



BOARD MEETING AGENDA

09.29.2025

MCEC Conference Room: 5000 College Avenue, Suite 31010 College Park, MD 20740

Virtual Access: <https://us02web.zoom.us/j/84033780551?pwd=MZeZZb0ZRX9RMoFDZpUXhxmQamRp4T.1>
Meeting ID:840 3378 0551 Password: 170022

1:00 - 1:05 PM	Welcome, Introductions & Overview	Vice Chair Edwards Dr. Vitale
	<ul style="list-style-type: none">▪ Wind Energy Update – Dr. Vitale	
1:05 - 1:09 PM	Minutes	Ms. Groff
	<ul style="list-style-type: none">▪ Board of Directors Meeting July 29, 2025 (ATTACHMENT A) and September 15 Interim Meeting (ATTACHMENT A.1) (<i>Proposed Motion</i>)	
1:09 – 1:20 PM	Financial Report	Ms. Powell Ms. Kolb Mr. Margolis
	<ul style="list-style-type: none">▪ MCEC Financial Report through August 31, 2025 (ATTACHMENT B)▪ MCEC Grants & Programs Report through August 31, 2025 (ATTACHMENT B.1)▪ MEIA Financial Report through August 31, 2025 (ATTACHMENT B.2)	
1:20 - 1:25 PM	Executive Director Report	Ms. Magruder
	<ul style="list-style-type: none">▪ HR Matters	
1:25 - 1:55 PM	Economic Impact Study	Mr. Hickman
	<ul style="list-style-type: none">▪ Preliminary findings from Economic Impact Study, BEACON, Salisbury University	
1:55 - 2:15 PM	Legal Matters	Ms. Absher
	<ul style="list-style-type: none">▪ Closed Session (<i>Proposed Motion</i>)▪ SFA Update	
2:15 – 2:30 PM	Finance Programs Division	Mr. Vanamali
	<ul style="list-style-type: none">▪ Lending & Credit Policies (ATTACHMENT C) (<i>Proposed Motion</i>)	
2:30 - 2:45 PM	Grant Programs Division	Ms. Gillespie
	<ul style="list-style-type: none">▪ Edits to the Grant Administration Policy Handbook (ATTACHMENT D) (<i>Proposed Motion</i>)▪ Division Update (ATTACHMENT D.1)	



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2:45 - 2:55 PM	MEIA	Mr. Margolis
	<ul style="list-style-type: none">Climate Tech Founders Fund Oversight Committee Reappointment (ATTACHMENT E) <i>(Proposed Motion)</i>	
2:55 - 3:00 PM	Open Discussion, New Business & Announcements	Ms. Magruder
3:00 PM	Adjourn <i>(Proposed Motion)</i>	Vice Chair Edwards

Next Scheduled MCEC Board Meeting: November 20, 2025, 9:30 AM - 11:30 PM Virtual Access

Present: Chair Dr. Karen Wayland, Vice Chair Mr. Robert H. Edwards Jr., Treasurer Ms. Brittney R. Powell, Ms. Whitney Boles, Mr. Jerry T. Sanford, Mr. Paul Albertus, Ms. Jenn Aiosa, Ms. Kathy Magruder, Ms. Martha Absher, Ms. Pamela Bucklinger, Mr. Colin Cline, Ms. Daniella DiRubba, Ms. Amy Gillespie, Ms. Maggie Groff, Mr. Daniel Hazard, Ms. Dorothy Kolb, Mr. Ben Margolis, Ms. Limunga Mingo, Ms. Maya Ross, Mr. Ben Rupert, Ms. Michelle Staudenmeier, Mr. Anmol Vanamali, Mr. Keith Wang, Mr. Noah Wood, Mr. Simón Zimmer, and Audit Presentation Guests Mr. Jamie Robinson and Ms. Katlin Williams, SC&H.

Welcoming Remarks: Chair Dr. Wayland and Ms. Magruder welcomed Board Members and MCEC staff at 1:06 PM. Ms. Magruder asked Board Members and MCEC staff to give brief introductions.

First Order of Business: The first order of business was to approve the Board of Directors Meeting Minutes for Monday, June 30, 2025.

Chair Dr. Wayland requested a motion to approve the Board of Directors Minutes from Monday, June 30, 2025, as presented. Ms. Boles moved the motion. Vice Chairman Edwards seconded the motion. Mr. Sanford initially abstained from voting but changed his vote to 'AYE' to meet quorum. The motion passed.

Chair Dr. Wayland – AYE

Mr. Link - Excused

Dr. Vitale – Excused

Vice Chairman Mr. Edwards – AYE

Director Pinsky – Excused

Mr. Albertus (Dr. Wachsman's Designee) – Excused

Treasurer Ms. Powell – AYE

Mr. Sanford – AYE

Ms. Aiosa (Dir. Pinsky's Designee) – AYE

Ms. Boles – AYE

Dr. Wachsman – Excused

Financial Report: Guest presenters Mr. Robinson and Ms. Williams provided an overview of the process, outlined expectations, and shared updates on the MCEC FY25 audit. Ms. Williams provided clarification on the priorities and objectives of the current financial statements in advance of the October 1 deadline, in response to Chair Dr. Wayland's inquiry in consideration of the additional work related to federal grants. Ms. Kolb presented an overview of the MCEC budget variances through June 30, 2025. Ms. Kolb clarified that expenses and revenues of certain grant funding were unanticipated in response to Chair Dr. Wayland's inquiry. Mr. Margolis provided an overview of MEIA's financial report.

Executive Director Report: Ms. Magruder provided an overview of the MCEC Advisory Council and appointment process. Ms. Magruder proposed a supplemental appointment to the Council of former PSC Commissioner Mike Richards. Vice Chair Mr. Edwards emphasized the need for strong participation among Council members. In response, Ms. Magruder provided the Board with examples of recent Advisory Council engagements. Ms. Magruder shared upcoming announcements with the Board, including pending hires and the Economic Impact Analysis of MCEC's investments. Vice Chair Mr. Edwards emphasized MCEC's vital role in investing in and advancing the transition to clean energy within the State, which influenced the decision to conduct an Economic Impact Analysis.

Chair Dr. Wayland requested a motion to approve the Advisory Council Supplemental Appointment as presented. Ms. Boles moved the motion. Mr. Sanford seconded the motion. The motion passed with no abstentions or objections.

Chair Dr. Wayland – AYE

Mr. Link - Excused

Dr. Vitale – Excused

Vice Chairman Mr. Edwards – AYE

Director Pinsky – Excused

Mr. Albertus (Dr. Wachsman's Designee) – AYE

Treasurer Ms. Powell – AYE

Mr. Sanford – AYE

Ms. Aiosa (Dir. Pinsky's Designee) – AYE

Ms. Boles – AYE

Dr. Wachsman – Excused

Procurement and Technical Assistance Division: Ms. Magruder outlined MCEC's procurement approval process in relation to the contract for Solar Development Services for the Town of Chestertown with GreenGen. Vice Chair Mr. Edwards applauded the expansion of outreach efforts to different areas throughout the State.

Ms. Magruder requested a motion to approve the contract for services with GreenGen for Solar Development Services for the Town of Chestertown as approved by the Town Council. Chair Dr. Wayland moved the motion. Vice Chairman Edwards seconded the motion. The motion passed with no abstentions or objections.

Chair Dr. Wayland – AYE

Mr. Link - Excused

Dr. Vitale – Excused

Vice Chairman Mr. Edwards – AYE

Director Pinsky – Excused

Mr. Albertus (Dr. Wachsman's Designee) – AYE

Treasurer Ms. Powell – AYE

Mr. Sanford – AYE

Ms. Aiosa (Dir. Pinsky's Designee) – AYE

Ms. Boles – AYE

Dr. Wachsman – Excused

Mr. Rupert provided the Board with an overview of the proposed updates to MCEC’s Procurement Policy for contract structure. Mr. Rupert explained the necessary revisions related to the articles of the approval process and clarified that MCEC will comply with both its own procurement process and those of the client. Ms. Magruder clarified that PTAS will provide the Board with a report on contracts that have been rewarded, in response to Chair Dr. Wayland’s question regarding reporting. Ms. Absher emphasized that the intent of the policy update is to streamline the contract approval process.

Chair Dr. Wayland requested a motion to approve revisions to Article 304 and Article 403 and revise specific terms in Article 402 of MCEC’s Procurement Policy as presented by staff. Ms. Boles moved the motion. Ms. Powell seconded the motion. The motion passed with no abstentions or objections.

<i>Chair Dr. Wayland – AYE</i>	<i>Mr. Link - Excused</i>	<i>Dr. Vitale – Excused</i>
<i>Vice Chairman Mr. Edwards – AYE</i>	<i>Director Pinsky – Excused</i>	<i>Mr. Albertus (Dr. Wachsman’s Designee) – AYE</i>
<i>Treasurer Ms. Powell – AYE</i>	<i>Mr. Sanford – AYE</i>	<i>Ms. Aiosa (Dir. Pinsky’s Designee) – AYE</i>
<i>Ms. Boles – AYE</i>	<i>Dr. Wachsman – Excused</i>	

Finance Programs Division: Ms. Magruder provided an overview of a contract modification for services related to the C3 Fund provided by WSP. However, due to the previous motion, the Executive Director has the authority to sign off on the contract modifications with IOC approval. No motion was held. Mr. Vanamali provided an update on MCAP and the status of the Baltimore County EPC transaction. Mr. Wang provided updates on CEA and emphasized its extension of the program. Mr. Wood provided an update on C3 Fund activities, including the status of various applications and contracts. Mr. Wood provided an estimate of the total funding requested and approved in response to Vice Chair Mr. Edwards’ inquiry regarding the dollar amounts for C3 applications to date. Mr. Vanamali also noted that MCEC will be taking over the role of program administrator for MDPACE. Ms. Magruder discussed the process of establishing a new FIAC to review transactions and advise MCEC on investment opportunities. Chair Dr. Wayland requested feedback from Board members regarding the makeup and appointment of the FIAC.

Grant Programs Division: Mr. Zimmer provided an overview of the Solar for All CRM software contract and the selection process. Ms. Gillespie highlighted specific features of the CRM contract that was awarded. Board members discussed the future implementation of federal grant funding.

Chair Dr. Wayland requested to Approve FI Consulting as the SFA software provider. Vice Chairman Edwards moved the motion. Ms. Boles seconded the motion. The motion passed with no abstentions or objections.

<i>Chair Dr. Wayland – AYE</i>	<i>Mr. Link - Excused</i>	<i>Dr. Vitale – Excused</i>
<i>Vice Chairman Mr. Edwards – AYE</i>	<i>Director Pinsky – Excused</i>	<i>Mr. Albertus (Dr. Wachsman’s Designee) – AYE</i>
<i>Treasurer Ms. Powell – AYE</i>	<i>Mr. Sanford – AYE</i>	<i>Ms. Aiosa (Dir. Pinsky’s Designee) – AYE</i>
<i>Ms. Boles – AYE</i>	<i>Dr. Wachsman – Excused</i>	

Ms. Gillespie provided an overview of the Municipal Investment Fund Grant, in partnership with the City of Baltimore. Board members and staff discussed geothermal energy in relation to the grant application. Ms. Magruder provided clarification on MCEC’s role as an advisor for the grant. Ms. Gillespie also provided an update on all federal grant activities at MCEC.

Chair Dr. Wayland requested a motion to approve MCEC’s grant award from the Coalition for Green Capital/ICLEI totaling \$250,000, subject to completed legal review, for public/private investment technical assistance with the City of Baltimore as recommended by grant staff. Mr. Sanford moved the motion. Mr. Albertus seconded the motion. The motion passed with no abstentions or objections.

<i>Chair Dr. Wayland – AYE</i>	<i>Mr. Link - Excused</i>	<i>Dr. Vitale – Excused</i>
<i>Vice Chairman Mr. Edwards – AYE</i>	<i>Director Pinsky – Excused</i>	<i>Mr. Albertus (Dr. Wachsman’s Designee) – AYE</i>
<i>Treasurer Ms. Powell – AYE</i>	<i>Mr. Sanford – AYE</i>	<i>Ms. Aiosa (Dir. Pinsky’s Designee) – AYE</i>
<i>Ms. Boles – AYE</i>	<i>Dr. Wachsman – Excused</i>	

MEIA: Mr. Margolis provided an update on MEIA programming activities. Ms. Magruder highlighted current and past startups that MEIA has supported.

Open Discussion, New Business & Announcements: Chair Dr. Wayland opened the floor for open discussion and questions. Ms. Aiosa

provided an update on MEA's new programs and funding opportunities for FY26. Chair Dr. Wayland expressed interest in an overview of MEA's current programs. Ms. Magruder acknowledged the Communications and Marketing Team for their work on sponsorships and shared updates on the upcoming 2025 Maryland Clean Energy Summit.

Adjournment: Chair Dr. Wayland thanked all for their time. The meeting was adjourned by consensus at 2:52 PM.

Recording of the meeting can be found at: https://bit.ly/MCEC_2025_07-28

DRAFT



Present: Chair Dr. Karen Wayland, Vice Chair Mr. Robert Edwards Jr., Treasurer Ms. Brittney R. Powell, Ms. Whitney Boles, Mr. Ben Link, Director Paul Pinsky, Mr. Jerry T. Sanford, Dr. Salvo Vitale, Dr. Eric D. Wachsman, Ms. Katherine Magruder, Ms. Martha Absher, Ms. Maggie Groff, Mr. Daniel Hazard, Ms. Dorothy Kolb, Ms. Mary Sirois and Audit Presentation Guests Ms. Erin Charles and Ms. Katlin Williams, SC&H.

Welcoming Remarks: Chair Dr. Wayland and Ms. Magruder welcomed Board Members and guest presenters to the meeting at 10:02 AM.

Financial Report: Guest presenters, Ms. Charles and Ms. Williams, presented on MCEC FY25 Audited Financials. Ms. Magruder clarified the audit was completed through a specific date, including relevant programs in response to Director Pinsky's inquiry about MCEC's revenue sources beyond MEA and C3 funding. Ms. Charles provided clarification that MCEC sources of revenue also include smaller grants, fee-for-service income, and sponsorships. Ms. Charles and Ms. Williams provided clarification on the operating and non-operating revenue sources in the MCEC Audited Financial Statements, in response to Mr. Link's inquiry on revenue categories. Members voiced comments and concerns about MCEC's financial position in light of current economic climate.

Chair Dr. Wayland requested a motion to accept the findings of the FY25 audited financial statements. Ms. Powell moved the motion. Director Pinsky seconded the motion. The motion passed with no abstentions or objections.

Chair Dr. Wayland – AYE

Mr. Link – AYE

Dr. Vitale – AYE

Vice Chair Mr. Edwards – Excused

Director Pinsky – AYE

Treasurer Ms. Powell – AYE

Mr. Sanford – AYE

Ms. Boles – AYE

Dr. Wachsman – AYE

Executive Director Report: Ms. Magruder presented the Line of Credit Resolution to Members. Ms. Absher clarified the purpose of the resolution.

Chair Dr. Wayland requested the Board resolve to move forward with the resolution as provided. Dr. Vitale moved the motion. Ms. Powell seconded the motion. The motion passed with no abstentions or objections.

Chair Dr. Wayland – AYE

Mr. Link – AYE

Dr. Vitale – AYE

Vice Chair Mr. Edwards – Excused

Director Pinsky – AYE

Treasurer Ms. Powell – AYE

Mr. Sanford – AYE

Ms. Boles – AYE

Dr. Wachsman – AYE

Open Discussion, New Business & Announcements: Chair Dr. Wayland opened the floor for open discussion and questions. Ms. Magruder provided clarification on staffing updates and priorities in response to Mr. Sanford's inquiry. Director Pinsky commented on upcoming legislative priorities and related deadlines. Members continued to have an open discussion and addressed related concerns.

Adjournment: Chair Dr. Wayland thanked all for their time. The meeting was adjourned by consensus at 10:58 AM.

Recording of the meeting can be found at: https://bit.ly/MCEC_2025_09-11

Proposed Motion

Motion to approve the Board of Directors meeting minutes for July 29, 2025 and September 15, 2025 as presented.

Board Financial Report

Maryland Clean Energy Center

For the period ended August 31, 2025



Prepared on

September 22, 2025

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VARIANCE EXPLANATIONS

HIGHLIGHTED BUDGET VARIANCES FOR PERIOD ENDED AUGUST 31, 2025 - Maryland Clean Energy Center ARE AS FOLLOWS:

NOTE: All Grants are reported separately in the Grant & Program Board Report. This analysis addresses variances in the MCEC operating budget only.

REVENUE

- The FY 2026 \$5,000,000 C3 Fund installment has been invoiced but not yet received. Once received, it will be transferred to our restricted bank account for C3 Funds.
- Federal, State and foundational revenues have their related expenses in the Expenses section of the P&L.
- Events income for the 2025 Clean Energy Summit are slated to come in at or over budget. Final numbers will be available with the October 2025 financials.

