State Transparency & Accountability Reform Commission
Interview Presentation
I. Katherine Magruder, Executive Director
Building the Advanced Energy Economy for Maryland with MCEC

- Mission & Focus
- Governance & Stakeholder Engagement
- Accountability Policies & Procedures
- Funding
- Unique Value Proposition
- Impact
MISSION

Maryland Clean Energy Center (MCEC) is a corporate instrumentality of the State created by the General Assembly with a mission to advance clean energy and energy efficiency products, services, and innovative technologies as an economic development mission.

Enabling Statute Directives

- Promote Economic Development & Jobs in the Clean Energy Industry Sector
- Promote the Deployment of Clean Energy Technology
- Serve as an Incubator for the Development of Clean Energy Industry
- Provide Outreach & Technical Support to Further the Clean Energy Industry

STRATEGIC FOCUS

Mobilize Capital
Provide Technical & Procurement Support
Support Innovation Advancement
Facilitate Outreach & Education
STAFF
Organizational Structure

Executive Director
I. Katherine Magruder

Controller
Dorothy Kolb

Chief Investment Officer
Steven M. Cowan

Communications Director
Sabrina Bachman

Legislative Affairs & Administrative Manager
Pamela Powers

Energy Project & Procurement Manager
Benjamin J. Rupert

Marketing & Comms Intern

Policy Interns

MEIA
Director
Brian Toll

MEIA
Commercialization Program Manager
Ben Margolis

Contractual Hires: 

MARYLAND CLEAN ENERGY CENTER
GOVERNANCE
MCEC Board and Chair
Appointed by Governor

Geoff Oxmin
Chairman of the Board
Founder & CEO
American Microgrid Solutions

Mike Gill
Vice-Chair of the Board
Portfolio Manager
Cornerstone Advisory

Andrea Pelletier
Treasurer of the Board
Senior Vice President of Commercial Banking
Sandy Spring Bank

Al Delia
Board Member
Vice President for Regional Development &
Engagement
Frostburg State University

Dr. Alex Pavlak
Board Member
Chairman
Future Energy Initiative

Britney Powell, Esq.
Board Member
Attorney
Fox Rothschild, LLP

Dr. Mary Beth Tung, Esq.
Ex-Officio
Director
Maryland Energy Administration

John Quinn
Board Member
Director of Energy Policy
Baltimore Gas & Electric Company

Dr. Samuel I. Williams
Board Member
Professor of Government, Business, & Public Policy
Comm. No. IA-5313  Clean Energy Center, Board of Directors of the Maryland

Chapter 137 of 2008 Session. The Board consists of the following nine members: (1) the Director, or the Director’s designee; and (2) eight members appointed by the Governor with the advice and consent of the Senate: (i) two representing the not-for-profit clean energy research sector of the State; (ii) two with expertise in venture capital financing; (iii) two representing clean energy industries in the State; and (iv) two members of the general public. A member of the Board shall reside in the State. In making appointments to the Board, the Governor shall consider (1) diversity; and (2) all geographic regions of the State. The term of an appointed member is four years and begins on July 1st. The terms of the appointed members are staggered as required by the terms provided for members on October 1, 2008. From among the members of the Board the Governor shall appoint a Chair and the Board shall elect a Vice Chair and a Treasurer.

