropriate.

(b) A Resilience Authority, by resolution, may:

(1) specify, determine, prescribe, and approve matters, documents, and procedures that relate to the authorization, sale, security, issuance, delivery, and payment of and for the bonds;

(2) create security for the bonds;

(3) provide for the administration of bond issues through trust or other agreements with a bank or trust company that cover a countersignature on a bond, the delivery of a bond, or the security for a bond; and

(4) take other action it considers appropriate concerning the bonds.

History

2020, ch. 235, § 1; *ch. 236, § 1*.

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Md. Local Government Code Ann. § 22-108

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§ 22-108. Exemption from state and local taxes — Payment in bonds.

(a) The principal of and interest on bonds, the transfer of bonds, and any income derived from the bonds, including profits made in their sale or transfer, are forever exempt from State and local taxes.

(b) A contract for a resilience infrastructure project may provide that payment shall be made in bonds.

(c) A bond is not subject to the limitations of §§ 19-205 and 19-206 of this article.

History

2020, ch. 235, § 1; *ch. 236, § 1*.

Annotations

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Md. Local Government Code Ann. § 22-109

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§ 22-109. Findings conclusive as to public purpose.

A finding by the local governing authority or the board of directors of a Resilience Authority as to the public purpose of an action taken under this title, and the appropriateness of that action to serve the public purpose, is conclusive in a proceeding involving the validity or enforceability of a bond, or security for a bond, issued under this title.

History

2020, ch. 235, § 1; *ch. 236, § 1*.

Annotations

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Md. Local Government Code Ann. § 22-110

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§ 22-110. Repayment of bonds and support of operations.

Notwithstanding any other provision of law or charter, the local governing body may dedicate any revenues of the local government for repayment of bonds and to support the operations or resilience infrastructure projects of a Resilience Authority.

History

2020, ch. 235, § 1; *ch. 236, § 1*.

Annotations

Research References & Practice Aids

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Md. Local Government Code Ann. § 22-111

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§ 22-111. Authority established by multiple counties or municipalities.

If multiple counties or municipalities establish a Resilience Authority:

(1) each shall be considered an incorporating local government; and

(2) the counties or municipalities shall file jointly articles of incorporation or articles of amendment in accordance with § 22-102 of this subtitle.

History

2020, ch. 235, § 1; *ch. 236, § 1*.

Annotations

Research References & Practice Aids

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Md. Local Government Code Ann. § 22-112

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§ 22-112. Authority established by multiple local governments — Tax levy authorized.

Nothing in this title may be construed to:

(1) prohibit the local governments of multiple counties or municipalities from establishing through joint action a Resilience Authority in accordance with this title; or

(2) authorize a Resilience Authority to levy a tax.

History

2020, ch. 235, § 1; *ch. 236, § 1*.

Annotations

Research References & Practice Aids

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Md. Local Government Code Ann. § 22-113

Current with all legislation from the 2022 Regular Session of the General Assembly; including legislation ratified by the voters at the November 2022 election.

Michie's™ Annotated Code of Maryland > Local Government (Divs. I — V) > Division IV. Local Finance. (Titles 16 — 22) > Title 22. Resilience Infrastructure. (§§ 22-101 — 22-113)

§ 22-113. Annual report by authority.

(a) On a date and in a format designated by the incorporating local government, a Resilience Authority shall, at least annually, report to the incorporating local government on the activities of the Resilience Authority.

(b)

(1) Subject to paragraph (2) of this subsection, on or before the January 1 after a Resilience Authority is established by a local government in accordance with this title, and on or before January 1 each year thereafter, the Resilience Authority shall submit a report in accordance with § 2-1257 of the State Government Article to:

(i) the Senate Budget and Taxation Committee and the Senate Education, Health, and Environmental Affairs Committee; and

(ii) the House Appropriations Committee and the House Environment and Transportation Committee.

(2) The report required under paragraph (1) of this subsection shall include, at a minimum:

(i) a copy of the report required under subsection (a) of this section;

(ii) a description of the resilience infrastructure projects funded by the Resilience Authority; and

(iii) the sources of revenue for the resilience infrastructure projects undertaken by the Resilience Authority.

History

2020, ch. 235, § 1; *ch. 236, § 1*.

Annotations

Notes

Editor's note. —

See note to § 22-101 of this article.

Research References & Practice Aids

Climate Assessment

Office of Legislative Oversight

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

Summary

The Office of Legislative Oversight (OLO) anticipates that Bill 3-23 will likely have a positive but indeterminant impact on the County's contribution to addressing climate change as the intended outcome of the bill is to engage in projects that will ultimately increase community resilience and could decrease greenhouse gas emissions as a co-benefit. However, as the bill does not commit the Montgomery County Green Bank to engage in any specific resilience activities, nor require the County to commit any resources to the Green Bank in support of resilience activities, the overall impact is indeterminant.

Background and Purpose of Bill 3-23

The Environmental Protection Agency (EPA) defines climate resilience as the capacity of a system to continue functioning in the face of stresses imposed by climate change and the ability of a system to adapt to future climate impacts. Systems include communities, such as Montgomery County.[1] Actions that increase a community's climate resiliency include building infrastructure that is designed to withstand future climate conditions.

If enacted, Bill 3-23 will modify language in the County Code to allow the Montgomery County Green Bank to engage in activities and projects related to climate resilience. Proposed enabling language defines resiliency, sustainability, or climate adaptive projects as:

> "designed to support 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 adaption of systems to manage changes to the climate, such as activities responding to extreme weather events."