EXPENSES

- We are currently at 32% of our budgeted expenses for fiscal 2026, which includes Federal Grant expenses.
 - Event expenses are offset by the revenue generated from the events.
 - Remaining accounting fees are for the SC&H financial audit and Uniform Guidance (Single) audit
 - MDPACE expenses are over-budget because, as with revenue, the program was brought in-house.
 - CEA program expenses are based on a multi-year program where some revenues and expenses were budgeted based on the calendar year.
 - Software subscriptions are based on annual subscriptions that were more cost-effective than monthly

CASH ON HAND

The operating/non-restricted cash on hand at August 31, 2025 was \$4,086,041 (this includes C3F Admin allocation).

Statement of Revenues, Expenses and Changes in Net Position

July - August, 2025

	Total	
	Jul - Aug, 2025	Jul - Aug, 2024 (PY)
INCOME		
4100 Grant Revenue		
C3 Fund Administration Revenue	5,000,000.00	5,000,000.00
Federal Grants	334,810.63	
State Appropriations	300,000.00	300,000.00
State Grants	3,400,000.00	100,000.00
Total 4100 Grant Revenue	9,034,810.63	5,400,000.00
4200 Interest Income	15,128.90	23,876.85
4500 Events Income		
4521 Event Sponsors	62,750.00	0.00
4522 Event Registration	18,950.00	0.00
Total 4500 Events Income	81,700.00	0.00
4909 CEA Program Admin Fee Revenue		
4912 MCGB Share of CEA Services	941.55	2,916.50
Total 4909 CEA Program Admin Fee Revenue	941.55	2,916.50
4922 MDPACE Revenue		
4920 MDPACE Servicing Revenue	2,617.04	
Total 4922 MDPACE Revenue	2,617.04	
4975 Consulting Fees	20,025.00	10,050.00
Total Income	9,155,223.12	5,436,843.35
GROSS PROFIT	9,155,223.12	5,436,843.35
EXPENSES		
5100 Salaries & Benefits		
5121 Salaries - Administrative Staff	102,137.23	246,036.83
5123 Payroll Service Fees	1,750.00	1,835.00
5180 Employer Taxes	18,972.03	23,427.81
5181 Health Benefits	-4,638.80	18,327.33
5198 401k Employer Match	10,183.28	4,123.64
5199 Workers Comp & Disability Insurance	1,129.42	1,067.96
Total 5100 Salaries & Benefits	129,533.16	294,818.57
5400 Travel, Meetings & Meals		
5401 Admin Travel		
5402 Tolls/Parking	117.00	61.50
5403 Meals	755.74	609.85
5408 Air/Train		150.00
5409 Taxi		10.00
5410 Mileage	850.03	637.49
Total 5401 Admin Travel	1,722.77	1,468.84

		Total
	Jul - Aug, 2025	Jul - Aug, 2024 (PY)
5590 Board Meetings/Internal Conferences		756.00
5595 External Conferences	23,379.99	8,825.82
Total 5400 Travel, Meetings & Meals	25,102.76	11,050.66
5700 Event Expenses		
5205 Merchant Service Fees	75.56	0.00
5701 Food & Venue	24,700.00	15,734.38
6316 Supplies & Materials - Events	232.42	
Total 5700 Event Expenses	25,007.98	15,734.38
5800 Contractual Services		
5122 Interns	1,920.00	4,016.25
5200 Professional Services		
5202 Accounting Fees	41,284.24	19,900.00
5203 Legal Fees	-810.00	14,400.00
5915 HR Management	576.25	1,400.00
Total 5200 Professional Services	41,050.49	35,700.00
5204 Bank Fees	332.26	291.78
5806 Outside Contractor	16,474.94	30,635.00
Total 5800 Contractual Services	59,777.69	70,643.03
5804 Marketing	7,500.00	
5808 Printing & Publications	-374.00	
5809 Branded Promo Items		195.72
5810 Sponsorships		2,500.00
5813 Website		
5816 Website Hosting		149.00
5818 Email Marketing	346.00	152.00
5821 Website Design		120.00
Total 5813 Website	346.00	421.00
Total 5804 Marketing	7,472.00	3,116.72
6000 Program/Grant Support		
5960 MDPACE Support		
5961 Servicing	6,600.00	
Total 5960 MDPACE Support	6,600.00	
C3 Fund Administrative Support		
Administrative Program Support	115,478.32	37,461.18
Total C3 Fund Administrative Support	115,478.32	37,461.18
C3 Fund Direct Support		
Outside contractors	7,812.50	1,200.00
Professional services - legal	10.00	
Total C3 Fund Direct Support	7,822.50	1,200.00

		Total
	Jul - Aug, 2025	Jul - Aug, 2024 (PY)
CEA Overhead support		
5851 Program Administration	12,750.00	16,800.00
5852 Program Coordinator	5,591.50	
5854a Accounting Fees	2,000.00	2,000.00
5857 Marketing-Maintenance & Updates		441.89
5858 Marketing-Advertising & Direct Mail	1,824.26	
5860 Marketing-Collateral	13,098.17	
Total CEA Overhead support	35,263.93	19,241.89
Federal Grant Support		
Contractual	40,404.70	29,520.00
Contractual-Match		49.58
Fringe	30,794.86	10,478.21
Funding & Financing Subawards	28,796.36	
Indirect Costs-MCEC		2,700.00
Other - Technical Assistance Subawards		10,597.26
Other-MCEC	1,838.34	348.00
Other-Outreach & Education Subawards	13,120.12	4,805.00
Other-Workforce Development Subawards	60,703.04	
Personnel	97,440.53	20,128.64
Supplies	548.93	2,521.56
Travel	4,337.08	359.48
Total Federal Grant Support	277,983.96	81,507.73
Foundational Support		
Fringe	4,936.86	
Other	75.00	
Personnel	12,401.52	
Travel	11.83	
Total Foundational Support	17,425.21	
State Grant Support		
Fringe	574.93	
Personnel	3,037.70	
Total State Grant Support	3,612.63	
Wood Energy Project Support		
Wood Energy Contractual Services	10,000.00	
Wood Energy Grant Coordinator	10,329.96	12,966.03
Wood Energy Software Subscriptions	12.00	
Total Wood Energy Project Support	20,341.96	12,966.03
Total 6000 Program/Grant Support	484,528.51	152,376.83

	Total	
	Jul - Aug, 2025	Jul - Aug, 2024 (PY)
6300 Office Expense		
5817 IT Services	490.00	
5900 Office Supplies		
5901 Supplies - Office	2,022.69	1,190.39
5904 Postage	10.05	49.08
5906 Copier Lease	57.74	
Total 5900 Office Supplies	2,090.48	1,239.47
6301 Office Rent/Parking Fee	9,624.60	6,650.96
6303 Misc.	0.00	3,700.00
6308 Janitorial	725.00	450.00
6315 Telephone	1,307.07	1,863.40
Total 6300 Office Expense	14,237.15	13,903.83
6304 Dues & Subscriptions	875.00	1,108.12
6351 Software Subscriptions	15,490.53	3,137.21
Melio services fee	96.00	
Total Expenses	762,120.78	565,889.35
NET OPERATING INCOME	8,393,102.34	4,870,954.00
OTHER INCOME		
4900 Energy Savings Revenue		47,701.97
4950 Restricted Interest Income	64,070.69	48,420.44
Total Other Income	64,070.69	96,122.41
OTHER EXPENSES		
6305 Other Expense		1,225.00
6325 Escrow Agent Fee	353.32	2,853.32
6401 Depreciation Expense		133,969.64
6500 Interest Expense		4,783.57
Total Other Expenses	353.32	142,831.53
NET OTHER INCOME	63,717.37	-46,709.12
NET INCOME	\$8,456,819.71	\$4,824,244.88

Statement of Net Position

As of August 31, 2025

	As of Aug 31, 2025	As of Aug 31, 2024 (PY)	Total
ASSETS			
Current Assets			
Bank Accounts			
1110 Cash & Cash Equivalents			
1117 Sandy Spring Operating **3401	488,622.57		96,798.67
1120 Sandy Spring Money Market **3429	3,597,418.65		4,098,646.29
Total 1110 Cash & Cash Equivalents	4,086,041.22		4,195,444.96
1140 Restricted Cash - CEA Loan Program-Buy Down			
BGE Buy Down (4201)	168,438.09		80,453.67
Delmarva Buy Down (4207)	3,239.83		25,799.63
Pepco South Buy Down (4203)	1,279.95		32,108.17
Potomac Edison Buy Down (4209)	51,061.93		11,253.75
SMECO Buy Down (4211)	5,017.43		14,404.54
Washington Gas Buy Down (4205)	10,431.75		24,922.44
Total 1140 Restricted Cash - CEA Loan Program-Buy Down	239,468.98		188,942.20
1145 Restricted Cash - CEA Loan Program-Loan Loss Reserve			
BGE LLR (4202)	131,105.00		131,104.00
Delmarva LLR (4208)	40,001.00		40,000.00
Pepco South LLR (4204)	40,001.00		40,000.00
Potomac Edison LLR (4210)	40,001.00		40,000.00
SMECO LLR (4212)	40,001.00		40,000.00
Washington Gas LLR (4206)	40,001.00		40,000.00
Total 1145 Restricted Cash - CEA Loan Program-Loan Loss Reserve	331,110.00		331,104.00
1146 Restricted Cash - CEA Loan Program Admin			
CEA Disbursements (8902)	3,570.81		3,569.62
CEA Receipts (8901)	101.00		100.00
Total 1146 Restricted Cash - CEA Loan Program Admin	3,671.81		3,669.62

		Total
	As of Aug 31, 2025	As of Aug 31, 2024 (PY)
1150 Restricted Cash - Project Funds		
1156 UMB - MSU 2022 Project Fund **872.2	1,368,303.87	1,316,863.05
Total 1150 Restricted Cash - Project Funds	1,368,303.87	1,316,863.05
1160 Restricted Cash - Paying Agents		
1161 US Bank - UMBC 2013 **7000	0.00	16,579.13
1162 US Bank - Coppin 2012 **5000	177,554.03	75,031.39
1163 BankUnited - UMCP 2017 Revenue Fund **9678	860,217.14	891,079.25
1164 US Bank - IBBR 2018 **87000	22,996.84	11,671.20
1165 UMB - MSU 2022 Revenue Fund **872.1	480,365.81	466,767.33
Total 1160 Restricted Cash - Paying Agents	1,541,133.82	1,461,128.30
1170 Restricted - C3 Fund Operating Account	9,796,227.36	5,200,367.69
1171 Restricted - Solar For All Checking	4,859,696.04	
1172 Restricted - CFI Checking	100.00	
Total Bank Accounts	22,225,753.10	12,697,519.82
Accounts Receivable		
1200 Accounts Receivable	-862.50	-862.50
1210 Accounts Receivable	9,078,296.20	5,345,368.99
1220 Accounts Receivable - MCAP	-16,578.19	-16,578.19
1225 Loan Program - Loan Receivable	0.02	0.02
1230 Due from Servicer	0.07	0.07
Total 1200 Accounts Receivable	9,060,855.60	5,327,928.39
Total Accounts Receivable	9,060,855.60	5,327,928.39
Other Current Assets		
1201 Undeposited Funds	0.10	0.10
1251 Fees Due From Borrower	0.00	71,730.88
1410 Prepaid Expenses	10,244.72	11,916.17
1430 Prepaid Event Expenses	30,825.00	69,880.33
1700 Current Lease Receivable	2,975,765.70	2,975,765.70
Due from C3 Fund	19,364.00	19,364.00

		Total
	As of Aug 31, 2025	As of Aug 31, 2024 (PY)
Total Other Current Assets	3,036,199.52	3,148,657.18
Total Current Assets	34,322,808.22	21,174,105.39
Fixed Assets		
1502 Office Furniture & Equipment	0.00	0.00
1501 Furniture and Equipment	28,970.00	28,970.00
1505 Computers	1,652.04	1,652.04
1510 Accum Depr-Furn & Equip	-29,361.00	-28,901.00
Total 1502 Office Furniture & Equipment	1,261.04	1,721.04
1625 Energy Savings Equipment	0.00	0.00
1620 Construction in Progress	0.00	0.00
1620.01 CIP - UMCP 2017	-0.37	-0.37
1620.03 CIP - MSU 2022	8,775,888.09	8,775,888.09
Total 1620 Construction in Progress	8,775,887.72	8,775,887.72
1626 Energy Savings Equipment	0.00	0.00
1626.01 Energy Saving Equip-Coppin 2012	6,107,477.83	6,107,477.83
1626.02 Energy Savings Equip-UMBC 2013	0.00	4,880,553.17
1626.03 Energy Savings Equip-UMCP 2017	18,219,669.00	18,219,669.00
1626.04 Energy Savings Equip-IBBR 2018	4,548,118.00	4,548,118.00
Total 1626 Energy Savings Equipment	28,875,264.83	33,755,818.00
1627 Accum Depr-Energy Savings Equip	0.00	0.00
1627.01 A/D-Energy Equip-Coppin 2012	-4,027,456.64	-3,769,153.94
1627.02 A/D-Energy Equip-UMBC 2013	0.00	-2,642,000.07
1627.03 A/D-Energy Equip-UMCP 2017	-1,071,745.00	-1,071,745.00
1627.04 A/D-Energy Equip-IBBR 2018	-1,273,359.56	-1,096,504.06
Total 1627 Accum Depr-Energy Savings Equip	-6,372,561.20	-8,579,403.07
Total 1625 Energy Savings Equipment	31,278,591.35	33,952,302.65
Total Fixed Assets	31,279,852.39	33,954,023.69
Other Assets		
1701 C3 Fund-Convertible Note Receivable-Clean Slate Solar	500,000.00	
1800 Long term lease receivable	15,984,617.67	15,984,617.67

		Total
	As of Aug 31, 2025	As of Aug 31, 2024 (PY)
1900 Right of use asset	132,987.00	132,987.00
Accumulated amortization - lease	-108,205.33	-108,205.33
Total Other Assets	16,509,399.34	16,009,399.34
TOTAL ASSETS	\$82,112,059.95	\$71,137,528.42

LIABILITIES AND EQUITY

Liabilities

Current Liabilities

Accounts Payable

20000 *Accounts Payable	561,517.82	219,487.66
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Total Accounts Payable	561,517.82	219,487.66
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Credit Cards

2215 Sandy Spring MC xxx7509	0.00	13,675.75
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Ramp Card	2,040.73	863.28
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Total Credit Cards	2,040.73	14,539.03
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Other Current Liabilities

2000 Liabilities

2110 Current Liabilities	0.00	0.00
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2140 Borrower Payments Due To Lender	68,090.00	68,090.00
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2161 3rd Party Funds Held-UMBC	-6,947.13	10,001.92
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2162 3rd Party Funds Held-Coppin	178,809.31	75,709.87
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2163 Fees Due To 3rd Party	-4,517.86	-4,517.86
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2166 3rd Party Funds Held - IBBR	14,894.09	5,198.54
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2167 3rd Party Funds Held - UMCP	879,909.34	909,508.60
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2168 3rd Party Funds held-MSU	489,134.28	465,449.87
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2900 Due to/from MEIA	44,781.35	-1,824.70
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2901 Due to/from MAPA 501c	-10,534.20	-9,889.70
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2920 Due to/from CEA-Buy Down	81,656.21	-44,631.05
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2935 Due to/from MCGB-CEA	0.00	-10,353.84
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Total 2110 Current Liabilities	1,735,275.39	1,462,741.65
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		Total
	As of Aug 31, 2025	As of Aug 31, 2024 (PY)
Total 2000 Liabilities	1,735,275.39	1,462,741.65
2150 Accrued Payroll Expenses		
2151.05 Accrued Annual Leave	68,333.74	68,333.74
2151.08 Employee Benefit Liability	11,630.53	11,777.74
2151.09 FSA Liability	-2,995.72	122.11
2151.10 401k Deferral Liability	-2,958.23	
Total 2150 Accrued Payroll Expenses	74,010.32	80,233.59
2200 Other Accrued Expenses	10,570.00	0.00
2230 Deferred Event Revenue	51,750.00	164,585.00
2300 Bond Payable-Current Portion	0.00	0.00
2300.01 C/P Bond Payable-Coppin 2012	470,906.80	470,906.80
2300.02 C/P Bond Payable-UMBC 2013	312,083.42	312,083.42
2300.03 C/P Bond Payable-UMCP 2017	1,364,672.39	1,364,672.39
2300.04 C/P Bond Payable-IBBR 2018	296,316.74	296,316.74
2300.05 Bonds Payable-Current Portion MSU	626,757.92	626,757.92
Total 2300 Bond Payable-Current Portion	3,070,737.27	3,070,737.27
2700 Current lease liability	26,552.85	26,552.85
2701 Unearned Interest Income	25,347.22	
Accrued Interest - Bonds Payable	112,586.00	112,586.00
Accrued interest - lease liability	2,781.32	2,781.32
Deferred Energy Savings Revenue	903,564.00	903,564.00
Total Other Current Liabilities	6,013,174.37	5,823,781.68
Total Current Liabilities	6,576,732.92	6,057,808.37
Long-Term Liabilities		
2400 Bonds Payable-Long Term Portion		
2400.01 L/T/P Bond Payable-Coppin 2012	1,308,446.30	1,308,446.30
2400.03 L/T/P Bond Payable-UMCP 2017	10,625,337.25	10,625,337.25
2400.04 L/T/P Loan Payable-IBBR 2018	2,595,500.40	2,595,500.40
2400.05 L/T/P Bond Payable-MSU 2022	9,107,550.55	9,107,550.55
Total 2400 Bonds Payable-Long Term Portion	23,636,834.50	23,636,834.50

