

Bill Number 44-21
Montgomery County Green Bank – Funding – Fuel Energy Tax Revenue

Submitted Remarks By Montgomery County Green Bank

The Montgomery County 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.

The County demonstrated national leadership in establishing a green bank that leverages limited public funds to unlock a much larger pool of private capital for financial products and services that residents and businesses can more affordably and equitably access for clean energy improvements.

This Bill 44-21 compliments several actions that the County has taken and is considering, such as the Climate Action Plan and Building Energy Performance Standards, which establish strategies for addressing climate mitigating activities to help the County achieve the 0% greenhouse gas emissions by 2035.

These strategies, which define more specific actions to support energy savings and deliver environmental, economic, and health benefits, will require resources to fulfill and the Green Bank can be a substantial tool in helping meet that resource need, making limited County dollars go further.

Just in the building sector, the County benchmarking data suggests that several hundred commercial properties may need to undertake energy savings improvements to achieve the beneficial targeted outcomes, including those that may come from any adopted Building Energy Performance Standards.

And, there are hundreds of faith-based properties, hundreds of condominiums, over a hundred affordable multifamily properties, and thousands of single-family homes that could need support to undertake energy efficiency and renewable energy improvements.

This could escalate even more with rising energy prices that can create a more urgent need for energy savings improvements. Such an occurrence can be even more impactful among the economically vulnerable and energy-burdened households. This occurrence can necessitate making resources available to help County businesses and residents. The cheapest kWh is the one you don't pay for, and the cleanest kWh is the one you don't use.

The power of this proposed new investment of public funds in Bill Number 44-21 is that it will substantially increase the amount of private capital available to support the clean energy activities needed to meet the county goals as the Green Bank turns the public investment of Bill 44-21 into many times its value. Through leverage, we take one level of investment and make a larger one for clean energy improvements. This is achieved by using the public investment to create confidence in the Green Bank as a sound financial intermediary that can assume risk in financing and thus attract private capital partners. Private capital that might otherwise be on the sidelines without the Green Bank taking some of the risk in the clean energy financing.

The Green Bank can serve the funding needs of this marketplace where \$18 million annually in funding can create \$60 to \$90 million of private financing to support the demand from these property owners.

The market will need affordable, flexible resources to help meet the funding needs of the improvements that provide energy savings over time.

To date, the Green Bank has leveraged its capital using guarantees, credit enhancements, and investments in several partnerships with financial institutions operating in the County. These partnerships have created a suite of special loans with tailored underwriting terms and interest rates for commercial, residential, multifamily, and nonprofit property owners to use to undertake energy saving building improvements.

The Green Bank has also intentionally focused on equitable access to the clean energy marketplace. We have supported technical assistance to eight affordable rental and condominium properties, invested in the first community solar in the County with 30% of its subscriptions dedicated to LMI households, financed three projects supporting condominium communities of homes affordable to LMI households, and are designing a rooftop solar program directed at LMI households to roll out this spring. We have recently hired a communications and community engagement manager to help us more directly connect to the LMI and BIPOC communities. We see this equity and inclusion work as an important part of our mission now and going forward.

Our current work achieves an overall leverage of about 3:1, with varying leverage among products, meaning we turn \$1 of public funds into \$3 of private capital capacity for the County marketplace. To meet the Green Bank's initial project needs and to support the pipeline projects we are working, the Green Bank sees using \$12 million of our current \$16.7 million of capital to create nearly \$30 million in financing capacity to meet this demand.

Accelerating progress on meeting the County's climate goals and addressing the demand generated from the market drivers will exhaust the capital we have and far outstrip our resources. The funds from Bill 44-21 will provide the depth of resources to help meet the market demand.

With additional funding provided by the Fuel Energy Tax, the Green Bank will have the ability to leverage it into a vast new set of financial benefits. These can include more private capital in project financing as well as attracting substantially more private, state, and federal sources, like the proposed National Climate Bank of the Build Back Better plan, to be on the Green Bank's balance sheet for re-lending for the benefit of County residents and businesses.