The Green Bank is a publicly chartered 501c3 nonprofit corporation focused on accelerating energy efficiency, renewable energy, and clean energy investment in the County. The Green Bank receives funding from the County, in addition to other public and private funders that finance their projects.[2]

This Bill does not commit the Green Bank to engage in any specific resilience activities. The bill also does not require the County to commit any resources to the Green Bank in support of resilience activities.

Bill 3-23, Environmental Sustainability – Montgomery County Green Bank, was introduced by the Council on behalf of the County Executive on January 31, 2023.

METHODOLOGIES, ASSUMPTIONS, AND UNCERTAINTIES

Methodology. A literature review was conducted on local actions towards community resilience actions, specifically actions financed by green banks. The enabling legislation from the Maryland General Assembly creating State resilience authorities and the Montgomery County Green Bank and previous projects financed by them was reviewed.

Assumptions. The assessment assumes the Green Bank will finance projects that will lead to an increase in the County's resilience.

Uncertainties. There are a few uncertainties associated with Bill 3-23: (1) It is uncertain to what extent the Green Bank will invest in resiliency projects; (2) How much the Green Bank will invest in resiliency projects, outside the energy sector, which was their original purview; (3) How much resources the County will commit to the Green Bank for these resiliency projects; and (4) How much these future projects undertaken by the Green Bank will ultimately increase community resilience.

COMMUNITY RESILIENCE, RESILIENCE AUTHORITIES, AND GREEN BANKS

Community resilience can be defined as a community's ability to prepare for, withstand, and successfully recover from a disaster and/or environmental impacts caused by climate change.[3] This includes not only reducing vulnerabilities in physical infrastructure, but also the delivery of services and social and economic supports before, during, and after an emergency.[4] Community resilience also recognizes the historical trauma and injustices that led to communities, primarily low-income and BIPOC communities, becoming particularly vulnerable to disasters and emergencies, and developing equitable processes and distribution of resources to withstand and recover from emergencies.[5]

Local governments have been increasingly taking actions to increase their communities' resilience. However, many resiliency projects are prohibitively expensive if only funded through public dollars. Resilience authorities and green banks are a way to combat this issue.

In 2020, Maryland passed Senate Bill 457, which authorizes local governments in the state to establish Resilience Authorities. Resilience Authorities are meant to provide a flexible and efficient way to fund resilience large-scale infrastructure projects, specifically aimed at addressing the effects of climate change, such as stormwater infrastructure designed to handle increased flooding.[6] Resilience Authorities are allowed to draw on diversified funding options, including the collection of non-tax-related fees and selling state or local tax-exempt bonds for projects.

Green banks, which often use a mix of public and private funding, provide financing to support projects that have beneficial environmental and climate impacts, such as solar generation in residential and commercial buildings.[7] They also tend to focus on projects that struggle to obtain capital from traditional financing institutions.[8] However, it should be noted that green banks still need to invest in viable projects that provide economic returns, in order to have the ability to finance future projects.[9] Bill 3-23's proposed enabling language will allow the Green Bank to finance resiliency projects outside of the energy sector. In the Bill's introduction packet, the County Executive writes "it was determined that creating a Resilience Authority in Montgomery County at this time would not provide any benefits to the County that could not be achieved by expanding the authority of the Green Bank."

The Green Bank was established to accelerate energy efficiency, renewable energy, and clean energy investment in the County.[10] These energy projects not only decrease greenhouse gas emissions associated with energy use but increase community resilience as they can strengthen local energy systems by providing reliable and affordable energy for local governments, households, and businesses.[11] In their 2022 Annual Report, the Green Bank reported 5,299 metric tons in annual greenhouse gas reductions as a result of projects they invested in.[12]

While the models of green banks and resilience authorities are uniquely positioned to finance costly resilience projects, these models are relatively new and more evidence is needed to determine the efficacy of these models in building equitable community resilience.[13] The Green Bank has invested in projects that has benefitted 1,207 low- and moderate-income households, though data disaggregated by race, ethnicity, and income are not available on these households.[14] However, OLO notes the Green Bank has been able to finance projects that have both increased community resilience and reduced greenhouse gas emissions.[15]

ANTICIPATED IMPACTS

OLO anticipates Bill 3-23 will likely have a positive but indeterminant impact on the County's contribution to addressing climate change as the intended outcome of the bill is to engage in projects that will ultimately increase community resilience and may decrease greenhouse gas emissions as a co-benefit. However, as the Bill does not commit the Green Bank to engage in any specific resilience activities, nor require the County to commit any resources to the Green Bank in support of resilience activities, the overall impact is indeterminant.

Greenhouse Gas Emissions. Bill 3-23's impact on greenhouse gas emissions is likely positive but indeterminant. Many resiliency projects can lead to a decrease in GHG emissions as a co-benefit. The Green Bank has focused on energy efficiency and clean energy projects, which has positive impacts on both greenhouse gas emissions and community resilience so OLO can assume that similar projects will be financed by the Green Bank in the future. However, as the bill does not include specific resilience activities and projects, the impact is indeterminant.

Community Resilience. Bill 3-23 is likely to have a positive but indeterminant impact on community resilience. As the legislation explicitly changes language to enable the Green Bank to undertake activities and projects related to resiliency, OLO assumes that this will lead to an increase in community resilience. However, the impact is indeterminant as there are not specified resilience activities and projects.

Recommended Amendments

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.[16] OLO does not offer recommendations as Bill 3-23 is likely to have a positive, but indeterminant impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity.