<table>
<thead>
<tr>
<th>Slot</th>
<th>Appointee</th>
<th>Term Begin</th>
<th>Term End</th>
<th>Appointed</th>
<th>Leg Dist</th>
<th>County</th>
<th>Gender</th>
<th>Ethnic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - Non-Profit Clean Energy Research</td>
<td>Dr. Alex Pavlak Ph.D.</td>
<td>7/1/2018</td>
<td>6/30/2022</td>
<td>7/1/2018</td>
<td>33</td>
<td>ANAR</td>
<td>Male</td>
<td>White</td>
</tr>
<tr>
<td>2 - Non-Profit Clean Energy Research</td>
<td>Albert A. Delia</td>
<td>7/1/2019</td>
<td>6/30/2023</td>
<td>7/1/2020</td>
<td>01</td>
<td>ALLG</td>
<td>Male</td>
<td>White</td>
</tr>
<tr>
<td>3 - Venture Capital</td>
<td>Andreo K. Polletier</td>
<td>7/1/2020</td>
<td>6/30/2024</td>
<td>7/1/2020</td>
<td>12</td>
<td>HWRD</td>
<td>Female</td>
<td>White</td>
</tr>
<tr>
<td>4 - Venture Capital</td>
<td>R. Michael Gill Jr.</td>
<td>7/1/2021</td>
<td>6/30/2025</td>
<td>7/1/2021</td>
<td>42</td>
<td>BLCO</td>
<td>Male</td>
<td>White</td>
</tr>
<tr>
<td>5 - Clean Energy Industry - Chair</td>
<td>Geoffrey F. Oxnard</td>
<td>7/1/2018</td>
<td>6/30/2022</td>
<td>7/1/2018</td>
<td>37</td>
<td>TLBT</td>
<td>Male</td>
<td>White</td>
</tr>
<tr>
<td>6 - Clean Energy Industry</td>
<td>Mr. John Quinn</td>
<td>7/1/2019</td>
<td>6/30/2023</td>
<td>11/24/2020</td>
<td>12</td>
<td>BLCO</td>
<td>Male</td>
<td>White</td>
</tr>
<tr>
<td>7 - General Public</td>
<td>Brittny R. Powell Esq.</td>
<td>7/1/2020</td>
<td>6/30/2024</td>
<td>7/1/2020</td>
<td>22</td>
<td>PGEO</td>
<td>Female</td>
<td>African American</td>
</tr>
<tr>
<td>8 - General Public</td>
<td>Samuel L. Williams Ph.D.</td>
<td>7/1/2021</td>
<td>6/30/2025</td>
<td>7/1/2021</td>
<td>23</td>
<td>PGEO</td>
<td>Male</td>
<td>African American</td>
</tr>
<tr>
<td>9 - Director</td>
<td>Dr. Mary Beth Tung Ph.D.</td>
<td>5/17/2016</td>
<td>5/17/2016</td>
<td>5/17/2016</td>
<td>13</td>
<td>HWRD</td>
<td>Female</td>
<td>White</td>
</tr>
</tbody>
</table>
2021 MCEC Advisory Council

www.mdcleanenergy.org/about-mcec/advisory-council
2021 Advisory Council Overview

Council Members' Company / Organization Type

Industry Sectors Represented
2021 Advisory Council Demographics

Race & Ethnic Demographics

- 56% White, not Hispanic or Latino
- 17% Asian, not Hispanic or Latino
- 6% Black, not Hispanic or Latino
- 15% Two or more races, not Hispanic or Latino
- 6% Hispanic or Latino, of any race
- 2% Male
- 6% Female
- 2% Decline to state
- 2% Nonbinary

Gender Demographics

- 72% Male
- 20% Female
- 2% Decline to state
- 6% Nonbinary

Other demographics:
- Decline to state
- Female
ACCOUNTABILITY
Policies & Procedures

Procurement
Personnel
Operations
Recordkeeping
In FY 2020, a total of $1,500,542 was incurred in operating expenses, with funds invested to support general administration, board activities, and operation of the Maryland Clean Energy Capital (MCAP) and Maryland Property Assessed Clean Energy (MD-PACE) programs, along with targeted education and outreach.

**MCEC FY 2020 Revenue**
- Grants: $921,490.00 (61%)
- Donations & Contributions: $199,685.00 (21%)
- Consulting: $58,000.00 (4%)
- Other: $100,000.00 (7%)
- Bond Administration: $79,194.00 (6%)
- Excess Energy Savings: $12,527.00 (1%)
- Sponsorship Events: $147,518.00 (10%)

**MCEC FY 2020 Expenses**
- Salaries/Fringe: $718,232.00 (48%)
- Consultants/Professional Fees: $512,943.00 (34%)
- Event Expenses: $112,949.00 (8%)
- Conference/Travel: $11,698.00 (0.8%)
- Office Expenses: $99,150.00 (6.6%)
- Advertising: $42,572.00 (2.8%)
- Donations: $3,000.00 (0.2%)

Maryland vs. Other States
UNIQUE VALUE PROPOSITION
Access to Information, Markets and Capital

• As a convener and informer, MCEC can facilitate dialogue and relationship building between parties within the energy sector, as well as between the energy sector and policy makers or consumers.

• As a neutral third party entity, MCEC is ideally suited to manage procurement for services in the energy space for municipalities, institutions and not-for-profits to drive business to the marketplace efficiently.

• MCEC is well positioned to leverage the investment of private capital to support deployment of clean energy solutions.

• Takes a proactive vs. reactive approach to market building.
IMPACT
12.7 to 1 Leverage ROI

$119M in private capital investment leveraged to deploy clean energy solutions resulting from $9.48M in federal, state and local dollars spent with MCEC
MCEC programs leverage private capital to support deployment of energy measures and related job creation

Target markets include:

- RESIDENTIAL
- SMALL BUSINESS /COMMERCIAL/ INDUSTRIAL/ NFP/ AGRICULTURAL
- INSTITUTIONAL & MUNICIPAL
Convenient & Affordable Financing for Residential Consumers

$30.8M in loans made to over 4000 residential consumers, resulting in approximately 13.2M KWH of energy savings, and approximately 67,000 FTE Contractor Job Hours

Program under development in partnership with Montgomery County Green Bank, to be offered statewide with low interest rates and rapid approval.
Financial Assistance for Commercial, Industrial, Agricultural & Non-Profit Consumers

Since 2014

$60.7 MM

in C-PACE projects have been financed statewide, overall.
Coppin State University needed to make energy-saving improvements to facilities, upfront capital to make upgrades, and find a solution that would not adversely impact the university’s debt profile.