		Total
	As of Aug 31, 2025	As of Aug 31, 2024 (PY)
2500 Buy Down Liabilities		
BGE Buy Down	102,025.72	102,025.72
Delmarva Power Buy Down	25,800.28	25,800.28
Pepco South Buy Down	30,888.71	30,888.71
Potomac Edison Buy Down	11,254.29	11,254.29
SMECO Buy Down	16,789.13	16,789.13
Washington Gas Buy Down	28,821.52	28,821.52
Total 2500 Buy Down Liabilities	215,579.65	215,579.65
2600 Loan Loss Reserve Liabilities		
BGE Loan Loss Reserve	131,104.00	131,104.00
Delmarva Power Loan Loss Reserve	40,000.00	40,000.00
Pepco South Loan Loss Reserve	40,000.00	40,000.00
Potomac Edison Loan Loss Reserve	40,000.00	40,000.00
SMECO Loan Loss Reserve	40,000.00	40,000.00
Washington Gas Loan Loss Reserve	40,000.00	40,000.00
Total 2600 Loan Loss Reserve Liabilities	331,104.00	331,104.00
2800 Long term lease liability	-2,715.15	-2,715.15
Deferred inflow of resources - rents & fees collected in advance	25,788,805.62	25,788,805.62
Total Long-Term Liabilities	49,969,608.62	49,969,608.62
Total Liabilities	56,546,341.54	56,027,416.99
Equity		
3810 Unrestricted Net Assets	17,108,898.70	10,285,866.55
Net Income	8,456,819.71	4,824,244.88
Total Equity	25,565,718.41	15,110,111.43
TOTAL LIABILITIES AND EQUITY	\$82,112,059.95	\$71,137,528.42

Maryland Clean Energy Center
Budget vs. Actuals: FY 2026 OPERATING BUDGET - FY26 P&L
 July 2025 - June 2026

	Total				
	Actual	Budget	over Budget	% of Budget	Notes
Income					
4100 Grant Revenue					
C3 Fund Administration Revenue			0		
C3 Fund Allocation	5,000,000	5,250,000	-250,000	95.24%	C3 FY26 funding- moved to restricted assets
Federal Grants	334,811	347,500	-12,689	96.35%	
Foundational Support		215,000	-215,000	0.00%	\$125,000 for USEF received in 6/2025. Abell Foundation is the remaining \$90K and was not received
State Appropriations	300,000	1,200,000	-900,000	25.00%	MEIF funding
State Grants	3,400,000	225,000	3,175,000	1511.11%	Invoiced for CTFF but funds not yet received
Total 4100 Grant Revenue	9,034,811	7,237,500	1,797,311	124.83%	
4200 Interest Income	15,129	90,000	-74,871	16.81%	
4500 Events Income			0		
4521 Event Sponsors	60,250	182,000	-121,750	33.10%	Summit
4522 Event Registration	18,950	88,000	-69,050	21.53%	Summit
4523 Event Exhibitors			0		
Total 4500 Events Income	79,200	270,000	-190,800	29.33%	
4800 MCAP Fees Revenue			0		
4802 MCAP Application Fees		50,000	-50,000	0.00%	
4804 MCAP Annual Admin Fees		48,950	-48,950	0.00%	
4805 MCAP Shared Savings		27,500	-27,500	0.00%	
Total 4800 MCAP Fees Revenue	0	126,450	-126,450	0.00%	
4909 CEA Program Admin Fee Revenue			0		
4911 CEA/MCEC Admin Fees		101,460	-101,460	0.00%	invoicing for Q3 sent out Sept, Q4 to be sent out Oct
4912 MCGB Share of CEA Services	942	8,748	-7,806	10.76%	
Total 4909 CEA Program Admin Fee Revenue	942	110,208	-109,266	0.85%	
4922 MDPACE Revenue			0		
4920 MDPACE Servicing Revenue	2,617	34,000	-31,383	7.70%	
4921 MDPACE Deal Closing Revenue		130,000	-130,000	0.00%	
Total 4922 MDPACE Revenue	2,617	164,000	-161,383	1.60%	
4975 Consulting Fees	20,025	150,000	-129,975	13.35%	
Total Income	9,152,723	8,148,158	1,004,565	112.33%	
Gross Profit	9,152,723	8,148,158	1,004,565	112.33%	
Expenses					
5100 Salaries & Benefits			0		
5121 Salaries - Administrative Staff	102,137	1,071,483	-969,346	9.53%	
5123 Payroll Service Fees	1,750	5,211	-3,461	33.58%	
5180 Employer Taxes	18,972	88,940	-69,968	21.33%	
5181 Health Benefits	-4,639	139,296	-143,935	-3.33%	
5198 401k Employer Match	10,183	57,856	-47,673	17.60%	
5199 Workers Comp & Disability Insurance	1,129	4,807	-3,678	23.50%	
Total 5100 Salaries & Benefits	129,533	1,367,593	-1,238,060	9.47%	
5400 Travel, Meetings & Meals			0		
5401 Admin Travel					
5402 Tolls/Parking	117		117		
5403 Meals	756		756		
5410 Mileage	850		850		
5412 Hotel			0		
Total 5401 Admin Travel	1,723	17,240	-15,517	9.99%	
5590 Board Meetings/Internal Conferences		28,000	-28,000	0.00%	
5595 External Conferences	25,185	21,900	3,285	115.00%	MACO, MML - will move some to SFA/CFI
Total 5400 Travel, Meetings & Meals	26,908	67,140	-40,232	40.08%	
5500 Prof. Development & Training		25,995	-25,995	0.00%	
5700 Event Expenses			0		
5205 Merchant Service Fees	76	3,000	-2,924	2.52%	
5701 Food & Venue	24,700	173,000	-148,300	14.28%	
5703 Insurance		4,500	-4,500	0.00%	
5704 Audio/Visual		33,960	-33,960	0.00%	
5706 Exhibitors & Speakers		2,000	-2,000	0.00%	
5707 Advertising & Marketing		10,000	-10,000	0.00%	
5708 Printing		8,950	-8,950	0.00%	
5709 Misc.		2,430	-2,430	0.00%	
5710 Event Travel Expense		500	-500	0.00%	
5711 Website & Graphics		5,200	-5,200	0.00%	
6316 Supplies & Materials - Events	232	9,500	-9,268	2.45%	
Total 5700 Event Expenses	25,008	253,040	-228,032	9.88%	Summit
5800 Contractual Services			0		
5122 Interns	1,920	20,000	-18,080	9.60%	
5200 Professional Services			0		
5202 Accounting Fees	41,284	104,000	-62,716	39.70%	Remainder of accounting fees are for the FY25 audit
5203 Legal Fees	-810	18,750	-19,560	-4.32%	
5206 Financial Advisors		56,250	-56,250	0.00%	
5915 HR Management	576	24,400	-23,824	2.36%	
Total 5200 Professional Services	41,050	203,400	-162,350	20.18%	
5204 Bank Fees	332	1,800	-1,468	18.46%	
5806 Outside Contractor	16,475	210,000	-193,525	7.85%	
Total 5800 Contractual Services	59,778	435,200	-375,422	13.74%	
5804 Marketing	7,500	36,800	-29,300	20.38%	
5807 Graphic Design		33,000	-33,000	0.00%	
5808 Printing & Publications	-374	4,000	-4,374	-9.35%	
5809 Branded Promo Items		2,000	-2,000	0.00%	
5813 Website			0		
5815 Domain Registration		563	-563	0.00%	
5816 Website Hosting		420	-420	0.00%	
5818 Email Marketing	346		346		
5821 Website Design		19,200	-19,200	0.00%	
Total 5813 Website	346	20,183	-19,837	1.71%	
Total 5804 Marketing	7,472	95,983	-88,511	7.78%	
6000 Program/Grant Support			0		
5960 MDPACE Support			0		
5961 Servicing			0		
5965 Program administration	6,600	31,124	-24,524	21.21%	
Total 5960 MDPACE Support	6,600	31,124	-24,524	21.21%	
C3 Fund Administrative Support			0		
Administrative Program Support	115,478		115,478		funds taken from initial seed funding of \$3.75M
Total C3 Fund Administrative Support	115,478	0	115,478		
C3 Fund Direct Support			0		

C3 Fund Direct Program Support		44,000	-44,000	0.00%	
Outside contractors	7,813	160,000	-152,188	4.88%	
Professional services - accounting		20,500	-20,500	0.00%	
Professional services - legal	10	20,000	-19,990	0.05%	
Total C3 Fund Direct Support	7,823	244,500	-236,678	3.20%	
CEA Overhead support			0		
5851 Program Administration	12,750	49,998	-37,248	25.50%	
5852 Program Coordinator	5,592	31,920	-26,329	17.52%	
5853 Legal Fees		300	-300	0.00%	
5854a Accounting Fees	2,000	6,000	-4,000	33.33%	
5855 Marketing-Website Development		498	-498	0.00%	
5856 Marketing-URL Fees & Hosting		282	-282	0.00%	
5857 Marketing-Maintenance & Updates		336	-336	0.00%	
5858 Marketing-Advertising & Direct Mail	1,824	5,000	-3,176	36.49%	
5860 Marketing-Collateral	13,098	750	12,348	1746.42%	
Total CEA Overhead support	35,264	95,084	-59,820	37.09%	program runs calendar year so some expenses are budgeted in prior fiscal year
Federal Grant Support			0		
Contractual	40,405		40,405		
Fringe	30,795		30,795		
Funding & Financing Subawards	28,796		28,796		
Other-MCEC	1,838		1,838		
Other-Outreach & Education Subawards	13,120		13,120		
Other-Workforce Development Subawards	60,703		60,703		
Personnel	97,441		97,441		
Supplies	549		549		
Travel	2,532		2,532		
Total Federal Grant Support	276,179	0	276,179		please see federal grant revenue above which covers these expenses
Foundational Support			0		
Conferences		19,552	-19,552	0.00%	
Fringe	4,937	23,330	-18,393	21.16%	
Other	75	5,000	-4,925	1.50%	
Personnel	12,402	83,330	-70,928	14.88%	
Reporting		19,319	-19,319	0.00%	
Translation services		15,000	-15,000	0.00%	
Travel	12	6,000	-5,988	0.20%	
Total Foundational Support	17,425	171,531	-154,106	10.16%	
State Grant Support			0		
Fringe	575		575		
Personnel	3,038		3,038		
Total State Grant Support	3,613	0	3,613		
Wood Energy Project Support			0		
Wood Energy Contractual Services	10,000	7,500	2,500	133.33%	
Wood Energy Grant Coordinator	10,330	94,785	-84,455	10.90%	
Wood Energy Printing & Collateral		7,500	-7,500	0.00%	
Wood Energy Reports		25,000	-25,000	0.00%	
Wood Energy Software Subscriptions	12		12		
Wood Energy Travel Mileage/Expenses		1,872	-1,872	0.00%	
Total Wood Energy Project Support	20,342	136,657	-116,315	14.89%	
Total 6000 Program/Grant Support	482,723	678,896	-196,173	71.10%	
6300 Office Expense			0		
5817 IT Services	490	300	190	163.33%	were budgeted to be covered by SFA
5900 Office Supplies			0		
5901 Supplies - Office	2,023	24,000	-21,977	8.43%	
5904 Postage	10	500	-490	2.01%	
5906 Copier Lease	58	2,400	-2,342	2.41%	budgeted to be covered by SFA
Total 5900 Office Supplies	2,090	26,900	-24,810	7.77%	
6301 Office Rent/Parking Fee	9,625		9,625		
6303 Misc.	0		0		
6308 Janitorial	725	5,100	-4,375	14.22%	
6315 Telephone	1,307	15,735	-14,428	8.31%	
Total 6300 Office Expense	14,237	48,035	-33,798	29.64%	
6304 Dues & Subscriptions	875	8,575	-7,700	10.20%	
6351 Software Subscriptions	15,491	26,150	-10,659	59.24%	
Mello services fee	96		96		
Total Expenses	762,121	3,006,607	-2,244,486	25.35%	
Net Operating Income	8,390,602	5,141,551	3,249,051	163.19%	

A/R Aging Summary

As of September 22, 2025

	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
Ameresco		7,500.00				7,500.00
American Truck & Bus Inc	3,500.00					3,500.00
Baltimore County Office of Budget & Finance					525.00	525.00
Boland	1,500.00					1,500.00
Delmarva Power		25,000.00				25,000.00
DOT CFI 1A Grant FY23 693JJ323NF00004						0.00
MCEC (O&E-ADMIN)			7,000.25			7,000.25
Total DOT CFI 1A Grant FY23 693JJ323NF00004			7,000.25			7,000.25
Easton Utilities		-300.00				-300.00
Fluence Energy		1,500.00				1,500.00
Frederick County Division of Energy & Environment	2,175.00					2,175.00
GoodLeap	1,500.00					1,500.00
Goucher College		73,555.00		150.00		73,705.00
GreenGen	1,500.00					1,500.00
Honeywell International				3,500.00		3,500.00
Hydrostor Inc		3,500.00				3,500.00
International Biorefineries					900.00	900.00
Maryland Energy Administration.		3,400,000.00				3,400,000.00
Maryland Port Authority	750.00					750.00
MEIA	50,411.42					50,411.42
Morgan State University	84,704.06		131,218.08		91,143.91	307,066.05
NV5	2,750.00					2,750.00
Pepco (South)		25,000.00				25,000.00
Rockville Economic Development Inc		500.00				500.00
Schneider Electric	3,500.00					3,500.00

	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
Spectrum Energy		2,750.00				2,750.00
University of Maryland Controller's Office		5,000,000.00				5,000,000.00
VEIC	750.00					750.00
Vicinity Energy US				5,000.00		5,000.00
X-Energy	3,500.00					3,500.00
TOTAL	\$156,540.48	\$8,539,005.00	\$138,218.33	\$8,650.00	\$92,568.91	\$8,934,982.72

A/P Aging Summary

As of September 22, 2025

	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
AlterDomus, Inc		13,560.00				13,560.00
Center for Climate Strategies, Inc			14,924.94			14,924.94
Clean Energy Credit Union					51,314.39	51,314.39
Maryland Department of Commerce					9,597.50	9,597.50
MCEC					63.60	63.60
Noresco LLC			72,580.00			72,580.00
NV5 Inc.		4,804.00				4,804.00
SC&H Attest Services PC			45,784.24			45,784.24
Siemens Industry Inc	71,725.06		131,218.08		91,143.91	294,087.05
TOTAL	\$71,725.06	\$18,364.00	\$264,507.26	\$0.00	\$152,119.40	\$506,715.72

Grants and Programs Report

Maryland Clean Energy Center

For the period ended June 30, 2025



Prepared on

September 18, 2025

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Federal Grant Reporting:CFI 1A/Community P&L By Fiscal Year

July 2023 - August 2025

	Jul 2023 - Jun 2024	Jul 2024 - Jun 2025	Jul - Aug, 2025	Total
INCOME				
4100 Grant Revenue				0.00
Federal Grants		136,752.02		136,752.02
Total 4100 Grant Revenue		136,752.02		136,752.02
Total Income	0.00	136,752.02	0.00	136,752.02
GROSS PROFIT	0.00	136,752.02	0.00	136,752.02
EXPENSES				
5400 Travel, Meetings & Meals				0.00
5401 Admin Travel				0.00
5402 Tolls/Parking		34.00		34.00
5403 Meals		19.06		19.06
5410 Mileage		209.58		209.58
5412 Hotel		111.32		111.32
Total 5401 Admin Travel		373.96		373.96
Total 5400 Travel, Meetings & Meals		373.96		373.96
5804 Marketing				0.00
5809 Branded Promo Items	1,332.34			1,332.34
Total 5804 Marketing	1,332.34			1,332.34
6000 Program/Grant Support				0.00
Federal Grant Support				0.00
Contractual	7,210.00	66,378.89	7,692.98	81,281.87
Contractual-Match		49.58		49.58
Fringe		9,086.79	3,053.73	12,140.52
Other-MCEC		42,971.55		42,971.55
Other-Outreach & Education				
Subawards		26.80		26.80
Personnel		40,589.01	8,460.76	49,049.77
Supplies	590.00	1,204.55	128.25	1,922.80
Travel		30.00	32.76	62.76
Total Federal Grant Support	7,800.00	160,337.17	19,368.48	187,505.65
Total 6000 Program/Grant Support	7,800.00	160,337.17	19,368.48	187,505.65
Total Expenses	9,132.34	160,711.13	19,368.48	189,211.95
NET OPERATING INCOME	-9,132.34	-23,959.11	-19,368.48	-52,459.93
				\$ -
NET INCOME	\$ -9,132.34	\$ -23,959.11	\$ -19,368.48	52,459.93