Caveats

OLO notes two caveats to this climate assessment. First, predicting the impacts of legislation upon climate change is a challenging analytical endeavor due to data limitations, uncertainty, and the broad, global nature of climate change. Second, the analysis performed here is intended to inform the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

Purpose of Climate Assessments

The purpose of the Climate Assessments is to evaluate the anticipated impact of legislation on the County's contribution to addressing climate change. These climate assessments will provide the Council with a more thorough understanding of the potential climate impacts and implications of proposed legislation, at the County level. The scope of the Climate Assessments is limited to the County's contribution to addressing climate change, specifically upon the County's contribution to greenhouse gas emissions and how actions suggested by legislation could help improve the County's adaptative capacity to climate change, and therefore, increase community resilience.

While co-benefits such as health and cost savings may be discussed, the focus is on how proposed County bills may impact GHG emissions and community resilience.

Contributions

OLO staffer Kaitlyn Simmons drafted this assessment.

[1] "Climate Adaptation and EPA's Role", United States Environmental Protection Agency, Accessed 2/15/2023
[2] Montgomery County Green Bank About Us, Accessed 2/15/2023
[3] "Improving Community Resilience by Prioritizing Ecosystem Goods and Services", United States Environmental Protection Agency, 05/2022
[4] "What Do We Mean by Community Resilience?' A Systematic Literature Review of how it is Defined in the Literature", Patel, S., Rogers, M., Amlot, R., and Rubin G., 02/2017
[5] "Community Resilience: A Social Justice Perspective", Morrow, B., 09/2008
[6] "Maryland Senate Bill 457: Resilience Authorities", Adaptation Clearinghouse, Accessed 2/13/23
[7] "Green Banks", National Renewable Energy Laboratory, Accessed 2/13/23
[8] "Green Banks, Poised for Billions in Climate Funds, Draw States' Attention", Pew Charitable Trusts, 1/9/23
[9] "State of Green Banks 2020", Green Bank Design Platform, 2020
[10] Montgomery County Green Bank About Us, Accessed 2/15/23
[11] "Enhancing Community Resilience through Energy Efficiency", American Council for an Energy Efficient Economy, 10/2015 , "Solar Resilience: Keeping Communities Connected", Office of Energy Efficiency and Renewable Energy, 09/29/22
[12] Montgomery County Green Bank Annual Reports, Accessed 2/15/23
[13] "Green Banks", National Renewable Energy Laboratory, Accessed 2/13/23
[14] Montgomery County Green Bank Our Impact, Accessed 2/15/23
[15] "Green Banks: Part of Climate Solution and More Resilient Communities", Natural Resources Defense Council, 09/20/2022
[16] Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

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

Summary

The Office of Legislative Oversight (OLO) finds the racial equity and social justice (RESJ) impact of Bill 3-23 is indeterminant. Black, Indigenous, and Other People of Color (BIPOC) constituents could benefit from increased investment in climate resiliency projects since they are disproportionately harmed by climate change. However, it is unclear from available information whether BIPOC constituents will be the primary beneficiaries of Green Bank investments.

Purpose of RESJ Impact Statements

The purpose of RESJ impact statements (RESJIS) is to evaluate the anticipated impact of legislation on racial equity and social justice in the County. Racial equity and social justice refer to a **process** that focuses on centering the needs, leadership, and power of communities of color and low-income communities with a **goal** of eliminating racial and social inequities.[1] Achieving racial equity and social justice usually requires seeing, thinking, and working differently to address the racial and social harms that have caused racial and social inequities.[2]

Purpose of Bill 3-23

The Environmental Protection Agency (EPA) defines climate resilience as the capacity of a system to continue functioning in the face of stresses imposed by climate change and to adapt to future climate impacts. Systems include communities, such as Montgomery County.[3] Actions that increase a community's climate resiliency include building infrastructure that is designed to withstand future climate conditions.

If enacted, Bill 3-23 would modify language in the County Code to allow the Montgomery County Green Bank to engage in activities and projects related to climate resilience. Proposed enabling language defines resiliency, sustainability, or climate adaptive projects as:

> "[D]esigned to support 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 adaption of systems to manage changes to the climate, such as activities responding to extreme weather events."[4]

The Green Bank is a publicly chartered 501(c)(3) nonprofit corporation focused on accelerating energy efficiency, renewable energy, and clean energy investment in the County. The Green Bank receives funding from the County, in addition to other public and private funders that finance their projects.[5]

This Bill would not commit the Green Bank to engage in any specific resilience activities. The Bill also would not require the County to commit any resources to the Green Bank in support of resilience activities.[6]

Bill 3-23, Environmental Sustainability – Montgomery County Green Bank, was introduced by the Council on behalf of the County Executive on January 31, 2023.

In July 2022, OLO published a RESJIS for Bill 13-22, Buildings – Comprehensive Building Decarbonization.[7] Please refer to this RESJIS for more background on the climate gap and racial equity, including drivers of the climate gap and data on energy burden, housing, and environmental risk for BIPOC and low-income constituents.

THE CLIMATE GAP AND RACIAL EQUITY

Climate change has far-reaching consequences on public health, community assets, and the economy. The County's Climate Action Plan describes that, "[e]xtreme heat, severe storms, and drought are among the greatest climate threats to the County."[8] While climate change affects all constituents, structural racial inequities make BIPOC and low-income constituents most vulnerable to its harmful effects.[9]

The term "climate gap" refers to the unequal impact that climate change has on BIPOC and low-income communities. As noted by researchers at the University of Southern California, the climate gap means that BIPOC and low-income communities will likely suffer more from extreme heat waves and increased air pollution; pay more for basic necessities; and have reduced or shifting job opportunities as a result of climate change. Drivers of the climate gap include racial inequities in health and health care, employment, housing, and transportation.[10]

ANTICIPATED RESJ IMPACTS

To consider the anticipated impact of Bill 3-23 on RESJ in the County, OLO recommends the consideration of two related questions:

- Who are the primary beneficiaries of this bill?
- What racial and social inequities could passage of this bill weaken or strengthen?