This additional resource from Bill 44-21 will allow the Green Bank to greatly extend its current offerings with more partnerships, and more availability of loans. And it will allow the Green Bank to establish an even broader array of flexible financing to meet property owners' and clean energy market players varying needs. The actions are necessary to meet the expected demand from the market drivers.

Beyond the financing activities, the Green Bank has focused attention on growing the marketplace for clean energy efforts through services that create market awareness and develop new market participants. These activities were pursued by the Green Bank as a need was identified to educate various constituencies on the effort and benefits of energy efficiency and renewable energy and to assist certain market players with developing a roadmap for undertaking the work.

These Green Bank efforts grow the interest of residents and businesses to undertake this clean energy work, supports the clean energy service sector as the work of the Green Bank creates new demand for energy performance contracting services, and in the end delivers more energy saving benefits for

County constituents and adds to the reduction in greenhouse gas emissions. Resources from Bill 44-21 can support this activity of the Green Bank to grow the market for clean energy.

In summary, the influx of resources from the Fuel Energy Tax will create the capacity for the Green Bank to meet any needs of those seeking to undertake energy savings improvements, including those associated with the Climate Action Plan. We welcome the opportunity to use these funds in flexible ways to meet clean energy financing needs, to achieve energy savings goals, and to serve in a manner that will deliver equitable outcomes across the County.

To add depth to our remarks, The Green Bank offers more explanation of the Green Bank, our work, our products, and the opportunity provided by the availability of additional resources.

- **What is the Green Bank?**
- **What is the purpose of the Green Bank?**
- **How does the Green Bank help the County?**
- **How does the Green Bank do its work?**
- **How does the Green Bank help grow the clean energy marketplace?**
- **How has the Green Bank supported equitable access?**
- **What have been the funding sources for the Green Bank?**
- **What are the Green Bank offerings to support the Clean Energy Marketplace?**
- **Can the Green Bank offer other flexibilities to its products?**
- **What are some key Green Bank impacts and accomplishments?**
- **How has the Green Bank leveraged the funding to date?**
- **What are the market drivers that present future need for Green Bank funding?**
- **What can the Green Bank do with additional funding provided under Bill 44-21?**

What is the Green Bank?

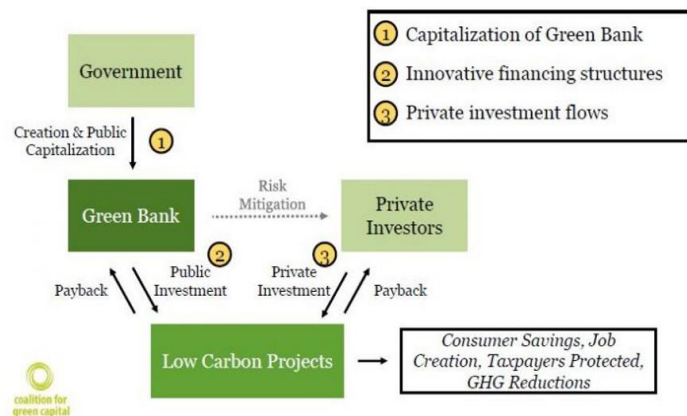
The Montgomery County Green Bank was designated as the County's green bank in 2016 per County bill 18-15 establishing a County-level green bank. The Montgomery County Green Bank ("Green Bank") is an independent 501(c)3 nonprofit dedicated to accelerating clean energy financing options for residents and businesses in Montgomery County, Maryland, including those for energy efficiency and renewable energy upgrades. The Green Bank's work supports the County to achieve its goal to reduce its greenhouse gas emissions to zero by 2035. The Green Bank has an 11-member, non-paid Board of Directors that includes the Director of Finance and the Director of Environmental Protection as designated members from the County.

