
State & Local Efforts on Financing

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- States run programs to promote affordable, reliable and clean energy.
 - Maryland Energy Administration's investment of \$29M in FY11 will generate –
 - \$86M in energy savings over life of measures
 - 412 jobs
 - 23,000 tons of CO2 avoided (equivalent to 4,420 cars off road)
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Maryland's Experience with Traditional Revolving Loan Funds

- State Agency Loan Fund –
 - Zero interest loans to financing state building retrofits.
 - Since 1991, MEA issued over 60 loans totaling over \$16M, with cumulative savings to date over \$20M.
 - Lawton Business Loans –
 - Low interest loans (2.5%) to businesses and non-profits
 - More than 50 loans to date, providing about \$21M
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EmPOWERing Financing

- Speed and Scale – to reach thousands of businesses and consumers, need financing mechanism to address up-front costs of clean energy investments
 - PACE - Maryland dedicated \$4M from ARRA to a Property Assessed Clean Energy (PACE) loan program
 - Numerous jurisdictions and financial entities interested
 - Abandoned based on concerns from Freddie/Fannie
 - New strategy - unsecured consumer loans, with state providing a loan loss reserve fund
 - Easier to get out loans (don't need to coordinate with numerous localities)
 - Much higher interest rate (reduces ROI)
 - Significantly smaller scale due to credit restrictions
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