Federal Grant Reporting:EPA Solar For All P&L By Fiscal Year

July 2024 - August 2025

	Jul 2024 - Jun 2025	Jul - Aug, 2025	Total
INCOME			
4100 Grant Revenue			0.00
Federal Grants	5,654,088.02	334,810.63	5,988,898.65
Total 4100 Grant Revenue	5,654,088.02	334,810.63	5,988,898.65
Total Income	5,654,088.02	334,810.63	5,988,898.65
GROSS PROFIT	5,654,088.02	334,810.63	5,988,898.65
EXPENSES			
5500 Prof. Development & Training	695.00		695.00
6000 Program/Grant Support			0.00
Federal Grant Support			0.00
Contractual	132,064.48	32,711.72	164,776.20
Contractual-Match	225.00		225.00
Fringe	75,347.19	24,724.75	100,071.94
Funding & Financing Subawards		28,796.36	28,796.36
Other - Technical Assistance Subawards	23,552.76		23,552.76
Other-MCEC	5,689.02	1,763.34	7,452.36
Other-Outreach & Education Subawards	2,250.00	13,120.12	15,370.12
Other-Workforce Development Subawards	3,394.86	60,703.04	64,097.90
Personnel	309,461.08	68,122.17	377,583.25
Supplies	14,141.77	420.68	14,562.45
Travel	1,878.85	2,498.97	4,377.82
Total Federal Grant Support	568,005.01	232,861.15	800,866.16
Total 6000 Program/Grant Support	568,005.01	232,861.15	800,866.16
6300 Office Expense			0.00
5900 Office Supplies			0.00
5901 Supplies - Office	92.09		92.09
Total 5900 Office Supplies	92.09		92.09
6303 Misc.		0.00	0.00
Total 6300 Office Expense	92.09	0.00	92.09
6351 Software Subscriptions	580.80		580.80
Total Expenses	569,372.90	232,861.15	802,234.05
NET OPERATING INCOME	5,084,715.12	101,949.48	5,186,664.60
NET INCOME	\$5,084,715.12	\$101,949.48	\$5,186,664.60

Program Reporting:C3 Fund Admin P&L By Fiscal Year

July 2023 - August 2025

	Jul 2023 - Jun 2024	Jul 2024 - Jun 2025	Jul - Aug, 2025	Total
INCOME				
4100 Grant Revenue				0.00
C3 Fund Administration Revenue	3,750,000.00			3,750,000.00
Total 4100 Grant Revenue	3,750,000.00			3,750,000.00
Total Income	3,750,000.00	0.00	0.00	3,750,000.00
GROSS PROFIT	3,750,000.00	0.00	0.00	3,750,000.00
EXPENSES				
5100 Salaries & Benefits				0.00
5121 Salaries - Administrative Staff	124,319.95			124,319.95
5181 Health Benefits	25,898.62			25,898.62
Total 5100 Salaries & Benefits	150,218.57			150,218.57
5800 Contractual Services				0.00
5806 Outside Contractor	1,750.00	671.21		2,421.21
Total 5800 Contractual Services	1,750.00	671.21		2,421.21
6000 Program/Grant Support				0.00
C3 Fund Administrative Support				0.00
Administrative Program Support		372,931.26	115,478.32	488,409.58
Total C3 Fund Administrative Support		372,931.26	115,478.32	488,409.58
C3 Fund Direct Support				0.00
Other expenses		576.19		576.19
Outside contractors		41,795.68	7,812.50	49,608.18
Professional services - legal		9,235.00		9,235.00
Total C3 Fund Direct Support		51,606.87	7,812.50	59,419.37
Total 6000 Program/Grant Support		424,538.13	123,290.82	547,828.95
Total Expenses	151,968.57	425,209.34	123,290.82	700,468.73
NET OPERATING INCOME	3,598,031.43	-425,209.34	-123,290.82	3,049,531.27

	Jul 2023 - Jun 2024	Jul 2024 - Jun 2025	Jul - Aug, 2025	Total
NET INCOME	\$3,598,031.43	\$ -425,209.34	\$ -123,290.82	\$3,049,531.27

Program Reporting:C3 Fund Direct P&L By Fiscal Year

September 2023 - August 2025

	Sep 2023 - Jun 2024	Jul 2024 - Jun 2025	Jul - Aug, 2025	Total
INCOME				
4100 Grant Revenue				0.00
C3 Fund Administration Revenue	5,000,000.00	5,000,000.00	5,000,000.00	15,000,000.00
Total 4100 Grant Revenue	5,000,000.00	5,000,000.00	5,000,000.00	15,000,000.00
Total Income	5,000,000.00	5,000,000.00	5,000,000.00	15,000,000.00
GROSS PROFIT	5,000,000.00	5,000,000.00	5,000,000.00	15,000,000.00
EXPENSES				
6000 Program/Grant Support				0.00
C3 Fund Direct Support				0.00
Outside contractors	3,622.50	128,709.11		132,331.61
Professional services - accounting	5,000.00			5,000.00
Professional services - legal	3,450.50	5,900.00	10.00	9,360.50
Total C3 Fund Direct Support	12,073.00	134,609.11	10.00	146,692.11
Total 6000 Program/Grant Support	12,073.00	134,609.11	10.00	146,692.11
Total Expenses	12,073.00	134,609.11	10.00	146,692.11
NET OPERATING INCOME	4,987,927.00	4,865,390.89	4,999,990.00	14,853,307.89
OTHER INCOME				
4950 Restricted Interest Income	149,634.36	292,158.81	55,367.60	497,160.77
Total Other Income	149,634.36	292,158.81	55,367.60	497,160.77
NET OTHER INCOME	149,634.36	292,158.81	55,367.60	497,160.77
NET INCOME	\$5,137,561.36	\$5,157,549.70	\$5,055,357.60	\$15,350,468.66

Federal Grant Reporting: USFS Wood Energy P&L By Fiscal Year

July 2023 - August 2025

	Jul 2023 - Jun 2024	Jul 2024 - Jun 2025	Jul - Aug, 2025	Total
INCOME				
4100 Grant Revenue				0.00
Federal Grants	12,500.00			12,500.00
State Grants	112,100.00	118,838.00		230,938.00
Total 4100 Grant Revenue	124,600.00	118,838.00		243,438.00
Total Income	124,600.00	118,838.00	0.00	243,438.00
GROSS PROFIT	124,600.00	118,838.00	0.00	243,438.00
EXPENSES				
5100 Salaries & Benefits				0.00
5199 Workers Comp & Disability Insurance	38.36			38.36
Total 5100 Salaries & Benefits	38.36			38.36
6000 Program/Grant Support				0.00
Federal Grant Support				0.00
Contractual	12,500.00	947.00		13,447.00
Travel	104.52			104.52
Total Federal Grant Support	12,604.52	947.00		13,551.52
Wood Energy Project Support	6,152.65			6,152.65
Wood Energy Contractual Services			10,000.00	10,000.00
Wood Energy Grant Coordinator	72,792.81	70,524.54	10,329.96	153,647.31
Wood Energy Printing & Collateral	275.00			275.00
Wood Energy Reports	14,500.00			14,500.00
Wood Energy Software Subscriptions		36.00	12.00	48.00
Wood Energy Travel				
Mileage/Expenses	17,635.63	12,775.02		30,410.65
Total Wood Energy Project Support	111,356.09	83,335.56	20,341.96	215,033.61
Total 6000 Program/Grant Support	123,960.61	84,282.56	20,341.96	228,585.13
6351 Software Subscriptions		6.00		6.00
Total Expenses	123,998.97	84,288.56	20,341.96	228,629.49
NET OPERATING INCOME	601.03	34,549.44	-20,341.96	14,808.51
NET INCOME	\$601.03	\$34,549.44	\$ -20,341.96	\$14,808.51

MEA/META Profit and Loss

July 1-August 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
Income	
Cost of Goods Sold	
Gross Profit	0
Expenses	
6000 Program/Grant Support	0
State Grant Support	0
Fringe	136.64
Personnel	807.68
Total for State Grant Support	\$944.32
Total for 6000 Program/Grant Support	\$944.32
Total for Expenses	\$944.32
Net Operating Income	-\$944.32
Other Income	
Other Expenses	
Net Other Income	0
Net Income	-\$944.32

SFA-MEA Profit and Loss

July 1-August 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
Income	
Cost of Goods Sold	
Gross Profit	0
Expenses	
6000 Program/Grant Support	0
Federal Grant Support	0
Fringe	3,068.14
Personnel	20,857.60
Total for Federal Grant Support	\$23,925.74
Total for 6000 Program/Grant Support	\$23,925.74
Total for Expenses	\$23,925.74
Net Operating Income	-\$23,925.74
Other Income	
Other Expenses	
Net Other Income	0
Net Income	-\$23,925.74

Federal Grant Reporting:US Energy Foundation 2025-26

May - August, 2025

	May - Jun, 2025	Jul - Aug, 2025	Total
INCOME			
4410 Other Grant Income	125,000.00		125,000.00
Total Income	125,000.00	0.00	125,000.00
GROSS PROFIT	125,000.00	0.00	125,000.00
EXPENSES			
6000 Program/Grant Support			0.00
Federal Grant Support			0.00
Fringe	5,206.69		5,206.69
Other-MCEC		75.00	75.00
Personnel	19,125.90		19,125.90
Supplies	39.10		39.10
Total Federal Grant Support	24,371.69	75.00	24,446.69
Foundational Support			0.00
Fringe		4,936.86	4,936.86
Other		75.00	75.00
Personnel		12,401.52	12,401.52
Travel		11.83	11.83
Total Foundational Support		17,425.21	17,425.21
Total 6000 Program/Grant Support	24,371.69	17,500.21	41,871.90
Total Expenses	24,371.69	17,500.21	41,871.90
NET OPERATING INCOME	100,628.31	-17,500.21	83,128.10
NET INCOME	\$100,628.31	\$ -17,500.21	\$83,128.10

Board Financial Report

Maryland Energy Innovation Accelerator
For the period ended August 31, 2025



Prepared on
September 18, 2025

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Variance Analysis

Variance Analysis

Revenue:

Revenue is below expected due to the lack of \$1,200,000 for our annual allocation from SB960 funding. Additional revenue is expected from \$2,200,000 from the same SB960 funds, this is currently in process with MEA. Revenue reflects funds from a grant from the Maryland Commerce department to run and Investment Readiness Program and the conclusion of the PG County Pre-accelerator program funded by FSC First.

Expenses:

Expenses largely match budget. The major variance in expenses is from EEIR expenses. Teams are currently underspending on EEIRs. We currently have 4 teams on our Launchpad program and have already had one team graduate so expect these expenses to be higher and to increase. The MEIA team will push on our groups to bill for their EEIR expenses.

MEIA's unrestricted cash balance at August 31, 2025, was \$445,238. Additionally, the Climate Tech Founders' Fund has a balance of \$202,114 as of June 30, 2025.

Please note that the Founders' Fund monies have been moved to a separate high-yield savings account at Sandy Spring Bank.

Statement of Revenues, Expenses and Changes in Net Position

July - August, 2025

		Total
	Jul - Aug, 2025	Jul - Aug, 2024 (PY)
INCOME		
4300 Grant Revenue		
4310 State Grant Income	10,000.00	
4311 Other Grant Income	7,500.00	
Total 4300 Grant Revenue	17,500.00	
Total Income	17,500.00	0.00
GROSS PROFIT	17,500.00	0.00
EXPENSES		
6000 Cohort Expenses		
6004 Outside Contractors		38,814.42
6005 EEIRs	7,055.50	55,040.75
6019 Cohort Events	213.78	1,000.49
6026 Travel		2,460.50
6060 Other Business Expenses		2,610.00
Total 6000 Cohort Expenses	7,269.28	99,926.16
7000 Administrative Expenses		
7001 Administration		30,001.50
7002 Salaries	71,153.85	
7004 Fringe	10,300.22	
Total 7001 Administration	81,454.07	30,001.50
7010 Advertising & Marketing	1,850.20	13,515.00
7012 Graphic Design	675.00	
Total 7010 Advertising & Marketing	2,525.20	13,515.00
7018 Pitch Finale Event		50.86
7020 Legal & Professional Services		
7021 Legal Fees	810.00	800.00
7022 Accounting Fees	2,000.00	2,000.00
Total 7020 Legal & Professional Services	2,810.00	2,800.00
7030 Office Expenses		
7034 Telephone	326.74	
7037 Office Supplies		73.11
Total 7030 Office Expenses	326.74	73.11
7036 Dues & Subscriptions	525.00	
7038 Bank Charges & Fees		30.00
7039 Outreach & Education	100.00	5,000.00
7040 Computer & Internet		

	Total	
	Jul - Aug, 2025	Jul - Aug, 2024 (PY)
7041 Software Subscriptions	123.00	317.53
Total 7040 Computer & Internet	123.00	317.53
7045 Rent & Office Parking	832.83	810.33
7060 Travel		
7061 Parking & Tolls	20.00	
7062 Conferences	350.26	
7063 Accommodations	1,050.58	
7064 Transportation	287.44	
7065 Travel Meals	45.07	
Total 7060 Travel	1,753.35	
Total 7000 Administrative Expenses	90,450.19	52,598.33
7005 Contracted Services		30,136.50
Total Expenses	97,719.47	182,660.99
NET OPERATING INCOME	-80,219.47	-182,660.99
OTHER INCOME		
9200 Interest Earned	1,862.05	462.61
9201 Restricted Interest Income	1,101.21	
Total Other Income	2,963.26	462.61
NET OTHER INCOME	2,963.26	462.61
NET INCOME	\$ -77,256.21	\$ -182,198.38

Statement of Net Position

As of August 31, 2025

		Total
	As of Aug 31, 2025	As of Aug 31, 2024 (PY)
ASSETS		
Current Assets		
Bank Accounts		
1000 Sandy Spring Operating Account (4901)	30,329.12	10,820.63
1005 Sandy Spring HY Savings Account (4918)	343,618.32	150,452.61
1008 Restricted Climate Tech Founders Fund	203,215.67	
Total Bank Accounts	577,163.11	161,273.24
Accounts Receivable		
1100 Accounts Receivable (A/R)	0.00	93,620.88
Total Accounts Receivable	0.00	93,620.88
Total Current Assets	577,163.11	254,894.12
TOTAL ASSETS	\$577,163.11	\$254,894.12
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 Accounts Payable (A/P)	45,108.05	86,134.55
Total Accounts Payable	45,108.05	86,134.55
Total Current Liabilities	45,108.05	86,134.55
Total Liabilities	45,108.05	86,134.55
Equity		
3100 Retained Earnings	609,311.27	350,957.95
Net Income	-77,256.21	-182,198.38
Total Equity	532,055.06	168,759.57
TOTAL LIABILITIES AND EQUITY	\$577,163.11	\$254,894.12

Maryland Energy Innovation Accelerator
Budget vs. Actuals: 2026 FISCAL BUDGET - FY26 P&L
July 2025 - June 2026

	Total			
	Actual	Budget	over Budget	% of Budget
Income				
4200 Unrestricted Donations/Sponsorships			0	
4210 Corporate General Sponsorships		50,000	-50,000	0.00%
Total 4200 Unrestricted				
Donations/Sponsorships	0	50,000	-50,000	0.00%
4300 Grant Revenue			0	
4311 Other Grant Income	7,500		7,500	
4310 State Grant Income	10,000	2,275,000	-2,265,000	0.44%
Total 4300 Grant Revenue	17,500	2,275,000	-2,257,500	0.77%
Total Income	17,500	2,325,000	-2,307,500	0.75%
Expenses				
6000 Cohort Expenses			0	
6005 EEIRs	9,276	120,000	-110,725	7.73%
6006 Prototype Manufacture Contracted				
Services		87,500	-87,500	0.00%
6007 Awards Given		70,000	-70,000	0.00%
6019 Cohort Events	214		214	
6060 Other Business Expenses		16,100	-16,100	0.00%
Total 6000 Cohort Expenses	9,489	293,600	-284,111	3.23%
7000 Administrative Expenses			0	
7001 Administration			0	
7002 Salaries	71,154	370,000	-298,846	19.23%
7003 Payroll Taxes		30,710	-30,710	0.00%
7004 Fringe	10,300	74,152	-63,852	13.89%
7100 Payroll Service Fees		3,564	-3,564	0.00%
Total 7001 Administration	81,454	478,426	-396,972	17.03%
7010 Advertising & Marketing	1,850		1,850	
7011 Printing		12,000	-12,000	0.00%
7012 Graphic Design	675		675	
7016 Business development & outreach		6,000	-6,000	0.00%
Total 7010 Advertising & Marketing	2,525	18,000	-15,475	14.03%
7018 Pitch Finale Event		10,000	-10,000	0.00%
7020 Legal & Professional Services			0	
7021 Legal Fees	810	6,000	-5,190	13.50%
7022 Accounting Fees	3,000	12,000	-9,000	25.00%
Total 7020 Legal & Professional Services	3,810	18,000	-14,190	21.17%
7030 Office Expenses			0	
7034 Telephone	327	12,000	-11,673	2.72%
7037 Office Supplies		13,200	-13,200	0.00%
Total 7030 Office Expenses	327	25,200	-24,873	1.30%
7036 Dues & Subscriptions	525		525	
7038 Bank Charges & Fees		2,700	-2,700	0.00%
7039 Outreach & Education	100	51,000	-50,900	0.20%
7040 Computer & Internet		8,475	-8,475	0.00%
7041 Software Subscriptions	182	4,200	-4,018	4.34%
Total 7040 Computer & Internet	182	12,675	-12,493	1.44%
7045 Rent & Office Parking	833	11,605	-10,772	7.18%
7060 Travel	66	4,200	-4,134	1.56%
7061 Parking & Tolls	20	200	-180	10.00%
7062 Conferences	350	7,500	-7,150	4.67%
7063 Accommodations	1,051		1,051	
7064 Transportation	287	16,670	-16,383	1.72%
7065 Travel Meals	45	4,000	-3,955	1.13%
Total 7060 Travel	1,819	32,570	-30,751	5.58%
Total 7000 Administrative Expenses	91,575	660,176	-568,601	13.87%
Total Expenses	101,064	953,776	-852,712	10.60%
Net Operating Income	-101,064	-953,776	852,712	10.60%
Other Income				
9200 Interest Earned	1,862		1,862	
9201 Restricted Interest Income	1,101		1,101	
Total Other Income	2,963	0	2,963	
Net Other Income	2,963	0	2,963	
Net Income	-98,101	-953,776	855,675	10.29%

A/R Aging Summary

As of September 18, 2025

	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
TOTAL						\$0.00

A/P Aging Summary

As of September 18, 2025

	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
Ben Margolis (ben.margolis@mdeia.org)					75.00	75.00
JM and Associates LLC					-3,500.00	-3,500.00
Maryland Clean Energy Center*		50,411.42			-1,253.37	49,158.05
Rising Stride Strategies LLC					-1,150.00	-1,150.00
TOTAL	\$0.00	\$50,411.42	\$0.00	\$0.00	\$ -5,828.37	\$44,583.05

Proposed Motion

Motion to close the meeting under the provision from General Provisions Art. § 3-305(b) to consult with counsel or obtain legal advice related to MCEC grant matters.

Proposed Motion

Motion to reopen the meeting.



Underwriting Standards and Credit Policy Guidelines

Version 1.0, September 2025



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1. Background

1.1 MCEC serves as a catalyst for the clean energy revolution in Maryland, guiding the growth of sustainable businesses, unlocking financial resources, and sharing the knowledge and expertise needed for the state of Maryland to thrive. As a green bank, MCEC's directives are rooted in its enabling statute, which empowers MCEC to provide financing solutions, and drive meaningful change across the state.

2. Objective

- 2.1. This document outlines the process and guidelines to assess transactions, including borrower creditworthiness, risk and impact for financing programs administered by MCEC. The objective is to ensure consistent underwriting, loan pricing and approval processes that contribute to a high quality, financially sustainable and impactful portfolio of financing programs.
- 2.2. The processes and standards developed and outlined here aim to strike a balance between accomplishing the above-stated goals and addressing the need for MCEC to be flexible and responsive to the needs of the target beneficiaries of each financing program.
- 2.3. This document should not be utilized as an operational manual for any MCEC financing program. Rather, each MCEC financing program should have a standalone operations manual covering the entire lifecycle or scope of operations - from origination to portfolio servicing to close out. However, the appendices herein contain brief descriptions of the critical guiding documents and the critical tasks to be undertaken by MCEC staff for each financing program during the investment process for comparison and contextual purposes.

3. Classification of MCEC's Financing Programs

- 3.1. MCEC administers two kinds of financing programs:
 - 3.1.1. On Balance Sheet Programs are financing programs wherein MCEC is the provider of capital¹ or credit enhancement² where it bears a part or all the financial risk emanating from underperformance of investments or any event of default on part of the borrower or capital seeker. See **Annex A** for details on the On Balance Sheet Programs currently on offer by MCEC. On Balance Sheet Programs also include MCEC's funds that have similar but distinct underwriting guidelines, transaction processes and governance structures including a formal Investment Oversight Committee (IOC).³
 - 3.1.2. Off Balance Sheet Programs are financing programs wherein MCEC is not the provider of capital or credit enhancement and does not bear any financial risk emanating from underperformance of investments or any event of default on part of the borrower or capital seeker. See **Annex B** for details on current Off-Balance Sheet Programs currently on offer by MCEC.
 - 3.1.3. Certain programs may fall under both groups depending on the nature of the underlying transaction. For instance, under the Maryland Clean Energy Program or MCAP, transactions that involve MCEC taking legal ownership of financed assets and receiving revenues from the client are considered as an On Balance Sheet variation and are indicated on Appendix A as such. However, transactions that are purely conduit in nature will be considered Off Balance Sheet and indicated on Appendix B as such.

¹ Capital could be in the form of grants, debt, debt-like instruments, equity and equity-like instruments.

² Credit Enhancement could be in the form of loan loss reserves, risk guarantees and other financial risk mitigation instruments.

³ MCEC currently has two such funds – the Climate Catalytic Capital (C3) Fund and the Climate Technology Founder's Fund.

- 3.1.4. The guidelines and standards provided in this manual apply across MCEC programs and funding sources. However, as mentioned in Section 2.3 to the extent that financing is provided through a specific fund such as the Climate Catalytic Capital Fund (“C3Fund”) or the Climate Technology Founder’s Fund (“CTFF”) the standards included in this manual provide general considerations. Similarly, for programs such as MD-Pace and CEA where MCEC administers the program but does not carry any of the financial risk associated with underwriting these standards provide a reference and are primarily instructive.

4. Governance and Review process

4.1 MCEC is governed by its Board of Directors which has the authority to establish committees that can assist in fulfilling its mandate (See MD Economic Development Article § 10-810(c)).

4.2. The MCEC enabling statute also provides that the Board shall establish a Financing Investment Advisory Committee (“FIAC”). The responsibility of the FIAC is to review and make recommendations to the Board for qualifying projects when MCEC provides the financing for a project. (See MD Economic Development Article § 10-810(b)(3)). These include qualifying projects funded from the Maryland Energy Innovation Fund under MD Economic Development Article § 10-835.

4.3. Separately, for qualifying projects under the C3Fund or the CTFF, in accordance with MD Economic Development Articles § 10-855(f)(1) and §10-859(g)(1) financing approved from those funds may only be made with the approval of each fund’s respective Fund Oversight Committee.

5. Phases of the Investment Process

- 5.1. Transactions executed under MCEC’s financing programs generally consist of a 3-phase investment process – Phase 1: Origination, Phase 2: Due Diligence and Phase 3: Deal Finalization. This is true regardless of financing programs consisting of a singular transaction or multiple transactions.
- 5.2. This document is a key tool for executing Phase 2 of the investment process for new transactions as it provides guidance to investment team members on data requirements, processes, assessment, tools and deliverables in this central stage of the investment process for all MCEC financing programs.
- 5.3. It is especially relevant for On Balance Sheet Programs, where MCEC is responsible for the bulk of critical investment activities and decisions (except for MCAP) as summarized in Annex A.
- 5.4. For Off-Balance Sheet Programs, while MCEC primarily relies on other non-related parties for conducting the 3-phase investment process it may be required to perform certain activities across the 3 phases as summarized in Annex B.

6. Investment Process – Phase 2

- 6.1. The remainder of this document provides guidance to investment team members on data requirements, processes, assessment, tools and deliverables related to Phase 2.
- 6.2. Sections 6 – 9 related to Due Diligence, Risk Management, Impact Assessment, Structuring and Pricing are especially relevant for On Balance Sheet Programs given MCEC's high degree of involvement across those activities.

Table 1. Phase 2 Overview

Objective(s)	<ul style="list-style-type: none"> • Diligence borrower and verify project details • Assess risks and impacts • Structure and right-size investment based on repayment capacity • Devise investment case
MCEC Team Tasks	<ul style="list-style-type: none"> • Data Collection • Risk Assessment • Impact Assessment • Structuring, Pricing and Negotiation • Financial Model • Finalize Terms with input from counsel • Draft Investment Memo and Summary Slides • Present to FIAC⁴, Fund Oversight Committee or the Board
Tools	<ul style="list-style-type: none"> • Non-Disclosure Agreement • Due Diligence Data Request Form • Project Assessment and Pricing Tool • Financial Model • Investment Memo • Summary Slides
Deliverables	<ul style="list-style-type: none"> • Completed Project Assessment • Finalized Financial Model • Indicative Term Sheet • Completed Investment Memo and Summary Slides
Stage Gate	<ul style="list-style-type: none"> • Diligence verifies proposed investment meets risk/return/ impact requirements • Proposed investment terms undergo legal review
Timeframe(s)	<ul style="list-style-type: none"> • Investment Memorandum and Summary Slides must be completed and circulated to the FIAC/Oversight Committee at least one week prior to the scheduled meeting
Decision Maker	<ul style="list-style-type: none"> • FIAC /Fund Oversight Committee
Authorization Sought	<ul style="list-style-type: none"> • To execute required agreements and to commit funds, subject to any conditions considered appropriate by the ???
Decision Criteria	<ul style="list-style-type: none"> • Financing program is additional in the context of private sector finance alternatives • Investment Case is sound and financial structure is appropriate • Risks can be mitigated, managed or is accepted in the context of the funding mandate. • Impact estimates have been evaluated and assessed as reasonable and in pursuance of the funding mandate. • Overall, the investment aligns with the strategic objectives of MCEC and funding source (impact and financial) • Each investment should be judged on its own merits and in the context of the portfolio of MCEC's financing programs

7. Due Diligence Data Requirements and Procedures

7.1. Introduction

- 7.1.1. This section describes the analysis conducted to assess potential borrower creditworthiness, investment and project risk, and impact potential, as well as to evaluate and verify the assertions made during Phase 1.

7.2. Due Diligence Data Collection

7.2.1. Process

- 7.2.1.1. A data collection form should be sent out to prospective Borrowers proceeding to Phase 2 of the Investment Process reflecting, where necessary, the information and assertions provided prior to Phase 2. Staff should engage with applicants as needed to obtain the required information for financial modelling, risk assessment, impact assessment etc.
- 7.2.1.2. A due diligence folder should be created and maintained for each new On Balance Sheet Financing Program and for Off-Balance Sheet Programs, where necessary. All documents should be organized into folders, using the Data Collection Form as a checklist and a space to make notes or comments. Individual folders should be created for each underlying transaction within a financing program as warranted.
- 7.2.1.3. MCEC staff conducting the due diligence phase should seek legal review before finalizing investment terms and as needed throughout the process.
- 7.2.1.4. At the end of the due diligence phase, MCEC staff should communicate in writing to the Controller regarding anticipated impact on MCEC's financial position over the term of the financing program and underlying transactions.

7.2.2. Basic Due Diligence Requirements

- 7.2.2.1. At the outset of the due diligence process, staff should confirm appropriate uses of the funding per the guidelines as contained in this manual and other relevant documents such as MCEC's enabling statute, fund statutes, funding contracts⁵, etc.
- 7.2.2.2. Basic searches should also be completed. These include obtaining evidence of good standing with Maryland Government, tax documents, any pending legal cases, required permits, title deeds for relevant property and background and credit checks on the borrowers/sponsors, as well as existing UCC Liens.

7.2.3. Detailed Due Diligence

- 7.2.3.1. Review incorporation documentation, shareholder certifications, any licenses required to do business.
- 7.2.3.2. Review Company/Sponsor⁶ financials for the past three years (where available)⁷ and analyze the evolution of revenue, costs, balance sheet, cash flows, etc.
- 7.2.3.3. Review pro-forma projections and assumptions to gain a full understanding of primary, secondary and tertiary sources of repayment for corporate lending.

⁵ Examples include grant agreements, MoUs etc. where MCEC's counterparty is an entity providing funding for a financing program

⁶ Sponsor refers to an entity that is responsible for the development of the project and/or provider of equity capital (cash or in-kind) to the project

⁷ Audited preferred where available.

- 7.2.3.4. Review detailed sources and uses of capital, pro-forma projections and detailed assumptions, milestones, and primary, secondary and tertiary sources of repayment if project finance.
- 7.2.3.5. Review strategic documents and market analyses to allow MCEC to come to a sufficient level of understanding of the business model, business plan and market to make an assessment of viability.
- 7.2.3.6. Review evidentiary basis of impact estimate and assertions made in the application form.
- 7.2.3.7. The full list of standard due diligence documentation and information requirements is set out in Annex C. Staff should modify the list of documents as required based on the project and application.
- 7.2.3.8. Annex D contains documentation requirements and considerations specific to solar lending as this is anticipated to form a significant part of MCEC's On Balance Sheet Programs.

8. Risk Assessment and Management

8.1. Introduction

- 8.1.1. The Risk Assessment and Management Framework (the "Framework") is central to underwriting and due diligence. Getting a full understanding of the counterparty, project and investment risks of the proposed transaction will inform structuring, risk mitigation approaches, loan pricing and portfolio risk management during the asset management phase.
- 8.1.2. The Framework is primarily geared towards debt investments and assessing repayment risk but is also relevant to other instruments (e.g. recoverable grants and credit enhancements) with minor modifications. For grants where all or a portion of the grant is recoverable if certain milestones are or are not achieved ("Recoverable Grants"), the aim is to assess the risk of non-recovery of principal over the investment horizon, and for Credit Enhancement, the underlying risk of the project and likelihood of payout by MCEC.
- 8.1.3. The Framework is non-exhaustive, sector agnostic and not intended to be prescriptive, but rather a framework to understand the level of inherent risk posed by a counterparty and the project, as well as the structure of the investment proposed, which may also offer mitigants to the first two risk groupings (counterparty and project).

8.2. Risk Elements

- 8.2.1. Risks have been categorized as three main groupings – **counterparty, project, and investment** – with a number of underlying constituent elements, as set out in Table 2 below.

Table 2. Overview of Risk Framework Elements

	Sources of Information	Potential Mitigants	Additional Considerations
1. Counterparty	<ul style="list-style-type: none"> Historical financials and balance sheets Years and relevance of sponsor experience 	<ul style="list-style-type: none"> Guarantee: <ul style="list-style-type: none"> Third Party Personal (and strong net worth) 	<ul style="list-style-type: none"> Historical financials and ratios will reflect the maturation stage (relatively early) of the prospective borrower

		- Corporate	<ul style="list-style-type: none"> Consider industry type and nuance e.g. capital intensity
2. Project			
Repayment Profile	<ul style="list-style-type: none"> Project revenues and sources (e.g. Sales, PPA, savings) Reasonableness of Pro-forma Projections Debt Service 	<ul style="list-style-type: none"> Guarantee Collateral Cash Sweep Escrow Accounts Interest Reserve Account 	<ul style="list-style-type: none"> Consider impact of operational, technology risks, market and legal and regulatory risks outlined below as they pertain to ability to repay
Operational	<ul style="list-style-type: none"> Site control Delays in reaching milestones Poor performance etc. 	<ul style="list-style-type: none"> Management experience Permitting etc. already in place Site control secured and documented Budget Contingencies Performance insurance 	<ul style="list-style-type: none"> Consider repayment risk through delays, cost overruns and impacts on revenue generation/profitability Will vary significantly based on phase of project/financing e.g. a construction loan v. term loan
Market	<ul style="list-style-type: none"> Market dynamics and Pricing Demand Drivers Sectoral nuances 	<ul style="list-style-type: none"> Clear and detailed business or project strategy Strong partnerships Conservative revenue and cost assumptions Contingencies 	<ul style="list-style-type: none"> Staff can draw on knowledge, experience, subject matter experts, industry reports etc. to assess market dynamics
Legal/Regulatory/Political	<ul style="list-style-type: none"> Regulatory changes and delays Regulatory revenues, tax credits etc. Equipment supply chain (tariffs) Policy changes Political/public interest considerations 	<ul style="list-style-type: none"> Experienced Management team Budget contingencies Conservative/comprehensive project planning with built in mitigants Operates in a supportive jurisdiction 	<ul style="list-style-type: none"> Relates to operational and repayment risk through potential for delays, cost overruns and impacts on revenue generation/profitability and repayment May also relate to policy or public interest considerations around projects and project impacts
Technology Risk	<ul style="list-style-type: none"> Production forecasts Engineering reports Market research GHG emission assessment/calculations/assumptions 	<ul style="list-style-type: none"> Third party engineering report confirming projections etc. N/A for new technology but consider the intended use of proceeds 	<ul style="list-style-type: none"> Relates to repayment risk (energy production, savings, sales etc.) Failure to meet impact targets/ reputational for MCEC Intended use of proceeds e.g. if the funds will be used to specifically advance a newer technology
3. Investment			
Size	<ul style="list-style-type: none"> Size of investment % of program funding (where multiple transactions are being considered) 	<ul style="list-style-type: none"> N/a 	<ul style="list-style-type: none"> Relates to degree of portfolio concentration that the proposed investment would result in as % of total program funding

Loan-To-Value (LTV)	<ul style="list-style-type: none"> Investment/ Project size 	<ul style="list-style-type: none"> Strong collateral package 	<ul style="list-style-type: none"> Consider industry type and nuance e.g. capital intensity
Investment Length	<ul style="list-style-type: none"> Tenor of loan 	<ul style="list-style-type: none"> Loan is fully amortizing/no balloon 	<ul style="list-style-type: none"> Lending for longer tenors than available in the private sector financing market place could be considered additional
Subordination and Collateral Value	<ul style="list-style-type: none"> Seniority of MCEC's capital Lien Collateral Value Outlook for collateral/asset value 	<ul style="list-style-type: none"> Parent guarantee Various collateral rights Lien against equipment or assets within the financing Lien against other assets or revenues 	<ul style="list-style-type: none"> Accepting a subordinated position in the capital structure could be 'catalytic' and crowd in other capital Appraised or market value of collateral where available Types of acceptable collateral include equipment, other assets, revenue, contracts etc.

