



C3 Fund Application Overview with Program Q&A Webinar

Thursday, March 7, 2024

10:00 AM



Welcome & Introductions

AGENDA

- **Climate Catalytic Capital (C3) Fund Overview**
- **Goals & Parameters**
- **Eligibility & Investment Criteria**
- **Application Review**
- **Q & A**
- **Adjourn**



Created to increase private capital investment in technology deployment and development intended to reduce greenhouse gas emissions and mitigate the impact of climate change.

[Senate Bill 528 / Ch 38](#)

Allocation of \$15M over three years in the Governor's Budget

Eligible measures include:

- Facilitate the electrification of the transportation sector and the use of sustainable alternative fuels in aviation
- Enable improvements in energy management and efficiency to reduce GHG emissions from buildings
- Expand the deployment of clean energy generation and energy storage capacity
- Target the implementation of energy weatherization measures for low-to-moderate-income households
- Optimize the economic, health, social, and environmental value of community-scale infrastructure for resilience and energy equity
- Allow the deployment of advanced clean energy technology
- Provide for the creation of a Maryland Green Bond Program

Additional Considerations

- 40% of the funds must be used to assist low-income households and communities in the state to access decarbonization solutions and strategies*
- Not more than 5% of the fund balance may be used for administrative purposes
- The fund may not be used for a project to install new equipment that uses fossil fuels or improve the efficiency of existing equipment that uses fossil fuels

**Unless enough applications are not received to meet the quota.*



Fund May Consist of the Following:

- Money appropriated in the state budget
- Private contributions
- Federal Grants and programs
- Proceeds from the sale, disposition, lease, or rental of collateral related to financing made available from the fund
- Repayment of financing made from the fund
- Returns from or recovery of any financing made from the fund
- Proceeds from the sale of any financing made, or assets acquired with proceeds from the fund
- Interest earnings on the money in the fund
- Any other money from any other source accepted to benefit the fund

Budget

- \$5M FY24 in hand; interest earned to date
- FY 2025 \$5M
- FY 2026 \$5M
- Up to 5% (\$250K) per year for Administration
- Private and public sources may commit additional funding for targeted investment

GOVERNANCE:

Investment Oversight Committee

Responsibilities

- Evaluate and coordinate financing for qualified projects and clean energy technologies related to the purposes specified under subsection
- Facilitate efficient tax equity markets for qualified project
- Secure private investment capital for the financing of qualified projects
- Make grants to other green banks in the state for the purpose of financing qualified projects
- Administer the fund and activities of MCEC in carrying out this part



Low-Income and Disadvantaged Communities

LMI household as defined per CSNA statute for the purposes of the FY 2022 Grant Programs, and per CSNA

statute as follows: “Expenditures from the fund be made only with the approval of the Fund Oversight Committee. Except as provided in subparagraph (II) of this paragraph, in each fiscal year, at least 40% of the fund balance shall be used for qualified projects in communities with low-to-moderate-income households.”

Low-Income Household

- At or below 175% of the federal poverty level

Moderate Income Household

- Greater than 175% of the federal poverty level
- Below 85% of the median income by county

[US EPA EJ Screener](#) [MDE EJ Screener](#)

Source: https://mgaleg.maryland.gov/2022RS/chapters_noln/Ch_38_sb0528E.pdf



Performance Outcomes Metrics Reporting

- Leverage Targets
- Greenhouse Gas Reduction
- Clean Energy Deployment
- Electrification
- Energy Efficiency Demand Reduction
- Low-Income Households Impacted
- Community Resilience & Equity Impacts
- Green Bond Program



Proposed Investment Vehicles

- **Revolving Loan Fund (RLF)**
- **Equity Investment Fund (EIF)**
- **Block Grant Program (BGP)**
- **Capacity Building Fund (CBF)**

40% Dedicated to Assist LI Households & Communities



Eligibility & Investment Criteria

State Climate Policy & Plan Fit

- Climate mitigation
- Buildings
- Transportation
- Agriculture
- Forestry
- Waste

MCEC Funding Program Fit

- Revolving Loan Fund, Equity Investment Fund, Block Grant, Capacity Building Grant
- MDPACE
- MCAP
- CEA

Innovation Technology Performance

- Demonstrated innovation effect
- Significant level of impact

Financial Performance

- Rate of Return
- Project, Program, Initiative

Investment Outcomes

- Size and Scale
- Total Investment
- Cost of Investment by Type
- Anticipated Financial Return to C3 Fund
- Timing of Capital Infusions
- Anticipated GHG reductions
- Anticipated FTE Contractor Hours and/ or Jobs Created
- Impact on LI Households and Communities
- Private Sector or Other Capital Catalyzed by Investment



Eligibility & Investment Criteria

Climate Adaptation Performance

- Demonstrated vulnerability reduction
- Significant level of impact

Readiness

- Immediate
- Within 12 months
- Greater than 12 months

Time to Completion

- Prior to 2030
- By 2030
- Beyond 2030

Primary Benefit Location

- Return on investment
- Impact on the environment
- Impact on energy economics

Eligibility & Investment Criteria



Application Intake and Approvals

Application Process

MCEC

- [Eligibility & Investment Criteria](#)
- [C3 Fund Application](#)
- Timeline – Initial Applications due April 15

Evaluation Criteria

Statute List Plus

- Amount Leveraged
- Investment from non-state funding sources
- Add potential revenue generation for the fund
- Impact

Review & Approve

60-Day Staff Review & Committee Approval



Program Cycle

1st CYCLE

- February 26, 2024 Call for Proposals & Applications
- Applications Due April 15
- Mid-April 2024 Staff Review
- Mid-June 2024 IOC Meeting to Approve Recommended Allocations

2nd CYCLE

- Mid-June 2024 Call for Proposals and Applications
- Mid-July 2024 Staff Review
- Mid-August 2024 IOC Meeting to Approve Recommended Allocations



Web: www.mdcleanenergy.org/c3fund

Email: info@mdcleanenergy.org

Phone: 301-314-6061