The MCAP Shared Energy Savings transaction model was used to facilitate third party ownership of the project by MCEC and attract cost effective tax-exempt capital supported by an Energy Performance Contract where the ESCO guarantees the energy, operation, and maintenance savings.

MCEC entered into a loan agreement with the Lender to provide 100% of the capital for the project. Cost savings delivered to date have been beyond projections.

<table>
<thead>
<tr>
<th>Tax-Exempt Loan Amount*</th>
<th>$6,188,162</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project cost financed 100%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Loan Term</th>
<th>15 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Rate</td>
<td>3.15 %</td>
</tr>
<tr>
<td>Annual Energy Savings</td>
<td>$609,900 (Guaranteed)</td>
</tr>
<tr>
<td>Avg Annual Debt Service</td>
<td>$570,000</td>
</tr>
<tr>
<td>Utility Rebates</td>
<td>$200,000</td>
</tr>
<tr>
<td>Lender</td>
<td>Suntrust Bank</td>
</tr>
<tr>
<td>ESCO</td>
<td>Energy System Group</td>
</tr>
<tr>
<td>Tax-Exempt Loan Amount*</td>
<td>$6,188,162</td>
</tr>
<tr>
<td>Project cost financed 100%</td>
<td></td>
</tr>
</tbody>
</table>

*A short-term Taxable Note of $130,000 was also used for project development.

Project Scope

- Lighting
- HVAC
- Solar Hot Water
- Building Envelope
- Chiller
- Water Conservation Measures
University of Maryland Baltimore County needed to make energy-saving improvements to facilities, upfront capital to make upgrades, and find a solution that would not adversely impact their debt profile.

The MCAP Shared Energy Savings transaction model was used to facilitate third party ownership of the project by MCEC and attract cost effective tax-exempt capital supported by an Energy Performance Contract where the ESCO guarantees the energy, operation, and maintenance savings.

MCEC entered into a loan agreement with the Lender to provide 100% of the capital for the project. Cost savings delivered to date have been beyond projections.

<table>
<thead>
<tr>
<th>Tax-Exempt Loan Amount*</th>
<th>$5,107,855</th>
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</thead>
<tbody>
<tr>
<td>Project cost financed 100%</td>
<td></td>
</tr>
<tr>
<td>Loan Term</td>
<td>10 Years</td>
</tr>
<tr>
<td>Interest Rate</td>
<td>3.45%</td>
</tr>
<tr>
<td>Annual Energy Savings</td>
<td>$693,007 (Guaranteed)</td>
</tr>
<tr>
<td>Avg Annual Debt Service</td>
<td>$613,000</td>
</tr>
<tr>
<td>Utility Rebates</td>
<td>$629,190</td>
</tr>
<tr>
<td>Lender</td>
<td>Suntrust Bank</td>
</tr>
<tr>
<td>ESCO</td>
<td>Noresco</td>
</tr>
</tbody>
</table>

*A short-term Taxable Note of $294,625 was also used for project development.

Project Scope
- Lighting
- Equipment Controls for Demand Control Ventilation
- Water Irrigation Upgrades
UMCP needed to make energy-saving facility improvements, find low cost project capital and structure project financing to optimize various University capital needs with existing funding alternatives.

The MCAP Shared Energy Savings transaction model was used to facilitate third party ownership of the project by MCEC and attract cost effective tax-exempt capital supported by an Energy Performance Contract where the ESCO guarantees the energy, operation, and maintenance savings.

<table>
<thead>
<tr>
<th>Total Project Capital</th>
<th>$21,500,773</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Amount</td>
<td>$18,300,773</td>
</tr>
<tr>
<td>Loan Term</td>
<td>14.5 Years</td>
</tr>
<tr>
<td>Interest Rate (Adjusted to 3.0% as a result of Federal Tax Reform)</td>
<td>2.60 %</td>
</tr>
<tr>
<td>Avg Annual Savings (Energy, O&amp;M)</td>
<td>$1,760,000</td>
</tr>
<tr>
<td>Avg Annual Debt Service</td>
<td>$1,667,000</td>
</tr>
<tr>
<td>Lender</td>
<td>BankUnited / Bridge Funding Group</td>
</tr>
<tr>
<td>ESCO</td>
<td>Constellation NewEnergy Inc.</td>
</tr>
</tbody>
</table>

Project Scope

- Replaced AHU (air handling unit) & transformer
- Improved building envelope
- Optimized chiller plant
- Upgraded HVAC, energy recovery, lighting & controls, ventilation controls, and water conservation
The National Aquarium was seeking lowest cost financing for energy saving improvements.