8.3. Scoring

- 8.3.1. For On Balance Sheet Financing Programs which involve providing capital or credit enhancement to more than 5 individual transactions, MCEC staff will be required to use a risk grading system as described below.
- 8.3.2. The risk grading system (See Annex E for full guidance) assigns a numerical score of 1 to 5 to each risk sub element, with 5 being the highest risk and 1 the lowest. The score assigned to the constituent elements of Project and Investment risk are averaged (in the Project Assessment and Pricing Tool) to calculate the score for Project and Investment risk.
- 8.3.3. The weighting assigned to each of Counterparty, Project and Investment risk is variable based on the intended lending type to reflect the balance of risks in each type of transaction.⁸
- 8.3.4. The assessment is largely qualitative and will be based on the review of due diligence materials, engagement with the applicant and judgment of the underwriter, unless an objective, quantitative metric e.g. LTV is available.
- 8.3.5. The risk assessment will help the team to identify the fundamental risks associated with a counterparty and a project, as well as consider suitable mitigants in the structuring process and where a financing program can be more catalytic by taking on more risk than would be acceptable to commercial lenders especially in the case of On Balance Sheet Financing Programs where MCEC retains some or all of the financial risk.
- 8.3.6. The framework is intended to be flexible and recursive; the underwriter should assess the inherent risk associated with the counterparty, the project and the investment (as far as details are known), including any existing mitigants.
- 8.3.7. Each element should be reconsidered as the instrument is structured and where new mitigants are known or negotiated. The risk rating of a given element may change through the due diligence and underwriting process. In turn, the pricing model may also be recalibrated in response to risk adjustments.

⁸ Custom weights can also be assigned.

9. Impact Assessment

9.1. Introduction

- 9.1.1. MCEC's mandate is centered around environmental, socio-economic, and catalytic/leverage objectives. Hence, the Impact Framework has been organized around the three impact areas: **environmental, socio-economic, and catalytic/leverage**. The full set of impact metrics are set out and described in Annex F.

9.2. Data Collection

- 9.2.1. Measurement, evaluation and monitoring of impact should be embedded throughout the investment process subject to considerations related to borrower capacity, confidentiality requirements, data availability.
- 9.2.1.1. The Application Form will request impact estimates across all relevant impact areas from applicants.
- 9.2.1.2. In the due diligence stage, all ex-ante impact estimates and measurements supplied by the applicant should be accompanied by assumptions, sources and supporting data.
- 9.2.1.3. During the asset management period the same metrics should be provided and tracked on a periodic, ex-post basis. In agreeing terms with borrowers, reporting and provision of data should be explicitly required and documented.
- 9.2.1.4. MCEC is required to report on its impact annually and should maintain records on each financing program in a portfolio database.

9.3. Impact Scoring

- 9.3.1. Assessment and scoring during the due diligence phase will necessarily be based on *ex-ante* estimates of impact, with the associated risk that the impact is not achieved through the project, has been estimated incorrectly or has been misstated.
- 9.3.2. Investments are scored for impact based on the yes/no responses for the impact areas given in the application form (see Annex F for impact questions). These responses and accompanying estimates are evaluated and verified during the due diligence process with additional data and assumptions provided by the applicant.
- 9.3.3. The number of verified 'yes' responses are simply summed for the investment to get the score. To be counted, the impact estimate must be supported with a quantified estimate or observable data point, assumptions and other supporting data.
- 9.3.4. Where an impact has not been quantified but could be reasonably assumed as an impact of the project, a 'maybe' response may be given, along with rationale and narrative which may contribute to the investment case but is not included in the score.
- 9.3.5. It is important to note that an individual investment does not need to 'hit' every impact area and in fact very few will.
- 9.3.6. The approach is non-exhaustive, sector-agnostic and not intended to be prescriptive. Flexibility is important; for example, there may be some projects with distinct impacts. This approach also intends to avoid additional data needs and detailed technical or comparative analysis for smaller size deals.
- 9.3.7. For larger transactions expert technical and financial advisers may be contracted.
- 9.3.8. As the portfolio develops, internal benchmarks will also emerge which will support the investment team in scoring incoming investments.

10. Structuring and Pricing

10.1. Instruments

10.1.1. MCEC's financing programs are likely to involve Debt, Credit Enhancements, and Grants⁹. The choice of the appropriate instrument will depend on several external and internal factors such as funding constraints and return expectations, the capital seekers' needs, use cases etc.

10.1.2. The overall MCEC portfolio of financing programs and existing capital allocation should be taken into consideration when designing new financing programs and allocating capital.

10.2. Structuring

10.2.1. Transaction structuring will depend on the financing requests, the borrower/investee's needs and use cases, capacity, revenue and business model, risk management, as well as funding constraints and return expectations.

10.2.2. A package of instruments may be offered within the same financing program to meet the needs of the borrower/investee.

10.2.3. Where MCEC participates in a loan originated by another lender and ranks pari passu, the staff may rely on the due diligence of the originating lender and adopt the same terms, subject to FIAC approval.

10.3. Loan Pricing

10.3.1. MCEC anticipates that On Balance Sheet Financing Programs will primarily comprise loans of varying tenors and terms.

10.3.2. Where appropriate MCEC will use a modified cost build up pricing approach, which contributes to balancing its impact mandate against other strategic or commercial imperatives such as the pursuit of financial sustainability, capital preservation and/or covering costs.

10.3.3. This approach disaggregates the loan price into key elements: i) cost of capital, ii) servicing costs, iii) risk premium, and iv) impact incentives (instead of a margin), as shown below:

$$PL = cf + ls + rp - [ip]$$

Where $(rp - ip) \geq 0$

Table 4. Loan Price Cost Build Up

Element	Recommendation
Cost of Funds <i>cf</i>	<ul style="list-style-type: none">Use the US Treasury Rate of suitable tenorAgree pricing date with borrower and document in Loan Documents
Loan Servicing Rate <i>ls</i>	<ul style="list-style-type: none">A small percentage to cover the costs of servicing the loanStandard rate of 0.25%A custom rate can be used if agreed with the borrower and documented
Risk Premium <i>rp</i>	<ul style="list-style-type: none">A spread reflecting the 'cost' of assessing and accepting the credit or repayment risk associated with the borrower and the loanCalculated based on the Risk Assessment and Management Framework (See Section 4 Above)
Impact Premium <i>(ip)</i>	<ul style="list-style-type: none">Calculate an impact premium and subtract from risk-based pricing on a discretionary basedImplement a price floor, where $ip = rp$.

⁹ Currently Equity investments are not contemplated as part of new financing programs because of limitations related to MCEC's finance staff capacity, systems, and processes.

- 10.3.4. The modified cost build up pricing approach allows for an impact premium to offset the risk-based pricing. This approach attributes “value” to expected impact, which market rates do not reflect, so, it will always be lower than the commercial rate; it is also implicitly concessional in that the base rate used in the US Treasury as opposed to the Maryland cost of borrowing.
- 10.3.5. This approach ensures that the impact deduction does not exceed the credit risk premium, so the approach ensures that MCEC and its funders are being compensated for credit risk and recoups costs.
- 10.3.6. Where applicable, cost recovery from loan pricing should be balanced with costs recovered through other mechanisms built into the financing program design such as administration budgets, closing fees etc.
- 10.3.7. MCEC may be required to set loan pricing at a discount to the pricing calculated from the above-described above due to funder requirements/constraints or other circumstances. In such cases, MCEC should reflect the discount as a concessionality being offered to the borrower/investee in the Investment Memo and, if appropriate, in the Terms Sheet.

11. Investment Case Analysis and Presentation

11.1. Project Assessment Tool

- 11.1.1. The Project Assessment and Pricing Tool combines the risk and impact assessments outlined above, with a loan pricing output.
- 11.1.2. A version should be completed for each transaction that proceeds to Phase 2 (Due Diligence) of the MCEC investment process and should be maintained as a repository of information on each deal in the project due diligence folder. For non-loan transactions the pricing output may be disregarded.
- 11.1.3. If in a particular case the loan element is not the largest (in monetary terms) element of the deal, complete an additional risk assessment and impact assessment for this element, with whatever modifications and additional narrative to enhance relevance for non-loan instruments.

11.2. Financial Model

- 11.2.1. Investment team members may use financial models developed by borrowers to calculate various financial metrics to understand the risk-return profile of the transaction and to perform sensitivity analysis. Where a financial model is not provided by the borrower or is inadequate, investment team members should develop one. Inputs will largely come from applicants/borrowers and the outputs can be used to finalize pricing and structuring, as well as to inform the investment case.
- 11.2.2. The output of the pricing calculator will be an important input into the financial model and can be varied in the Financing Terms sensitivity. One approach could be to have the Downside interest rate be the price floor (i.e. the whole impact premium subtracted in the price build up) and the upside be the sum of the risk-based pricing build up (price ceiling) and the base case be the price output with some portion of the Impact Premium subtracted. This rate sensitivity feeds into the cashflow and return scenarios in the model.

11.3. Investment Memorandum

- 11.3.1. The Investment Memorandum sets out the investment case for a proposed transaction. It should clearly set out key information about the borrower/investee, the transaction

structure, sources of repayment, returns to the fund and impact in alignment with MCEC and the funders' mandate.

11.3.2. The Investment Memorandum should include the Risk and Impact Assessments (from the Project Assessment and Pricing Tool), and must include the following sections:

11.3.2.1. Details of the Proposed Investment

11.3.2.1.1. Proposed Use of Proceeds

11.3.2.1.2. Project Details and Schedule

11.3.2.1.3. Repayment and Sources of Repayment

11.3.2.1.4. Other Participants

11.3.2.2. Counterparty Recipient Details

11.3.2.2.1. Management and Organization

11.3.2.2.2. Existing Capital Structure and Borrowings

11.3.2.3. Commercial Analysis (of the project/enterprise)

11.3.2.3.1. Business Model

11.3.2.3.2. Stage/Milestones/achievements to date

11.3.2.3.3. Market Analysis

11.3.2.3.4. Pro-forma and Projections

11.3.3. Technology Analysis

11.3.4. Risk Assessment and Management

11.3.5. Impact Assessment

11.3.6. Investment Rationale Summary

11.3.6.1. Summary of Financial Investment Case

11.3.6.2. Summary of Environmental Impact

11.3.6.3. Summary of Socio-economic Impact

11.3.6.4. Summary of Catalytic/Leverage Impact

11.3.7. Portfolio Impact

11.3.8. A list of all due diligence documents reviewed should be appended as an annex to the Investment Memorandum.

11.4. FIAC/Oversight Committee Assessment and Approval

11.4.1. All investments for MCEC's funds (i.e. the C3 Fund and the CTFF), MCEC staff shall undertake an approvals process vis-à-vis their respective Investment Oversight Committees as detailed in the funds' documents.

11.4.2. All non-fund related investments under On Balance Sheet Programs must be presented to and approved by the FIAC for continued negotiation with the counterparty.

11.4.3. The FIAC will consider the investment case and recommend any necessary clarifications, changes or reassessment prior to providing approval.

11.4.4. Once the FIAC approves the transaction it can be presented to the Board for approval.

11.4.5. Investment Assessment Criteria

11.4.5.1. In considering proposed transactions, the FIAC should:

11.4.5.1.1. Ensure that it aligns with MCEC and the funders¹⁰ mandate.

¹⁰ Funders refer to providers of capital for specific MCEC financing programs as opposed to general MCEC operating budget. This may include Maryland state agencies (such as the Maryland Energy Administration) or non-public institutions (such as private foundations).

11.4.5.1.2. Ensure appropriate levels of due diligence rigor and alignment with procedures and standards, including the Risk Assessment and Management Framework, and the Impact Framework.

11.4.5.1.3. Consider the investment case on its individual merits, while also considering the impact on the MCEC portfolio of financing programs as it evolves.

11.4.6. Approval

11.4.6.1. The approval sought from the FIAC at the conclusion of the Due Diligence phase is to finalize terms with the borrower.

11.4.7. Conditions

11.4.7.1. The FIAC may set conditions to close on the investments that it approves. These conditions should be reasonable as to the capacity and circumstances of the borrower. Legal opinion should be sought on the appropriate method of seeking changes to or waivers of conditions to close must be sought (e.g. at a meeting of the FIAC or by email or other method).

12. Updates and Revisions

12.1. Version 1.0 of the Underwriting Standards and Manual should be reviewed after six (6) months and updates (including to underlying tools and standards) based on lessons learned should be documented in Version 2.0 which should be approved by the FIAC.

12.2. Revisions to the Underwriting Standards should be documented in the table below and a new version of the document saved and clearly numbered.

Date	Version	Revisions/Additions Made	FIAC approval Date
		<i>Describe revisions/additions made, including reference to numbered sections and subsections</i>	

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Annex A. On Balance Sheet Programs¹¹

Program Name	Operating Status	Critical Guiding Documents	Snapshot of MCEC's Role across 3 Phases		
			Origination	Due Diligence	Deal Finalization
MCAP – On Balance Sheet Transactions (example of an ESCO transaction)	Active	MD Economic Development Article, Applicable IRS law, State and Federal Securities Law	<ul style="list-style-type: none">Interested borrowers/beneficiaries are required to submit MCAP application form.Upon MCEC's review and acceptance of the submitted application, borrower/beneficiary is required to enter into a financing agreement with MCEC along with payment of the prevailing re-fundable application fee.MCEC meets with FIAC prior to proceeding with due diligenceESCO delivers final signed Investment Grade Audit (IGA) to Client and MCECMCEC distributes Requests For Proposal (RFP) and Confidential Information Memorandum to Prospective LendersClient and MCEC select lenderMCEC meets with FIAC to obtain approval of final term sheetAfter review and recommendation of the FIAC, MCEC Finance staff meets with MCEC Board of Directors to obtain approval final term sheet	<ul style="list-style-type: none">For Private Placements, a bank conducts due diligence and underwriting. For Capital Market Issuances, a Bond Underwriter or equivalent conducts due diligence and underwriting. In addition, MCEC performs all functions as advised by Bond Counsel.Lender completes due diligence and legal documentationMCEC receives term sheets / commitment letters from lendersLender submits signed commitment letterMCEC prepares Investment Memo per requirements outlined in Section 11 to FIAC with modifications as necessary.MCEC staff shares Investment Memo with FIAC at least one week prior to scheduled FIAC meeting.	<ul style="list-style-type: none">During the meeting MCEC requests FIAC's approval for MCEC's participation in the transaction as outlined in the Investment Memo and also approve motions required to enter into tax-exempt financing transactions per advice of MCEC's Bond Counsel.After receiving approval from the FIAC, MCEC seeks approval from full Board for the above items.Upon receiving approval from the Board, MCEC enters into contracts as required.MCEC signs EPC Contract with ESCOMCEC signs Shared Energy Savings Agreement (SESA) with ClientMCEC signs Loan Agreement with Lender
Climate Catalytic Fund (C3)	Active	Climate Solutions Now Act (2022), C3Fund Investment Guidelines, Investment Screening Tool?	<ul style="list-style-type: none">MCEC markets the fund in order to attract applicants to the fund.MCEC maintains the website which contains the application, information regarding fund eligibility and investment guidelines.Interested borrowers/beneficiaries submit a C3 application.MCEC provides guidance and support to applicants during the full application process.MCEC staff utilizes Investment Screening Tool to ensure the applications align with the fund mandate.	<ul style="list-style-type: none">Upon MCEC's review and acceptance of the submitted application, MCEC completes due diligence on the applicant including completing a Risk Assessment and Pricing Tool and Investment Memo.MCEC reviews the completed application and due diligence with the Investment Oversight Committee (IOC) subcommittee.MCEC presents proposed investment terms to counsel for legal reviewUpon completion of legal review, MCEC presents the applicant to IOC who determines if the applicant is approved or if there are additional conditions for approval.	<ul style="list-style-type: none">Upon approval MCEC works with the applicant to satisfy any conditions to close as specified by the IOC.MCEC works with Legal Counsel to begin documenting the transaction and work towards funding.MCEC performs tasks related to daily product and transaction administration, including reporting and financial covenants.MCEC monitors all covenants per the loan documents to ensure the applicant is in compliance with the loan documents.