For the first question, OLO considered the demographics of the Green Bank's customers, since they would directly benefit from increased financing opportunities for climate resiliency projects. The Green Bank finances clean energy projects for residential homes and commercial properties.

After reviewing published materials on the Green Bank (i.e., Green Bank website, annual reports, Council worksession reports) OLO found no metrics on the race and ethnicity of residential customers. OLO was also unable to find comprehensive information on commercial customers (including breakdown of investments by entity types, locations, etc.) that could be used to approximate beneficiary demographics. Thus, it is unclear whether there could be disproportionalities by race and ethnicity among the Green Bank's customers.

For the second question, OLO considered how this Bill could affect the climate gap. BIPOC constituents could benefit from increased investment in climate resiliency projects since they are disproportionately harmed by climate change. However, it is unclear from available information whether BIPOC consituents will be the primary beneficiaries of Green Bank investments. While the Green Bank has reported engaging in equity activities, their targeting appears to primarily be based on customer low- and moderate-income status, not race and ethnicity.[11] Of note, low- and moderate- income implies a household's income is less than 80 percent of the area median income, currently $90,000 for a family of four.[12]

Taken together, OLO finds the RESJ impact of Bill 3-23 is indeterminant.

Recommended Amendments

The Racial Equity and Social Justice Act requires OLO to consider whether recommended amendments to bills aimed at narrowing racial and social inequities are warranted in developing RESJ impact statements.[13] OLO finds the RESJ impact of Bill 3-23 is indeterminant; as such, OLO does not offer recommended amendments. However, if the Council seeks to improve the RESJ impact of the Bill, OLO offers one item for consideration:

- **Where feasible, request more detailed RESJ data collection and reporting for Green Bank investments.** OLO suggests the collection of race and ethnicity data for residential customers and commercial customers, where feasible. Reports could provide a breakdown of all Green Bank investments by race and ethnicity. For commercial customers where race and ethnicity data may be unavailable, reports could provide a breakdown of investments by entity type (e.g., affordable housing development, faith-based organization, small business, etc.) and location. More detailed reporting of RESJ data would give a baseline understanding of potential racial and ethnic disparities in Green Bank investments, which could be used to further identify opportunities for enhancing RESJ.

Caveats

Two caveats to this racial equity and social justice impact statement should be noted. First, predicting the impact of legislation on racial equity and social justice is a challenging analytical endeavor due to data limitations, uncertainty, and other factors. Second, this RESJ impact statement is intended to inform the legislative process rather than determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

Contributions

OLO staffer Janmarie Peña, Performance Management and Data Analyst, drafted this RESJ impact statement.

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[1] Definition of racial equity and social justice adopted from "Applying a Racial Equity Lens into Federal Nutrition Programs" by Marlysa Gamblin, et.al. Bread for the World, and from Racial Equity Tools. https://www.racialequitytools.org/glossary
[2] Ibid
[3] "Climate Adaptation and the EPA's Role," U.S. Environmental Protection Agency, September 19, 2022. https://www.epa.gov/climate-adaptation/climate-adaptation-and-epas-role

[4] Introduction Staff Report for Bill 3-23, Introduced January 31, 2023.
https://www.montgomerycountymd.gov/council/Resources/Files/agenda/col/2023/20230131/20230131_4A.pdf
[5] "About Us," Montgomery County Green Bank. https://mcgreenbank.org/about-us/
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[7] RESJIS for Bill 13-22, Office of Legislative Oversight, Montgomery County, Maryland, July 7, 2022.
https://montgomerycountymd.gov/OLO/Resources/Files/resjis/2022/Bill13-22.pdf
[8] "Montgomery County Climate Action Plan," Department of Environmental Protection, Montgomery County, Maryland, June 2021.
https://www.montgomerycountymd.gov/climate/Resources/Files/climate/climate-action-plan.pdf
[9] Ibid
[10] Rachel Morello-Frosch, et al, "The Climate Gap: Inequalities in How Climate Change Hurts Americans & How to Close the Gap, Dornsife Center, University of Southern California, May 2009. https://dornsife.usc.edu/pere/climategap/
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https://www.montgomerycountymd.gov/council/Resources/Files/agenda/cm/2022/20220505/20220505_GOTE1.pdf
[12] FY 2022 Income Limits Documentation System, U.S. Department of Housing and Urban Development.
https://www.huduser.gov/portal/datasets/il.html
[13] Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council

Economic Impact Statement

Montgomery County, Maryland

Bill 3-23 Environmental Sustainability – Montgomery County Green Bank

SUMMARY

The Office of Legislative Oversight (OLO) anticipates that Bill 3-23 would have a positive impact on economic conditions in the County in terms of the Council's priority indicators. The Bill would allow the Montgomery County Green Bank to engage in activities and projects related to climate resilience. As explained below, if this policy change results in greater funding for the Green Bank than would otherwise occur in its absence, the Green Bank likely would leverage a portion of the funds to attract private sector capital investment in climate resilience in the County.

BACKGROUND AND PURPOSE OF BILL 3-23

The Environmental Protection Agency (EPA) defines climate resilience as the capacity of a system to continue functioning in the face of stresses imposed by climate change and to adapt to future climate impacts. Systems include communities, such as Montgomery County.[1] Actions that increase a community's climate resiliency include building infrastructure that is designed to withstand future climate conditions.