MCEC was able to issue a tax-exempt lease to finance the project.

<table>
<thead>
<tr>
<th>Total Project Capital</th>
<th>$3,400,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasee</td>
<td>Maryland Clean Energy Center</td>
</tr>
<tr>
<td></td>
<td>National Aquarium in Baltimore, Inc.</td>
</tr>
<tr>
<td></td>
<td>&amp; National Aquarium in Baltimore Foundation, Inc.</td>
</tr>
<tr>
<td>Sub-Leasees</td>
<td>National Aquarium in Baltimore, Inc.</td>
</tr>
<tr>
<td>Loan Term</td>
<td>15 Years</td>
</tr>
<tr>
<td>Interest Rate</td>
<td>3.680 %</td>
</tr>
<tr>
<td>Utility Rebates</td>
<td>$368,000</td>
</tr>
<tr>
<td>Lender</td>
<td>Bank of America</td>
</tr>
<tr>
<td></td>
<td>Public Capital Corp.</td>
</tr>
</tbody>
</table>

**Project Scope**
- Lighting
- HVAC
- Chiller
- Kitchen Hood
- Water Conservation Measures
- Transformer Replacement
- Building Envelope
- Boiler Replacement

Photo courtesy of the National Aquarium
TECHNICAL & PROCUREMENT
Project Development Assistance

Morgan State University
Master Energy & Sustainability Plan and Implementation

Baltimore City Public Schools
Energy Performance Contract Procurement

Md. Dept. of General Services
Engage Technical Support
MEIA is building new industry and enhancing the energy innovation eco-system in the state.

MEIA facilitates translation of emerging energy technologies from research to market by wrapping business expertise around licensable discoveries to pull them toward commercialization.

MEIA creates start-up companies, helps secure grants and venture funding for those companies; and provides in-kind marketing, legal, accounting services and support.

MEIA facilitates strategic corporate partnerships to accelerate product market fit.
### MEIA Program Offerings:

<table>
<thead>
<tr>
<th>Stage</th>
<th>Pre-accelerator</th>
<th>Launchpad</th>
<th>Accelerator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activities</td>
<td>TRL 1-3, Concept/idea stage, initial development</td>
<td>TRL 3-5, Formation stage, technology validation in lab environment</td>
<td>TRL 4-6, Demonstration stage, customer and partner identification, demonstration in realistic conditions or in-field prototype</td>
</tr>
</tbody>
</table>
## Startups Starting in Q2/Q3 2021

<table>
<thead>
<tr>
<th>Team Name</th>
<th>Technology</th>
<th>Team Name</th>
<th>Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACTIVEcharge</td>
<td>Wireless wind turbine blade sensors</td>
<td>Navita Tech</td>
<td>Vertical axis wind turbine</td>
</tr>
<tr>
<td>Alchemy</td>
<td>Methane gas to liquids</td>
<td>Manta Biofuels</td>
<td>Algae farming, harvesting, and conversion to biofuels.</td>
</tr>
<tr>
<td>PulseIQ!</td>
<td>Energy controls for master metered buildings</td>
<td>High-T-Tech – Catalyst</td>
<td>New catalyst manufacturing method</td>
</tr>
<tr>
<td>Team Tidal/IVT</td>
<td>Transmission for tidal energy</td>
<td>HighT-Tech – Membranes</td>
<td>Novel method for sintering membranes for solid-state batteries</td>
</tr>
<tr>
<td>WISE Battery</td>
<td>Water in Salt battery electrolyte</td>
<td>Plastics Upcycling</td>
<td>Recycle #3-7 plastics to valuable chemicals</td>
</tr>
<tr>
<td>InventWood</td>
<td>Wood that replaces steel</td>
<td>UMBC Battery*</td>
<td>Wearable battery</td>
</tr>
<tr>
<td>ATP MD*</td>
<td>Biomass to value</td>
<td>Dynami Battery*</td>
<td>Microstructured battery electrodes</td>
</tr>
<tr>
<td>eDAC*</td>
<td>Direct Air Capture of CO2 using electrochemistry</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


PROGRAM SPONSORS
OUTREACH & EDUCATION
Newsletter, Webinars & Events
PARTNERSHIPS
State Government