The Board and other elements provide the governance to assure the Green Bank operates in a sound manner and achieves its charter requirements and mission goals. These governance elements include:

- ✓ Oversight by regular Board-level committee meetings of Governance, Finance and Operations, Investment, Product Development, and Partnerships.
- ✓ Annual Workplan to deliver on mission and goals approved by Board per charter.
- ✓ Annual budgets approved by Board.
- ✓ Annual reporting to County for contract and for activity.
- ✓ Financial audits completed each year and approved by Board.

What is the purpose of the Green Bank?

The Green Bank's job is to attract more private capital into the clean energy financing in Montgomery County. Capital that may find the risk of clean energy financing a concern for offering affordable and flexible capital. So, the Green Bank uses its limited public funds to de-risk the market for private capital and create a multiple of the amount of the limited public funds in private market financing for clean energy investments that are available to residents and businesses in the County. The Green Bank does so by identifying the market inefficiencies and investment reluctance in clean energy technologies and improvements and using various investment structures to de-risk these investments for the private capital to more efficiently and affordably enter the market. The Green Bank targets from \$3 to \$5 of private funds for every \$1 leverage of its funding. And, over time to build market acceptance for private capital in the clean energy sector when the private capital will operate freely in this market and not require additional Green Bank support. When this market acceptance occurs, the Green Bank then moves onto areas where the clean energy market has not been efficient and affordable and develops new structures to bring that private capital into the market in these new areas.



How does the Green Bank help the County?

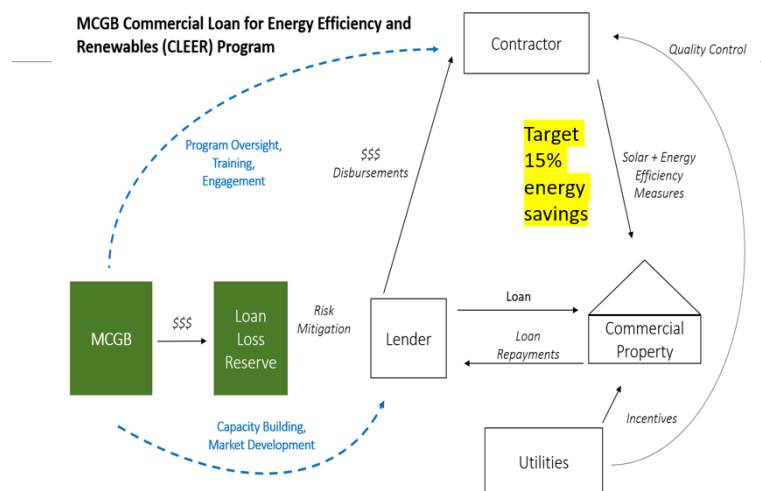
The Green Bank offers affordable and flexible financing to support the funding needs of homeowners, commercial and residential property owners, and clean energy participants in the County to undertake energy savings measures and activities that reduce energy consumption. We work with banks and other private market capital providers to provide affordable financing options so that homeowners, property owners and business owners can install energy efficiency and renewable energy technologies and achieve the energy-cost savings of the improvements. In short, we make saving energy and saving money more accessible through our resources, tools, and connections.

How does the Green Bank do its work?

The Green Bank operates in the financial marketplace and with other financial partners and enters into agreements that can span 10 or more years. The Green Bank uses the public funds provided to it to demonstrate to the financial market that it is a sound financial partner that can meet the long-term obligations in its agreements or transactions with its financial partners. The Green Bank needs to present this strength in order to build the confidence of the private financial marketplace to enter into these long-term commitments with the Green Bank.

Using the public investment and confidence with the financial marketplace, the Green Bank looks to “leverage” its funds and create a greater availability of funds in the market than the Green Bank funding alone could provide. The Green Bank’s leverage strategies are completed in several ways.