If enacted, Bill 3-23 would modify language in the County Code to allow the Montgomery County Green Bank (hereinafter "Green Bank") to engage in activities and projects related to climate resilience. Proposed enabling language defines resiliency, sustainability, or climate adaptive projects as:

> "[D]esigned to support 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 adaption of systems to manage changes to the climate, such as activities responding to extreme weather events."[2]

The Green Bank is a publicly chartered 501(c)(3) nonprofit corporation focused on accelerating energy efficiency, renewable energy, and clean energy investment in the County. The Green Bank receives funding from the County, in addition to other public and private funders that finance their projects.[3]

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[1] Epa.gov, "Climate Adaptation and the EPA's Role."
[2] Introduction Staff Report for Bill 3-23.
[3] Mcgreenbank.org, "About Us."

This Bill would not commit the Green Bank to engage in any specific resilience activities. The Bill also would not require the County to commit any resources to the Green Bank in support of resilience activities.[4]

Bill 3-23, Environmental Sustainability – Montgomery County Green Bank, was introduced by the Council on behalf of the County Executive on January 31, 2023.

INFORMATION SOURCES, METHODOLOGIES, AND ASSUMPTIONS

Per Section 2-81B of the Montgomery County Code, the purpose of this Economic Impact Statement is to assess, both, the impacts of Bill 3-23 on residents and private organizations in terms of the Council's priority economic indicators and whether the Bill would have a net positive or negative impact on overall economic conditions in the County.[5]

In this analysis, OLO performs a qualitative assessment of Bill 3-23's impacts on the Council's priority indicators. It draws on the following sources of information:

- Correspondence with personnel from the Green Bank and Department of Environmental Protection;
- Economic Impact Statement for Bill 44-21, Montgomery County Green Bank – Funding – Fuel Energy Tax Revenue; and
- Smith, Gene to GO and T&E Committees, Memorandum: FY23 Operating Budget – Montgomery County Green Bank (MCGB) Non-Departmental Account.

No assumptions are made in this analysis. Instead, it examines the secondary economic impacts of the Bill, if it results in increased Green Bank funding than it would receive in the absence of the change in law.

VARIABLES

The primary variables that would affect the economic impacts of enacting Bill 3-23 are the following:

- Total County funding for the Green Bank per year;
- Percentage of funding used to leverage private sector capital investment; and
- Average mobilization ratio (overall private investment/Green Bank investment).

IMPACTS

WORKFORCE ▪ TAXATION POLICY ▪ PROPERTY VALUES ▪ INCOMES ▪ OPERATING COSTS ▪ PRIVATE SECTOR CAPITAL INVESTMENT ▪ ECONOMIC DEVELOPMENT ▪ COMPETITIVENESS

Economics of the Green Bank

The Green Bank aims to increase investment in energy efficiency and renewable energy technologies for County residential and commercial properties. To achieve this aim, the Green Bank seeks to attract private capital through de-risking

[4] Introduction Staff Report for Bill 3-23

[5] Montgomery County Code, Sec. 2-81B.

strategies, outreach, and technical assistance, thereby helping to lower the cost of financing these technologies and grow the nascent clean energy market in the County.

According to Green Bank personnel, it has used its capital to induce private investment in clean energy improvements in County buildings that otherwise would have not occurred. This has occurred through:

- attracting private investment to clean energy improvements that otherwise would not have flowed to the County; and
- re-directing investment towards clean energy improvements that otherwise would have flowed to other areas within the County.

Bill 3-23 would allow the Green Bank to engage in activities and projects related to climate resilience. As previously stated, the Bill would not itself increase funding to the Green Bank. However, it creates the potential for increased funding in two ways. First, the County could commit more funds to the Green Bank for projects related to climate resilience in future fiscal years. Second, according to Green Bank personnel, expanding the Green Bank's scope to include climate resilience may position the County to receive federal and state funds than it otherwise would be ineligible to receive.

If its funding increases, the Green Bank likely would leverage some portion of the additional funds to attract private sector capital investment towards climate resilience projects that otherwise would not have flowed to the County.

Businesses, Non-Profits, Other Private Organizations

If Bill 3-23 results in greater Green Bank and private sector capital investment in climate resilience-related projects than otherwise would occur in the absence of the change in law, OLO anticipates certain private organizations in the County would benefit from the change in law in terms of the Council's priority economic indicators. For instance, the beneficiaries may include County-based providers of climate resilience-related services who experience business income gains; and commercial property owners who benefit from greater borrowing opportunities (perhaps with lower financing costs) due to increased Green Bank and private sector investment.

More details on future climate resilience projects, which are currently unavailable, would be required for OLO to provide a fuller accounting of the economic impacts of increased Green Bank and private sector capital investment.

Residents

OLO anticipates certain residents also would benefit in terms of the Council's priority economic indicators, if Bill 3-23 results in greater Green Bank and private sector capital investment in climate resilience-related projects than otherwise would occur in the absence of the change in law. However, OLO cannot provide a fuller accounting of the economic impacts due to lack of information.

Net Impact

If Bill 3-23 results in greater Green Bank and private sector capital investment in climate resilience-related projects than otherwise would occur in the absence of the change in law, the Bill would have a net positive impact on economic conditions in the County in terms of the Council's priority indicators.

DISCUSSION ITEMS

Not applicable

WORKS CITED

Epa.gov. "Climate Adaptation and the EPA's Role." U.S. Environmental Protection Agency. September 19, 2022.

Montgomery County Code. Sec. 2-81B, Economic Impact Statements.

Montgomery County Council. Bill 3-23, Environmental Sustainability – Montgomery County Green Bank. Introduced on January 31, 2023.