Helping Achieve Desired Outcomes

DGS Outreach to Energy Efficiency at State Facilities
DNR Advance Woody Biomass Energy; State Wood Energy Grant
MES Needs Assessment for Municipal Energy & Resilience Projects
MDOT Technical Support for Project Planning and Development
COMMERCE Energy Business Attraction & Start-up Development Efforts
TEDCO Early Stage Tech Commercialization
MEI2 Tech Transfer from Lab to Start-up
From MARBIDCO’s perspective, a Maryland resource-based business (Ag/RBI) utilizes the land and water in a responsible manner to provide food, feed and fiber for the benefit of our people (including food/nourishment, daily-use items, home/shelter/heat, open space benefits, recreation, etc.).

Good Stewardship of the resource is required by law: Ag/RBI businesses tend to be rather heavily regulated and operate under numerous Federal, State and local regulations that are aimed at protecting public health and the environment.

“Mother Nature” and national and international market conditions often have a substantial impact on whether a resource-based business is profitable (and sustainable).

Most Ag/RBI business enterprises are small and family-owned and operated and comprise the backbone of the resource-based industry production.
Business Activity for MARBIDCO Eligibility Includes:

- **Food Production and Processing**, including:
  - **commodity crops** (includes human food & animal feed)
  - **table crops** (includes vegetables, fruits & specialty crops)

- **Seafood & Aquaculture** (commercial fisheries, farm-raised fish & shellfish, and related commercial seafood processing)

- **Horticulture** (greenhouse/nurseries) and equine (horses)

- **Fiber production/processing**:
  - **timber/wood products** (lumber, pallets, flooring, pulp, pilings, etc.)
  - **wool** (from sheep & alpacas)
  - **hemp** (new)
The Importance of Maryland Farm and Resource-Based Businesses

- Resource-based industries are important to all Marylanders (which includes commercial farming, forestry and seafood businesses).

- It's more than just economics: Every Marylander needs adequate food (and shelter, clean water, energy, etc.) – mostly provided from “rural” resources.

- Half of the State’s land area is comprised of privately-owned rural “working land” (3.5 million acres out of 6.2 million).

- Ag/RBI business is also very important to our culture and heritage, tourism and the overall quality of life.

- Resource-based industries underpin the economies of many rural counties. (Especially in Western Maryland and the Eastern Shore, where these rural industries are estimated to comprise approximately one-third of all economic activity).
In January 2018 Salisbury University’s “BEACON” research unit released a county–by–county economic impact study of all resource–based industries (RBI) in Maryland by analyzing 2015 data.

Maryland’s Food, Feed and Fiber Production and Processing Industries include agriculture, forestry, seafood, aquaculture and horticulture, which generated at least $19.6 billion in economic impact in 2015 (with partially overlapping economic impact from equines/horses for agriculture). Below is a breakdown by sector:

- **Maryland’s Agricultural Industry**
  - Economic Contribution of $15.8 Billion (Percent of Total: 80.5%)
    (Additional/Overlapping Equine Industry economic contribution:$1.1 Billion)

- **Maryland’s Forestry Industry**
  - Economic Contribution of $3.5% Billion (Percent of Total: 17.7%)

- **Maryland’s Seafood Industry** (which includes some Aquaculture)
  - Economic Contribution: $355 Million (Percent of Total: 1.8%)

Source: BEACON Economic Impact Report (Salisbury University), 2018
BEACON Regional Economic Impacts

- **Western Maryland** (5 Counties)
  - Economy Contribution: $3,808,044,889
  - **Percent of Ag/RBI Economy Contribution:** 19.4%
  - Jobs Supported: 18,479
    - Percent of Jobs Supported: 22.1%
  - State & Local Tax Revenue: $151,826,667
    - Percent of State & Local Tax Revenue: 20.2%

- **Southern Maryland** (5 Counties, including also Anne Arundel and Prince George’s Cos.)
  - Economy Contribution: $1,721,130,312
  - **Percent of Economy Contribution:** 8.8%
  - Jobs Supported: 11,725
    - Percent of Jobs Supported: 14.0%
  - State & Local Tax Revenue: $101,649,201
    - Percent of State & Local Tax Revenue: 13.5%

- **Central Maryland** (5 Counties, including Baltimore City and these counties: Baltimore, Harford, Howard and Montgomery)
  - Economy Contribution: $8,508,227,013
  - **Percent of Ag/RBI Economy Contribution:** 43.4%
  - Jobs Supported: 29,343
    - Percent of Jobs Supported: 35.1%
  - State & Local Tax Revenue: $314,128,897
    - Percent of State & Local Tax Revenue: 41.8%