- **Product leverage:** This is the Green Bank’s principal approach. The Green Bank uses its capital in guarantees, co-investing, bridge funding, and other financial structures with banks, private capital partners, and investors to create affordable, accessible and flexible financing products for clean energy that are presently not available in the marketplace. Our participation with financial partners provides “insurance” that enables them to offer new financial products and expand into new markets that residents and businesses can use to complete projects that lower their energy costs and deliver greenhouse gas reductions. One such example is a loan loss reserve where the Green Bank provides a backstop to banks offering loans.



- **Recycling Funds:** A second form of leverage is recycling the funds provided to the Green Bank. Unlike grants, the Green Bank funds are part of financing structures that are designed to return the investment to the Green Bank. As the Green Bank's investment is returned, then the Green Bank re-uses that funding into new structures. Thus, the initial Green Bank investment multiplies over time as it is used repeatedly to again leverage private capital funds. The Green Bank has executed on such investments and is recycling the repaid funds into new investments.
- **Balance Sheet:** A third form of leverage is attracting other capital onto the Green Bank's balance sheet which the Green Bank can then re-lend this private capital into the market. This attraction is made possible by the depth of the Green Bank balance sheet and the experience of the Green Bank in investing. The Green Bank reserves a portion of its capital to support this on-balance sheet lending and uses "other companies' capital" as the funding in the market. An example of such on-balance sheet investing would be funds from a National Climate Bank as contemplated in the Build Back Better legislation being considered by Congress.

How does the Green Bank help grow the clean energy marketplace?

Beyond offering financial products, the Green Bank has focused attention on growing the marketplace for clean energy efforts through services that create market awareness and develop new market participants. These activities were pursued by the Green Bank as a need was identified to educate various constituencies on the effort and benefits of energy efficiency and renewable energy and to assist certain market players with developing a roadmap for undertaking the work. These Green Bank efforts grow the interest of residents and businesses to undertake this clean energy work, supports the clean energy service sector as the work of the Green Bank creates new demand for energy performance contracting services, and in the end delivers more energy saving benefits for County constituents and adds to the reduction in greenhouse gas emissions.

The Green Bank has completed several pilot actions to grow this clean energy marketplace. These include:

- **Education and outreach:** The Green Bank has conducted over 100 hundred presentations in the last year to various groups to inform on clean energy activities and the Green Bank's offerings to support them. The Green Bank has found that the market (residents, organizations, property owners) desires instruction and information to understand the technology, measures, and benefits of energy saving improvements and then how to go about undertaking them. These education and outreach efforts develop the market and create new interested parties – as well as opportunities for the clean energy sector to serve these new interests. The clean energy sector dedicates significant costs to develop the customer marketplace and identify customers. The Green Bank sees its ability to develop this marketplace as a way to reduce this contractor cost and help hold down the cost of the improvements.
- **Technical assistance on energy strategies for property owners:** The Green Bank has supported over 10 assignments as a pilot effort to test out the value of energy performance assessments for affordable housing, common ownership communities, and commercial property owners. The assessments considered current conditions and developed plans for improvements and financial support for the improvements. The efforts provided many properties with roadmaps for improvements, and a couple are taking initial steps to undertake improvements. This pilot effort demonstrated that some owners would benefit from having roadmaps developed, particularly those with more complicated decision-making processes.

How has the Green Bank supported equitable access?

The Green Bank has been intentional in its efforts to support equitable access to clean energy financing and products. The Green Bank has worked to deliver opportunities for LMI households, and to focus on increasing the access to these communities. Several efforts undertaken or under way include:

- ✓ Technical Assistance Pilot: The Green Bank supported affordable condominium and affordable rental properties in a pilot to provide insights into the current energy environment of the properties, the scope of work to improve the environment, and the approach to executing on this, including with the use of Green Bank financing. These have laid the plans for how to move forward, and some are taking initial steps to address
- ✓ Community Solar: The Green Bank has focused on community solar projects which provide a minimum of 30% of the subscriptions to LMI renters and owners. The Green Bank is part of the first community solar project in the County and the first to offer at least 30% of the subscriptions to LMI households. The Green Bank is looking at more community solar projects offering similar benefits.
- ✓ Faith-based communities: The Green Bank has focused on outreach and engagement with faith-based communities across the County on undertaking solar PV installations. The Green Bank has reached out to many faiths and across the racial and economic spectrum on congregants. At this time, the Green Bank has over 25 faith-based communities exploring solar options for their properties.
- ✓ LMI Rooftop Solar Pilot: The Green Bank has worked with stakeholders in the County to design a specific rooftop solar program for LMI households. The Green Bank looks to launch this program in spring 2022 with financing that responds to LMI constraints. The pilot seeks to support 100 households through this program.
- ✓ Affordable Housing Solar: The Green Bank has worked with 10 affordable condominiums and two affordable housing owners to evaluate solar on their properties. The Green Bank is working with stakeholders to find an approach that can deliver this solar to these properties.

What have been the funding sources for the Green Bank?

The Green Bank has received funding from a variety of sources to support its specific purposes. The Green Bank has used this funding to support product agreements, investing, and expenses.

Grant funds: \$1.2 million has been provided by foundations in support of Green Bank activities.

County Funds: Under the contract between Montgomery County and the Green Bank, the Green Bank was provided one-time funding for its capital base and some administrative support. This funding from settlement funds from Pepco-Exelon and Altagas came over three years with the most significant amount in mid-2019. The funding established several requirements for use. The total funding for capital provided to the Green Bank was \$16.7 million with \$15.2 million from the Pepco-Exelon settlement funds limited to the Pepco service territory of Montgomery County and \$1.5 million from the Altagas settlement. Of the total funding, about \$2.6 million is set aside for low- and moderate-income

households and multifamily properties, \$1.7 million for nonprofits, \$3.0 million for common ownership communities, and the balance of about \$9 million for general use.

What are the Green Bank offerings to support the Clean Energy Marketplace?

The Green Bank has created an initial suite of products to respond to the gaps and meet market needs. These products were constructed with a variety of financial partners – banks, credit unions, community development financial institutions, and private capital – to deliver transparent, affordable, and flexible financing. Each structure provides a different leverage. The Green Bank used its capital in various structures with the financial partners to achieve the desired product for the market and leverage green bank funds in the products. While each product resulted in a different leverage use, the overall target of leverage across this initial Green Bank portfolio is at about 3:1.

Product	Financial Structure	Partners	Leverage	Gap / De-Risk
Homeowners				
Clean Energy Advantage – Energy Efficiency & Renewable	Loss Reserve	Credit Union	10:1	Affordable, Transparent Financing
Commercial and Industrial				
C-PACE (Program Administrator)	Property Tax Surcharge	Private Capital	4:1	Long-term capital; low-cost
Commercial Loan for Energy Efficiency & Renewables (CLEER)	Loss Reserve	Community Banks	20:1	Not C-PACE acceptable
Small Business Energy Savings Support	Shared Debt in Project Loans	CDFI	1.2:1	Highly Flexible for re-opening needs
Commercial Solar PPA	Debt in Solar PV SPE	Private Capital	1.4:1	Small arrays; no out-of-pocket costs; long-term steady operating costs
Tailored Structured Finance	Shared Capital in Bespoke Deals	CDFI	1.5:1	Bridge loans; higher risk gaps
Low-Moderate Income Owners and Renters				
Community Solar for Low- and Moderate Income	Subordinate Debt in Solar PV SPE	Private Capital	8:1	LMI subscriber risk on turnover

Can the Green Bank offer other flexibilities to its products?

While these are the Green Bank’s established initial products, the Green Bank also works to tailor its products and use its resources to meet specific needs of the property owners. The Green Bank has already structured responses to owner needs that refine terms to meet energy savings, to provide co-investing on a product to mitigate private capital lender constraints, to offer direct support where the private capital market could not meet the needs. The Green Bank approaches each project individually with the customer and energy performance / solar contractor to understand the needs and how the products or flexibilities can be offered to meet the needs.