Office of Legislative Oversight. Economic Impact Statement: Bill 44-21, Montgomery County Green Bank – Funding – Fuel Energy Tax Revenue.

Smith, Gene to Government Operations and Fiscal Policy (GO) and Transportation and Environment (T&E) Committees. Memorandum: FY23 Operating Budget – Montgomery County Green Bank (MCGB) Non-Departmental Account. May 2, 2022.

CAVEATS

Two caveats to the economic analysis performed here should be noted. First, predicting the economic impacts of legislation is a challenging analytical endeavor due to data limitations, the multitude of causes of economic outcomes, economic shocks, uncertainty, and other factors. Second, the analysis performed here is intended to *inform* the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the Bill under consideration.

CONTRIBUTIONS

Stephen Roblin (OLO) prepared this report.

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.

Montgomery County®
GreenBank
Your partner for clean energy

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

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Allowing the Montgomery County Green Bank to engage in activities related to climate resilience in the same manner as energy efficiency and renewable energy.

Transportation and Environment Committee Worksession
March 6, 2023

Leveraging Green Bank Capabilities

Helping Montgomery County achieve its climate goals by leveraging capital and innovative partnerships to make clean energy and climate-resilient solutions more accessible and affordable for all residents and businesses

- Independent, 501(c)3 nonprofit with a public mission.
- Strong, transparent governance structure through unpaid Board of Directors.
- Innovative financial approaches to closing market gaps.
- Transformation of limited public funds into larger pools of capital.
- Creation of capacity, capabilities, and capital deployment in the private markets to generate climate outcomes.
- Marketplace development as a trusted advisor to educate and enable all County constituencies.

Bill 3-23, Environmental Sustainability

Bill 3-23:

(i) Makes climate change mitigation and adaptation a prominent focus of the Green Bank.

(ii) Generally revises the County law on environmental sustainability.

(iii) {proposed amendment} enables the Green Bank to increase its Board membership from 11 to up to 15 members.

- An enabling bill that does not mandate any specific resilience activities.
- No requirement of the County to commit any resources to the Green Bank.
- Authority to engage in resiliency activities opens the door for new sources of funding.
- A broader and diverse set of new voices on the Green Bank Board of Directors will deepen impact as the Green Bank continues to rapidly accelerate.

Bill 3-23, Environmental Sustainability

New Green Bank opportunities to support ***resiliency***, ***sustainability***, and ***climate adaptive*** projects for ***properties*** and ***communities*** in:

- Reliability and environmental sustainability.
- Environmental health and safety.
- Water conservation and on-site management.
- Sustainable waste treatment.
- Flood water management and adaptability.
- Adaptation of systems to manage extreme weather events and changes to the climate.
- Nature-based solutions to climate resilience.

Bill 3-23, Environmental Sustainability

Green Bank ***strengths*** to support include:

- Broad knowledge and skills in a market acceptable and innovative financing techniques.
- Evidence of creating the financial, investment, and operational structures to support the activities assigned to it in its mission.
- Track record of bringing private capital into financial structures on projects by working collaboratively with financial partners.
- Demonstrated ability to learn, develop responses, and engage thoughtfully and expertly on the subject matter.
- History of identifying and securing resources to support its mission.

Bill 3-23, Environmental Sustainability

Substantial ***resources*** required for success. New sources include:

- Federal: Manage any existing and future federal funds directed to resiliency and available to municipalities.
- State: Manage resources sought by County that are offered by the state and related to resiliency projects.
- Private: Seek private foundation or other resources. Leverage all funds with private sector capital resources on balance sheet and in transactions.
- Capital Markets: Green Bank bonding authority currently in charter. Contemplated by MD Resiliency Authority Act for scope of activities.

Appendix A:
More on who the Green Bank is and how it has accelerated impact

Montgomery County GreenBank

Your partner for clean energy

Structure	Chartered by County in 2016. Independent, 501(c)3 nonprofit.
Governance:	11 Board of Directors, including Directors of Finance and DEP
Purpose	Accelerate energy efficiency and renewable energy by leveraging private capital. Support County's Climate Action Plan to meet goal to reduce greenhouse gas emissions to 0% by 2035
Capital	o Initial $18MM capitalization in 2017-18 from Pepco-Exelon Funds o *Annual 10% of Fuel Energy Tax starting in FY23 per 2022 Bill 44-21 passed in 2022*

The Board of Directors


Bonnie Norman
Chair
E3 International, LLC


Marcene Mitchell
Vice-Chair
World Wildlife Foundation


Robert Sahadi
Vice-Chair
GreenSpace Investment


Bert Hunter
Secretary
Connecticut Green Bank


Kyle Danish
Member
Van Ness Feldman, LLP


Michael Coveyou
Ex-Officio Member
Montgomery County


Marissa Ramirez
Member
Natural Resources Defense Council


Adriana Hochberg
Ex-Officio Member
Montgomery County


Brian Marconi
Member
Cohn Reznick LLP


Zachary Marks
Member
Housing Opportunities Commission


Stacy Swann
Member
Climate Finance Advisors, Benefit LLC

Expertise

Finance (4)
Legal
Product
Community and Multifamily (2)
Auditor / CPA
County (2)