¹¹ Information regarding the CTFF will be added in a future revision of this document.

Annex B. Off-Balance Sheet Programs

Program Name	Operating Status	Critical Guiding Documents	Snapshot of MCEC's Role across 3 Phases		
			Origination	Due Diligence	Deal Finalization
MCAP – Conduit Financing Transactions	Active	MD Economic Development Article, Applicable IRS law, State and Federal Securities Law	<ul style="list-style-type: none"> Interested borrowers/beneficiaries are required to submit MCAP application form. Upon MCEC's review and acceptance of the submitted application, Borrower/beneficiary enters into a financing agreement with MCEC along with payment of the prevailing re-fundable application fee. 	<ul style="list-style-type: none"> For Private Placements, primary responsibility for due diligence and underwriting transactions lies with capital providers. MCEC Investment team (including transaction adviser/s) reviews documents submitted to capital providers as warranted. For Capital Market Issuances, where MCEC acts as the conduit issuer, MCEC performs all functions as required per securities law and in consultation with Bond Counsel. MCEC prepares an Investment Memo per requirements outlined in Section 10 to FIAC with modifications as necessary. Investment Memo will be shared with FIAC at least one week prior to scheduled FIAC meeting. 	<ul style="list-style-type: none"> During the meeting FIAC will be requested to approve MCEC's participation in the transaction as outlined in the Investment Memo and also approve motions required to enter into tax-exempt financing transactions per advice of MCEC's Bond Counsel. After receipt of approval from the FIAC, MCEC will seek approval from full Board for the above items. Upon receiving approval from the Board, MCEC will enter into contracts as required.
MD PACE	Active	Senate Bill 186 (2014), further revised in: <ul style="list-style-type: none"> House Bill 105 (2016) House Bill 517 (2021) 	Please refer to MDPACE Loan Origination, SOP, and Program Guidelines.	Please refer to MDPACE Loan Origination SOP and Program Guidelines, created in partnership with former Program Administrator Abacus Property Solutions.	Please refer to MDPACE Loan Origination SOP and Program Guidelines, created in partnership with former Program Administrator Abacus Property Solutions.
Clean Energy Advantage (CEA)	Active	PSC Order 89855 , EmPower Maryland	<ul style="list-style-type: none"> Transactions can be originated from a variety of sources including from Contractors, MCEC staff and Utilities. Interested Homeowners must reside in an Empower utility territory (Baltimore Gas and Electric, Potomac Edison Company, Delmarva Power & Light, Potomac Electric Power Company, Washington Gas Light Company and Southern Maryland Electric Cooperative) Applications will be pre-approved by the Program Administrator prior to applying with the Clean Energy Credit Union. 	<ul style="list-style-type: none"> Loans are underwritten, approved and funded by the Clean Energy Credit Union. The Clean Energy Credit Union is a Colorado-based credit union with a focus on energy efficient lending. Loan approvals will follow the Clean Energy Credit Union credit guidelines. . 	<ul style="list-style-type: none"> MCEC is responsible for providing certain reporting and financial metrics to the Utilities and the Finance Work Group.

Annex C. List of Standard Due Diligence Documentation¹²

COMPANY (SPONSOR) DETAILS
Incorporation Documents and details of stockholders ¹³
Description of legal structure
Evidence of good standing in Maryland
Tax documentation (returns, liabilities etc.)
Organizational charts
Description of Management Team
Management Team Biographies
Schedule of employees by function and location
Written business plan and/or strategy document(s)
List of Current Projects
Completed/pending acquisitions
Copies of management contracts (if applicable)
Copies of leases, service contracts etc.
Details on any current or pending litigation
Details on any significant business relationships (JVs, partnerships, supply contracts, marketing contracts, other)
Current insurance policies
COMPANY (SPONSOR) FINANCIAL INFORMATION
3 years of historical (audited, if available) financials (or as many as available)
Company proforma projections (including all expenses, debt service, revenue etc.)
Overview of company capital structure
Detailed assumptions for the above
Amount of the company's current outstanding debt obligations
Documentation on the above (copies of credit agreements etc.)
Amount of the company's current debt service (monthly)
Value of the company's current collateral pledges
Value of the available collateral for this financing package
PROJECT FINANCIALS
Project Finance Modelling Inputs
Full project proforma and projections over the project life (if applying for project finance)
Detailed assumptions for the above
Tax basis of assets (if applicable)
Proportion of project costs eligible for ITC (if relevant, provide details)
Details on project stage and anticipated dates for NTP, COD etc. as applicable
Projected draw schedule

¹² Non-exhaustive, depending on deal or project type. Additional documentation should be requested at the discretion of the underwriter considering the request and application.

¹³ This may be different if the project is for the benefit of a governmental client.

Projected repayment schedule
Details of permanent or takeout finance (if applicable)
SOURCES AND USES OF CAPITAL
All CapEx (equipment, installation, construction etc.) for the proposed project
Specific use of proceeds of capital
All proposed sources of capital for the proposed project
Details, including any draft agreements, commitments etc., of other sources of finance
IMPACT
Data and assumptions related to GHG estimates and calculations
Data and assumptions related to energy generated, saved etc.
Data and assumptions related to resilience benefits and beneficiaries
Data and assumptions related to LMI impact
Data and assumptions related to FTE job hours created
Information and evidence of additional capital mobilized or leverage
Information related to new technologies being used or developed

Annex D. Solar Specific Document Requests and Considerations

The table below sets out specific documents that should be requested during due diligence for solar deals. The MCEC finance team should update the due diligence document request form before sending the form to borrowers. The types of documentation and analysis required may also vary based on the point in the project cycle at which the financing program is lending (construction, bridge, permanent etc.) and the project finance structures anticipated.

1. Project Details

Data/Document Requirement	Underwriting Guidance
Details of developer <ul style="list-style-type: none"> Corporate documentation, Statement of qualifications and overview of projects Details of fees 	<ul style="list-style-type: none"> Overview of operations Number of solar projects undertaken to date Any unsuccessful projects, including background/reasons. Fees as a portion of total project/investment value
Details of EPC contractor/installer <ul style="list-style-type: none"> Corporate documentation, statement of qualifications and overview of projects EPC contract terms, including GMP language Details of fees 	<ul style="list-style-type: none"> As above
Details of O&M (post-construction phase) <ul style="list-style-type: none"> Corporate documentation, statement of qualifications and overview of projects EPC contract terms, including GMP language Details of fees 	<ul style="list-style-type: none"> As above
<ul style="list-style-type: none"> Documentation describing technical specifications of equipment 	<ul style="list-style-type: none"> Type of equipment/technology that the project plans to use and any cost or efficiency differentials Types of inverters (micro vs. string), panels, etc. Source of panels and equipment. The OBBB also restricts using components from Foreign Entities of Concern (FEOCs) for projects to qualify for tax credits (source of components to be confirmed with borrower).
<ul style="list-style-type: none"> Project cost schedule 	<ul style="list-style-type: none"> Consider cost per Watt vis-a-vis industry norms for the installation size, distinguishing between residential and Commercial and Industrial
<ul style="list-style-type: none"> Detailed project timeline 	<ul style="list-style-type: none"> Solar project milestones may include Securing/leasing site, permitting, EPC execution, notice to proceed, delivery (of equipment), installation, interconnection and commissioning Loan draws may be explicitly linked to these milestones
<ul style="list-style-type: none"> Details of Tax Equity providers and Tax Equity Documentation (if relevant) 	<ul style="list-style-type: none"> Timing of conversion from construction to permanent; release of asset level security Terms of intercreditor/partnership agreement with TEI regarding collateral

2. Risk Assessment

Risk Assessment Element	Documentation	Underwriting Guidance
Counterparty	<ul style="list-style-type: none"> Project co. structure, documentation and assets 	<ul style="list-style-type: none"> Review corporate structure, assets and cashflows to which MCEC might have recourse etc.
Project		
Repayment Profile	<ul style="list-style-type: none"> Power Purchase Agreement (PPA) SREC generation estimate, forward contracts where applicable Savings estimates and associated documents (see below) Documentation related to other sources of revenue and repayment 	<ul style="list-style-type: none"> PPA: rate/revenue, tenor, terms and conditions, escalation assumptions. Creditworthiness of offtaker SRECs: SREC forward contract offtaker, agreed price and tenor. Over time consider portfolio exposure to SREC offtakers. <ul style="list-style-type: none"> SREC revenue can be calculated based on the SREC 1.5 multiplier, which allows qualifying solar projects to receive 1.5 Solar Renewable Energy Credits (SRECs) for each megawatt-hour (1,000 kWh) of electricity generated. <ul style="list-style-type: none"> The first 300 MW AC of solar systems 20 kW and less are eligible for the multiplier The first 270 MW AC of solar 20 kW to 5 MW are eligible for the multiplier. SREC pricing after the end of the forward contract; cash flows should be modelled conservatively, e.g. 70% of ACP Analysis of % of revenues between SREC, energy sales and/or savings and how the balance evolves over the life of the loan.
Operational	<ul style="list-style-type: none"> Leases, terms of access, relevant PPA terms, and potential for delays to determine site control Documentation related to utility and interconnection Third party performance guarantee documentation if available Production Review if available 	<ul style="list-style-type: none"> Reasonableness of developer schedule assertions Understanding of potential interconnection, commissioning etc. and the likelihood of any delays to commercial operation as a result of interconnection or congestion. Reasonableness of production estimates vis-à-vis industry standards or benchmarks and whether production has been guaranteed.
Market	<ul style="list-style-type: none"> PPA rates and energy/power price data SREC price data; forward contracts 	<ul style="list-style-type: none"> Analysis of PPA rates; compare to avoided cost of energy Develop market view of future SREC markets Require conservative discounting for SREC cashflows (e.g. 70% of ACP)

		<ul style="list-style-type: none"> Require forward contracts for SRECs for certainty of cashflows
Legal/Regulatory/Political	<ul style="list-style-type: none"> Permitting and documentation required at various stages of the project 	<ul style="list-style-type: none"> Understand permitting and regulatory requirements and documentation in MD at each stage of project development, including types of documentation required prior to, at and post-closing Develop view of potential delays to construction, substantial completion and/or commercial operation driven by permitting and regulatory requirements
Technology Risk	<ul style="list-style-type: none"> Production forecasts Engineering reports 	<ul style="list-style-type: none"> Third party engineering report confirming projections etc.
Investment		
Size	<ul style="list-style-type: none"> See project sources and use/CapEx requirements 	
Investment Loan to Value	<ul style="list-style-type: none"> See project sources and use/CapEx requirements 	
Investment length	<ul style="list-style-type: none"> See PPA documentation 	<ul style="list-style-type: none"> Permanent loan tenors should be matched to or less than the duration of the PPA
Subordination and Collateral	<ul style="list-style-type: none"> As for counterparty above Documentation relating to existing or anticipated liens on project/borrower assets Documentation relating to PPA, cashflows (see above Repayment Profile) and equipment value as appropriate 	<ul style="list-style-type: none"> As for counterparty above. Types/sources of collateral or security may include: <ul style="list-style-type: none"> Pledge of 100% interests in borrower, as applicable Lien on all/part of Borrower assets (as applicable) Assignment of all cash flows and contracts, e.g., SREC forward contracts and PPAs, including insurance, warranty, and all other technology and operational contracts. Assignment of step-in rights associated with the project (incl. permits, contracts, grants, incentives, environmental attributes, and sale proceeds). Parent Guarantee in the amount of drawn funds outstanding Note for permanent financing, back leverage debt is generally secured by pledge of assets/equity interests in the borrower. Not the Tax Credit Equity Partnership, nor in turn the project company. The lender has no direct recourse to the project assets.

3. Impact Assessment¹⁴

Impact Area and Metric	Additional underwriting Guidance
Climate Mitigation Metric tons of CO2 avoided p.a.	<ul style="list-style-type: none">• Based on energy generation estimate• Estimate Co2e avoided using the EPA Greenhouse Gas Equivalencies Calculator (or other tool) and compare to estimate offered by applicant
Climate Mitigation Energy generation	<ul style="list-style-type: none">• Use a 0.5% annual degradation rate to reflect a reduction in equipment efficiency every year• Compare to market standard/benchmark data where possible
Climate Mitigation Energy Savings	<ul style="list-style-type: none">• Savings should be calculated exclusive of demand charges• Request and analyze historic utility bills and any other documents related to rate structures

¹⁴ Documentation around this impact area should be provided as standard

Annex E. Risk Assessment and Scoring Matrix

Risk	5	4	3	2	1
1. Counterparty	<ul style="list-style-type: none"> No/Limited Revenue Ambitious forward-looking assumptions Weak BS/High existing debt burden No/Limited Track Record 	<ul style="list-style-type: none"> Falls between 3 and 5 	<ul style="list-style-type: none"> Some/Limited Revenue Moderate forward-looking assumptions Moderately strong BS/moderate existing debt burden Some Track Record in the industry 	<ul style="list-style-type: none"> Falls between 1 and 2 	<ul style="list-style-type: none"> Existing Revenue Conservative forward-looking assumptions Strong BS/limited or well managed existing debt burden Strong Track Record
2. Project	<ul style="list-style-type: none"> Average of ratings of elements below 	<ul style="list-style-type: none"> Falls between 3 and 5 	<ul style="list-style-type: none"> Average of ratings of elements below 	<ul style="list-style-type: none"> Falls between 1 and 2 	<ul style="list-style-type: none"> Average of ratings of elements below
Repayment Profile	<ul style="list-style-type: none"> Primary sources of repayment are not clear and are uncontracted Ambitious forward-looking assumptions for project revenues DSCR ~1x 	<ul style="list-style-type: none"> Falls between 3 and 5 	<ul style="list-style-type: none"> Primary sources of repayment are clear and ideally, are contracted; secondary sources unclear or unavailable Moderate forward-looking assumptions for project revenues DSCR 1.2x -1.5x 	<ul style="list-style-type: none"> Falls between 1 and 2 	<ul style="list-style-type: none"> Clear and contracted primary, secondary (and possibly tertiary) sources of repayment identified Conservative forward-looking assumptions for project revenues DSCR >1.5x
Operational	<ul style="list-style-type: none"> Significant risk of delays to repayment conditions or underperformance with no or few mitigants 	<ul style="list-style-type: none"> Falls between 3 and 5 	<ul style="list-style-type: none"> Moderate risk of delays to repayment conditions or underperformance with some mitigants 	<ul style="list-style-type: none"> Falls between 1 and 2 	<ul style="list-style-type: none"> No/low risk of delays to repayment conditions or underperformance with some or significant mitigants
Market	<ul style="list-style-type: none"> New market, unclear demand and volatile pricing, significant challenges in customer acquisition and/or sales 	<ul style="list-style-type: none"> Falls between 3 and 5 	<ul style="list-style-type: none"> Intermediate market, growing demand, moderate pricing volatility, moderate challenges in customer acquisition and/or sales 	<ul style="list-style-type: none"> Falls between 1 and 2 	<ul style="list-style-type: none"> Mature market, stable or growing demand, stable pricing, few challenged in customer acquisition and/or sales
Legal/ Regulatory/ Political	<ul style="list-style-type: none"> Highly sensitive to regulatory changes, delays or political or public interest considerations 	<ul style="list-style-type: none"> Falls between 3 and 5 	<ul style="list-style-type: none"> Moderately sensitive regulatory changes, delays or political or public interest considerations 	<ul style="list-style-type: none"> Falls between 1 and 2 	<ul style="list-style-type: none"> Limited sensitivity to regulatory changes, delays or political or public interest considerations

Risk	5	4	3	2	1
Technology Risk	<ul style="list-style-type: none"> Technology is unproven or experimental 	<ul style="list-style-type: none"> Falls between 3 and 5 	<ul style="list-style-type: none"> Technology is newer but has started to be adopted and data exists to support analysis 	<ul style="list-style-type: none"> Falls between 1 and 2 	<ul style="list-style-type: none"> Technology is mature, well-understood and proven to be commercially viable
	•	•	•	•	•
3. Investment	<ul style="list-style-type: none"> Average of ratings of elements below 	<ul style="list-style-type: none"> Falls between 3 and 5 	<ul style="list-style-type: none"> Average of ratings of elements below 	<ul style="list-style-type: none"> Falls between 1 and 2 	<ul style="list-style-type: none"> Average of ratings of elements below
Size	<ul style="list-style-type: none"> >12.5% of committed capital 	<ul style="list-style-type: none"> 10-12.5% of committed capital 	<ul style="list-style-type: none"> 7.5-10% of committed capital 	<ul style="list-style-type: none"> 5-7.5% of committed capital 	<ul style="list-style-type: none"> <5% of committed capital
Investment Loan to Value	<ul style="list-style-type: none"> Up to 100% LTV 	<ul style="list-style-type: none"> 80%-90% LTV 	<ul style="list-style-type: none"> 70%-80% LTV 	<ul style="list-style-type: none"> 60-70% LTV 	<ul style="list-style-type: none"> < 60% LTV
Investment length	<ul style="list-style-type: none"> >10 years 	<ul style="list-style-type: none"> 8-10 years 	<ul style="list-style-type: none"> 7-8 years 	<ul style="list-style-type: none"> 5-7 years 	<ul style="list-style-type: none"> <5 years
Subordination and Collateral	<ul style="list-style-type: none"> First Loss/Equity/Mezzanine Position Unsecured – no or limited collateral 	<ul style="list-style-type: none"> Falls between 3 and 5 	<ul style="list-style-type: none"> Subordinate Lien and or Partially Collateralized 	<ul style="list-style-type: none"> Falls between 1 and 2 	<ul style="list-style-type: none"> Senior Lien and/or Fully or nearly fully collateralized

