

Montgomery County Green Bank FY26 – FY28 Strategic Plan

October 2025

Prepared by

CohnReznick Advisory LLC

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Message From Leadership



Message From Leadership

Over the past decade, the Montgomery County Green Bank (MCOGB) has grown from a bold concept into a vital driver of Montgomery County's equitable clean energy transition. Since our inception as the one of the nation's first county-wide green banks in 2016, we have remained focused on our mission: to make clean energy and climate-resilient solutions more accessible and affordable for all residents and businesses.

In just a few years, we've achieved remarkable milestones. From a foundational portfolio of pilot programs and early partnerships, the Bank achieved \$79 million in cumulative project investment and helped avoid over 11,000 metric tons of annual greenhouse gas emissions in FY25. We've scaled our programs to serve thousands of households—particularly those in disadvantaged communities—and have become a trusted partner in implementing the County's Building Energy Performance Standards (BEPS) and advancing its Climate Action Plan (CAP).

This growth has been guided by strategic clarity. The FY17–FY22 plan focused on solidifying our operational foundation. FY23–FY25 demonstrated our capacity to deploy capital effectively and deliver measurable impact. Now, we look to the future. At a time when climate change, equity, and public funding for sustainable solutions are uncertain, the FY26–FY28 Strategic Plan is a pivotal next step in the Bank's evolution. Developed over eight months in close collaboration with our Board, staff, and community partners, this plan reflects our shared commitment to scaling impact while adapting to a complex and rapidly changing landscape. With federal funding still in flux and energy fuel tax revenue expected to decline, the need for innovation, agility, and partnership has never been greater.

This three-year plan sets forth a clear path:

1. **Enhance climate mitigation, adaptation, and resilience** by shifting capital to high-impact investments like EV charging, regenerative agriculture, and commercial/ industrial (C&I) building energy efficiency.
2. **Engage communities to increase equitable adoption** of clean energy, particularly through a focused barbell strategy that balances financial returns with intentional impact in disadvantaged communities.
3. **Accelerate toward financial and operational sustainability** by growing program revenue, expanding our financial product offerings, and creating repeatable systems that scale.

The pages that follow offer a detailed roadmap anchored in data, shaped by stakeholder input, and aligned with County climate goals. This strategic plan not only charts where we are going but also reaffirms our identity: a mission-driven, community-centered financial catalyst dedicated to building a healthier, more resilient, and more inclusive Montgomery County.

We are proud of what we have achieved and even more excited for what lies ahead. We invite you to read this report, engage with our work, and join us in building a clean energy future that leaves no one behind.

Sincerely,

Stephen Morel
Chief Executive Officer

Marcene Mitchell
Chair, Board of Directors

The background of the slide features a low-angle, perspective view of several rows of blue solar panels. The panels are tilted upwards and to the right, creating a strong sense of depth and upward movement. The sky in the background is a clear, deep blue, matching the color of the panels. A thin, light green line runs vertically along the right edge of the panels, starting from the bottom right and extending towards the top. Another thin, light green line runs horizontally across the bottom of the slide, just above the text.

Executive Summary



Executive Summary

Purpose of the Strategic Plan

From October 2024 to June 2025, the Montgomery County Green Bank (“MCGB” or “the Bank”) engaged with external consultant CohnReznick Advisory LLC (“CohnReznick”) in support of drafting its next strategic plan for fiscal years (“FY”) 2026 – 2028 (July 1, 2025 to June 30, 2028).

The Bank enters the FY26–FY28 strategic planning period at a pivotal moment—armed with a decade of success, a clear mission, and a maturing model for accelerating the equitable decarbonization of Montgomery County. This Strategic Plan is the product of eight months of rigorous analysis, stakeholder engagement, and market intelligence; it charts a bold path forward that builds on the Bank’s strong foundation while positioning it to scale impact amid growing complexity and urgency. The strategic direction approved by the Board is underpinned by data-driven research, informing stakeholders of the Bank’s priorities and strategic direction.

Strategic Planning Journey



The planning process followed five sequential, data-driven steps:

1. **Stakeholder Interviews** – MCGB engaged with a wide array of stakeholders, including County officials, financial and community partners. These conversations affirmed the Bank’s value proposition and highlighted priorities such as building decarbonization and outreach to underserved communities.
2. **SWOT and PESTEL Analysis** – This analysis recognized the Bank’s outsized influence relative to its size and funding, noting that resource constraints remain a key challenge. However, it also identified growth levers including the BEPS ordinance, private capital leverage potential, and rising demand for resilience solutions.
3. **Market and Opportunity Analysis** – MCGB evaluated six market sectors (e.g., solar, EV charging, building efficiency) across seven property types to estimate total addressable markets, GHG mitigation potential, and lifetime cost savings. Results showed significant opportunity in both large-scale compliance markets (like BEPS) and emerging, high-impact sectors like EV charging.
4. **Scoring Matrix Development** – Quantitative and qualitative criteria were combined to rank investment opportunities by impact, feasibility, and equity. High-scoring segments included solar, EV charging, and energy efficiency—especially in the single-family and commercial/industrial sectors.
5. **Business Model and Scenario Analysis** – A dynamic business model was built to evaluate scenarios for maximizing GHG reductions, equity impacts, and capital leverage. MCGB prioritized scenarios aligning with the scoring matrix, increased private capital leverage, and strategic risk-taking to drive scalable growth.



Strategic Goals for FY26–FY28

The Strategic Plan maps to the Montgomery County CAP and centers around three mutually reinforcing goals:

1. **Enhance Climate Mitigation, Adaptation, and Resilience** – MCGB will rebalance its portfolio toward high-leverage, high-impact sectors such as EV charging, regenerative agriculture, and C&I energy efficiency to accelerate GHG reductions and support BEPS compliance. The Bank aims to increase private capital leverage from 3x in FY25 to 5x in FY26, with a stretch goal of 8x by FY28.
2. **Engage Communities to Increase Equitable Adoption of Climate Finance** – A focused “barbell strategy” will ensure that while most investments pursue strong leverage and margin, at least 15% are impact-driven and targeted toward disadvantaged communities. This includes a deeper focus on resilience, targeted support for multifamily and single-family properties, and collaboration with community-based organizations (CBOs) to increase adoption rates.
3. **Accelerate Toward Financial and Operational Sustainability** – The Bank will expand its financial product offerings (e.g., C-PACE, mezzanine debt), streamline underwriting, and standardize processes to support high-volume deal flow. These steps are essential as MCGB prepares to transition from energy tax dependence toward capital recycling and securitization models that will sustain operations over the long term.

The MCGB Board formally reviewed and approved the FY26-FY28 Strategic Plan on June 18, 2025. In its final input, the Board emphasized the importance of demonstrating geographic dispersion of investments as a key dimension of scaling impact—ensuring that climate finance reaches disadvantaged communities across the County. The Board also reinforced the need to maintain a sharp focus on financial sustainability, particularly as the Bank transitions toward capital recycling and securitization models. Additionally, the Board encouraged proactive monitoring of federal market shifts, such as changes to EV and solar purchase incentives, and deeper exploration of battery storage as a resilience-enhancing complement to solar projects. These recommendations will inform implementation priorities and adaptive strategies as MCGB advances its mission over the next three years.

What Stakeholders Will Gain from This Plan

This report outlines the roadmap for how MCGB will:

- Mobilize private capital to achieve 5–8x leverage by FY28
- Deliver scalable, replicable solutions aligned with County climate goals
- Expand partnerships across sectors to deepen local impact
- Build the internal capacity and systems required to support growth

With this strategy in place, the Green Bank is poised to help Montgomery County lead the nation in equitable climate investment—ensuring that the transition to a clean energy economy is inclusive, resilient, and sustainable for generations to come.



Introduction



Introduction

Evolution of MCGB's Strategic Priorities

The Montgomery County Green Bank ("MCGB" or "the Bank") was established in 2015 under Chapter 18A of the Montgomery County Code and formally designated as Montgomery County's Green Bank in August 2016, making it the nation's first county-wide green bank. The Bank is dedicated to accelerating energy efficiency, clean energy, and climate resilience investments in Montgomery County, Maryland. To do so, the Bank partners with the private sector to provide more affordable and flexible financing options for County residents and businesses. Projects supported by the Bank save energy, lower greenhouse gas emissions, create healthy living and working environments, foster a more resilient economy and environment, and help the County achieve its environmental goals.



OUR MISSION

To help Montgomery County achieve its climate goals by leveraging capital and innovative partnerships to make clean energy and climate-resilient solutions more accessible and affordable for all residents and businesses.



OUR VISION

A prospering, sustainable, and healthy Montgomery County where everyone participates in and benefits from clean energy and climate-resilient solutions.

Over the past ten years, MCGB has accelerated its total project deployment to nearly \$100M in FY24, with a subsequent decrease to \$79M in FY25 due to the unexpected freeze in Greenhouse Gas Reduction Fund (GGRF) funding (see page 9 for more details). Despite this, annual GHG emissions avoided rose to over 11,000 metric tonnes of CO₂e in FY25 due to the greater efficacy of the deals executed, as shown in Figure 1.

Figure 1. MCGB's total project value and annual GHG emissions reduction, FY17-FY25

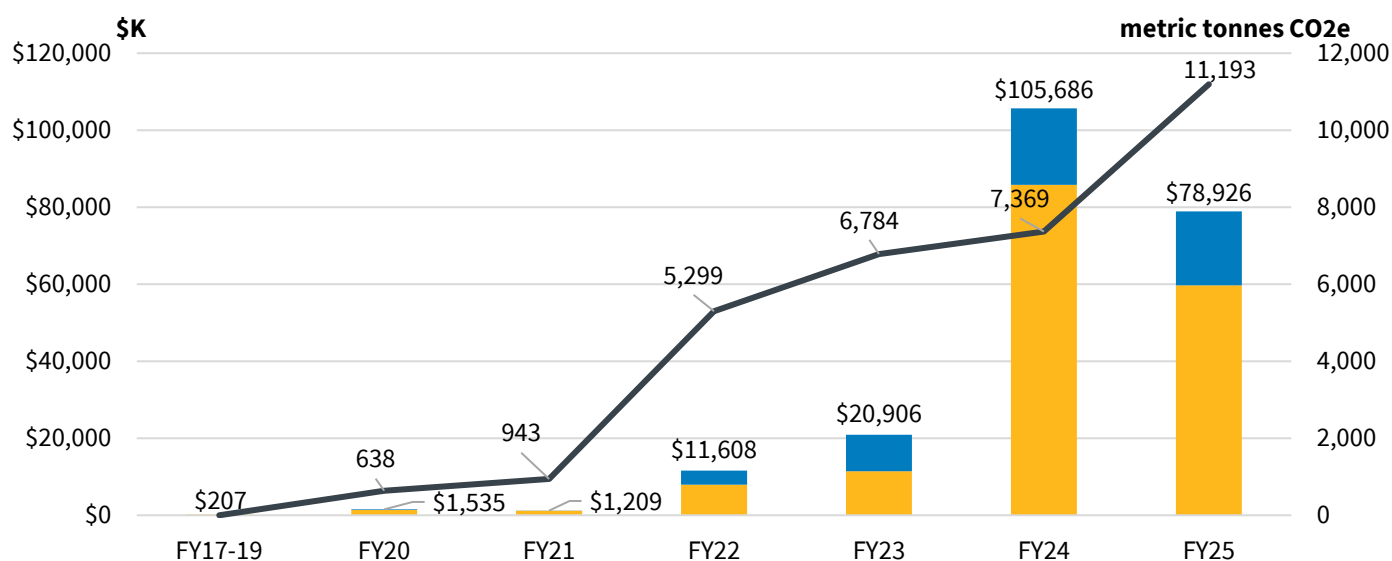


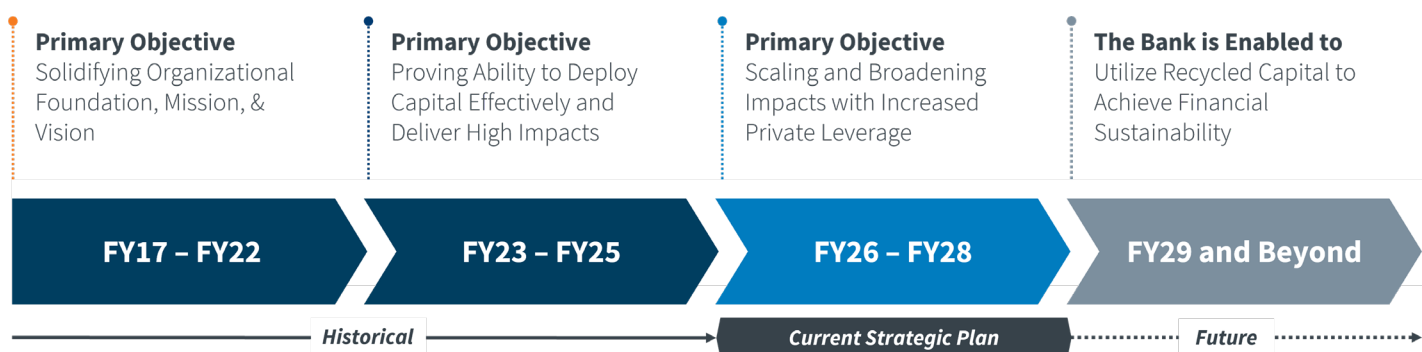


Table 1. MCGB's total project value and annual GHG emissions reduction, FY17-FY25

	FY17-FY19	FY20	FY21	FY22	FY23	FY24	FY25
— GHG Reduction (MT CO ₂ e)	0	638	943	5,299	6,784	7,369	11,193
■ Project Deployment (\$K)	\$0	\$150	\$40	\$3,676	\$9,478	\$19,881	\$19,219
■ Mobilized Capital (\$K)	\$207	\$1,385	\$1,169	\$7,932	\$11,428	\$85,805	\$59,707
Total (\$K)	\$207	\$1,535	\$1,209	\$11,608	\$20,906	\$105,686	\$78,926

To achieve this growth, MCGB has evolved its primary objectives to continue accelerating growth and establish itself as a cornerstone for clean energy in Montgomery County. Figure 2 and the subsequent section demonstrates the evolution of MCGB's strategic priorities from its first strategic plan (FY17 – FY22) to the most recent (FY26 – FY28).

Figure 2. MCGB's primary strategic objectives from FY17-FY28, which enable continued progress in FY29+



FY17 – FY22: Solidifying Organizational Foundation, Mission, & Vision

- ▶ **2017:** Secured 501(c)(3) status as a tax-exempt, non-profit, non-stock corporation.
- ▶ **2018:** Launched its first loan product, the Commercial Loan for Energy Efficiency & Renewables (CLEER) program, to utilize energy savings to pay for the financing cost of energy efficiency and renewable energy property improvements.
- ▶ **2019:** Grew assets from \$5.8 million in 2018 to \$23.3 million and expanded program offerings to include technical assistance, community solar, and residential energy financing (Clean Energy Advantage).
- ▶ **2020:** Funded \$2.5 million in seven clean energy projects and achieved \$15 million in financing capacity for residential and commercial properties through long-term agreements with lending partners.
- ▶ **2021:** Identified as a key resource in Montgomery County's Climate Action Plan (CAP). Became program administrator for the County's C-PACE program to make the Green Bank a one-stop shop for commercial clean energy financing.
- ▶ **2022:** Allocated 10% of Montgomery County's fuel energy tax revenue annually through the passage of the Montgomery County Green Buildings Now Act.



Operational & Funding Background: Energy Fuel Tax Revenue Allocation

By passage of Bill 44-21, 10% of the revenue generated from Montgomery County's energy fuel tax is allocated to the Bank annually (~\$18-19 million annually from FY23-FY25). As part of this allocation, the Bank must dedicate 20% of the revenue allocation to Equity Emphasis Areas (EEA) in the County. For FY26, the allocation dropped to \$15.8 million due to decreasing energy fuel tax collections across the County. As the Bank matures, MCGB plans to offset the decreasing allocations by increasing program revenue generation (see [Strategic Goal 3 for](#) more details).

FY23 – FY25: Proving Ability to Deploy Capital Effectively and Deliver High Impacts

- ▶ **2023:** Continued acceleration of an equitable energy transition in Montgomery County, with project benefits to over 2,500 households, a vast majority of which were in low- and moderate-income communities.
- ▶ **2024:** Developed a Building Energy Performance Standards (BEPS) Readiness Program in preparation for anticipated county- and state-level laws as a one-stop shop for energy benchmarking compliance, assessments of energy efficiency investments, and delivery of long-term, low-cost financing strategies.
- ▶ **2025:** Coordinated with the Montgomery County Council on planning for BEPS and alignment with the Montgomery County CAP. Program for a Resiliency Hub Accelerator underway to diversify the portfolio.



Operational & Funding Background: Federal Funding Under GGRF

In April 2024, the U.S. Environmental Protection Agency (EPA) announced its selection of the Coalition for Green Capital (CGC) for an award of \$5 billion from the National Clean Investment Fund (NCIF), a program under the EPA's Greenhouse Gas Reduction Fund (GGRF). [MCGB was selected as a sub-awardee to CGC](#) as part of the Maryland Coalition of Green Banks. In January 2025, the NCIF funding was frozen. While a federal judge ordered the funds unfrozen in April 2025, the funds remain frozen due to ongoing litigation. The NCIF sub-award may become available to MCGB depending on the outcomes of the legal process. Due to the uncertainty, the strategic plan excluded the NCIF funding from its deployment projections.

FY26 – FY28: Scaling and Broadening Impacts with Increased Private Leverage

In this strategic plan, MCGB strives to increase its impact on Montgomery County residents by expanding access to clean energy solutions for disadvantaged communities. As properties across the County anticipate BEPS interim requirements in 2027, MCGB is positioned to help small businesses and property owners meet regulatory requirements as a one-stop shop of financing and technical assistance. To do so, the Bank will increase its private capital mobilization to reach more corners of the community such that clean energy, green transportation, and climate resilient solutions are not just an option, but an accessible and integrated practice across the County.

FY29 and Beyond: Utilize Recycled Capital to Achieve Financial Sustainability

After completing the FY26 – FY28 Strategic Plan, the Board of Directors will continue to adjust the Bank's strategic objectives, as needed, to accelerate decarbonization and resilience in Montgomery County. In parallel, the Board will evaluate strategies, such as leveraging recycled capital and innovating financial products, to achieve financial sustainability as the energy fuel tax revenue allocation from Montgomery County is expected to continue decreasing.



Methodology & Insights



Strategic Planning Process

The 8-month strategic planning process for FY26—FY28 included collaboration from the Board of Directors, MCGB staff, and external stakeholders. Each of the 5 steps in the strategic planning process, as outlined in Figure 3 below, build on one another; the outputs of each were considered in developing the final, data-backed strategic goals. The 5 steps are summarized below and elaborated upon in the following sections.

Figure 3. The 5 steps of the FY26-FY28 Strategic Planning Process



- ▶ **Stakeholder Interviews** were conducted with 13 internal and external stakeholders, including Montgomery County Councilmembers, representatives from the State of Maryland, and financial and community partners.
- ▶ The **SWOT (Strength, Weakness, Opportunity, Threat) Assessment** analyzed MCGB’s operational successes and areas of improvement, comparing the results to a PESTEL analysis of political, economic, social, technological, environmental, and legal risks and opportunities.
- ▶ The **Market Analysis** calculated the addressable market for six key sectors and seven property types based on alignment with the Montgomery County CAP.
- ▶ The **Scoring Matrix** ranked each market-property type based on its market size, benefits (e.g., GHG emissions, disadvantaged communities), MCGB’s ability to execute, and market adoption.
- ▶ The **Business Model** utilized scenario analysis to optimize the ideal portfolio mix of market types, property types, and financial products based on the results of the Scoring Matrix. The results were used to develop the strategic plan recommendations.

Stakeholder Interviews

Methodology

The stakeholder interviews sought to gather recommendations for strategic priorities and feedback on the Bank’s operational strengths and weaknesses. Next, MCGB identified three external stakeholder categories (Table 2).

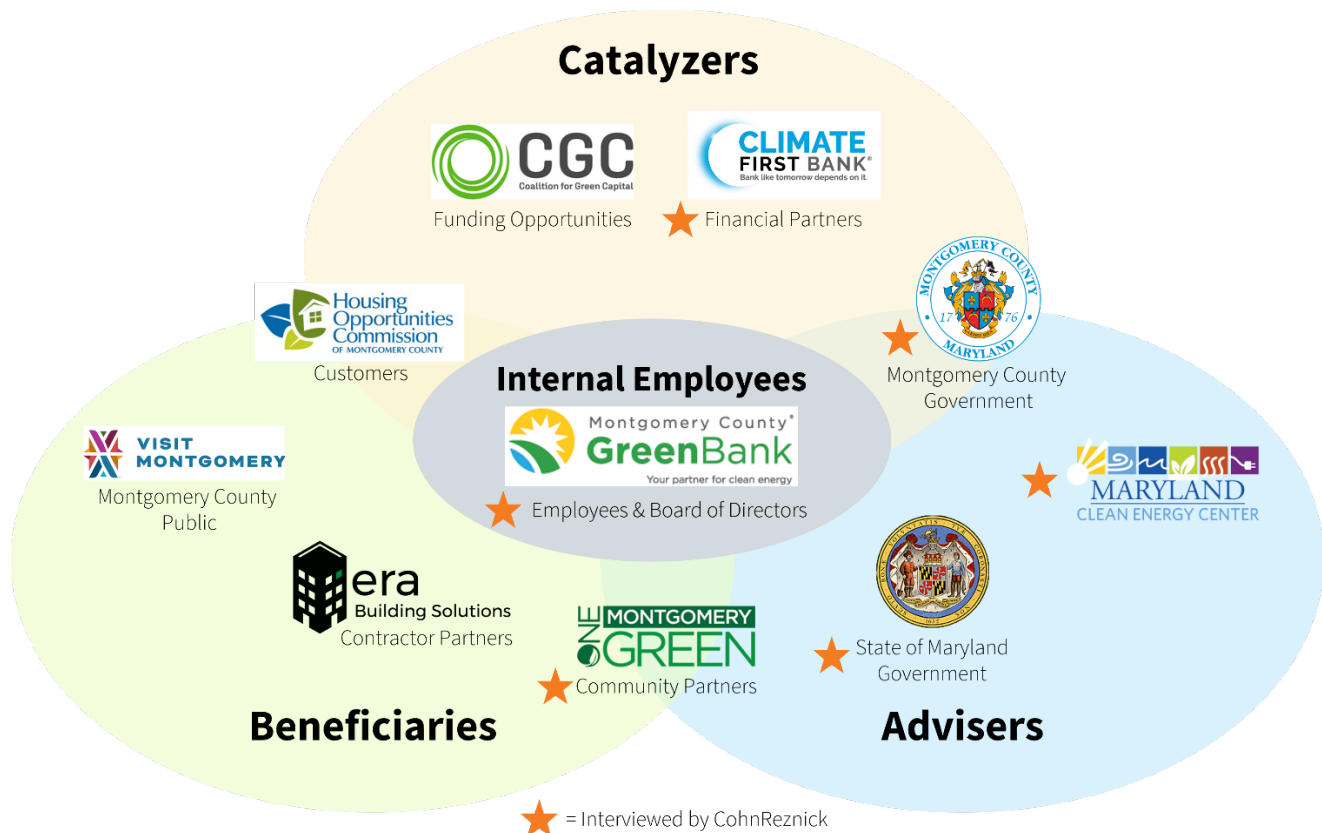
Table 2. Categories used for external stakeholders identified by the Bank

Catalyzers	Beneficiaries	Advisers
Provide capital, revenue, funding, and/or financing services which enable MCGB to support projects	Receive benefits of MCGB’s services, either directly (e.g., financing) or indirectly (e.g., community impacts)	Provide requirements, direction, guidance, or collaborative feedback which influences MCGB’s strategy



The Bank identified 75 key stakeholders and grouped them according to their sub-type (e.g., funding opportunities, financial partners, etc.) and then categorized as either a Catalyzer, Beneficiary, Adviser or Internal Employee, as shown in Figure 4. Some stakeholder groups aligned with multiple categories. For example, the Montgomery County Government both advises MCGB on strategic direction (e.g., Montgomery County CAP) and provides funding (e.g., energy fuel tax revenue allocation). Thirteen stakeholders were selected to be interviewed based on their historical and future influence on the Bank’s strategy and operations.

Figure 4. Internal and external stakeholder groups categorized by MCGB with examples



CohnReznick conducted the interviews on behalf of the Bank to encourage transparency among stakeholders. Each stakeholder was asked a range of questions, including:

- ▶ Market opportunities and challenges
- ▶ Operational strengths and weaknesses
- ▶ Impacts to disadvantaged communities
- ▶ Alignment with local and state climate priorities
- ▶ Stakeholder impacts and successful partnerships
- ▶ Strategic direction and financing approach



Insights

Table 3 summarizes the key themes identified across the interviews. While all key themes were important to stakeholders, a check indicates the most critical themes discussed in the interviews. Among the stakeholders, the most popular key theme centered around enhancing building decarbonization for both buildings not required to comply with BEPS (e.g., single-family residential, commercial and multi-family buildings less than 25,000 sqft) and buildings required to comply with BEPS (e.g., commercial and multi-family buildings greater than 25,000 sqft). In addition, other prominent key themes focused around enhancing the Bank's asset and fund management or effective community engagement, especially in disadvantaged or low- and moderate-income (LMI) communities.

Table 3. Key themes from stakeholder interviews, by stakeholder category

	Key Themes from Interview	Advisers	Catalyzers	Beneficiaries	Internal Employees
	Investing in building decarbonization (e.g., local and state BEPS)	✓	✓	✓	
	Enhancing operational efficiencies (e.g., smaller dealers)		✓		✓
	Obtaining sufficient funding (e.g., ability to access NCIF sub-award)	✓	✓		
	Implementing effective community engagement strategies			✓	✓
	Enhancing statewide collaboration	✓			
	Achieving climate goals in the Montgomery County CAP		✓		
	Enhancing MCGB at a smaller scale (e.g., single-family, small business)			✓	
	Increasing effectiveness of communicating climate resilience ROI				✓

For more details on the stakeholder interviews, see the [Appendix](#).

SWOT Assessment

Methodology

To support findings from the stakeholder interviews, CohnReznick conducted a PESTEL analysis to identify key political, economic, social, technological, environmental, and legal factors relevant to the Bank, a sampling of which is shown in Figure 5.



Figure 5. Key findings from the PESTEL analysis used to support the SWOT assessment

P	E	S	T	E	L
Political	Economic	Social	Technological	Environmental	Legal
County and state regulations are more impactful and are likely better insulated from federal and global policy shifts	The Bank's operating budget fluctuates based on the County's energy fuel tax revenue	20% of the Bank's energy fuel tax revenue must be allocated to EEAs, which shows alignment between MCGB and County priorities	Technological advancements may lower barriers to clean energy adoption, but emerging green tech is expensive to finance and carries higher risk	The Montgomery County CAP identifies carbon sequestration and climate adaption as key areas to reach its climate goals, and MCGB can accelerate funding in these areas to help.	Expanding funding sources will require expanded oversight for compliance with associated covenants and stipulations

The findings were presented to the Bank's Board of Directors, where they discussed organizational strengths and weaknesses, as well as potential risks and opportunities to the Bank. The Board rated a list of risks and opportunities, as informed by their discussion and the stakeholder interviews, based on their overall impact and likelihood. The SWOT assessment aggregated the results of the PESTEL analysis, Board rating of risks and opportunities, and stakeholder interview findings into a prioritized mapping of critical roadblocks and strategic differentiators. The results of the SWOT assessment helped focus on the potential inputs with the highest impact and likelihood to occur in the Bank's next strategic plan.

Insights

Based on the results of the SWOT assessment, the Bank identified four key emerging themes, all supported by findings from the interviews, Board workshop, and PESTEL analysis, as shown in Figure 6.

Figure 6. Key themes from the SWOT (strength, weakness, opportunity, threat) assessment

1	Achieve fiscal stability among an uncertain political future. MCGB's growing ability to leverage private capital and expand strategic partnerships may result in lower reliance on at-risk government funding (e.g., GGRF) or decreased fossil fuel usage (e.g., energy fuel tax revenue)
Strength:	Demonstrated capability for large, complex transactions in green finance with a strong network of strategic partners
Weakness:	Fewer partnerships with local community banks due to resource constraints
Opportunity:	Obtain more private leverage to increase financial stability
Threat:	Decrease or freeze in funding from the county (energy fuel tax revenue) or federal government (GGRF)



2

Play a critical role in achieving Montgomery County's CAP goals. MCGB's support of BEPS and County partnerships can help achieve County CAP goals by leveraging its reputation within the community. Missing CAP GHG targets could result in scrutiny over funding from the County tax revenue.

Strength: Reputation and political acknowledgement as a strategic resource for Montgomery County

Weakness: Falling short of GHG reduction targets may be due to broad and/or unclear strategy

Opportunity: Pursue projects with higher GHG impact for CAP goals and partner with County programs to expand adoption

Threat: A shortage in County funding may result if GHG reduction targets continue to lag

3

Standardize smaller deals and enhance marketing to expand LMI impacts. MCGB can leverage its reputation and community partners to help with outreach and advertising of standardized products tailored to LMI/disadvantaged communities.

Strength: A strong network of strategic partners and reputation as a trusted entity allows flexibility in financing

Weakness: Challenges in scaling impact/niche investments, especially when trying to execute an effective barbell strategy

Opportunity: Create scalable processes to standardize smaller deals; enhance communication of qualitative impacts

Threat: Lack of ability to conduct direct-to-consumer sales limits ability to drive further impact

4

Solidify strategy for climate resilience and adaptation projects. MCGB can collaborate with statewide partners to develop a consortium to define the ROI of climate resilience, such as tying it as a co-benefit to clean energy or energy efficiency projects. This can help mitigate potential communication risks.

Strength: Statewide collaboration has enhanced impacts within and outside of Montgomery County

Weakness: Climate adaptation/resilience projects are less developed due to difficult commercial proposition

Opportunity: Build internal resilience experience to better define ROI and expand financing opportunities

Threat: Shifting federal, state, and county politics could negatively impact communications, funding, and strategic positioning

For more details on the SWOT assessment insights, including the risk and opportunity matrices, see the [Appendix](#).

Market Analysis

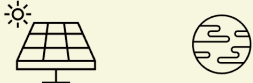
Methodology

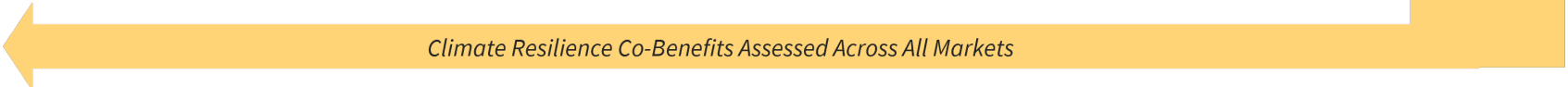
After understanding the Bank's key themes from the SWOT assessment, the Bank sought to further understand the current state of the clean energy and climate resilience market in Montgomery County to best tailor its strategic priorities and program offerings for FY26-FY28. To do so, the Bank conducted a market analysis, which analyzed the potential market size of different clean energy and climate resilience projects ("market types", such as solar) and their application to different property types (e.g., single-family, commercial, etc.). Together, they form unique pairings of market-property types (e.g., single-family solar) which were calculated individually.

The results help identified capital allocation priorities for the FY26-FY28 Strategic Plan to reflect market conditions and demands within Montgomery County. The Bank selected the market and property types based on a top-down analysis of the Montgomery County CAP, as shown in Figure 7.



Figure 7. Alignment of the market and property types selected for the Market Analysis with the Montgomery County CAP

Montgomery County CAP Focus Areas					
	Clean Energy	Buildings	Transportation		Carbon Sequestration
Market Types:	 1. Solar 2. Geothermal	 3. Building Energy Efficiency⁴	 4. Electric Vehicles (EV)	 5. EV Charging Infrastructure	 5. Regenerative Agriculture
Property Types:	- Single-family (SF) - Multi-family (MF) - Commercial/Industrial (C&I) ¹ - Non-profit ² - Municipal ³ - Community (e.g. ground-mount solar)	- Single-family (SF) - Multi-family (MF) - C&I ¹ - Non-profit ² - Municipal ³	- Consumer (SF & MF) - C&I - Municipal	- Single-family - Multi-family - Public L2 - Private workplace - DC Fast	- Cover crops - No-till equipment - Silvopasture / riparian forest buffers - Rotational grazing - Reforestation


Climate Resilience Co-Benefits Assessed Across All Markets

¹C&I buildings are all other property types after excluding non-profit, municipal, and multi-family; ²Non-profit includes schools, worship facilities, performing arts, and museums; ³County-, state-, or federally owned ⁴Considered for all Montgomery County buildings including those that do and do not have to comply with the County's Building Energy Performance Standards (BEPS), defined as buildings >25,000 sqft that are commercially owned (e.g., excludes single-family residential buildings)



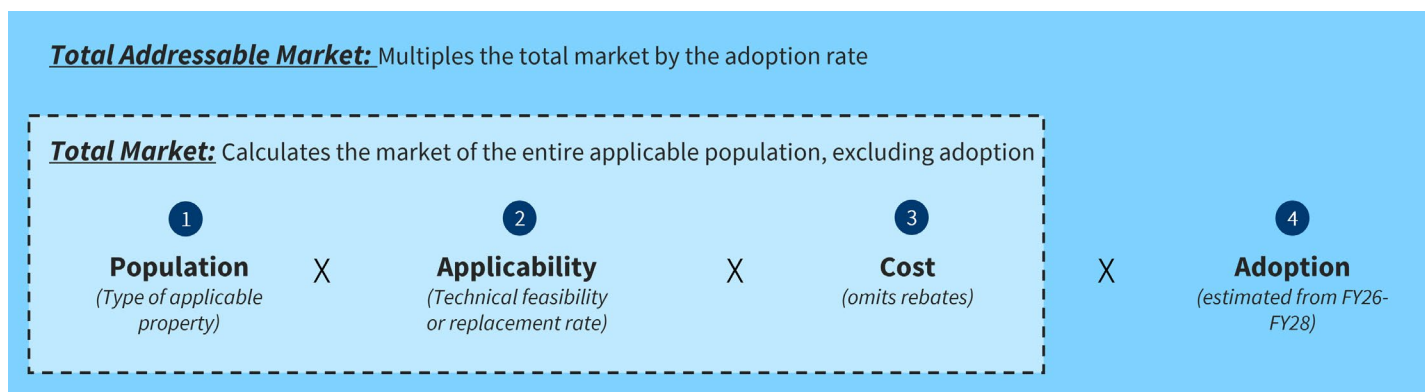
The goal of the market analysis was to determine the market and property types with:

1. The largest market size
2. The highest adoption rates or adoption rates that could be influenced by the Bank
3. The largest impact per MCGB dollar invested, measured through greenhouse gas (GHG) emissions avoided, lifetime cost savings to property owners, and percent of the market in disadvantaged areas.

The market analysis calculated both the **total market (TM)** and **total addressable market (TAM)**; the latter is differentiated as it considers the adoption rate specific to each market and property type (Figure 8). The [Appendix](#) includes detailed methodology descriptions of these four factors for each market type. The TAM is calculated for two different pathways:

- ▶ **Base Case:** The business-as-usual market CAGR is applied to the historical (2024) adoption rate by market
- ▶ **Downside:** A -0.55% correction is subtracted from each market's base-case adoption CAGR prior to applying it to the historical adoption rate. The correction is based on an average of the GDP growth adjustment provided by [Goldman Sachs](#) (-0.7%) and impacts to the gross metro product in the DC-metro region as reported by [Cushman & Wakefield](#) (-0.4%).

Figure 8. Definitions for two key outputs from the Market Analysis: total market and total addressable market

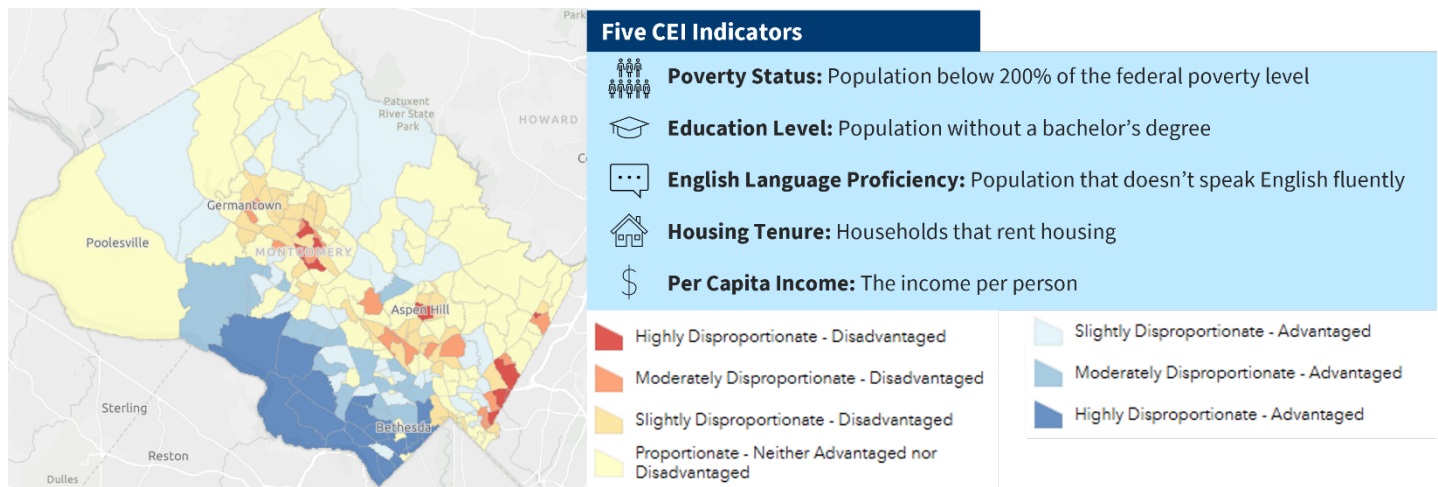


The analysis covered 100% of residential properties (single-family, multi-family). Available tax parcel data for commercial and industrial (C&I) and non-profit properties represented ~80% of the County's commercial building coverage. The data was scaled proportionally to represent the full 100% of properties for the calculations.

The analysis also considered the portion of the market in disadvantaged communities to align with Montgomery County funding requirements, as 20% of the energy fuel tax revenue allocated to the Bank must be spent in disadvantaged or equity emphasis areas (EEAs). To do so, the Bank utilized Montgomery County's [Community Equity Index](#) (CEI) to estimate the portion of each market in disadvantaged communities, defined as highly or moderately disadvantaged CEI. The CEI is a composite measure of equity-related indicators developed to help analyze existing conditions in neighborhoods and to explore factors that may contribute to social inequities in Montgomery County. It describes each neighborhood's level of advantage or disadvantage based on its combined indicator score compared to the county's overall score of five indicators, as shown in Figure 9 below.



Figure 9. Community Equity Indices (CEI) of Montgomery County based on five indicators



Single-family and consumer (e.g., EVs) calculations focused on disadvantaged individuals for the total addressable market and excluded non-disadvantaged market share. For other property types, the percentages in Table 4 were applied to the total market and total addressable market figures to estimate the portion of the market in disadvantaged communities.

Table 4. Percent of the market in highly or moderately disadvantaged communities

	Building Energy Efficiency ¹		Solar / Geothermal ²	EVs / EV Charging ²	Agriculture
	Non-BEPS	BEPS	All	All	All
Single-family	38%	N/A	38%	24%	N/A
Multi-family	13%	41%	40%	24%	N/A
C&I	10%	20%	17%	17%	N/A
Non-profit	8%	10%	9%	9%	N/A
Municipal	14%	7%	9%	9%	N/A
Community	N/A	N/A	39% (solar only) ³	N/A	N/A
Agriculture	N/A	N/A	N/A	N/A	0%

¹ Building energy efficiency data sourced from tax parcel data provided by MNCPPC. ² Uses the weighted average of the BEPS/non-BEPS building figures based on their share in Montgomery County. The analysis already considers disadvantaged communities for single-family and multi-family EVs and EV charging. ³ Uses the weighted averaged of the single-family and multi-family rates based on housing units.



Insights (Total Market)

The total market analysis reveals that building energy efficiency, solar, and electric vehicles (EVs) make up 95% of the projected FY28 market, with demand largely concentrated in the residential sector (Figure 10 and Table 5). Solar and EVs show significant market potential due to low current adoption rates (~1–6%), despite higher uptake among municipal buildings. In contrast, building energy efficiency, with a higher adoption rate (~30%), commands the largest market share, driven by high per-project costs (up to \$3 million per commercial building). C&I buildings represent the third-largest market segment at 22%, following single-family and multi-family residential properties.

Figure 10. Total market, by market type; Table 5. Total market, by property type (FY28)

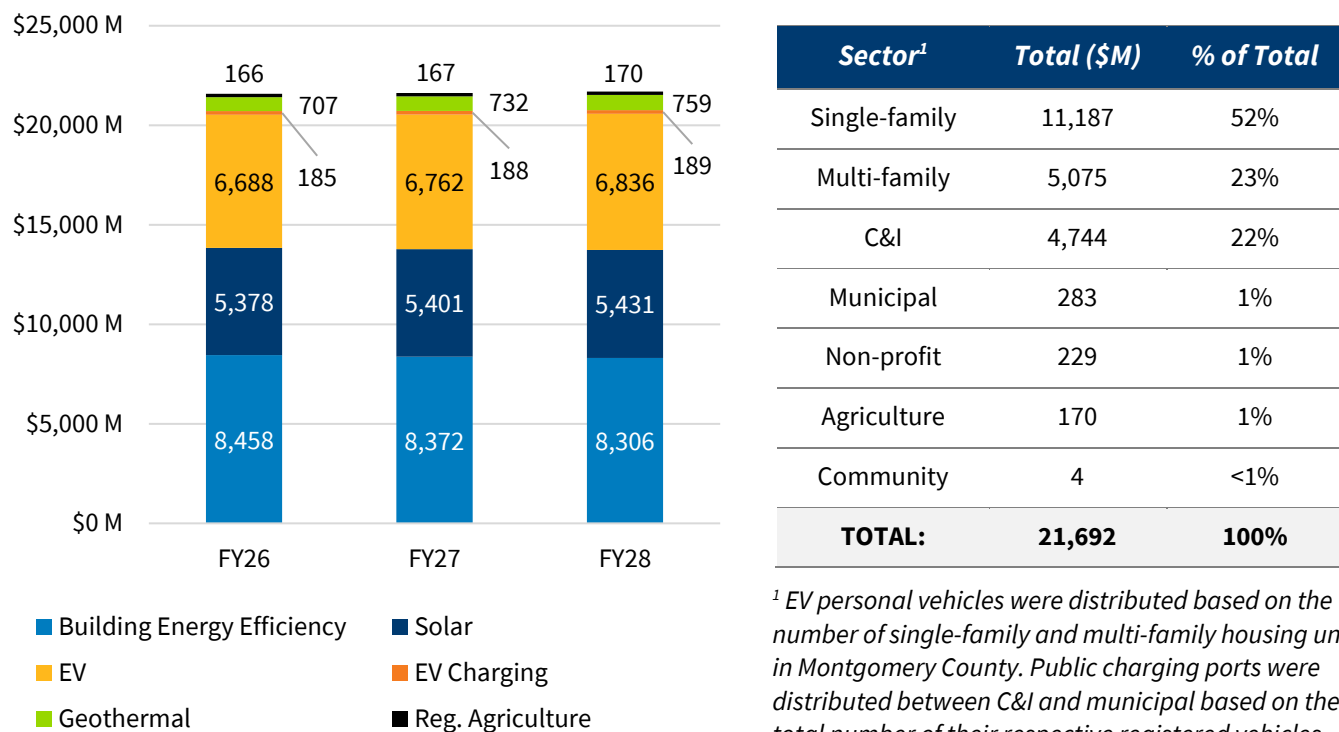
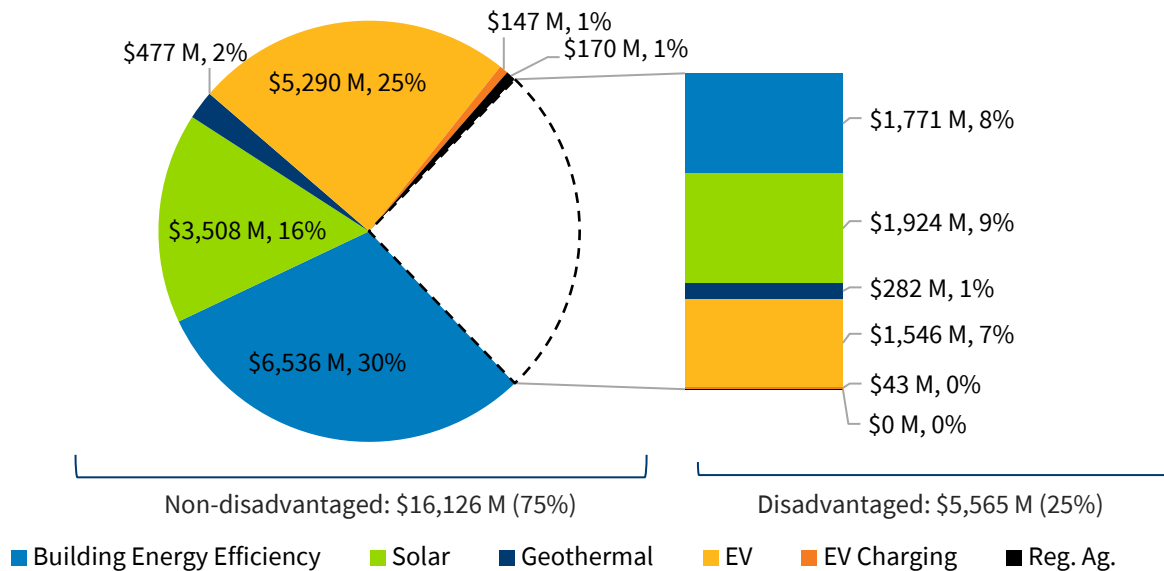


Figure 11 further breaks down the total market by geography, revealing that disadvantaged areas represent 25% (\$5.6 billion) of the overall FY28 market potential. Within these communities, building energy efficiency (\$1.8 billion), solar (\$1.9 billion), and EVs (\$1.5 billion) dominate the market, mirroring trends seen countywide. While the total market size is larger in non-disadvantaged areas, the significant demand in disadvantaged communities highlights a critical opportunity for targeted investment. This geographic analysis helps the Green Bank identify where its financial products can have the greatest impact, especially in advancing its mission of climate equity and equitable access to finance by supporting underserved populations with high potential for clean energy adoption.



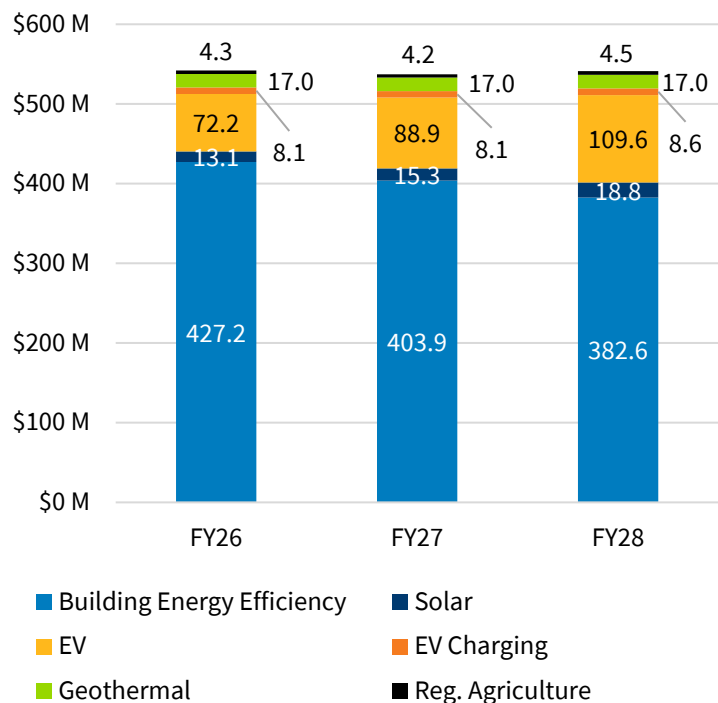
Figure 11. Total market (FY28) by market type



Insights (Total Addressable Market)

The total addressable market (TAM) analysis refines the broader total market by applying projected adoption rates, offering a more realistic view of the clean energy and resilience market likely to materialize between FY26 and FY28.

Figure 12. Total addressable market, by market type; Table 6. Total addressable market, by property type (FY28)



Sector ¹	Total (\$M)	% of Total
Single-family	404	75%
Multi-family	55	10%
C&I	38	7%
Municipal	23	4%
Non-profit	13	2%
Agriculture	5	<1%
Community	4	<1%
TOTAL:	541	100%

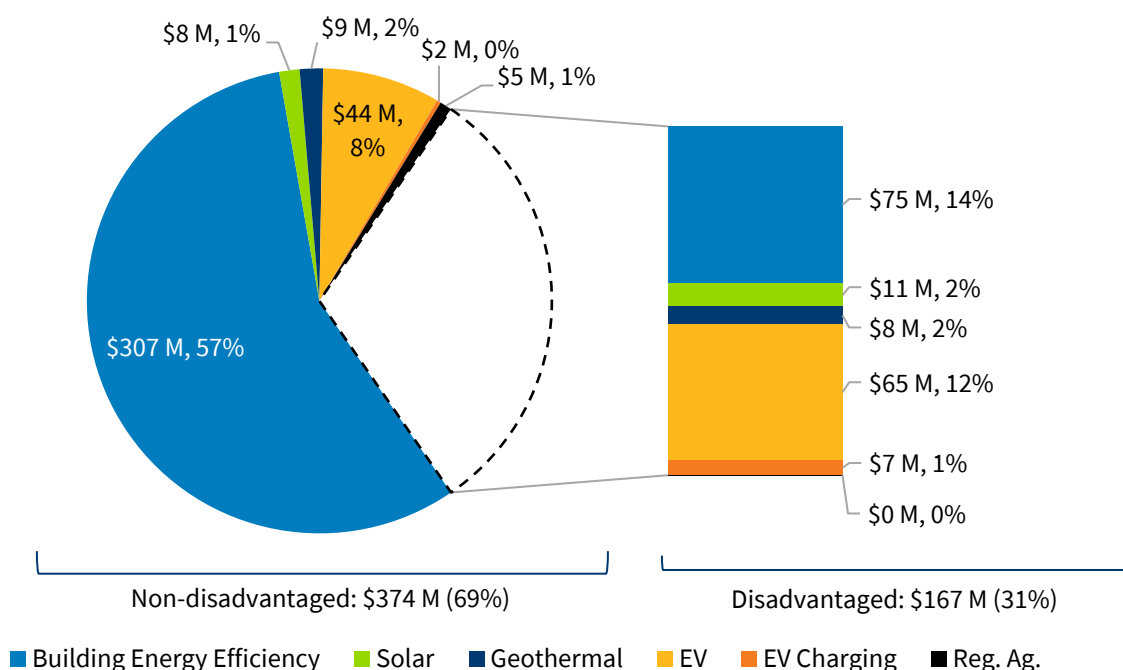
¹ EV personal vehicles were distributed based on the number of single-family and multi-family housing units in Montgomery County. Public charging ports were distributed between C&I and municipal based on the total number of their respective registered vehicles.



As shown in Figure 12, building energy efficiency dominates the TAM, accounting for 71% of the FY28 market, largely driven by the 2027 and 2028 interim BEPS requirements, which apply to 41% of Montgomery County’s C&I properties. In contrast, solar and EVs see proportionally lower TAM values compared to their total market sizes, primarily due to lower adoption rates and the exclusion of non-disadvantaged consumers. Table 6 reinforces the residential sector’s central role, with single-family homes comprising 75% of the FY28 TAM, followed by multi-family and C&I properties. While the TAM is a subset of the total market, the distribution of opportunity remains consistent and highlights building energy efficiency as the most actionable and policy-aligned investment.

Figure 13 breaks down the FY28 TAM by geography, showing that disadvantaged communities represent 31% (\$167 million) of the total, a slightly higher share than in the total market analysis (25%). Building energy efficiency again leads in both disadvantaged and non-disadvantaged areas, comprising 71% of the total TAM. While disadvantaged areas represent a smaller absolute market, they show relatively strong adoption potential—particularly in energy efficiency—reinforcing the Green Bank’s opportunity to advance climate equity through targeted financing.

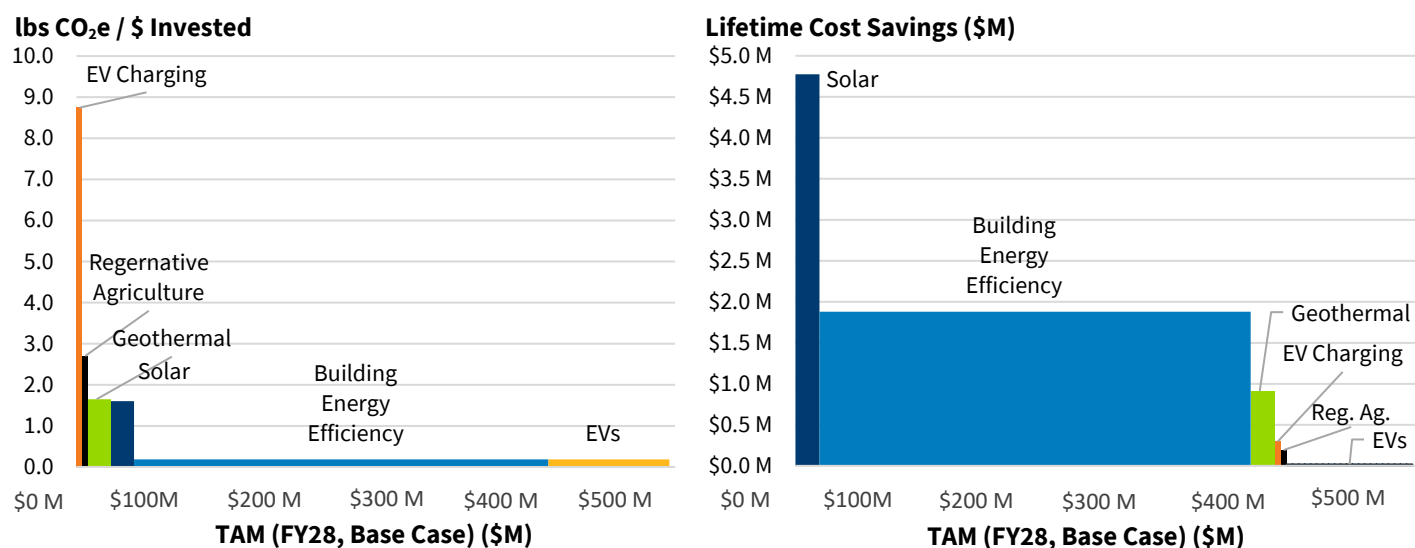
Figure 13. Total addressable market (FY28) by market type



To assess the potential impact of investment, the Bank analyzed the cost of implementation for each market-property type pairing and calculated their annual GHG emissions reduction and lifetime cost savings. As shown in Figure 14, technologies with smaller TAMs, such as EV charging and regenerative agriculture, deliver greater GHG emissions reductions per dollar invested, with EV charging leading at nearly 9 lbs GHG emissions avoided per dollar invested. In contrast, larger markets like solar and building energy efficiency generate higher lifetime cost savings, with solar reaching ~\$4.75 million per property (driven by large commercial and multi-family properties). These findings complement the TAM analysis: while building energy efficiency remains the most policy-aligned investment, EV charging presents a high-impact opportunity to catalyze adoption and accelerate emissions reductions, especially in disadvantaged areas where electrification can yield outsized environmental and equity benefits.



Figure 14. Annual GHG emissions (lbs CO₂e) avoided per \$ invested (left) and lifetime cost savings (right) relative to FY28 base case TAM



For more details on the market analysis insights, see the [Appendix](#).

Scoring Matrix

Methodology

To guide strategic investment decisions, the Bank developed a Scoring Matrix that ranks each market-property type pairing based on four key components: size, benefits, execution, and adoption, which are added together to get to the total market score. As quantitative metrics like market size only tell one side of the story, the scoring matrix provides a comprehensive view by combining qualitative factors, including non-monetary benefits, to determine which opportunities offer the greatest potential for impact and feasibility. Importantly, the results of the Scoring Matrix serve as a critical input into the Business Model, the final step of the strategic planning process, ensuring that MCGB's future initiatives are both mission-aligned and data-driven.

Figure 15. Scoring matrix methodology: determining each market-property type's market score using 4 criteria



Each of the key components were scored individually and normalized on a scale of 0-100, with market size and benefits weighted more heavily to reflect their strategic importance. Then, the components were added together to reach a total market score. Each component was scored based on a mix of qualitative and quantitative data:

- ▶ **Quantitative:** Each market-property type pairing (e.g., solar-multifamily) was put in a rank-order from highest to lowest based on the results calculated in the market analysis, with the rank being the score.
- ▶ **Qualitative:** Ranked as none/minimal, low, medium, or high based on industry research and MCG inputs



Table 7. Qualitative and quantitative inputs into the scoring matrix, by component

Assessment Method	Size	Benefits	Execution	Adoption
Quantitative	▶ Total market ▶ Total addressable market	▶ GHG emissions avoided per \$ invested ▶ Lifetime cost savings ▶ % in disadvantaged communities	N/A	▶ Upfront capital costs
	N/A	▶ Resilience co-benefits	▶ Scalability / replicability ▶ Likelihood to close	▶ Maturity ▶ Availability of substitutions, incentives, financing, and financial assistance ▶ Policy adoption

Insights

Table 8 shows the results for the total market scores across all market-property type pairings. The top-ranked market-property type pairings (e.g., solar and EV charging for single-family homes, building energy efficiency for single-family and C&I buildings) achieved high scores due to strong performance across all four components: large market size, substantial benefits (e.g., GHG reductions and equity impact), high execution feasibility, and strong adoption potential. Mid-ranked pairings, including EV charging across various property types, building energy efficiency for non-profit and municipal buildings, and regenerative agriculture, typically had solid market size or benefits but were held back by lower execution readiness or higher adoption barriers. Lower-ranked pairings, particularly geothermal applications and EVs in municipal settings, scored lowest due to a combination of limited benefits, low execution feasibility, and weak adoption drivers, despite some having sizable markets.

Table 8. Market-property type pairings ranked by total market score

Rank	Market Type	Property Type	Total Market Score (0 = low, 100 = high)
1	Solar	Single family	76
2	EV Charging	Single family	76
3	Bldg. EE	Single family	68
4	Solar	Community	66
5	Bldg. EE	C&I	65
6	Solar	Multi-family	65
7	EV Charging	C&I	64
8	EV Charging	Multi-family	63



Rank	Market Type	Property Type	Total Market Score (0 = low, 100 = high)
9	Solar	C&I	60
10	EV Charging	Municipal	56
11	EVs	Single family	55
12	EVs	C&I	53
13	Bldg. EE	Non-profit	53
14	Reg. Ag.	Agriculture	53
15	EVs	Multi-family	53
16	Solar	Non-Profit	51
17	Bldg. EE	Municipal	50
18	Bldg. EE	Multi-family	50
19	Solar	Municipal	49
20	Geothermal	Multi-family	46
21	EVs	Municipal	42
22	Geothermal	Single family	37
23	Geothermal	C&I	31

For a granular breakdown of the market-type pairings by scoring components, see the [Appendix](#).

Business Model

Methodology

The business model optimizes MCGB's portfolio allocation across market types, property types, and financial products using a scenario-based framework aligned with the Bank's strategic priorities. The results of the business model were directly used to develop the recommendations of the Strategic Plan, as detailed in the next section. The Bank began by inputting key parameters into the model, including:

- ▶ Expected MCGB capital deployment from FY26-FY28
- ▶ Types of financial products used by the Bank (e.g., interest rate subsidies, loan loss reserves (LLR), mezzanine debt, senior debt, C-PACE, warehouse loans, bridge loans, and developer debt)
- ▶ Expected leverage, margin, and level of risk for each financial product
- ▶ Minimum and maximum allocation constraints (%) for each market type, property type, and financial product



Using these inputs, MCGB developed three core scenarios (Figure 16), each prioritizing a different strategic objective:

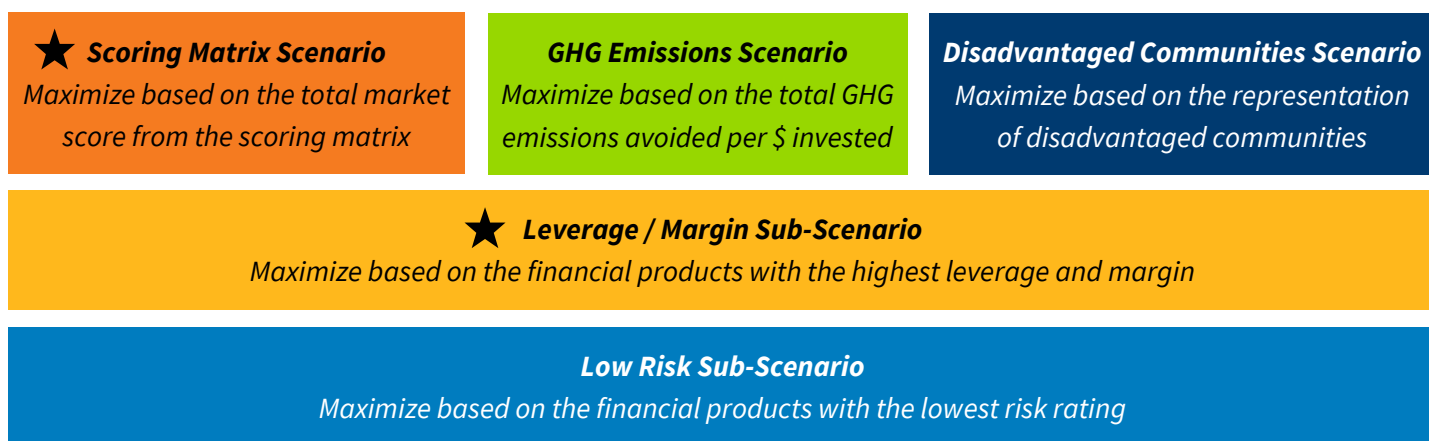
- ▶ **Scoring Matrix Scenario** – maximizes total market score
- ▶ **GHG Emissions Scenario** – maximizes GHG emissions avoided per dollar invested
- ▶ **Disadvantaged Communities Scenario** – maximizes investment in disadvantaged communities

To ensure realistic and actionable planning, allocations to each market and property type were compared to the total market size (as calculated in the market analysis) to confirm the total project investment did not exceed the available market opportunity. To determine the optimal mix of financial products within each scenario, MCGB applied two sub-scenarios:

- ▶ **Leverage/Margin Sub-Scenario** – prioritizes financial products with the highest leverage and margin
- ▶ **Low-Risk Sub-Scenario** – prioritizes financial products with the lowest risk rating

Financial product selection is treated independently from market and property type because it is primarily driven by the borrower's needs. For example, an affordable housing developer pursuing energy efficiency upgrades may require mezzanine debt to complete a deal, while another may need a bridge loan to cover upfront solar costs before receiving tax credits. Two financial products are specific to a property type, including: a) interest rate subsidies for single-family properties, which are offered through partnerships with other financial institutions as MCGB cannot provide direct-to-consumer lending; and, b) developer debt for community solar purchase power agreements (PPAs).

Figure 16. Descriptions of the scenarios and sub-scenarios used in the business model



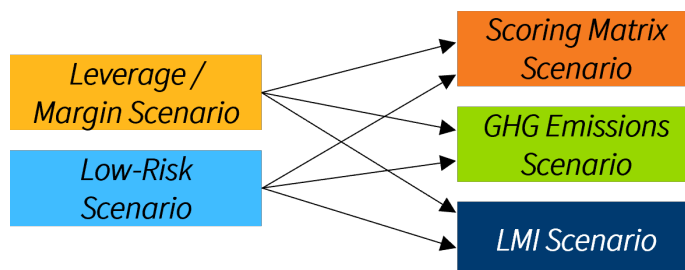
★ = Core Scenario Utilized for the FY26-FY28 Strategic Plan

Ultimately, the Bank selected the Scoring Matrix scenario as its core framework for setting strategic priorities for FY26–FY28, as it offers a comprehensive view of feasibility and impact by incorporating adoption potential, market size, execution capacity, and benefits. The GHG Emissions and Disadvantaged Communities scenarios were used as reference points to explore how capital allocations could shift to better meet specific strategic goals. For financial product selection, the Bank chose the Leverage/Margin sub-scenario as its primary approach, aligning with its priority of achieving financial sustainability by maximizing private sector co-investment to expand impact and financial self-sufficiency.



These constraints and considerations are built into the model to ensure realistic and mission-aligned portfolio design. Each scenario is mapped to its respective sub-scenarios (Figure 17), producing outputs that include total project investment, blended leverage, and blended margin rates—enabling MCGB to evaluate trade-offs and optimize its capital deployment strategy.

Figure 17. Mapping of scenarios and sub-scenarios in the business model



After each scenario and sub-scenario were optimized, the Bank calculated the total impacts achieved, including:

- ▶ Total GHG emissions avoided (lbs CO₂e)
- ▶ Lifetime cost savings (\$)
- ▶ MCGB return on investment (ROI) (\$)
- ▶ Percent of investment in disadvantaged communities (%)

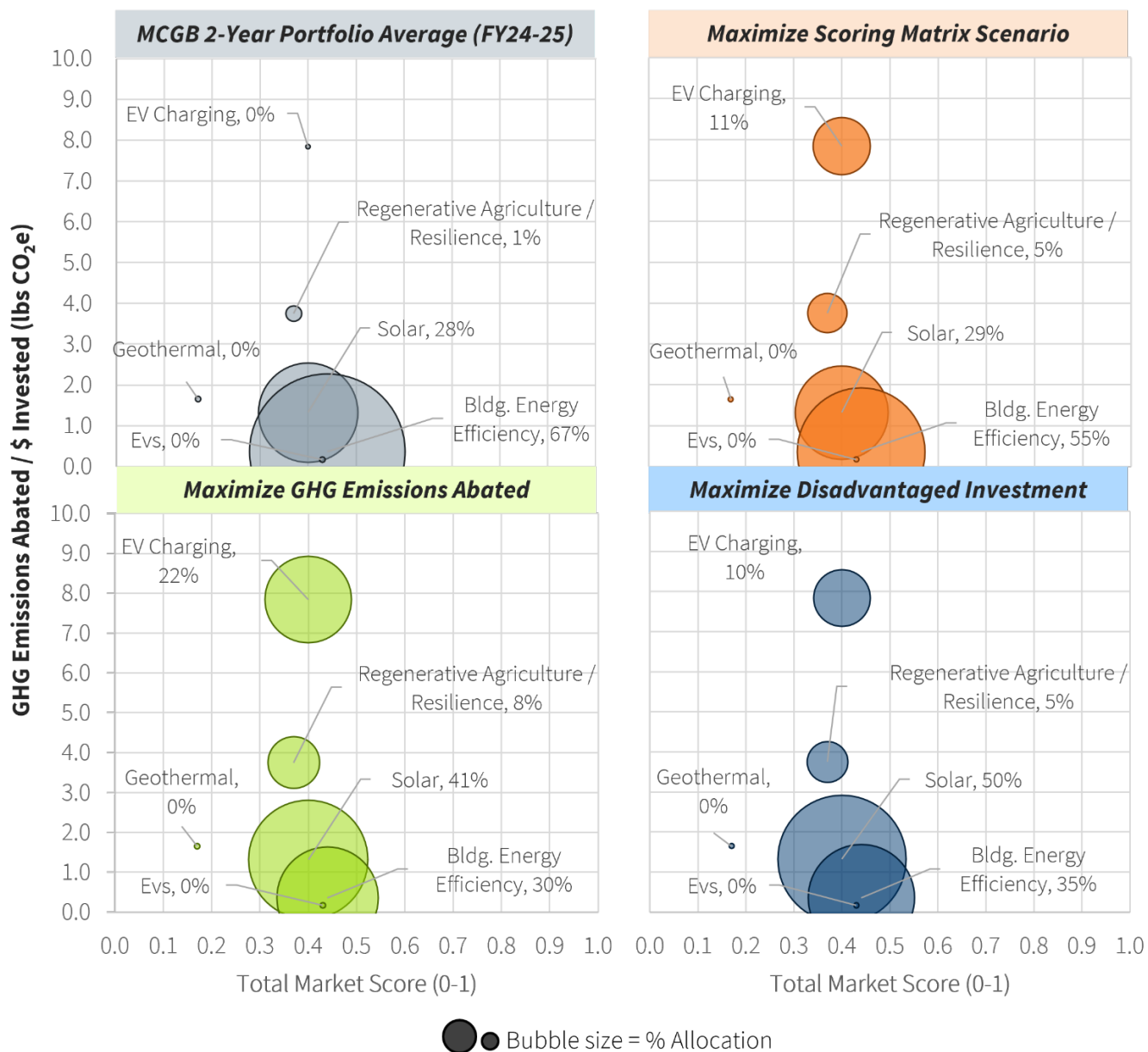
Insights

Market Type

Figure 18 shows the results of the scenario analysis for optimizing market type allocations. In the FY24–25 portfolio average, building energy efficiency dominates at 67% share, with solar at 28% and minimal investment in other sectors. Under the Scoring Matrix scenario, allocations diversify: building energy efficiency drops to 55%, solar holds at 29%, and EV charging and resilience projects emerge at 11% and 5% share, respectively. The Disadvantaged Communities scenario further shifts capital. Solar rises to 50%, building energy efficiency declines to 35%, and EV charging and Resilience maintain modest shares. While the Disadvantaged Communities and GHG Emissions scenarios are not part of the core strategy, they offer directional guidance by showing how increased allocations to Solar (up to 50%) and EV Charging (up to 22%) can further advance equity and emissions goals. These modeled shifts underscore the potential for broader sectoral investment while maintaining strong climate impact, guiding MCGB’s evolution toward a more balanced and strategic portfolio.



Figure 18. Optimized market type allocations for each scenario as compared to the portfolio average

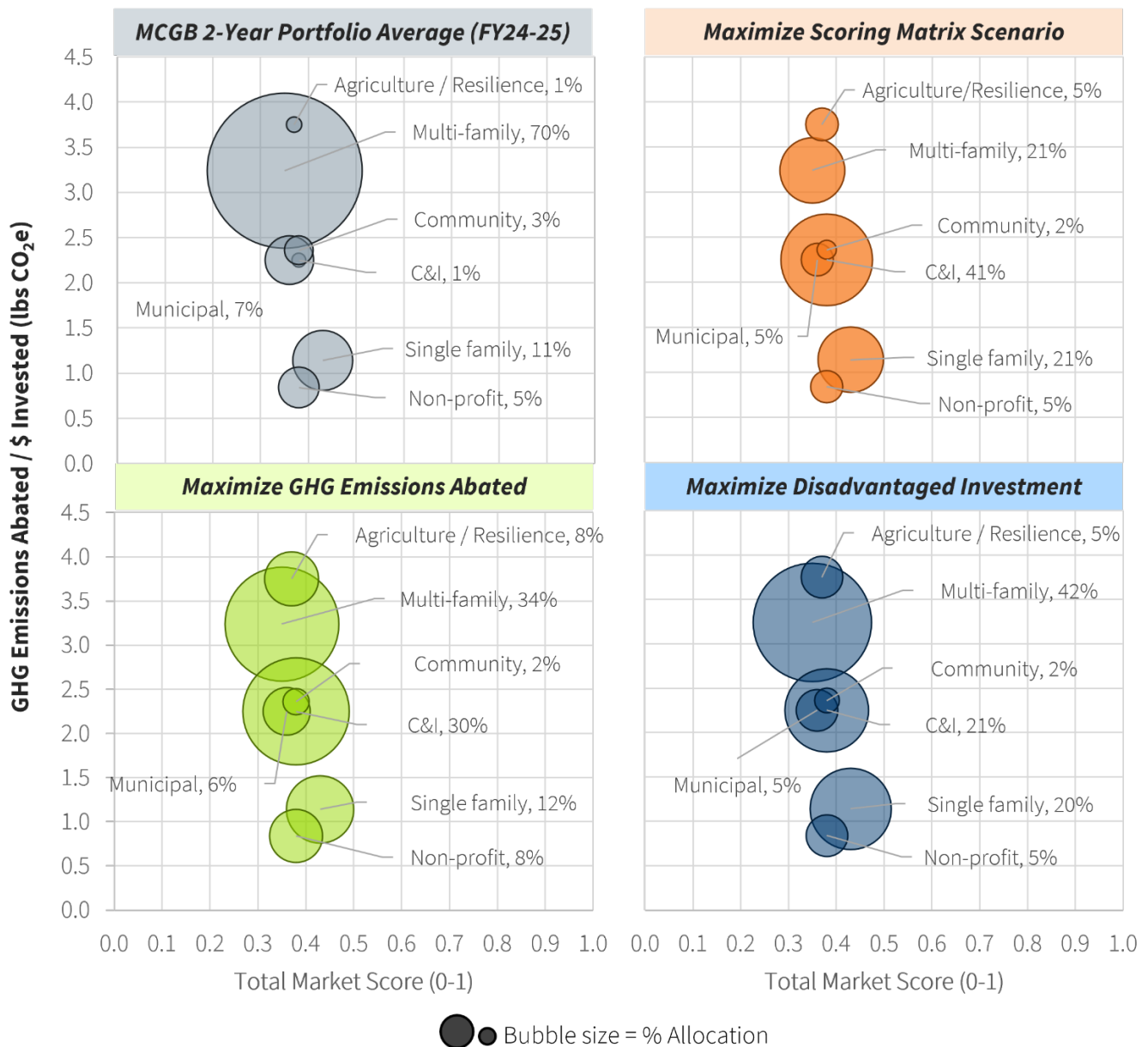


Property Type

Figure 19 shows the results of the scenario analysis for optimizing property type allocations. In the FY24–25 portfolio average, multi-family properties take the majority at 70% and other property types receive smaller allocations. Under the Scoring Matrix scenario, allocations diversify: multi-family drops to 21%, C&I rises sharply to 41% to support BEPS implementation, and single-family increases to 21%. Agriculture/resilience, municipal, and non-profit sectors each receive 5%, reflecting a more balanced distribution. While the GHG Emissions and Disadvantaged Investment scenarios prioritize specific outcomes, they show similar shifts in portfolio allocation—such as increased C&I (30% in GHG vs. 41% in Scoring Matrix) and single-family (around 20% in both Disadvantaged and Scoring Matrix). These parallels reinforce the Scoring Matrix scenario as a comprehensive strategic approach.



Figure 19. Optimized property type allocations for each scenario as compared to the portfolio average

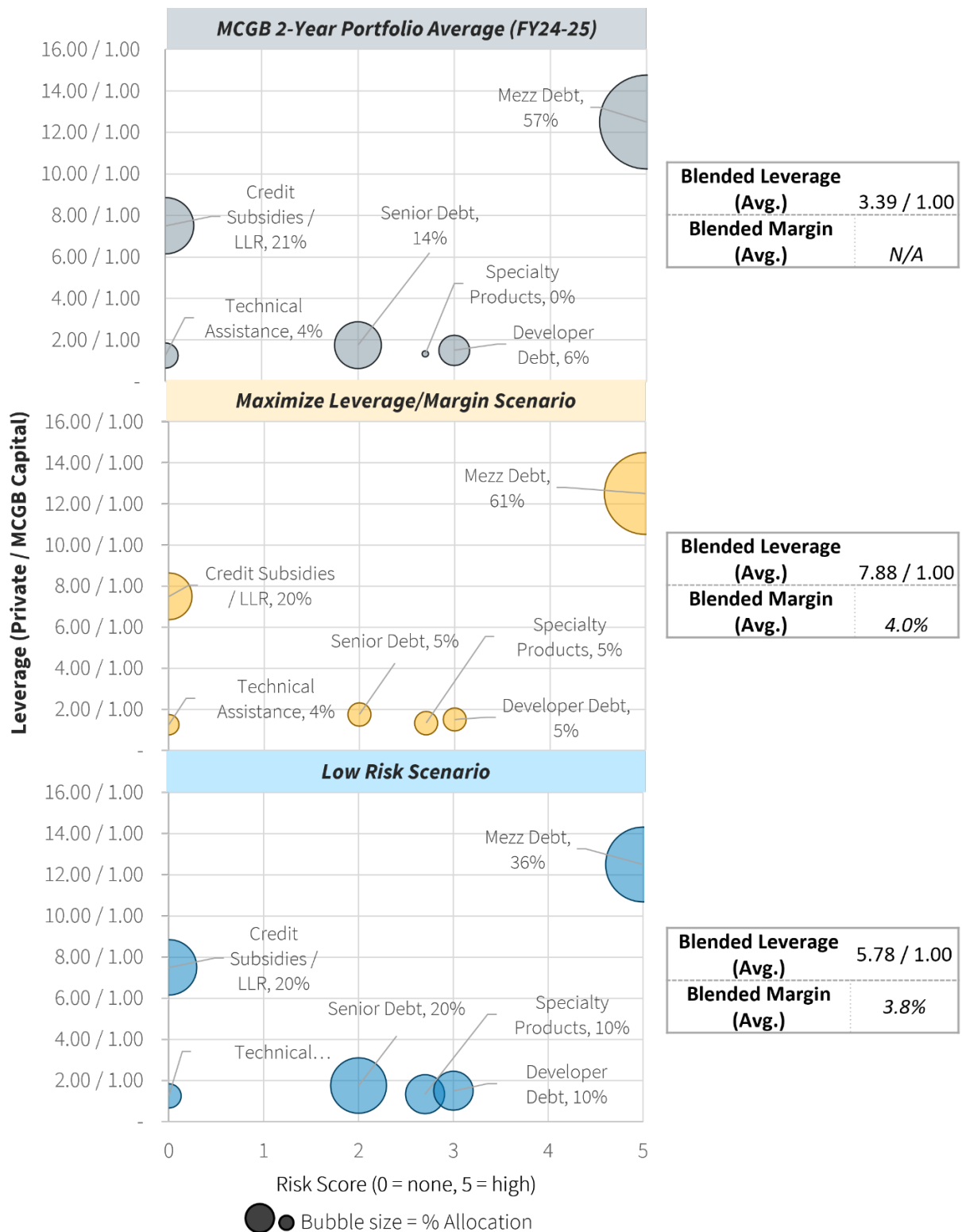


Financial Products

Figure 20 shows the results of the scenario analysis for optimizing financial product allocations. In the FY24–25 portfolio average, mezzanine debt takes a majority share at 57%, followed by credit subsidies/loan loss reserves (LLR) at 21%, and senior debt at 14%, with minimal use of other products. Under the High Leverage/Margin scenario, mezzanine debt increases slightly to 61%, while senior debt drops to 5% and specialty products increases to 5%—resulting in a blended leverage of 8x and a margin of 4%. The Low-Risk scenario shifts toward a more balanced mix: mezzanine debt falls to 36%, senior debt rises to 20%, and specialty and developer debt products each receive 10%, with a blended leverage of 6x and margin of 3.8%. The Low-Risk scenario demonstrates on how a lower risk profile could help balance impact and financial sustainability.



Figure 20. Optimized financial product allocations for each sub-scenario as compared to the portfolio average



For more information about the methodology, assumptions, and results from the business model, see the [Appendix](#). The Strategic Plan utilized the outputs of the business model to develop its goals, as outlined in the next section.

The background of the slide features a close-up, low-angle shot of several solar panels. The panels are tilted upwards and to the right, creating a strong sense of perspective. They are set against a clear, vibrant blue sky. The solar cells on the panels are a deep blue, and the grid lines connecting them are a lighter, silvery-blue. The overall composition is clean and modern, emphasizing renewable energy.

FY26 – FY28 Strategic Goals



Overview

The three goals for the FY26-FY28 maintain alignment with the Bank’s mission and vision through their focus on accelerating equitable clean energy and climate resilience investments across Montgomery County. Figure 21 illustrates how MCGB’s FY26–FY28 strategic goals build on the foundation of the FY23–FY25 plan while sharpening focus and streamlining priorities. The first goal expands from general CAP implementation to a more targeted emphasis on climate mitigation, adaptation, and resilience—reinforcing the Bank’s core investment strategy and its role in protecting the path to net zero. The second goal shifts toward increasing equitable adoption, aligning with MCGB’s capacity to drive uptake of clean energy and resilience technologies in underserved communities. The third goal introduces a new focus on financial sustainability, reflecting the Bank’s evolution into a mature, stable institution. Together, these goals maintain alignment with MCGB’s mission of equitable access to green finance while positioning the organization for deeper impact and long-term viability.

Figure 21. Relationship between FY23-FY25 and FY26-FY28 Strategic Plan goals



The following sub-sections detail the key findings and supporting information for the FY26-FY28 Strategic Plan goals. Each goal was developed to align with MCGB’s mission and vision and is supported by findings from the strategic planning process. All historical numbers presented in this section (FY24-FY25) were provided by MCGB; projections were calculated by CohnReznick based on the market analysis findings.



Goal 1: Enhance Climate Mitigation, Adaptation, and Resilience

The first goal focuses on increasing the Bank’s support and finance of climate mitigation, adaptation, and resilience projects to contribute toward the County’s CAP goals. To do so, the Bank will shift its portfolio concentrations to include additional EV charging infrastructure, resilience, and agriculture investments while maintaining an emphasis on building energy efficiency projects to support BEPS compliance.



Key Finding #1: Maintain current project investments in solar while decreasing investment in building energy efficiency by 15% **to enable more EV charging and resilience/agriculture investments**, which will increase GHG emissions avoidance and protect the path to net zero.

Figures 22 and Table 9 illustrate MCGB’s evolving capital deployment by market type. Geothermal was deprioritized due to its small market size, while EVs were excluded due to the Bank’s restrictions on direct-to-consumer lending and overall market maturity, including saturation of financing options.

MCGB maintains a consistent 29% capital allocation to solar through FY28, while gradually reducing building energy efficiency investments from 70% to 55%. This 15% reallocation allows MCGB to expand into emerging sectors (e.g., EV charging, regenerative agriculture, and resilience) which together grow from nearly 0% to 11% of the portfolio by FY28. Notably, even as the percentage share for building energy efficiency decrease, the actual dollar investment increases from an average of \$12.2M (FY24-25) to \$13M by FY28, reflecting overall portfolio growth and MCGB’s commitment to supporting BEPS implementation in the County.

Investments in EV charging infrastructure will help accelerate EV adoption across Montgomery County by addressing range anxiety, a key barrier for consumers. Additionally, integrating battery storage with solar can enhance both grid and property resilience, while supporting the growing energy demands of data centers—driven in part by AI expansion. This strategic reallocation deepens GHG emissions reductions and strengthens climate resilience, reinforcing MCGB’s commitment to protecting the path to net zero.

Figure 22. Projected MCGB deployed capital allocation by market type (%), FY24-FY28

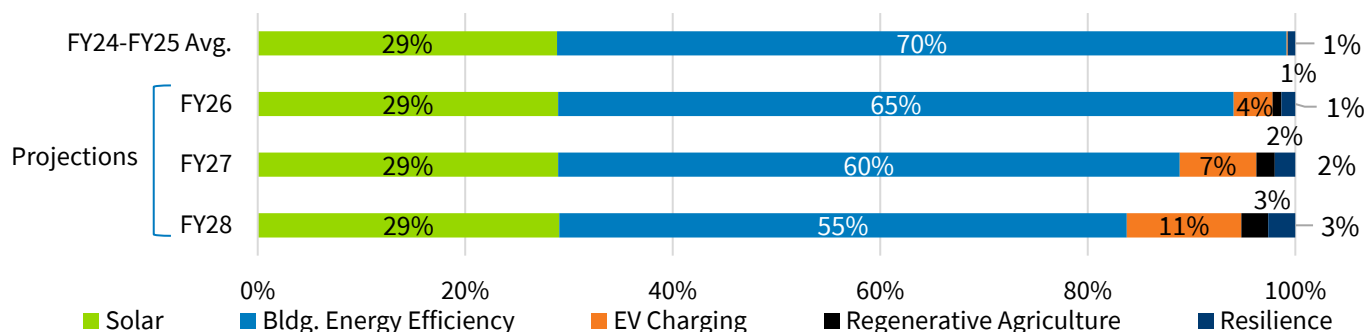
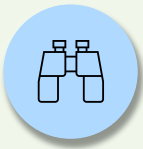




Table 9. Projected MCGB deployed capital allocation by market type (\$), FY24-FY28¹

Year	Solar	Bldg. Energy Efficiency	EV Charging	Regenerative Agriculture	Resilience
FY24-FY25²	5.6	12.2	<0.1	0	0
FY26P	5.0	11.2	0.6	0.2	0.2
FY27P	5.8	12.1	1.5	0.4	0.4
FY28P	7.0	13.1	2.7	0.6	0.6

¹ Totals may not equal the values shown in the business model results as money allocated to technical assistance is excluded. Percentage allocations in the graph are adjusted to 100% by excluding the 4% allocation to technical assistance, which is not considered as part of a specific market/property type nor generating any GHG emissions reduction. ² Historical average.



Key Finding #2: Increase investments in C&I properties to support interim BEPs requirements in 2027 and 2028 by decreasing investments in multi-family properties. In the Bank's next strategic plan, it can consider increasing multi-family investments as those properties face interim BEPS requirements in 2030 and 2031.

Figures 23 and Table 10 illustrate MCGB's evolving capital deployment by property type. To align with interim BEPS requirements in 2027 and 2028, MCGB increases investment in C&I properties—from \$0M in FY24–25 to nearly \$10M by FY28—while gradually reducing allocations to multi-family properties. This strategic shift enables timely support for sectors facing near-term compliance deadlines, especially for property owners in disadvantaged communities with more limited access to low-cost financing. At the same time, MCGB expands investment in single-family residential properties, growing from \$1.3M to \$5M, leveraging financial partners to reach underserved households and deepen the Bank's impact on GHG emissions reduction. As single-family homes are not required to decarbonize under BEPS, the Bank's additional support will enable homeowners in disadvantaged communities to overcome the additional barriers to decarbonize alongside commercial and multifamily buildings. This approach ensures continued support for disadvantaged communities while positioning the Bank to revisit multi-family investments in its next strategic plan, when those properties face BEPS requirements in 2030.

Figure 23. Projected MCGB deployed capital allocation by property type (%), FY24-FY28

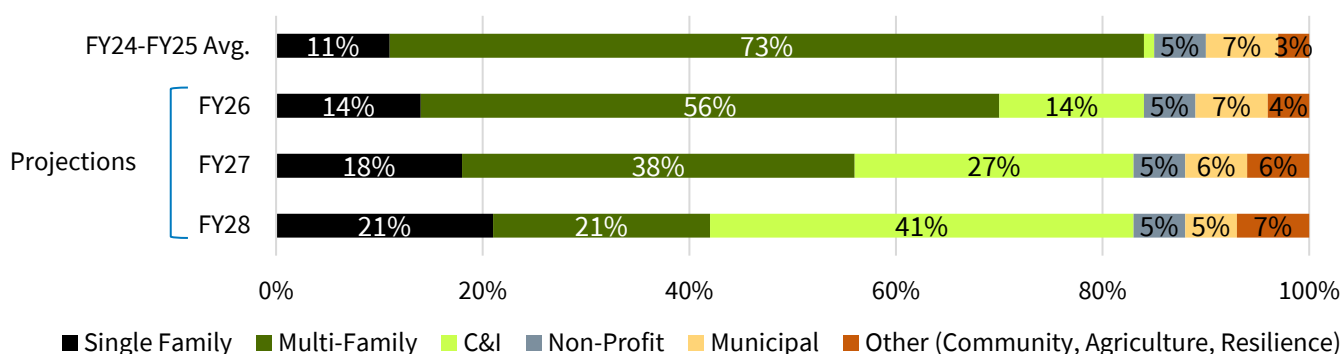




Table 10. Projected MCGB deployed capital allocation by property type (\$), FY24-FY28¹

Year	SF	MF	C&I	NP	Municipal	Community	Ag.	Resilience
FY24-FY25 ²	1.3	12.5	0	0.6	2.5	0.9	0	0
FY26P	1.5	9.6	2.4	0.9	1.1	0.4	0.2	0.2
FY27P	3.5	7.7	5.5	1.0	1.2	0.4	0.4	0.4
FY28P	5.0	5.0	9.8	1.3	1.3	0.5	0.6	0.6

¹ Totals may not equal the values shown in the business model results as money allocated to technical assistance is excluded. Percentage allocations in the graph are adjusted to 100% by excluding the 4% allocation to technical assistance, which is not considered as part of a specific market/property type nor generating any GHG emissions reduction. ² Historical average.



Key Finding #3: MCGB can generate more impact by **increasing private capital leverage from 3x to 5x in FY26** with a stretch goal of 8x by FY28 to grow total project investment alongside MCGB capital deployment.

Figure 24 and Table 11 illustrate how MCGB can amplify its climate impact by increasing private capital leverage alongside its own capital deployment. Historically, MCGB operated at the lower end of its leverage potential, averaging 3x in FY24–FY25. By optimizing its financial product mix, the Bank aims to reach 5x in FY26, with a stretch goal of 8x by FY28. This shift enables total project investment to grow from \$79M to \$222M, even as MCGB’s direct capital deployment increases only from \$23M to \$25M. Importantly, this growth is achieved with only a slight decrease in average margin, demonstrating that higher leverage can drive significantly greater climate mitigation and resilience outcomes without compromising financial sustainability.

Figure 24. Projected MCGB deployed capital, leverage, and total project investment, FY24-FY28

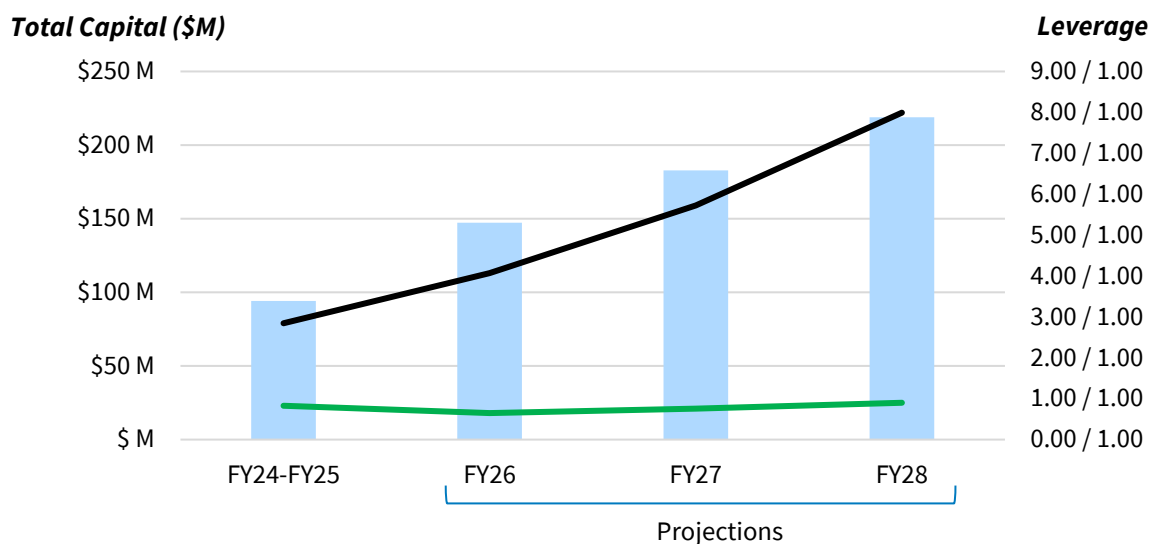




Table 11. Projected MCGB deployed capital, leverage, margin, and total project investment, FY24-FY28

	FY24-FY25 ¹	FY26P	FY27P	FY28P
 Total Deployed Capital²	\$23 M	\$18 M	\$21 M	\$25 M
 Avg. Leverage³	3.39 / 1.00	5.30 / 1.00	6.58 / 1.00	7.88 / 1.00
 Total Project Investment	\$79 M	\$113 M	\$159 M	\$222 M

¹ Average of FY24 and estimated FY25 based on 5/2025 projections. Total project investment estimated based on average leverage in April 2025 for the two fiscal years. ² Deployed capital projected based on FY23-FY26 CAGR (~19%) of MCGB's deployed capital. ³ See section for Strategic Goal 3.



Key Finding #4: Despite receiving 11% of MCGB's capital allocation, **EV charging contributes 58% of the ~140,000 MT CO₂e emissions avoidance** enabled by MCGB's project portfolio by FY28. MCGB can focus investments on **public charging infrastructure in disadvantaged areas** to drive equitable adoption.

Figure 25 and Table 12 highlight the emissions reduction potential of MCGB's market investments through FY28. EV charging contributes 58% of total GHG emissions avoided (over 83,000 metric tons of CO₂e) despite receiving only 11% of capital allocation. This efficiency is driven by its high emissions reduction rate of 7.84 lbs CO₂e per dollar invested, making it a critical area for scaling impact. Targeting public EV charging infrastructure in disadvantaged communities can further advance equitable adoption and transportation decarbonization. In parallel, regenerative agriculture offers a compelling secondary opportunity. With an emissions reduction rate of 3.75 lbs CO₂e per dollar invested, it outperforms solar and building energy efficiency. By FY28, regenerative agriculture contributes over 9,400 MT CO₂e avoided, despite minimal capital allocation. These results support MCGB's goal to expand its presence in the Agricultural Reserve, positioning regenerative agriculture as a strategic area for future investment growth.

Figure 25. Projected GHG emissions avoided through MCGB deployment (MT CO₂e), FY24-FY28

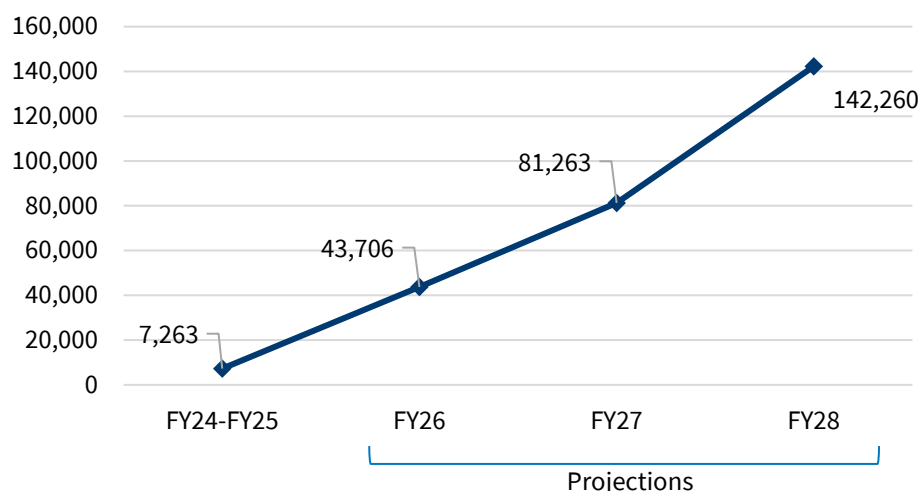




Table 12. Projected GHG emissions avoided through MCGB deployment (MT CO₂e) by market type, FY24-FY28

Year	Solar	Bldg. Energy Efficiency	EV Charging	Regenerative Agriculture	Resilience ²
FY24 ¹	2,172	5,141	56	0	0
FY26P	16,490	11,115	14,492	1,160	0
FY27P	23,303	13,844	40,018	4,518	0
FY28P	32,719	16,858	83,234	9,448	0

¹ FY24 only; FY25 by market type unavailable. ² Due to the variety of resilience solutions and level of uncertainty in calculations, GHG emissions from resilience were excluded as a conservative estimate

Goal 2: Engage Communities to Increase Equitable Adoption of Climate Finance

Goal 2 focuses on expanding equitable access to climate finance by deepening community engagement and increasing capital deployment in underserved markets. MCGB will prioritize disadvantaged communities through targeted investments and enhanced outreach, supported by clear impact metrics that demonstrate tangible benefits. A structured barbell strategy—which places defined guardrails on capital allocation—ensures that high-impact, equity-driven investments are preserved even as the Bank pursues greater private capital leverage and long-term financial sustainability.

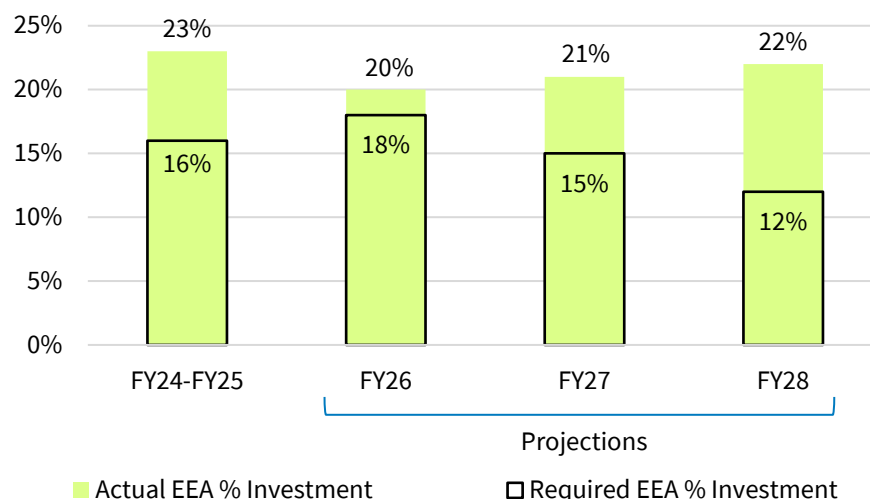


Key Finding #1: An **increased investment allocation to single-family residential properties in disadvantaged communities** enables higher impacts despite decreases in multi-family presence.

Figure 26 and Table 13 demonstrate how MCGB's evolving strategy continues to advance equity goals, even as multi-family investments decline. Historically, MCGB has allocated 23% of its capital to projects in disadvantaged communities, primarily due to a large energy efficiency project with the Montgomery County Public Schools. From FY24 to FY28, the percentage of MCGB's portfolio invested in disadvantaged communities increases from 20% to 22%, consistently exceeding the County's decreasing requirement, which drops from 18% to 12% due to reduced energy fuel tax revenue allocation to the Bank. This growth is driven by increased investment in single-family residential and C&I properties located in disadvantaged areas, particularly for solar and building energy efficiency projects. While multi-family allocations decrease, MCGB maintains its equity focus by expanding financing access to properties in disadvantaged areas. Additionally, targeted investment in public EV charging infrastructure within these communities supports equitable adoption of clean transportation solutions. The figures included in the chart are conservative estimates based on the approximate number of properties located in disadvantaged communities; MCGB could drive this even higher with focused effort to concentrate its portfolio within disadvantaged communities, regardless of total market share.



Figure 26. Projected MCGB investment in disadvantaged communities as a share of its total portfolio, FY24-FY28¹



¹ Investment FY24-FY25 figures calculated by taking the EEA deployment divided by the total deployment. Requirements are relative to total deployment (which includes the energy fuel tax revenue).

Table 13. Projected MCGB investment in disadvantaged communities as a share of its total portfolio (%) by property type, FY24-FY28

Year	SF ²	MF ³	C&I ⁴	NP ⁵	Municipal	Community	Ag. ⁶	Resilience
FY24¹	1.3	12.5	0	0.6	2.5	0.9	0	0
FY26P	1.5	9.6	2.4	0.9	1.1	0.4	0.2	0.2
FY27P	3.5	7.7	5.5	1.0	1.2	0.4	0.4	0.4
FY28P	5.0	5.0	9.8	1.3	1.3	0.5	0.6	0.6

¹ FY24 only. FY25 by property type unavailable ² Single-family ³ Multi-family ⁴ Commercial and industrial ⁵ Non-profit ⁶ Regenerative agriculture



Key Finding #2: MCGB can enhance its impact with a **focused barbell strategy** to continue driving investments in disadvantaged communities, where **85% of capital is allocated to investment-driven projects** (e.g., solar) and **15% to impact-driven** (e.g., resilience).

Figure 27 illustrates MCGB's barbell strategy, which balances capital deployment between investment-driven and impact-driven projects to advance equitable adoption of climate finance. Under this approach, 85% of capital is directed toward investment-driven initiatives (e.g., solar, energy efficiency, and EV charging) primarily targeting single-family, multi-family, and C&I properties. The remaining 15% is reserved for high-impact, lower-return projects in resilience and regenerative agriculture, focused on non-profit, municipal, and agricultural sectors in disadvantaged communities. The value proposition of investment-driven projects lies in measurable returns, such as reduced energy bills and cost savings. In contrast, impact-driven projects offer longer-term benefits like increased



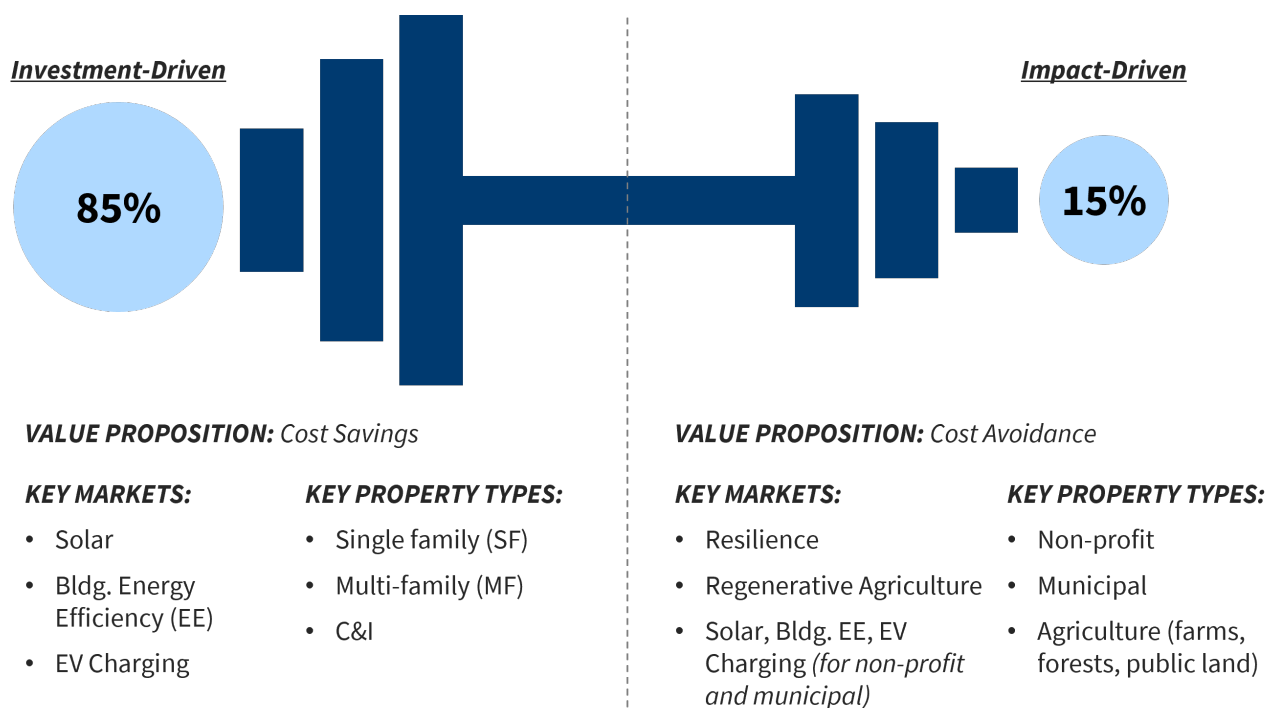
property security and reduced repair costs from extreme weather—benefits that are harder to quantify due to uncertain timelines. These projects may also lower insurance premiums, adding another layer of financial value.

While impact-driven projects intentionally focus on underserved areas, there is also significant opportunity to deploy investment-driven solutions in these communities. The defined allocation ensures MCGB maintains a consistent commitment to equity through clear capital guardrails. Additionally, hybrid approaches—such as integrating battery storage into solar installations—can blend investment and impact objectives, enhancing both financial returns and community resilience.

To ensure solutions are responsive to community needs, MCGB will deepen partnerships with community-based organizations (CBOs). These collaborations are essential for building trust, tailoring outreach, and co-developing programs, especially for single-family homes in disadvantaged areas. Through this approach, MCGB reinforces its role as a community-centered climate finance institution.

To further enhance impact, MCGB could explore voluntary carbon credit generation through nature-based solutions such as reforestation, soil enhancement, and green infrastructure. Partnering with a third-party aggregator could reduce transaction costs and streamline operations by pooling multiple projects into a single carbon crediting initiative. Developing Measurement, Reporting, and Verification (MRV) protocols would allow MCGB to quantify co-benefits (e.g., reduced heat-related illnesses, stormwater runoff) alongside emissions reductions, appealing to impact investors and companies seeking carbon credits to meet their net-zero targets. Even if the credits are not ultimately sold, they could be used for match funding, grant applications, or offered to private financial partners as part of a blended financing structure.

Figure 27. MCGB’s barbell strategy, which balances investment-driven and impact-driven projects





Goal 3: Accelerate Toward Financial and Operational Sustainability

Goal 3 aims to accelerate MCGB's financial and operational sustainability by leveraging its core strength: innovative financial products. Expanding the availability of these products reinforces the Bank's value proposition and supports growth in capital deployment and return on investment. To scale impact efficiently, MCGB will streamline internal processes to attract higher volume developers, including by standardizing smaller deals, simplifying underwriting, reducing administrative hurdles, and optimizing staff capacity. These improvements will enable the Bank to operate more effectively at higher volumes while maintaining its commitment to mission-driven outcomes.



Key Finding #1: While the **energy fuel tax revenue allocation to MCGB is expected to decline from FY26-FY28**, program and investment income grows during the same period, covering most operating expenses by FY28

MCGB continues its trajectory toward financial and operational sustainability, even as its primary funding source—the energy fuel tax revenue—is expected to decline through FY28. As a conservative estimate due to the funding uncertainty, the sub-award under the NCIF GGRF program was excluded from MCGB funding projections. To offset this reduction, MCGB is projected to grow its program revenue and investment income, covering a majority of operating expenses. This shift reflects the Bank's increasing ability to self-finance operations through its portfolio performance.

To meet capital deployment goals, MCGB will also expand capital recycling and seek to implement a \$5–10M liquidity facility, enabling more flexible and sustained investment activity. Operationally, the Bank will streamline internal processes such as standardizing smaller deals, reducing administrative hurdles, and optimizing staff capacity to improve efficiency and scale. These strategies collectively support MCGB's transition to a more resilient, performance-driven institution capable of sustaining, scaling, and broadening impact.



Key Finding #2: Increasing capital allocation to specialty products such as C-PACE and bridge loans will capitalize on MCGB's differentiator as a provider of creative financial product solutions

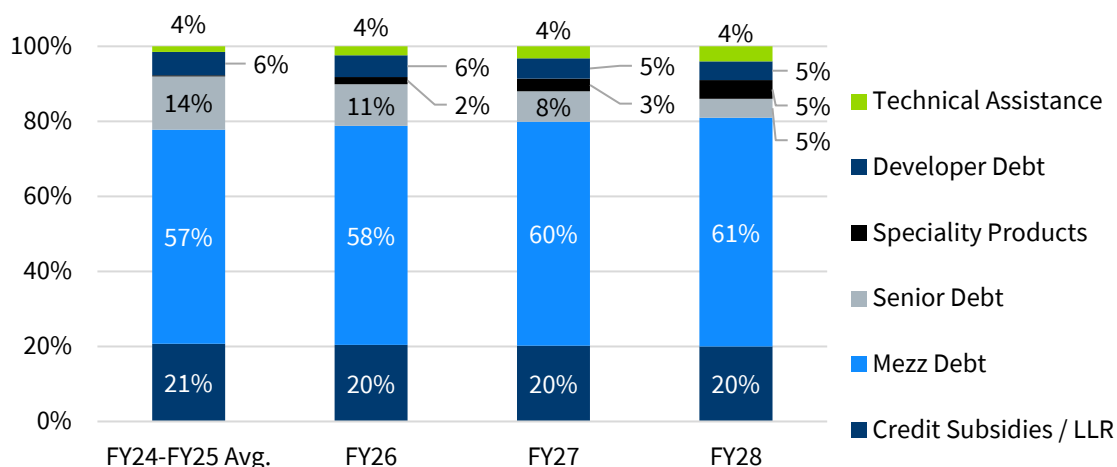
Figure 28 illustrates MCGB's evolving financial product strategy, which reinforces MCGB's role as a provider of creative financing solutions. By FY28, MCGB plans to reduce its allocation to senior debt from 14% to 5%, while increasing mezzanine debt concentration by 4% to 61%—a product that offers higher leverage and margins, but also carries higher risk. This shift enables greater private capital mobilization and ROI, but will require a re-evaluation of mezzanine debt interest rates to ensure they reflect the riskier level of financing.

Importantly, MCGB's increased use of mezzanine debt reflects its core mission: stepping in where traditional lenders will not. Because mezzanine debt is riskier, many commercial banks avoid offering it yet it is often the critical layer of capital that makes a project viable. Without MCGB's participation, many of these deals would not move forward. By filling this gap, the Bank enables high-impact projects that align with its climate and equity goals, while



demonstrating the value of mission-driven finance. Mezzanine debt is expected to drive a majority of the Bank’s capital recycling opportunities, which enables more opportunities to generate impact through low margin, high impact products like credit subsidies.

Figure 28. Projected MCGB capital allocation by financial product, FY24-FY28



In parallel, MCGB is expanding its use of specialty products such as C-PACE, warehouse facilities, and bridge loans, which are central to its market differentiation. These products offer moderate leverage and margins, and are well-suited for addressing financing gaps in underserved sectors. Together, these shifts reflect a deliberate strategy to balance innovation, impact, and financial performance.



Alignment with the Montgomery County Climate Action Plan (CAP)

Table 14 summarizes MCGB’s strategic alignment for each action where MCGB was listed as a key contributor in the Montgomery County CAP. While the percentage allocation toward building energy efficiency decreases from 70% to 55%, this shift reflects a diversification of impact areas—not a reduction in support. In fact, due to MCGB’s projected growth, total project investment in building energy efficiency is expected to increase, continuing to support BEPS implementation. At the same time, MCGB is expanding its role in GHG emissions reduction by increasing investment in EV charging infrastructure (from <1% to 11%) and resilience-focused projects (from <1% to 3%).

Table 14. Alignment of MCGB’s FY26-FY28 Strategic Plan with the Montgomery County Climate Action Plan (CAP)

Section	Action	Alignment to MCGB FY26-FY28 Strategic Plan	% of MCGB Deployed Capital	
			FY24-FY25	FY28
 Clean Energy	E-3: Promote Private Solar Photovoltaic Systems	Solar: Provide access to equitable, cost-effective financing options through programs such as Clean Energy Advantage.	29%	29%
 Buildings	B-3: Energy Performance Standards for Existing Commercial and MF Buildings	Building Energy Efficiency: Provide technical assistance and financing options for energy efficiency improvements, including for BEPS compliance. Despite a decrease in overall allocation (%), project investment (\$) increases.	70%	55%
	B-4: Electrification Incentives for Existing Buildings			
 Transportation	T-3: Private Vehicle Electrification Incentives and Disincentives	Electric Vehicle (EV) Charging: Increase investment in EV charging infrastructure to encourage private EV adoption.	<1%	11%
 Carbon Sequestration	S-4: Regenerative Agriculture	Regenerative Agriculture: Seek high-impact investments in the Agricultural Reserve for reforestation and regenerative agriculture.	<1%	3%
 Climate Adaptation Actions	A-4: Extreme Weather Energy Efficiency Building Code	Resilience: Through the Bank’s resilience and adaptation strategy, “Protecting the Path to Net Zero”, the Bank will support projects across: - Physical Resilience (climate risk reduction, water management, community wellbeing) - Energy Resilience (including resiliency hubs, microgrids, and grid resiliency)	<1%	3%
	A-5: Climate-Adapted Housing Subsidies			
	A-6: Green/PV Roof and Pavement Code			
	A-9: Mold Protection and Remediation			



Despite a reduction in energy fuel tax revenue allocations due to lower County collections, MCGB remains well positioned to support Montgomery County’s climate goals. With just 4% of the County’s FY26 [climate change budget](#), MCGB is projected to contribute up to 3% of the total GHG reductions needed to meet the Climate Action Plan’s 2027 targets. As shown in Table 15, MCGB’s maximum cumulative impact (nearly 200,000 metric tons of CO₂e avoided) spans key sectors including energy, buildings, and transportation, demonstrating the Bank’s ability to deliver climate benefits comparable to its funding share. These are the maximum achievable numbers based on the GHG Emissions scenario, where the Bank’s capital is optimized to achieve the maximum GHG emissions reduction possible.

Table 15. Total GHG emissions reductions achieved by MCGB as compared to Montgomery County CAP goals, by sector

Sector	Climate Action Needed by 2027	County GHG Inventory (2020, MT CO ₂ e)	GHG Reductions Needed to Meet 2027 Targets (MT CO ₂ e)	MCGB Contributions to GHG Reductions by 2027 (MT CO ₂ e)		
				FY20-FY25 (historical) ¹	FY26-FY27 (projected) ²	Total
Energy	▶ 86% of all electricity consumed is carbon-free	5,000,000	3,315,000	5,883	49,454	55,337
Residential Homes	▶ 85% convert to electric heat pumps ▶ 25% install improved building envelopes ▶ 20% install low-flow water fixtures		996,000	1,505	2,196	3,701
Commercial Buildings	▶ 75% convert to electric heat pumps ▶ 15% install improved building envelopes ▶ 50% install low-flow water fixtures		552,000	12,830	18,335	31,165
Transportation	▶ 75-75% of passenger vehicles and 100% of buses are electric/zero emissions	3,500,000	2,245,000	21	108,927	108,948
TOTAL		8,500,000	7,108,000	20,239	178,912	199,151

¹ Sector totals are estimated based on FY24-FY25 MCGB capital allocation. ² GHG Emissions scenario, Leverage/Margin sub-scenario

These results demonstrate clearly how MCGB’s FY26-FY28 Strategic Plan closely aligns with Montgomery County’s climate action priorities, reinforcing its role as a strategic partner. The strategic shifts in portfolio allocation reflect a deliberate strategy to diversify climate investments while maintaining strong alignment with CAP priorities across clean energy, buildings, transportation, carbon sequestration, and climate adaptation.



Performance Metrics & Implementation



Overview

To support the successful execution of the FY26–FY28 Strategic Plan, MCGB has developed a set of Key Performance Indicators (KPIs) to achieve by FY28 aligned with each of its three strategic goals, as shown in Table 16. They reflect areas of opportunities identified through stakeholder engagement, market analysis, and internal planning, and are designed to help the Bank track progress, adapt to changing conditions, and remain aligned with its mission. The following sections detail each strategic goal and related KPIs with current progress and implementation strategies.

Table 16. KPIs for each of the FY26-FY28 strategic goals

Strategic Goal	KPIs
1: Enhance climate mitigation, adaptation, and resilience	➤ Increase capital allocation to EV charging from 1% to 11% ➤ Increase capital allocation to C&I properties from ~1% to 41% ➤ Enable resilience projects in 5% of energy efficiency projects ➤ Increase leverage ratio from 3x to 5x by FY26, with a stretch goal of 8x by FY28
2: Engage communities to increase equitable adoption of climate finance	➤ Increase County adoption rates of energy efficiency in non-BEPS multi-family properties from 19% to 20% and single-family properties from 30% to 31% ➤ Engage with CBOs to reach at least 3,000 disadvantaged households
3: Accelerate toward financial and operational sustainability	➤ Create repeatable and scalable processes to standardize smaller deals ➤ Pursue opportunities to recycle capital, transfer risk, and reinvest proceeds

Goal 1: Enhance Climate Mitigation, Adaptation, and Resilience

The first KPI for Strategic Goal 1 increases MCGB’s capital allocation toward electric vehicle (EV) charging infrastructure (Table 17), reflecting the Bank’s broader ambition to rebalance its portfolio toward high-impact, climate-forward investments that support both greenhouse gas reduction and infrastructure resilience.

Table 17. KPI 1 for Strategic Goal 1

Increase capital allocation to EV charging from 1% to 11%		
	Current Programs & Offerings:	MCGB’s Affordable Multi-Family Housing Electric Vehicle Charging Infrastructure Program (EV-CIP) leverages a General Motors Climate Equity Philanthropic Grant to create a no out-of-pocket funding program for EV charging infrastructure through a bridge loan program.
	Future Strategies:	➤ Continue offering incentives for integrating EV charging to existing projects, especially for energy efficiency and new construction ➤ Increase outreach to property owners on EV value proposition, including surveys of multi-family tenants to highlight increased tenant retention and willingness to adopt EVs ➤ Distinguish EV charging infrastructure strategy for multi-family versus C&I properties, such as tailored outreach, pre-structured financing, or streamlined technical assistance



The second KPI increases MCGB’s capital allocation to C&I properties (Table 18) to target sectors subject to BEPS requirements, positioning the Bank to advance compliance and climate mitigation. Importantly, the Bank’s existing BEPS programs are well-positioned to serve as a foundation for this expanded effort. Building on this reputation, the Bank could further streamline the customer journey by integrating technical assistance with financing, creating a seamless experience for property owners seeking to comply with BEPS while improving building performance.

Table 18. KPI 2 for Strategic Goal 1

Increase capital allocation to C&I properties from ~1% to 41%	
 Current Programs & Offerings:	The Green Bank Technical Assistance (TA) program supports commercial property owners facing BEPS requirements by connecting them with prequalified energy audit providers to benchmark buildings, integrate BEPS requirements into building improvement plans, and understand its electrification potential.
 Future Strategies:	➤ Focus on in-scope C&I properties for 2027/2028 interim BEPS requirements ➤ Expand technical assistance offerings and explore pre-development grants to help property owners assess retrofit opportunities and cost recovery ➤ Develop an outreach strategy focused on high NOI and lower cap rate value proposition, such as through case studies that demonstrate utility savings, avoided penalties, and improved asset valuation

A third KPI focuses on integrating resilience as a synergistic add-on for energy efficiency projects (Table 19), reflecting the Bank’s evolving role in supporting climate adaptation alongside mitigation, as outlined in its “Protecting the Path to Net Zero” strategy. By embedding resilience into clean energy retrofits, such as battery storage with solar projects, MCGB could help property owners reduce physical climate risks while enhancing long-term financial building performance.

Table 19. KPI 3 for Strategic Goal 1

Enable resilience projects in 5% of building energy efficiency projects	
 Current Programs & Offerings:	“Protecting the Path to Net Zero” (PPNZ) Climate Resilience and Adaptation Implementation Strategy provides MCGB with the authority to conduct resilience activities for the County (Bill 3-23) which is carried out via two resilience pathways, the Physical Resilience Strategy (PRS) and the Energy Resilience Strategy (ERS). A Resiliency Hub Accelerator is under development for FY26
 Future Strategies:	➤ Communicate a cost avoidance proposition for resilience by educating on physical climate risk and lower insurance premiums ➤ Package resilience into clean energy and decarbonization projects by offering additional technical assistance or financing incentives ➤ Explore partnerships with non-profits and municipal agencies to co-finance nature-based solutions (e.g., green roofs, permeable pavements, urban tree planting)



This KPI increases MCGB's private capital leverage ratio from 3x to 5x by FY26 (Table 20), reflecting the Bank's interest in scaling its climate impact through financial innovation and expanded partnerships while reducing reliance on public funding. By attracting co-investment from private entities, MCGB could significantly amplify the reach and effectiveness of its programs, especially through its stretch goal of an 8x private capital leverage ratio by FY28.

Table 20. KPI 4 for Strategic Goal 1

Increase leverage ratio from 3x to 5x by FY26, with a stretch goal of 8x by FY28	
 Current Programs & Offerings:	The Residential Energy Efficiency financing program partners with the Maryland Clean Energy Center and is sponsored by six utilities with funding from the EmPOWER program. MCGB also supports the C-PACE program, which provides commercial property owners with financing where repayments are collected through recurring property tax surcharges.
 Future Strategies:	➤ Showcase ROI in decarbonization projects through targeted case studies that highlight short payback periods ➤ Expand financial product offerings to attract a broader range of investors, such as family offices, foundations, government agencies, and impact funds ➤ Strengthen regional collaboration with Maryland-based partners and green banks to share best practices, reduce duplication, and improve efficiency in structuring deals

Goal 2: Engage Communities to Increase Equitable Adoption of Climate Finance

This KPI targets a modest but meaningful increase in energy efficiency adoption—raising rates from 19% to 20% in non-BEPS multi-family properties and from 30% to 31% in single-family homes. These gains represent approximately 8 additional multi-family and 800 single-family properties adopting upgrades due to MCGB's support. The focus on non-BEPS properties underscores MCGB's commitment to expanding access to climate finance in underserved residential sectors, particularly the 270,000+ single-family homes not covered by regulatory mandates.

Table 21. KPI 1 for Strategic Goal 2

Increase County adoption rates of energy efficiency in non-BEPS multi-family properties from 19% to 20% and single-family properties from 30% to 31%	
 Current Programs & Offerings:	The Residential Energy Efficiency financing program gives residential homeowners access to preferential financing. The Bank is also partnering with Climate First Bank to offer interest rate buydowns for single family customers.
 Future Strategies:	➤ Use post-project evaluations of energy efficiency improvements to showcase benefits such as improved health, reduced pollution, cost savings, and GHG reductions ➤ Position MCGB as a one-stop resource for technical assistance and financing, including guidance on state and local grant programs ➤ Combine energy efficiency retrofits with solar or electrification upgrades and incentives ➤ Partner with regional banks to offer tailored financing solutions for single-family homes



This KPI increases engagement with CBOs to reach at least 3,000 disadvantaged households across the County (Table 22), demonstrating the Bank’s commitment to deepening community engagement and expanding equitable access to climate finance through trusted, localized outreach. It builds on the Bank’s prior outreach efforts in FY24, which reached 1,838 disadvantaged households. These partnerships could be supported through microgrants or technical assistance and structured to include toolkits for CBO-led engagement and quarterly feedback loops.

Table 22. KPI 2 for Strategic Goal 2

Engage with CBOs to reach at least 3,000 disadvantaged households	
 Current Programs & Offerings:	MCGB has partnered with the City of Rockville to enhance Rockville’s Flood Mitigation Assistance Program (RFMAP), which improves community resilience to climate impacts through support for LMI communities. The Bank has also collaborated with faith-based organizations on community solar projects, resulting in ~\$400,000 in reduced energy costs.
 Future Strategies:	➤ Partner with CBOs to deliver grassroots education, host focus groups, and co-develop outreach strategies tailored to local needs ➤ Co-host events with trusted local institutions such as faith-based organizations ➤ Provide multilingual materials and toolkits to ensure accessibility and inclusion

Goal 3: Accelerate Toward Financial and Operational Sustainability

This KPI seeks to develop standardized, scalable processes for smaller transactions to improve operational efficiency and support higher deal volume without compromising underwriting quality. As the Bank expands its portfolio, streamlining internal workflows will be critical to sustaining growth and meeting demand across diverse market segments. To support this goal, MCGB is exploring automation tools and digital platforms to simplify intake, screening, and documentation.

Table 23. KPI 1 for Strategic Goal 3

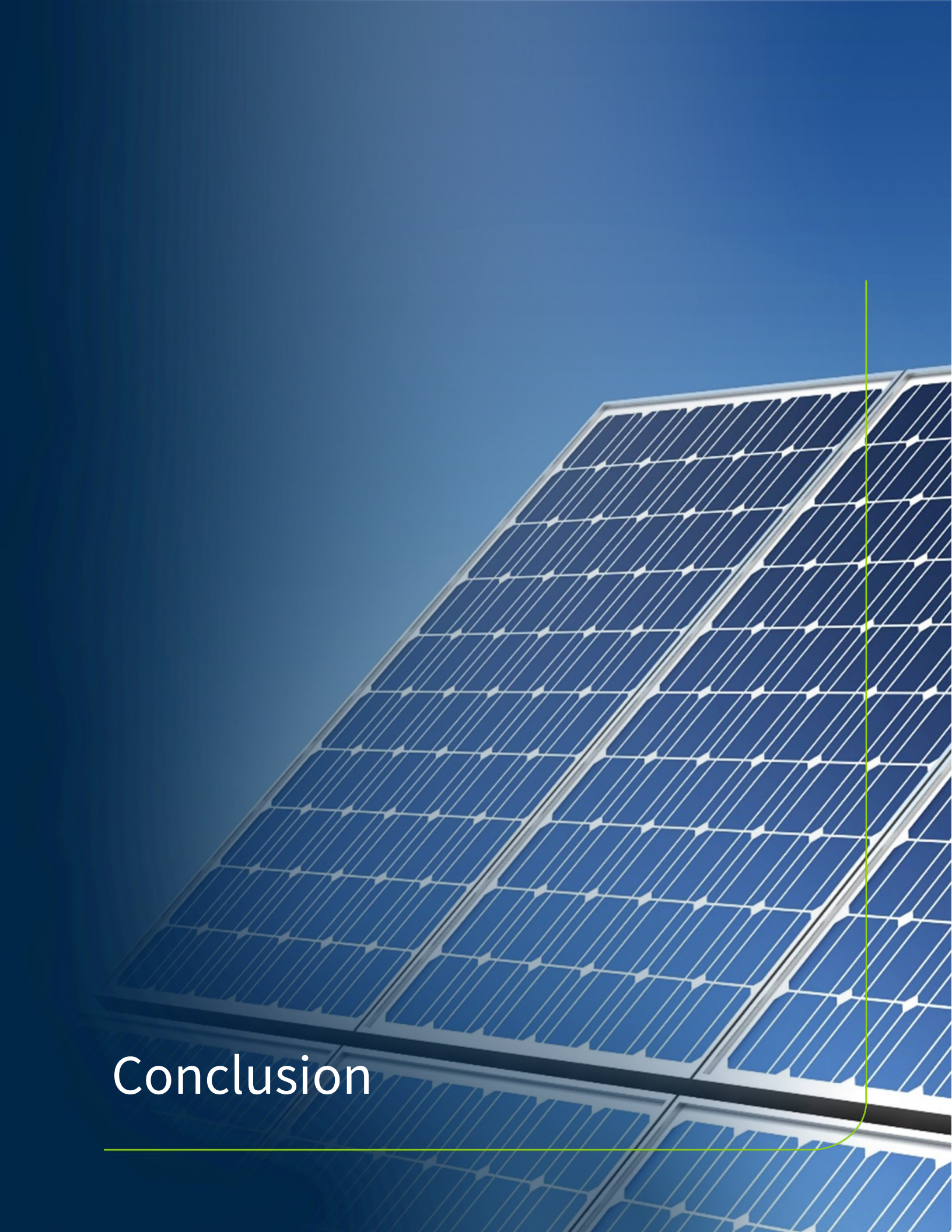
Create repeatable and scalable processes to standardize smaller deals	
 Current Programs & Offerings:	The Bank has implemented several internal processes, included the launch of Arbola on Salesforce, adoption of the MCGB Internal Controls Policy, and development of a portfolio concentration policy. The Bank has also provided financing for high-volume developers through special purpose entities with guidance lines and promissory notes for each project to accelerate the underwriting process.
 Future Strategies:	➤ Use standardized origination fees and legal templates to reduce external legal costs and improve consistency across transactions ➤ Develop embedded calculators for savings-to-investment ratios and payback periods to further streamline technical assistance and underwriting ➤ Create thresholds for auto-approval or delegation of approval to management to reduce bottlenecks and accelerate turnaround times



This KPI focuses on pursuing capital recycling strategies to raise new capital, unlock liquidity in existing assets, transfer investment risk, and reinvest proceeds into future projects. This approach supports the Bank’s long-term financial sustainability by enabling it to scale impact without relying solely on public funding. Standardized servicing terms would be essential to enable bundling of asset-backed securities, while internal capacity or specialized partnerships would be required to manage securitization efforts. Projects in disadvantaged communities would continue to receive concessional terms to ensure equity remains central to the Bank’s financial strategy.

Table 24. KPI 2 for Strategic Goal 3

Pursue opportunities to recycle capital, transfer risk, and reinvest proceeds		
	Current Programs & Offerings:	MCGB has two primary examples (DAX Apartments and Hillendale Gateway) of large transactions which attract lending partners, and a demonstration of the Bank’s ability to create capital recycling opportunities, as they generate program revenue beginning in FY28.
	Future Strategies:	➤ Ensure portfolio concentration policy adapts to evolving financial product portfolio mix ➤ Benchmark rates across other green banks and CDFIs to determine appropriate boundaries for raising interest rates on mezzanine debt products to reflect market risk ➤ Solar leases and energy efficiency loans can be warehoused until they reach scale and sold in the secondary market ➤ Package high-performing loans into asset-backed securities and sell them to institutional investors ➤ Explore securitization pathways such as bundling solar leases and energy efficiency loans into asset-backed securities for sale to institutional investors



Conclusion



Conclusion

The FY26–FY28 Strategic Plan marks a pivotal moment in the Montgomery County Green Bank’s evolution—from a growing institution with a strong foundation to a mature, mission-driven catalyst for equitable climate investment. Over the next three years, MCGB aims to deepen its impact across three strategic goals: enhancing climate mitigation and resilience, increasing equitable adoption of climate finance, and accelerating financial and operational sustainability. These goals reflect both the urgency of the climate crisis and the opportunity to lead with innovation, inclusion, and fiscal responsibility.

The MCGB Board formally reviewed and approved the FY26-FY28 Strategic Plan on June 18, 2025. In its final input, the Board emphasized the importance of demonstrating geographic dispersion of investments as a key dimension of scaling impact, ensuring that climate finance reaches disadvantaged communities across the County. The Board also reinforced the need to maintain a sharp focus on financial sustainability, particularly as the Bank transitions toward capital recycling and securitization models. Additionally, the Board encouraged proactive monitoring of federal market shifts (e.g., changes to EV and solar purchase incentives) and deeper exploration of battery storage as a resilience-enhancing complement to solar projects.

The Performance Metrics & Implementation Considerations section provides a framework for translating strategy into action. While the sample KPIs outlined in this plan remain exploratory and subject to refinement, they offer a practical starting point for guiding implementation, tracking progress, and informing adaptive decision-making. Each KPI is supported by recommendations and implementation pathways that build on MCGB’s current programs, stakeholder input, and market analysis. From expanding EV charging and resilience investments to engaging disadvantaged communities and streamlining internal processes, the Bank is positioned to scale its impact while remaining responsive to local needs.

As MCGB moves forward, this strategic plan will serve as both a roadmap and a living document—one that evolves alongside the County’s climate goals, funding landscape, and community priorities. By aligning its capital, partnerships, and operations with a clear set of strategic objectives, the Bank is poised to help Montgomery County lead the way in building a clean energy future that is inclusive, resilient, and sustainable for all.



Appendix



Glossary

The table below includes definitions for words, phrases, and acronyms used in the report.

Table 25. Glossary of terms used in the FY26-FY28 Strategic Plan

Term	Definition
Advisers	One of the stakeholder groups identified, defined as individuals or organizations who provide direction, guidance, requirements, or collaborative feedback that influence MCGB's strategic priorities and operations
AI	Artificial intelligence
Beneficiaries	One of the stakeholder groups identified, defined as individuals or organizations who receive benefits of MCGB's services, either directly through project finance or indirectly through community impacts from executed projects
BEPS	Building Energy Performance Standards: Set by Montgomery County to require buildings >25,000 sqft to hit certain energy efficiency standards.
Business Model	Determines the ideal allocation of MCGB's capital through scenario analysis. Based on set inputs, the business model will optimize the portfolio allocation between market, property, and financial product types to optimize the objective of each scenario. The scenarios provide different options based on the priorities of the Bank.
C&I	Commercial and Industrial, which includes all other property types after excluding non-profit, municipal, multi-family, and single-family
CAF	Climate Access Fund
CAP	Climate Action Plan
Catalyzers	One of the stakeholder groups identified, defined as individuals or organizations who provide capital, revenue, funding and/or financing services which enable MCGB to support projects
CBO	Community-based organization
CDFI	Community Development Financial Institution
CEI	Community Equity Index, a tool developed by Montgomery County to understand and address socioeconomic disparities across neighborhoods
CGC	Coalition for Green Capital
CLEER	Commercial Loan for Energy Efficiency & Renewables, a program which enables property owners to utilize energy savings to pay for the financing cost of energy efficiency and renewable energy property improvements



Cover crops	Non-cash crop planted to cover the soil, typically after the main crop is harvested, to improve soil health and reduce erosion
C-PACE	Commercial Property Assessed Clean Energy, a financing program that allows commercial property owners to access low-cost, long-term financing for projects that improve energy efficiency, water conservation, renewable energy, and building resiliency. These projects are repaid through a special assessment on the property tax bill.
Disadvantaged	Based on the definition from Montgomery County's Community Equity Index (CEI), which includes factors of poverty status, education level, English language proficiency, housing tenure, and per capita income. Also referred to as LMI (low-to-moderate income).
Disadvantaged Communities Scenario	In the business model, it optimizes the market and property type allocations based on the representation of disadvantaged communities
EE	Energy efficiency
EEA	Equity Emphasis Areas, the prior tool used to assess socioeconomic disparities in Montgomery County before it was superseded by the CEI
EPA	Environmental Protection Agency, a federal agency under the U.S. government
EV	Electric vehicle
GGRF	Greenhouse Gas Reduction Fund
GHG	Greenhouse gas, typically used when referring to emissions
GHG Emissions Scenario	In the business model, it optimizes the market and property type allocations based on the total GHG emissions avoided per \$ invested
Leverage	The amount of private capital mobilized in an investment as compared to MCGB's capital.
Leverage / Margin Sub-Scenario	In the business model, it optimizes the financial product allocation based on the financial products with the highest leverage and margin
LLR	Loan loss reserve
LMI	Low- and moderate-income, a measure of socioeconomic disparities in a community
Low-Risk Sub-Scenario	In the business model, it optimizes the financial product allocation based on the financial products with the lowest risk rating
Market type	Includes solar, building energy efficiency, electric vehicles (EV), EV charging infrastructure, networked geothermal, and regenerative agriculture
MCEC	Maryland Clean Energy Center
MCGB	Montgomery County Green Bank
MF	Multi-family
NBS	Nature-based solutions



NCIF	National Clean Investment Fund, a program under GGRF
NOI	Net operating income
No-till equipment	Machinery used to minimize soil disturbance during planting and harvesting by planting seeds directly into undisturbed soil, leaving crop residue on the surface
NP	Non-profit - includes schools, worship facilities, performing arts, and museums
PESTEL Analysis	An analysis of political, economic, social, technological, environmental, and legal factors relevant to MCGB
Portfolio capital allocations	The amount/percentage that MCGB designates to each market, property type, or financial product
Property type	Includes single family, multi-family, non-profit, municipal, C&I, and community (solar)
Reforestation	The process of replanting an area with trees
Riparian forest buffer	Vegetated area, typically composed of trees, shrubs, and grasses, established along the banks of streams, rivers, and wetlands to protect and enhance water quality, improve habitat, and reduce erosion.
ROI	Return on investment
Rotational grazing	Land management practice where livestock are moved from one pasture (paddock) to another on a regular schedule, allowing each pasture to rest and recover
Scoring Matrix	Aggregates the results of the market analysis and other qualitative considerations (e.g., MCGB's ability to execute, climate resilience/adaptation, and other external factors influencing adoption rates)
Scoring Matrix Scenario	The core scenario utilized for the FY26-FY28. In the business model, it optimizes the market and property type allocations based on the total market score from the scoring matrix
SF	Single family
Silvopasture	Intentionally integrating trees, forage plants, and livestock into a single, managed system on the same piece of land
Specialty Products	Includes warehouse lines, bridge loans, and C-PACE
SWOT	Stands for Strengths, opportunities, weaknesses, and threats (or risks). It is a common framework for conducting risk assessments.
TA	Technical assistance (provided by MCGB)
TAM	Total addressable market, which calculates the market size based on adoption rate, population, applicability, and total cost
Total Market Score	Calculated based on the categories of size, benefits, and adoption in the scoring matrix



Stakeholder Interviews

The below sub-sections summarize the key interview findings from each of the stakeholder categories.

Advisers

Key Themes:



Statewide
collaboration



Obtaining sufficient
funding



Building decarbonization
(BEPs)



*In Montgomery County, **MCGB has been critical in helping the county to finance projects in equity focused areas. MCGB has also been integral in making sure the county is able to focus on areas that need help the most** and provide the opportunity to make the clean energy transition (e.g. EV charging infrastructure in equity emphasis areas).*



- ▶ **Finding 1:** Leverage private sector funds to bridge the financing gap
 - Increase efforts to demonstrate the ROI in building decarbonization projects to entice private sector investors and foundations – this will help bridge the financing gap that is anticipated with the pressure from the new administration
- ▶ **Finding 2:** Building decarbonization will be critical to achieving CAP goals
 - Building decarbonization should be a top priority to address as it covers multiple climate goals, including GHG emissions, enhanced climate resilience, and impacts to LMI communities – MCGB can help by leveraging funds to support BEPS and C-PACE programs locally

Catalyzers

Key Themes:



Enhance operational
efficiencies



Obtain access to
NCIF funding



Achieve CAP
goals



Building decarbonization
(BEPs)



*We work with a lot of green banks and CDFI partners nationally, and MCGB is doing such a good job. We wish that all our green bank partners had these abilities. **What MCGB is doing especially with their size and capital, if we could get a fraction of that with our other green bank partners, it would be so much better.***



- ▶ **Finding 1:** The Bank excels by providing both technical support and financing solutions



- MCGB being a one-stop shop to provide both technical support and financing is going to continue to be a driver of success in meeting CAP goals
- ▶ **Finding 2:** The Bank can expand community collaboration and impact by increasing the number of smaller deals
 - Emphasized MCGB's opportunity to offer standardized products to increase support of smaller deals and make them less resource intensive; this will enable smaller community banks to partner with MCGB and increase the impact to LMI communities

Beneficiaries

Key Themes:



Enhance MCGB at a smaller scale
(e.g., single-family, small business)



Effective community
engagement strategies



Building decarbonization
(BEPs)



*The Green Bank has been extremely engaging – by continuing to reach out, by supporting community events (even subsidizing cost of food), and by asking about ongoing opportunities to get involved with the community. **Importantly, the bank has great resources to help disadvantaged communities and has been a great partner.***



- ▶ **Finding 1:** Success stories from LMI community members are key to building trust and awareness
 - Focus on developing case studies and marketing pieces to amplify success stories (consider multilingual literature); CBOs can be a critical piece in connecting MCGB solutions to the community
- ▶ **Finding 2:** Single-family homes are not covered by BEPS but represent a huge hurdle in achieving CAP goals
 - Find a creative way to provide solutions to single family homes, >270K single family homes in Montgomery County not covered by BEPS

Internal Employees

Key Themes:



Enhance operational
efficiencies



Effective community
engagement strategies



Better understand & communicate
climate resilience ROI



“

*We have access to a great network of strategic partners, including CDFI's, EPC's, asset managers and commercial banks. **We are a leader among green banks** and have enjoyed a lot of success with clean energy and multifamily property projects. **Our team is driven and passionate about the work that we do.***

”

- ▶ **Finding 1:** Financial growth can be supported by creating standardized products to streamline financing
 - Diversify portfolio to create more impact by leveraging other partners' capital while exposing less capital to a single transaction
 - Create standardized products and processes for smaller deals to free resource constraints
- ▶ **Finding 2:** Defining climate resilience ROI will be critical to promote market adoption
 - Additional investments and efforts are needed for defining the impact of climate resilience and analyzing the integration between green skills and market opportunities across the economy
- ▶ **Finding 3:** More work is needed to bridge the communication gap between projects and the LMI communities they impact
 - MCGB has been successful in impacting LMI residents through solar installations at multifamily properties and community solar. There are more opportunities to improve processes to target community outreach and strategically engage partner organizations

SWOT Assessment

Table 26 below summarizes the most common strengths and weaknesses of MCGB, as identified through the Board of Directors workshop in late 2024 and by stakeholders through the interview process.

Table 26. Strengths and weaknesses for MCGB, identified by the Board of Directors and stakeholder interviews

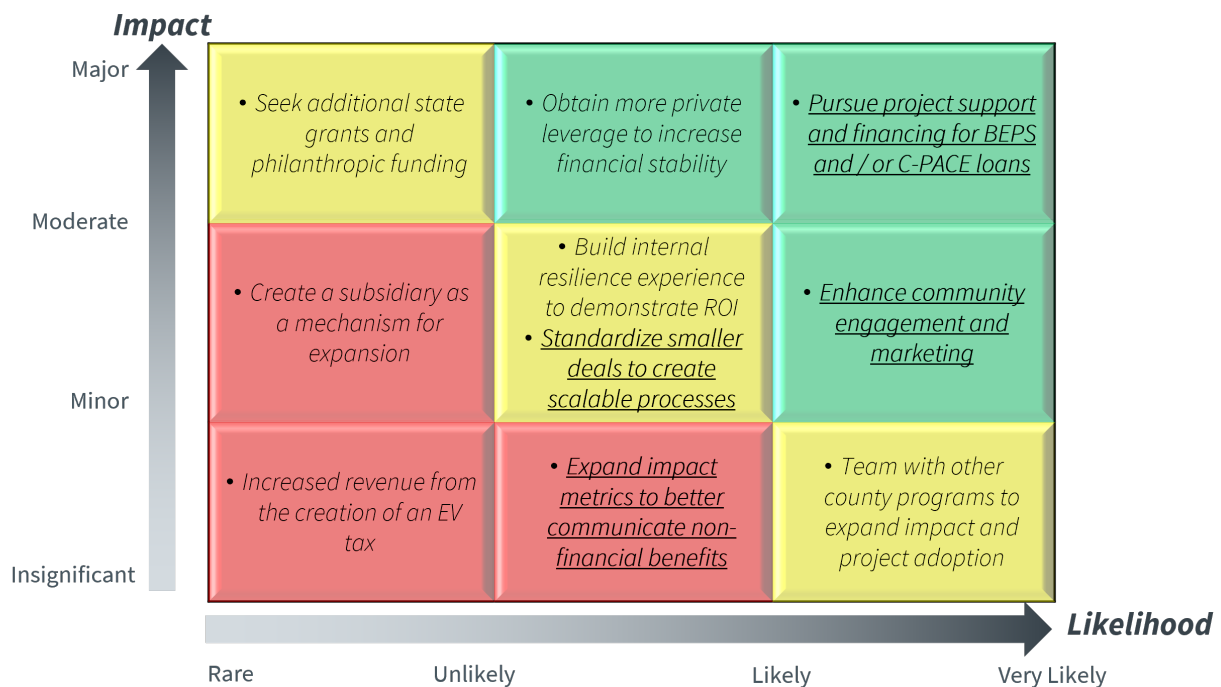
Identified Strengths	Identified Weaknesses
Brand Recognition - