

**Testimony on Council Bill 4-2016
Establishing a Clean Energy Loan Program
January 19, 2016**

Good evening Chairman Ball and Members of the committee. My name is Casey Bell. I am the Administrator for the MD-PACE program. Our program, made possible through a partnership with the Maryland Clean Energy Center, an instrumentality of the state, provides turnkey administrative services at no cost to Maryland counties.

I am here this evening in support of Council Bill 4-2016; establishing a Clean Energy Loan Program. This legislation, if enacted, would create a commercial Property Assessed Clean Energy or PACE financing structure that would allow commercial property owners in Howard County to access low-cost private capital to improve their facilities and reduce their energy costs. The bill before you today would promote economic growth and create jobs in Howard County, while also generating multiple environmental benefits.

The financial innovation of PACE is that the capital provided for the project is secured by a tax surcharge collected on the property tax bill. This allows the private sector to finance projects at low rates and align terms with payback periods for energy savings. The PACE surcharge is spread over years and, in all cases, is lower than the energy bill savings the property enjoys. In other words, it is a win-win for property owners. Mortgage lenders are protected in Maryland because each project would be subject to their consent. The policy allows the government to do what it does best – create structures to enable private capital to invest in the County.

Enabling PACE empowers Howard County property owners to lower their operating costs, and improve the value and market competitiveness of their asset. It will help Howard County contractors close projects and grow their businesses by offering a financing option that is attractive to property owners.

The statewide MD-PACE program is immediately available to Howard County, at no cost, through a simple opt-in process. Our partnership provides turnkey, standard, open-market PACE administration and will work with you to:

- intake and approve projects
- train local contractors and capital providers
- establish procedures in consultation with your tax office to place assessments and facilitate collections, and
- remit payment to capital providers.

The team at MD-PACE designed and ran the most successful commercial PACE program in the country in Connecticut. They bring an immense amount of experience on how to manage a successful statewide program – one that works for counties, building owners, contractors, and lenders.

By opting in, Howard County will empower program participants, including property owners, contractors, and capital providers, to pursue PACE projects across the state using standardized guidelines across jurisdictions.

I know that several contractors and capital providers are present tonight to share their testimonies, so I will conclude by re-affirming that Council Bill 4-2016 contains all of the correct elements and places the County in a strong position to design a successful PACE program. For these reasons, I urge your passage of Council Bill 4-2016.