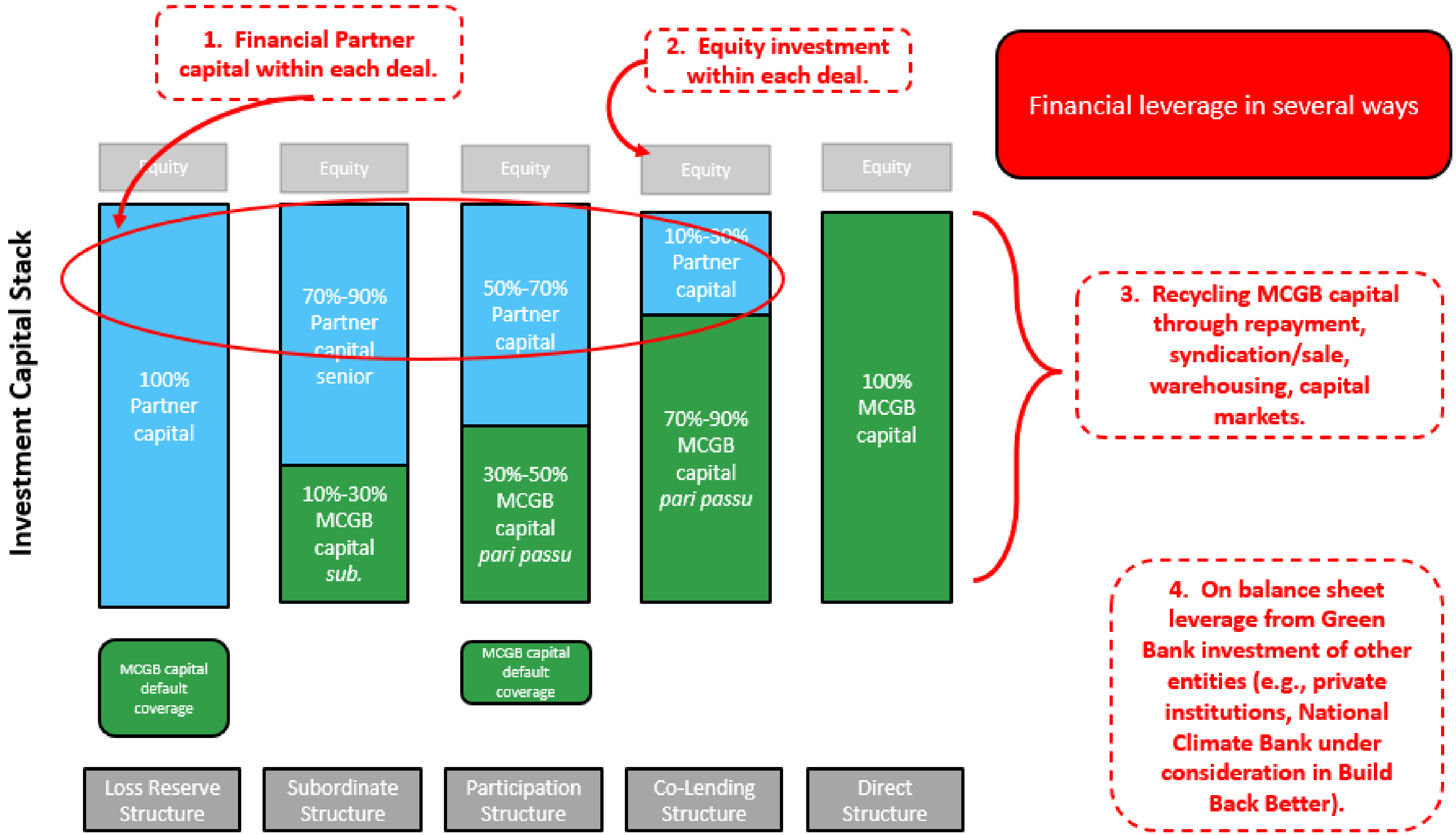
Committees

Executive
Governance
Finance and Operations
Investment
Market Strategies and Innovation
Partnership and Funding

The Green Bank Team

- Chief Executive Officer
- Chief Investment Officer
- Director of Business Operations
- Portfolio Administrator
- Director of Underwriting
- Director of Commercial Business
- Associate Director, Commercial
- Associate Director, Renewable Energy
- Associate Director, Renewable Energy
- Production Team Specialist
- Senior Manager, Communications & Community Engagement
- Digital Marketing and Communications Specialist
- Administrative Assistant.

Using MCGB Capital to Leverage Other Capital and Create Flexibilities for Market Needs



Green Bank Activities

Products

Homeowners	Commercial / Multifamily
Clean Energy Advantage – Energy Efficiency	C-PACE (Program Administrator)
Renewable Energy Financing	Commercial Loan for Energy Efficiency & Renewables (CLEER)
Access Solar – LMI Ownership Option	CLEER Plus DEBT
Access Solar – LMI Rental Option	Small Business Energy Savings Support
	Commercial Solar Power Purchase Agreement
	Tailored Structured Finance
	Community Solar
	EV Chargers

Technical Assistance*:*

- Conducted 22 efforts to date.
- *Using $750,000 of Energy Tax funds to launch a new program to grow this effort significantly and expect to support about 25 to 30 assessments*.

Building knowledge:

- *In 2022, participated in 120 meetings and webinars* to a diverse set of audiences to educate on energy efficiency, solar, and Green Bank financing options.