- **Eastern Shore of Maryland** (9 Counties)
  - Economy Contribution: $5,585,891,594
  - **Percent of Economy Contribution:** 28.5%
  - Jobs Supported: 24,073
    - Percent of Jobs Supported: 28.8%
  - State & Local Tax Revenue: $184,791,205
    - Percent of State & Local Tax Revenue: 24.6%

Source: BEACON Economic Impact Report (Salisbury University), 2018
Maryland Agriculture at a Glance
Based on Sales, from the 2017 USDA Census of Agriculture
(Does not include forestry or seafood businesses)

- Grains/Oilseed: 23%
- Vegetables: 3%
- Fruit, Tree nuts, berries: 1%
- Nursery, greenhouse: 9%
- Other Crops and Hay: 2%
- Dairy: 7%
- Cattle and Calves: 3%
- Poultry and Eggs: 48%
- Equine: 1%
- Aquaculture: 1%
- Other animal: 2%
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- Dairy: 7%
- Cattle and Calves: 3%
- Poultry and Eggs: 48%
- Equine: 1%
- Aquaculture: 1%
- Other animal: 2%
- Grains/Oilseed: 23%
- Vegetables: 3%
- Fruit, Tree nuts, berries: 1%
- Nursery, greenhouse: 9%
- Other Crops and Hay: 2%
- Dairy: 7%
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Maryland Agriculture at a Glance

- Number of farms in Maryland in 2017: **12,429 Farms**
- Land in farms: **1,990,112 acres**  
  Average farm size is: **160 acres**
- Avg. farmland value/acre: **$7,861**  
  55% of farms less than 50 acres
- Principal farm producers:  
  Male – 8,748 (70.4%)  
  (Previously called “operators”)  
  Female – 3,681 (29.6%)  
  Principal producers in 2012:  
  Male – 9,980 (81.3%)  
  Female – 2,296 (18.7%)
- Farming is primary occupation (out of 12,429): **5,948 (47.9%)**
- Number of all Maryland farm producers: **21,279**
  Number of all Maryland farm producers in 2012: **19,055**
- All farm producers by sex:  
  Male – 13,131 (61.7%)  
  (Up to max 4 farmers per farm)  
  Female – 8,148 (38.3%)
- Average age of the Maryland farmer: **57 years old**
- Average age of MD Beginning farmer: **45 years old**

Source: 2017 Census of Agriculture
Some Challenges Facing Agriculture and Traditional Rural Industry

- Concern: Profitability and sustainability / Business succession
- Loss of rural working land (farm & forest) to development, etc.
- An aging workforce and the concern about the future of the “Next Generation” of farmers (avg. age = 57) Watermen, Loggers too
- Need for rural business–related information & referral, as well as Lack of Access to available & affordable business capital for these typically small family-run enterprises – and especially young or beginner farmers and farmers trying to diversify their operations to help sustain or increase operational revenues.

As such, MARBIDCO has a special focus on helping young and beginner farmers and farmers/rural businesses engaging in value–added processing. Since 2007, MARBIDCO has funded 513 projects (totaling $50 million) helping young and beginner farmers and funded 264 value–added processing projects (totaling $6.5 million). 75% of all projects
MARBIDCO Projects by Business Type  
(By Amounts Funded – 10/2020)

- Poultry & Eggs, 41%
- Grain & Row Crops, 24%
- Vegetable, Fruit & Specialty Crops, 6%
- Forestry, 2%
- Greenhouse & Nursery, 2%
- Vineyards & Wineries, 4%
- Equine, 3%
- Dairy & Creamery, 3%
- Brewing, Distilling & Hops, 1%
- Miscellaneous, 1%
- Aquaculture & Seafood, 9%

NOTE: Includes Forestry and Seafood
The Maryland General Assembly passed legislation in 2004, 2005 and 2006 to establish and ultimately provide financial support to launch MARBIDCO. MARBIDCO opened its doors for business in April 2007.

MARBIDCO is a nimble economic development financial intermediary organization serving all of Maryland (with no geographic limitations).
Modeled on:

- **MEDCO** *(MD Economic Development Corporation)*  
  which focuses on real estate / construction development

- **TEDCO** *(MD Technology Development Corporation)*  
  which focuses on high technology / venture capital development

- **Agricultural finance authorities in other states**  
  with a focus on agricultural economic development
MARBIDCO Capabilities

MARBIDCO is authorized to:

1. Help develop food, feed and fiber production industries and markets;

2. Assist with rural working land preservation efforts; and

3. Help alleviate the shortage of nontraditional capital and credit available at affordable interest rates.

MARBIDCO is authorized to receive funding from federal, state, regional, local and philanthropic agencies and can issue revenue bonds if necessary. (Any debts of MARBIDCO are explicitly NOT debts of the State Government.)
Maryland’s Food System Continuum
From A Public Sector Small Business Development Finance Perspective