Annex F. Impact Areas and Metrics

	Impact Area	Impact Characterization	Impact Metric (s)	Data Collection and Measurement Guidance
Environmental	Climate Mitigation	Will the project / enterprise create GHG emission reductions through energy efficiency, load management or other mitigation measures?	<ul style="list-style-type: none"> Number of Metric Tons of CO2 Equivalent (avoided v. baseline) 	<ul style="list-style-type: none"> Applicant to provide information on reporting boundaries and scopes associated with the GHG reduced/avoided The reduction/avoidance should be projected via comparison against baseline conditions/emissions Best practice guidance/resources such as GHG Protocol or equivalents should be followed. All sources and assumptions used in compiling ex-ante estimates should be shared Absolute and annual ex ante estimates should be shared, as well as details should be provided about calculation method e.g. phase in installations v. all at once, service life calculation v. loan life Energy Saved and Energy Savings should be calculated based on power utility rates, excluding demand charges in order to avoid overstating the benefits
		Will the project / enterprise create GHG emission reductions through energy supply substitution measures? (e.g. installation of energy generation equipment etc.)	Related metrics: <ul style="list-style-type: none"> Renewable Energy generated (M/KWh) Energy Saved (M/KWh) Energy Savings (\$) 	
	Climate Adaptation and Resilience	Will the project / enterprise create resilience benefits to stakeholders / communities against the impacts of climate change (e.g., extreme weather events, heatwaves, coastal erosion etc.)?	<ul style="list-style-type: none"> Number of beneficiaries of proposed resilience measures Investment value of natural or built infrastructure that is accessible, managed, or owned by the beneficiary groups or communities for collective wellbeing (\$) 	
		Will the project / asset be designed to account for future physical climate risk?	<ul style="list-style-type: none"> Description or evidence of design/ engineering standard utilized 	
	Other environmental benefits, if relevant to project	Will the project / enterprise generate ecological co-benefits (e.g., water conservation, stormwater management, biodiversity gains, etc.)?	<ul style="list-style-type: none"> Description of ecological benefits Quantification where relevant e.g. gallons of water saved 	<ul style="list-style-type: none"> Project Dependent Applicant to provide information on reporting boundaries associated with the savings etc. The reduction/avoidance should be projected via comparison against baseline conditions/emissions Best practice guidance/resources should be followed. All sources and assumptions used in compiling ex-ante estimates should be shared

				<ul style="list-style-type: none"> Absolute and annual figures should be shared
Socio-economic	Benefits accruing to LMI households (excl. jobs)	Is project / enterprise located in, or will it provide benefit to communities with Low- and Moderate-Income Households? ¹⁵	<ul style="list-style-type: none"> Evidence of project location in census tract with LMI communities % of project benefits (e.g. energy generated, energy savings, etc.) accruing to LMI households per the CSA definition 	<ul style="list-style-type: none"> Per the Climate Solutions Now Act (2022): “Low-to-Moderate Income Household” means a household located in a census tract with an average median income at or below 80% of the average median income for the state.”
	Underserved/ overburdened communities	Will it provide benefits to underserved and/or overburdened communities?	<ul style="list-style-type: none"> % of project benefits (e.g. energy generated, energy savings, etc.) accruing to Underserved or Overburdened households per the CSA definition 	<ul style="list-style-type: none"> Per the Climate Solutions Now Act (2022): “Underserved community means any census tract in which, according to the most recent US Census Bureau survey: <ol style="list-style-type: none"> At least 25% of the residents qualify as low income At least 50% of the residents identify as non-white, or At least 15% of the residents have limited English proficiency” “Overburdened Community means any census tract for which three of more of the following environmental health indicators are above the 75th percentile statewide: <ol style="list-style-type: none"> Particulate Matter (PM) 2.5; Ozone; National Air Toxics Assessment (NATA) Diesel PM; NATA cancer risk; NATA Respiratory Hazard Index; Traffic proximity; Lead Paint Indicator; National Priorities List Superfund site proximity; Risk Management Plan Facility Proximity; Hazardous Waste Proximity; Wastewater discharge indicator; Proximity to a Concentrated Animal Feeding Operation (CAFO); Percent of population lacking broadband coverage; Asthma emergency room discharges; Myocardial infarction discharges; Low-birth-weight infants; Proximity to emitting power plants; Proximity to a toxic release inventory (TRI) Facility;

¹⁵ Statutory requirement that 40% of fund balance goes to qualified projects in ‘communities with LMI households’

				xix) Proximity to a brownfields site; xx) Proximity to mining operations; and xxi) Proximity to a hazardous waste landfill.
	<i>Jobs Created</i>	<ul style="list-style-type: none"> Will the investment or project lead to or facilitate the creation of new jobs? 	<ul style="list-style-type: none"> Number of FTE jobs created 	<ul style="list-style-type: none"> Net number of new, full-time equivalent employees working for enterprises financed or supported by the organization during the reporting period (when MCEC begins its investment)
	<i>LMI/ underserved/disadvantaged communities</i>	<ul style="list-style-type: none"> Will the project / enterprise create [temporary or] permanent jobs for socially and economically disadvantaged workers? Will the project / enterprise create temporary or permanent jobs in LMI communities? Will the project / enterprise create [temporary or] permanent jobs in underserved communities? 	<ul style="list-style-type: none"> Number of FTE jobs for socially and economically disadvantaged workers Number of FTE jobs for LMI households Number of FTE jobs in underserved communities 	<ul style="list-style-type: none"> See community definitions above, per the Climate Solutions Now Act (2022) Sub-metric of New Jobs Created
	<i>LMI/ underserved/disadvantaged communities</i>	Is the borrower/sponsor a small, minority, women, and veteran-owned businesses under MD law or from a socially and economically disadvantaged background	<ul style="list-style-type: none"> Qualification under Maryland Code definition 	<ul style="list-style-type: none"> Under federal law, members of the following groups are presumed to be socially and economically disadvantaged: Women, African Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, and Subcontinent Asian Pacific Americans. Minority/Disadvantaged Business Enterprise (MDBE) per Maryland Code
Catalytic/Leverage	<i>Private Capital Mobilization</i>	Does MCEC Investment mobilize, facilitate or unlock other sources of capital for the project or enterprise?	Leverage Ratio	<ul style="list-style-type: none"> \$ Value of MCEC's Investment/ Total Project Size or \$ Value of MCEC's Investment/ Total Amount of Investment [unlocked] (including public funds, takeout finance etc.)
	<i>Early-Stage Company</i>	Is the borrower/applicant an early-stage enterprise?	Number of years in business	<ul style="list-style-type: none"> How recently the enterprise has been established
	<i>New Technology/Innovation</i>	Does the project/investment involve new or innovative technology, which the investment would enable to scale?	Technology Type	<ul style="list-style-type: none"> Technologies can be identified or categorized according to the metric Scalability or market potential should be analyzed based on market research, expert opinion etc.

Proposed Motion

Motion to approve the MCEC Underwriting Standards Credit Policy Guidelines as presented by staff.

Thursday, September 18, 2025

MEMO

To: MCEC Board of Directors

I. Katherine Magruder, Executive Director

From: Amy Gillespie, Grant Administration & Compliance Officer

Re: Maryland Clean Energy Center Grant Administration Policy Handbook



Overview

The Grant Compliance Handbook has been updated to improve clarity and to ensure alignment with funder requirements. Specifically, we have added grant-specific terms and conditions as appendices to the Handbook, rather than incorporating them into the body of the document. This structure allows the Handbook to serve as the central governing compliance policy, while each appendix contains the unique terms and conditions required by individual grant awards.

Summary of Changes

1. **Grant-Specific Terms and Conditions:** A new section has been added to the Handbook noting that unique terms and conditions for each grant are included as appendices. These appendices are considered an integral part of the Handbook and carry the same weight as the policies outlined in the main document.
 2. **EPA NCIF Terms and Conditions:** In accordance with the requirements of the National Clean Investment Fund (NCIF) award, the EPA NCIF Terms and Conditions have been added as Appendix C.
 3. **EPA Solar for All Terms and Conditions:** The existing Solar for All grant terms have been designated as Appendix B for consistency in format.
 4. **FHWA CFI Terms and Conditions:** The existing CFI grant terms have been designated as Appendix A for consistency in format.
-

Recommendation

Staff recommends that the Board approve the revised Grant Administration Policy Handbook, inclusive of the incorporation of grant-specific terms and conditions as appendices and the adoption of the EPA NCIF Terms and Conditions (Appendix C). Approval of these updates is required to satisfy the compliance obligations of the NCIF award.

Proposed Motion

Motion to approve MCEC's updated Grant Compliance Handbook addendum to meet the Federal NCIF Terms and Conditions required for the Municipal Investment Fund CGC/ICELI award as recommended by staff.

Grants Management & Compliance

MCEC Board of Directors' Meeting

9/29/2025

Amy Gillespie

Grants Administration & Compliance Officer

Federal Grant Update

- CFI 1A—Attended September FHWA Training, scheduled training for October & November, program back in “administrative review”
- CFI 1B—still awaiting signature, no update—”administrative review”
- SFA—ordered by EPA to terminate work on SFA on August 7th, legal update
- Wood Innovations—FY 25-27 application awarded \$275,000
- Build to Scale (MEIA)—received notification from EDA that applications were not scored and were encouraged to resubmit in 2026
- Municipal Investment Fund/City of Baltimore/ICELI Grant (NCIF Funding)—awarded \$250,000 to build public/private partnership around Geothermal/Solar projects in Baltimore

Funding & Grant Impact Metrics

	Cumulative Totals <i>FY 2022 – FY 2026</i>	FY 2023 Total	FY 2024 Total	FY 2025 Totals <i>As of 6/30/2025</i>	FY 2026 PROJECTIONS	FY 2026 Actuals
Applications Submitted	42	10	11	18	8	3
Applications Awarded	24	7	5	10	5	2
Total Project Costs	\$598,105,524	\$108,595,730	\$345,411,520	\$144,098,274	TBD	\$10,000,000
Funds Awarded	\$146,124,414	\$16,291,100	\$84,330,400	\$35,502,914	TBD	\$10,000,000

FY25 Grant Applications—Status Update Awarded Applications

Maryland Clean Energy Center

Grant Report
As of 9/29/2025

Grant Applications Under Consideration or Pending	Funding Agency/ Organization	Total Project Costs	Total Grant Funds Requested	Total Grant Funds Awarded	MCEC Admin Grant Funding Request	MCEC Admin Grant Fund Award	Submission Due Date	Award Date Anticipated	Status	MCEC Role	Partners	Current Status
FY25												
Charging Fueling & Infrastructure--Resubmission of CORRIDOR Application FY22	DOT/FHWA	\$40,153,696	\$33,461,414	\$33,461,414	\$2,783,629	\$2,783,629	7/1/24	TBD	Awarded	Lead	Various Partners (ROUND 1)	Awarded, Funds Obligated, Contract never signed with FHWA
Rural Maryland Council MAERDAF TGCC Woody Biomass Grant	Rural Maryland Council (State)	\$70,000	\$35,000	\$31,500	\$31,500	\$0	7/12/24	8/1/24	Awarded	Partner/Providing Match	The Greater Cumberland Committee	Awarded--Partner Implementing
DOE IRA Technical Assistance for the Adoption of Building Energy Codes (Round 2)	DOE	\$10,000,000	\$10,000,000	\$2,000,000	\$2,000,000	\$2,000,000	9/15/24	12/15/24	TBD	Partner	MDE Lead/MEA/DHCD	Funding Pulled back by FUNDER
U.S. Energy Foundation Capacity Building (EOCD Funding Round 2)	US Energy Foundation	\$140,892	\$125,000	\$125,000	\$125,000	TBD	Rolling	7/1/25	TBD	Lead	N/A	Awarded
CGC ICLEI Municipal Investment Fund--City of Baltimore	EPA/GGRF	\$250,000	\$250,000	\$250,000	\$109,370	TBD	3/5/2025	5/15/2025	Awarded	TA Partner	City of Baltimore, MCEC	Awarded
Maryland Commerce Strategic Industry Grants & Sponsorships	MD-COMMERCE	\$20,000	\$10,000	\$10,000	\$10,000	\$10,000	4/4/2025	7/1/2025	Awarded	Lead	N/A	Awarded
USDA Forest Service Wood Innovations FY2025-2027	USDA FS	\$610,000	\$275,000	\$300,000	\$275,000	\$275,000	12/11/2024	5/31/2025	Awarded	Partner	DNR, MCEC	Awarded
MEIA FSC FIRST GRANT (PG CO)	FSC FIRST	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	3/1/2025	3/31/2025	Awarded	MEIA PROJECT	N/A	Awarded
Maryland Commerce Strategic Industry Grants & Sponsorships	MD-COMMERCE	\$20,000	\$10,000	\$10,000	\$10,000	\$10,000	4/4/2025	7/1/2025	Awarded	Lead	N/A	Awarded
Rural Maryland Council MAERDAF Alliance for Green Heat	Rural Maryland Council (State)	\$45,000	\$45,000	TBD	TBD	TBD	5/16/2025	6/30/2025	TBD	Partner	Partner w/Alliance for Green Heat, no match	Submitted
DNR State Mel Noland Fund	DNR	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	6/30/2025	6/30/2025	Awarded	Lead	N/A	Awarded

FY26 Grant Applications—Status Update

Maryland Clean Energy Center

Grant Report
As of 9/29/2025

Grant Applications Under Consideration or Pending	Funding Agency/ Organization	Total Project Costs	Total Grant Funds Requested	Total Grant Funds Awarded	MCEC Admin Grant Funding Request	MCEC Admin Grant Fund Award	Submission Due Date	Award Date Anticipated	Status	MCEC Role	Partners	Current Status
FY26												
MEA SFA Supportive Funding Grant	MEA	\$5,000,000	\$5,000,000	\$5,000,000	\$500,000	\$500,000	ROLLING	7/1/2025	Awarded	Lead	MEA	Awarded
MEA META Supportive Funding Grant	MEA	\$5,000,000	\$5,000,000	\$5,000,000	\$500,000	\$500,000	ROLLING	7/1/2025	Awarded	Lead	MEA	Awarded
MEIA TedCo Equitech Growth Grant	TedCo	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	Partner		In development with partner

Sub-TOTAL Applications FY 2026		\$10,000,000	\$10,000,000		\$1,000,000	
TOTAL RECEIVED FY26				\$10,000,000		\$1,000,000





September 19, 2025

MEMO

To: MCEC Board of Directors

From: Ben Margolis, Director; Maryland Energy Innovation Accelerator

RE: Motion to Accept Resignation of Stanley Tucker and Appoint Anthony Williams to the Climate Technology Founder's Fund Oversight Committee

The purpose of this memo is to put forth a motion for the MCEC Board of Directors to accept the resignation of Stanley Tucker from the Climate Technology Founder's Fund (CTFF) Oversight Committee and appoint Anthony Williams to fill the vacated seat.

Proposed Motion:

I move that the Maryland Clean Energy Center (MCEC) Board of Directors:

- 1. Accept the resignation of Stanley Tucker from the Climate Technology Founder's Fund (CTFF) Oversight Committee, and*
- 2. Appoint Anthony Williams to fill the vacated seat on the CTFF Oversight Committee, effective immediately.*

Background:

Stanley Tucker has served as a member of the CTFF Oversight Committee, helping to establish the Fund's early direction and ensuring alignment with the intent of Senate Bill 960. Mr. Tucker has now submitted his resignation from the Committee. To maintain continuity of leadership and expertise, the Board is asked to nominate Anthony Williams, who has been engaged with the Fund through the same process and has expressed interest in serving as a full member.

Anthony Williams Bio:

Anthony Williams is an experienced executive and policy leader with a career spanning public service, private sector innovation, and nonprofit leadership. He has held senior roles in economic development, energy, and technology initiatives, with a focus on equitable growth and climate solutions. Anthony has led large-scale strategic projects that connect government, industry, and community partners, bringing a strong track record of building cross-sector collaborations. His background in urban policy, sustainable development, and investment strategy positions him to contribute meaningfully to the Climate Technology Founder's Fund Oversight Committee, ensuring that the Fund supports diverse founders and advances Maryland's clean energy and climate goals.

Proposed Motion

Motion to accept the resignation of Stanley Tucker from the Climate Tech Founder's Fund (CTFF) Oversight Committee and Appoint Anthony Williams to fill the vacated seat on the CTFF Oversight Committee, effective immediately.

Proposed Motion

Motion to Adjourn.