



TO: The Montgomery County Council
FROM: Tom Deyo, CEO of the Montgomery County Green Bank
RE: Green Bank Financing to Support the Building Energy Performance Standards
DATE: June 28, 2021

The Montgomery County Green Bank (the “Green Bank”) is a market participant in identifying and offering financial support to energy savings improvements in commercial property projects throughout the County, and is an active partner with the County for implementation of the County’s Climate Action Plan. In particular, the Green Bank is set to provide support to property owners responding to any Building Energy Performance Standards (BEPS) through its many products and services for those owners seeking financial resources to undertake improvements related to the BEPS.

The BEPS being considered by the County would create more direction for properties to undertake energy savings measures. Such improvements can lessen property operating costs and reduce the property’s environmental footprint. The undertaking of these measures would require financial resources, some of which could be supported through normal operating expenses or capital planning for the properties. For some, undertaking the measures may have owners seek other financial resources to fund the improvements.

The Green Bank has established several financing offerings in partnership with local financial institutions that commercial property owners have successfully used to accelerate energy efficiency and clean energy projects. With these products, the Green Bank is in a clear position to support property owners needing financial resources to undertake improvements related to the BEPS. The Green Bank’s suite of products includes the County’s C-PACE program, the Commercial Loan for Energy Efficiency and Renewable Energy (CLEER), the Small Business Energy Savings Support loan program, the Commercial Solar Power Purchase Agreement, and direct debt with flexible terms for project needs.

These Green Bank products have supported or are being considered by commercial office properties, hospitality establishments, residential condominiums, retail establishments, faith-based institutions, affordable multi-unit rental properties, community solar and other institutions. Each of these entities are looking at Green Bank financing to move forward on energy savings improvements by aligning with other resources (including incentives) and to leverage the energy savings to support repayment of the financing. These projects not only reduce energy and operating costs and help meet County environmental goals, but also yield good paying jobs for the County’s local labor force.

In a similar way to this current practice of property owners, the Green Bank’s financing offerings can help property owners take action to meet the requirements of the BEPS and leverage the benefits of the energy savings improvements to support the financing. This approach can also minimize out-of-pocket upfront costs of property owners by including those where possible in the financing structures.

The Green Bank has positioned itself to be an effective resource for the County to meet its aggressive greenhouse gas emissions targets. The Green Bank stands ready to partner with the County were it to enact the Building Energy Performance Standards, and to assist property owners seeking resources to meet the goals of BEPS with offerings of affordable, flexible, and transparent financing.