**Food Production and Processing**

- Small Business Lending: MARBIDCO and USDA

**Growing and/or Harvesting Food Products**
- Commercial Farms
  - *Table Crops* (Fruits & Vegetables)
  - *Grains* (Corn, Soybeans & Wheat)
  - *Livestock/Dairy*
  - *Aquaculture*
  - *Oyster Farms*
  - *Other Shellfish/Finfish*
- Seafood Industry
- *Watermen*

**Food Processing** (Preservation, Packing and/or Value-Added Production)
- Packing Houses
- Canneries
- Seafood Processors
- Meat Processors
- Granaries
- Farm Value–Added
  - Prod. Transformation (Drying, Processing, or Packaging)
- Creameries
- Cideries, Wineries & Breweries

**Wholesale Distribution**

**Food Distribution**

- Small Business Lending: MSBDFSA, DHCD, SBA, VLT, Local Government Revolving Funds, etc.

**Retail Business**
- Grocery Stores
- Restaurants
- Convenience Stores
- Bakeries
- Mainstreet Food & Beverage Businesses

**Food Recovery/Reuse**
- Food Recycling Firms
- Post-Consumer
  - Composting

**Entities that do not use commercial loans**
- Farmer’s Markets
- Food Banks

**Food Service Companies**
- Food Banks
General Operating Strategy

1 - The Core Programs Capitalization (e.g., revolving funding)
- MARBIDCO is required by law to become self-sustaining after FY 2025 with its Core Programs (from an annual State appropriation)
  - In FY 2021, $2.3M for Core Programs & $435K for Food Aggregation
- Historically, about 90% of annual Core Program funding is used to make secured loans to fund projects with financing gaps (while much smaller sums have gone to support small incentive grants)
- $38M received to-date funding: $54M in loans/ $3M in grants.

2 - Leverage Financial Resources to Help Ag/RBI Businesses
- From Fed/st/reg/local agencies: Specialty loans & grants ($6M)
- From the Federal Gov’t for pandemic recovery grants ($4M)
- From the State for land preservation & beginner farmers ($9M)
  - From Private Commercial Lenders for project financings ($170M)

Significant additional grant/loan funding for farmers has been leveraged from USDA & local governments
MARBIDCO Partners

- Commercial Banks & Farm Credit Associations
  - 20 Commercial Lenders & 4 Local/Regional Revolving Funds
- State Agencies (MDA, DNR, Commerce, RMC, & MEA)
- Land Grant Universities (UMD Extension and UMES)
- USDA (FSA, RD, & NRCS) – and other Federal agencies
- Rural regional tri–county development councils
- Local economic development offices (and the “AMPs”)
- Farm & commodity groups/rural industry associations
- MD Agricultural Land Preservation Foundation
- Private foundations and local rural land trusts
MARBIDCO Programming

- MARBIDCO is a nimble financial intermediary organization that “works at the speed of business.”

- Today, MARBIDCO offers 15 financial programs, often working in conjunction with commercial lenders. A majority of these are low/mod-cost loan programs.

- MARBIDCO also provides a few small grant incentives for targeted business activities as resources permit (e.g., “value added processing” and “urban agriculture”), as well as funding for Next Generation ag conservation “easement” or “easement-option” farmland purchases.

- MARBIDCO also facilitates “silo connecting” among public and private sector service providers to leverage knowledge and develop provider network connections (usually as a convener).
## MARBIDCO Statewide Program Summary Activity (FY 2007 to Present)

<table>
<thead>
<tr>
<th>Program Types</th>
<th>No. of Funded or Approved Projects</th>
<th>Total Amount ($)</th>
<th>Average Project Amount Size ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CORE Program Loans (MARBIDCO-funded, “fully” collateralized)</td>
<td>251</td>
<td>$53,864,345</td>
<td>$214,599</td>
</tr>
<tr>
<td>Specialty Loans (Other agency-funded, unsecured)</td>
<td>133</td>
<td>$5,782,632</td>
<td>$43,478</td>
</tr>
<tr>
<td>CORE Grants (MARBIDCO-funded)</td>
<td>261</td>
<td>$2,800,851</td>
<td>$10,731</td>
</tr>
<tr>
<td>Specialty Grants (Funded by others)</td>
<td>27</td>
<td>$186,174</td>
<td>$6,895</td>
</tr>
<tr>
<td>Pandemic Adjustment CARES Act &amp; RELIEF Act</td>
<td>317</td>
<td>$4,011,906</td>
<td>$12,656</td>
</tr>
<tr>
<td>Next Generation and SANG Land Purchases</td>
<td>29</td>
<td>$8,059,105</td>
<td>$277,900</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,018</strong></td>
<td><strong>$74,705,013</strong></td>
<td></td>
</tr>
</tbody>
</table>
MARBIDCO Board of Directors consists of 17 Members from:

- Maryland Dept. of Agriculture (MDA)
- Maryland Dept. of Natural Resources (DNR)
- Maryland Dept. of Commerce Development (Commerce)
- University of Maryland Extension (UME)
- Maryland Food Center Authority (MFCA)
- Rural Maryland Council (RMC)
- The Governor appoints 11 members from industry and academia with the advice & consent of MD Senate (to 4-year staggered terms)
- The Board elects the Chair and Officers (and appoints the Ex. Dir.)

**MARBIDCO Staff:**

- 9.3 FTE employees based out of an Annapolis office
- The Executive Director does not serve as a Board member
- The Office of the Attorney General provides/oversees legal services
MARBIDCO Accountability

MARBIDCO is:

- Subject to the Maryland Public Ethics Law
- Subject to the Public Information Act
- Required to have an Annual Financial Audit performed which is provided to the State Government (MDA) – Moreover, MARBIDCO is subject to an OLA audit
- Required to produce an Annual Report of activities which is posted on our website and provided to the appropriate State Executive and Legislative Branch officials, as well as the:
  - Maryland Agricultural Commission
  - Maryland Economic Development Commission
Thank you for your kind attention today. I will be pleased to try to answer any questions that you may have.

www.marbidco.org
Overview

- Created – 1972 (HB 44/Chapter 73) Began insurance operations on January 1, 1973
- Primary Function – Insured Division sells automobile insurance policies to Maryland residents & businesses:
  - Turned down by two private auto insurers
  - Cancelled or non-renewed by one private auto insurer
- Independent & non-budgeted agency
- Insurance operations are not supported by State funds. (Ins. Art. §20-302 “The State may not provide General Fund appropriations to the Fund.”)
- Operates and pays insurance claims with funds generated by policyholder premiums & investments (Ins. Art. §20-302 “All operating expenses of the Fund shall be paid from money . . . collected by the Fund.”)
- Maryland Auto is not subject to “any law…that effects governmental units” (Ins. Art. §20-201) except: Public Information Act; State Ethics Law; Tort Claims Act; Regulations – Uninsured; Whistleblower Law
- Secondary Function – Administer the Uninsured Division for the State
  - Pays claims to Maryland residents involved in accidents caused by uninsured motorist when no other collectible insurance available
  - Receives a portion of uninsured motorist fines ($4.1 million – 2020) to operate and pay claims.
Personnel

• Approximately 200 employees consisting of insurance professionals - claim adjusters, underwriters, claims attorneys, and insurance accountants

• Not part of State Personnel Management System

• Participates in the State health & retirement systems (pays the employer’s share)

• Attorney General does not represent Maryland Auto. General Counsel serves as counsel to Maryland Auto & Board of Trustees

• In-House Counsel Unit and Outside Counsel for claims related matters

• Executive Director appointed by the Board of Trustees & oversees daily operations
Board of Trustees

• 9-Member Board appointed by the Governor
  o Must be a Maryland resident
  o At least 3 shall have insurance industry expertise
  o At least 2 shall have financial management expertise
  o Governor shall consider race, gender and geographic diversity
  o Required to take the Maryland Constitutional Oath
• Governor may remove Board member for “incompetence or misconduct”
• 5-year staggered terms – no more than 2 full terms or 10 years
• Adopts By-laws, committee charters, policies & procedures
• Committees:
  o Financial Management – (statutory)
  o Audit – (statutory)
    ▪ Reviews & approves all Executive Director Expenses
  o Communications & Corporate Relations
  o Executive
• 6 Board & Committee Meetings Annually/Special Meetings as needed
• Subject to the State Ethics Law & Maryland Auto’s Code of Conduct
Regulation

- Regulated by the Maryland Insurance Administration in the same fashion as all other insurers:
  - Financial Exams
  - Market Conduct Analysis and Exams
  - Rate & Form Filing
  - File Quarterly & Annual Financial Statements
  - Consumer Complaints
  - General Inquiries
- Subject to the provisions of the Insurance Article, except as otherwise provided by law.
- Internal Auditor conducts compliance & fiscal audits. Reports functionally to the Board of Trustees Audit Committee & administratively to the Executive Director.
- External Auditors annually conducts an independent audit & reports its audit findings directly to the Board of Trustees.
- Maryland Auto files its budget information with DBM & DLS. A budget analysis is prepared by DLS and submitted to the Budget Committees for review and consideration.