Results

5,299
Metric Tons in Annual Greenhouse Gas Reductions

$31.7M
in Closed Clean Energy Project Value

3,832 kW
of Solar Array Installed

1,540
Households Supported

1,207
Low & Moderate Income Households Benefitting

1,131
Multifamily Homes Supported

Overall Capital Use: $13 million in support of closed transactions and $17 million in guarantees and finance frameworks.
Overall Leverage Capacity: Attracting $1.5 more in private capital for each $1 of MCGB capital

Use of Energy Tax Funding in FY23

- FY23 Appropriation: $18.6 million
  - Total Deployed To Date: $13.8 million ($9.1 MM projects; $3.6MM in investment agreements; $0.4MM admin)
  - *Total Project Value: $22.6MM (\$17.8MM in projects; \$4.8MM in project costs that can be supported by investment agreements)*

- Total Used in an Equity Emphasis Areas: $5.05MM (target $3.72MM in FY23)
- Total Used to Reduce Costs: $1.4MM (target $2.79MM in FY23)

Samples of Innovative Work

Seneca Village: 2.1MW Solar and Greater Energy Efficiency

- ***Equity Emphasis Area; New Direct Origination with Participations; Low-Cost Funding***
- $5 million loan on a 684-unit affordable housing project.
- Brought a CDFI and another green bank, NYCEEC, to purchase $1.85 million of loan.

Faith-based / nonprofit solar:

- ***No out-of-pocket costs delivering lower operating expenses using Power Purchase Agrmnt***
- Closed on initial six projects; several more in works.

Community Solar:

- ***Brings benefits to homeowners and renters***
- *Supporting two projects and two more in process*

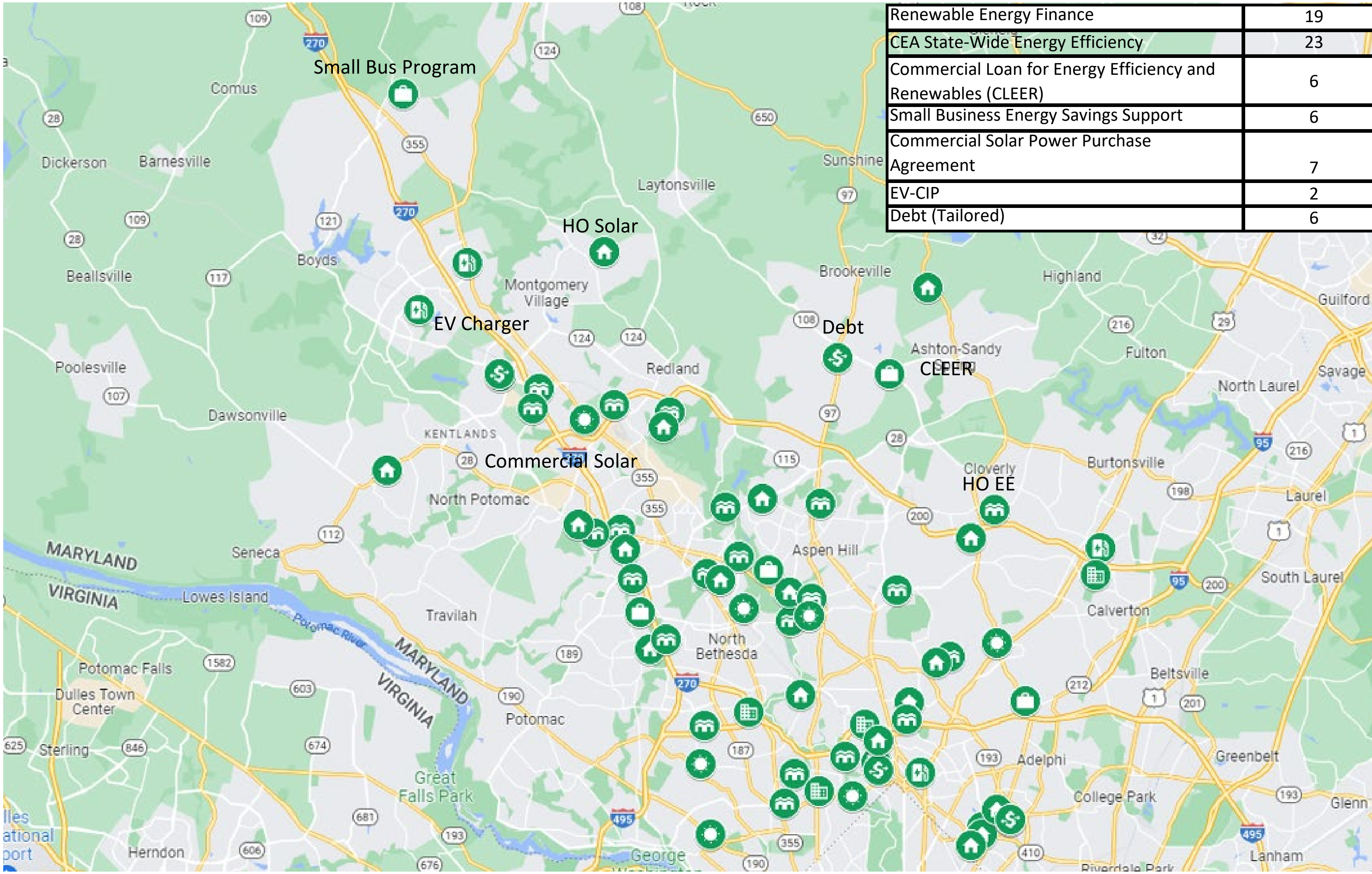
Homeowner Energy Efficiency:

- ***Created in in partnership with Maryland Clean Energy Center as a statewide program***
- 23 owners have used since launch in June 2022

Affordable Housing

- EV Chargers at Affordable Housing
- Supported four condominium properties for energy efficiency work
- Closed on three loans for affordable rental projects for affordable solar.

Map Of Investments



Renewable Energy Finance	19
CEA State-Wide Energy Efficiency	23
Commercial Loan for Energy Efficiency and Renewables (CLEER)	6
Small Business Energy Savings Support	6
Commercial Solar Power Purchase Agreement	7
EV-CIP	2
Debt (Tailored)	6