What are the market drivers that present future need for Green Bank funding?

The County has introduced, or is deliberating on several actions that will create a more demanding market for clean energy financing. To date, the efforts of property owners were driven by voluntary actions to support energy savings and deliver environmental benefits. The Green Bank has serviced this market with its products to stimulate the market to undertake measures.

The Climate Action Plan and the potential Building Energy Performance Standards will create more motivation for property owners to undertake energy savings measures. This County direction will require more financial investment to achieve. Financial investments that provide energy savings over

time and which the market will need affordable, flexible resources to help meet the funding needs of the improvements.

Another driver is increasing energy pricing. This will create more focus on energy efficiency to save on operating costs and also provide a stronger relationship of energy savings to investment. And, this issue is particularly impactful to the economically vulnerable and energy-burdened households.

The current County benchmarking provides insight into the potential need. It is possible that several hundred properties will need to undertake energy savings improvements to achieve Building Energy Performance Standards, and such improvement will require millions of dollars in funding.

And, there are hundreds of faith-based properties, hundreds of condominiums, over a hundred affordable multifamily properties, and thousands of single-family homes that could need support to undertake energy efficiency and renewable energy improvements.

What are some key Green Bank impacts and accomplishments?

The Green Bank has seen use of all of its products by the marketplace and is gaining greater demand from market participants from increased outreach conducted in 2020 and 2021 by the Green Bank as the product suite was fully developed.

Initially, the Green Bank has supported \$3 million in 20 projects, supporting properties that have 558 households (over 500 of which live in affordably-priced properties) that collectively are saving 778 tons of GHG annually.

The efforts of the Green Bank to grow the market and engage with contractors, end users, and community groups has developed an active pipeline that the Green Bank is working to support these projects. Presently the Green Bank is working with residential, commercial, multifamily, and institutional property owners on \$15 million in 28 additional projects that use the Green Bank's sole product offerings plus several million in C-PACE projects that the Green Bank administers and promotes as a county solution. The Green Bank has an even deeper pipeline of over another \$20 million in project financing in need of products using its capital.

Homeowners: The Green Bank partnered with a credit union to deliver a loan program that offered transparent financing with lower interest rates for energy efficiency and renewable energy projects. To date, nearly 20 homeowners have been supported by the homeowner program. The Green Bank then collaborated with the Maryland Clean Energy Center to make the energy efficiency program a statewide offering that brings greater benefits to the County and this will be rolled out in early 2022.

Commercial Solar: The Green Bank used its funding to create a novel solar financing product that provides no out-of-pocket costs to owners and delivers lower pricing per kWh than the owner would pay directly to the utility. The program has particularly strong benefits to nonprofits. Since its launch in June 2021, over 25 faith-based organizations and 10 common ownership communities have engaged with the Green Bank to assess their properties for solar and how the program can provide benefits to them.

Community Solar: The Green Bank supported the first community solar project in the County and the first to set aside 30% of its subscriptions to low- and moderate-income households. The project, called Community Solar at Paddington Square, was built on the Housing Opportunities Commission property

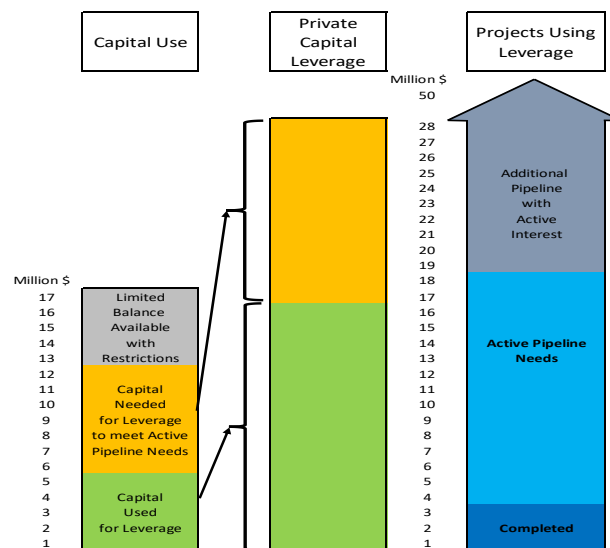
and is a 273-kW solar array that will offer 91 subscriptions, 28 of which will be for LMI households. The Green Bank is working on more community solar projects that will similarly offer set aside for LMI households.

