



INTRODUCTION TO THE

STATEWIDE GREEN BANK

Briefing for the Maryland Climate Change Commission 3.2.23



What is a Green Bank and what does it do?

Green Banks use public funding to crowd-in private capital for targeted investment of capital to achieve environmental goals and desired outcomes

Green Banks can invest in underserved communities and assist consumers without the profit motive characteristic of traditional capital providers

Green Banks can mitigate risk to entice capital providers who might not otherwise invest, and secure lower interest rates and advantageous terms for consumers to help achieve climate justice

Green Banks act as a bridge between government, industry, utility and academia to facilitate partnerships for desirable outcomes

What is MCEC and what does it do?

Quasi-governmental instrumentality of State that serves as a statewide Green Bank

Mission to increase clean energy jobs, drive commercialization of climate related technological innovations, and enable consumer adoption of clean energy products and services to reduce greenhouse gas emissions

Facilitates access to capital and operates financing programs using leveraged or direct investment

Provides **specialized procurement and technical support** to facilitate project implementation

Supports **climate tech commercialization**

Offers outreach & education programs and events to stimulate markets and enable climate justice outcomes

MCEC is Building the Maryland Advanced Energy Economy!

Why does Maryland need a Green Bank?

Public funding alone will not be enough to achieve the goals of the state climate action plan.

Leverage and layer private capital investment with public funding expedite impact.

Coordinating Hub for Clean Energy & Climate Change Mitigation Project Development & Financing

- Effectively aligns investment with solution deployment strategies, to expedite achievement
- Neutral third party convener, not profit motivated
- Match resources to need



Policy Foundation

Maryland Goals & Climate Change Commission Plan Recommendations

- 60% reduction by 2031, 0% by 2045 (from 2006 levels)
- Using Recommendations as guide, financing key to implementation and MCEC role.
- Transportation, building efficiencies and building electrification cited as a significant sources to be addressed in GHG reduction efforts

CSNA (Climate Solutions Now Act)

- **Climate Catalytic Capital (C3) Fund** challenges MCEC to leverage \$15M over three years.
- Positions MCEC to attract multiplied capital for greater and faster impact.
- **BEPS (Building Energy Performance Standards)** regulation implementation in 2025.

Federal IRA & BIL and C3 Fund J40 focus on LMI Households & Communities, with EPA GHGRF 1st awards anticipated Feb. 2023

- **\$7B** for competitive grants to enable low-income and disadvantaged communities to deploy or benefit from zero-emission technologies, including distributed technologies on residential rooftops, and to carry out other greenhouse gas emission reduction activities
- **\$20B** for competitive grants to eligible entities for the provision of financial and technical assistance to projects that reduce or avoid greenhouse gas emissions in low-income and disadvantaged communities
- Secure other Federal Resources available through DOE, USDA, HUD, etc.



Climate Catalytic Capital (C3) Fund

Create & Manage FLEXIBLE FINANCIAL TOOLS

- **Revolving Loan Fund (RLF)** - Debt, loss reserve and buy down
- **Equity Investment Fund (EIF)** - investments designed to earn return
- **Block Grant Program (BGP)** - grants
- **Capacity Building Fund (CBF)** - grants

40% Dedicated to Assist LMI Households & Communities



CLIMATE CATALYTIC CAPITAL FUND

	STRATEGIES					
	ENERGY	BUILDINGS	TRANSPORTATION	AG/ FORESTRY	WASTE	CROSS CUTTING
AUDIENCES	RE GENERATION, TRANSMISSION; COST REDUCTION & RESILIENCE	EE, WEATHERIZATION, DEMAND MANAGEMENT, STORAGE, HVAC and ELECTRIFICATION MEASURES or TECHNOLOGIES to MEET BEPS REGS by 2025	ZERO EMISSION VEHICLES & INFRASTRUCTURE, HYDROGEN FUEL , SUSTAINABLE AVIATION FUELS	ENERGY FROM WASTE AND RENEWABLE BIOMASS SOURCES THAT MEET OR EXCEED MD GHG EMISSIONS REGULATIONS, CARBON SEQUESTRATION. ALTERNATIVE SOURCES FOR FOSSIL FUEL USES LIKE FERTILZER, DIESEL and PROPANE DISPLACEMENT.	SOURCE REDUCTION & REUSE; CHP STEAM; METHANE CAPTURE; ENERGY FROM SOLID & LIQUID WASTE SOURCES THAT MEET OR EXCEED MD GHG EMISSIONS REGULATIONS	WORKFORCE SKILLS TRAINING & ON THE JOB EXPERIENCE; CAPACITY BUILDING; OUTREACH & EDUCATION; PLANNING & ASSESSMENT
CONSUMER						
SMALL BUS/ COMMERCIAL						
INDUSTRIAL/ MANUFACTURING						
PRODUCERS/ DISTRIBUTORS						
MUNICIPAL/ INSTITUTIONAL						
NGOS						
ENTREPRENEURS						



How is MCEC Funded?

\$1.2M Annual Operations as of FY23

\$15M for C3 Fund in \$5M increments over 3 years begins FY24

Compared to other State Green Banks Annual Funding:

- \$ 7M DCGB/ \$60M Balance Sheet
- \$ 8M DELAWARE SEU
- \$22M MASSCEC*
- \$28M CTGB
- \$90M NYSERDA*

Capitalized in tranches:

- \$44M NYGB
- \$ 6M Pepco Settlement Fund & \$17M in FY23 from Fuel Tax MCGB

***Also invests in R&D**



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