Commercial: The Green Bank has supported various commercial properties to undertake energy savings improvements in partnership with its community bank partner. These projects include an office building, a restaurant, and condominium properties. The Green Bank is working with several more property owners and because of the capital flexibilities offered by its resources, the Green Bank is able to offer a variety of options for the property owners to finance the improvements.

EV Infrastructure: The Green Bank recognizes that the advancement of EVs requires supporting an infrastructure to meet the charging needs of the vehicles. The Green Bank funded a pilot for this at a condominium that can be a model for other such investments.

How has the Green Bank leveraged the funding to date?

The Green Bank is leveraging its capital to create the suite of products and transaction structures in financial agreements with partners. The presence of a strong balance sheet from the funding received provides the confidence in the Green Bank as a credible partner that can meet its obligations under such agreements. The Green Bank has committed over \$5 million of the funds in current agreements and transaction structures and has defined uses on additional agreements and transaction structures in its pipeline for use of another \$7 million in capital. This total amount of capital is creating (or leveraging) \$28 million in private capital lending and investment capacity for the Green Bank. The Green Bank has used about \$3 million of this capacity, has another \$15 million in demand with projects in various stages of underwriting that substantially uses this capacity, and has a deeper pipeline of project interest exceeding \$20 million.



What can the Green Bank do with the additional funding provided under Bill 44-21?

1. Capital in support of property improvements.

Providing the resources to meet the demand. Accelerating progress on meeting the County's climate goals will require extensive resources to meet. The Green Bank has seen increasing demand for its products and capital, and at the current demand level will soon exhaust the capital we have and far outstrip our resources. The funds from Bill 44-21 will provide the depth of resources to help meet the market demand.

The Green Bank can serve the funding needs of this marketplace where \$18 million annually could create \$60 to \$90 million of private financing to help residents and businesses undertake the needed improvements to reach the zero emissions goal.

The following are ways that the Green Bank would use funding to support local businesses, apartment complexes, co-ops and condominiums, nonprofits and faith-based organizations owners to invest and improve their properties.

a. *Increasing current products and more options for investing.*

The Green Bank has several products and strategies to pair its capital with financial partners (e.g., banks) to attract at least 3:1 in private capital for energy efficiency and renewable energy improvement projects in the County. The Green Bank funding would support increased partnerships.

The most flexible of these Green Bank products and strategies use Green Bank capital alongside the private capital to assume risk and to lower end user costs. The Green Bank is presently doing this with its Small Business Energy Savings Program, direct debt, and commercial solar power purchase agreement programs. This new funding would provide for greater flexibility in terms offered on these financing offerings.

b. *Offer ability to create additional flexible financing for deeper energy savings improvements and meet needs of BEPS*

And, while these are the Green Bank's current approaches, the Green Bank needs to fill additional areas of need in the market. At present, the Green Bank is looking at new financing products that would support the needs of building owners, and in particular ones that would reduce the upfront cost burden for some end users. For such products to be widely available, the Green Bank would need more flexible capital than presently possessed. This approach would be very supportive of any BEPS legislation that would be passed.

c. *Attract capital to the Green Bank balance sheet to offer more financing resources*

The Green Bank looks to use the funds on its balance sheet to leverage other private capital to create offerings that meet the most flexible investing demand for some projects. Capital partners willing to offer this on-balance sheet funding look for substantial equity capital on the financial statements of the Green Bank. There are many degrees of capital markets approaches (e.g., private placements, asset backed securities, municipal bonds) that improve with issuer funding consistency, and such consistency correspondingly drives down the cost of capital.

This leveraged capital, including that from the proposed Clean Energy and Sustainability Accelerator of the Build Back Better framework, would be used by the Green Bank to blend with other Green Bank resources and create a greater availability of such investable capital to end users.

d. *Provide Green Bank financing offerings in areas outside of the Pepco territory.*

The Green Bank's current resources from the Pepco-Exelon settlement are limited for use in the Pepco service territory of the County. The availability of resources without such limitation would allow the Green Bank to more readily serve all parts of the County. The recent Zoning Text Amendment with respect to community solar in the agricultural reserve is one example of this growth area where such capital could be more available.

2. Funds in Support of Growing the Market in Clean Energy Economy

The Green Bank has conducted several activities in support of growing the market for the clean energy economy. The Green Bank proposes that a portion of the funds provided to the Green Bank be available to support the Grow the Market activities that aid property owners.

a. *Community Education and Engagement:* The Green Bank has conducted over 100 presentations, webinars, focus groups, and trainings in the last year to educate and inform community groups, condominium associations, homeowners, faith-based organizations, and commercial property owners. These sessions focused on why undertake energy efficiency and renewable energy efforts, how to understand the benefits and economics, and means to fund the measures, including with Green Bank resources. These presentations have driven many more interested parties to initiate plans or take steps to undertake measures and are a major source of Green Bank work with customers.

b. *Technical Assistance to Define Strategies:* The Green Bank has conducted about a dozen pilots of technical assistance to affordable rental, common ownership community, and commercial property owners that aided these owners to understand the current energy use conditions of the property, the improvements that could increase energy performance and associated savings benefits, and the financing offerings that could be used to support such improvements. This has helped these organizations in their future improvement planning (as this often can take a year or more to build into plans for improvement and property decision-making) and to incorporate the enhanced energy saving concepts into these future plans. A couple owners are taking some immediate steps based on these assessments.

c. *Connecting to Clean Energy Businesses:* The Green Bank is serving the clean energy marketplace by referring residents and businesses to community energy players to support the needs of these new market participants. This is creating value to the clean energy economy.

3. Equity Focus for Funding

The Green Bank has an intentional mission to assure that its financing offerings and their use are equitably available and used across the County. The Green Bank has undertaken several

activities to advance equitable access to its current funding, including in community solar with a focus on at least 30% LMI inclusion in projects, a LMI solar pilot being designed for launch in 2022, a concentrated effort to advance solar with a diverse set of faith-based, investment in affordable homeownership communities, and technical assistance to affordable rental and homeowner properties.

The Green Bank would include such equity consideration in the use of the funds in this proposal by assuring that a percentage of the uses of the funds would support equity goals. This would include funding that supports minority- and women-owned businesses, affordable housing, and low- and moderate-income homeowners.

4. Workforce Development

The improvements supported by the Green Bank require a local workforce to implement. The ability to have sustained work aids this workforce in knowing it will have job opportunities for some time. The benefits are both direct for the service installers and indirect in all of the accompanying professional, maintenance, and service jobs that support this sector.

The Green Bank proposes that a small portion the funding provided to the Green Bank would be available to partner with workforce development agencies.

5. Administrative Expenses

To date, the Green Bank has had access to a specified, limited amount of funds provided to the Green Bank from the Exelon-Pepco settlement to support its administrative costs. The Green Bank has used these funds in conjunction with internally derived revenues to support its administrative costs, but those internal resources take time to reach a sufficient pace to accelerate programs and transactions, particularly as the Green Bank explores new products and programs designed to address market gaps that will help address the County's climate goals.

The Green Bank proposes that the County Fuel Energy Tax allocation provide for flexibility, subject to its Board of Director approval, to cover administrative expenses to meet the needs required to deliver on these goals.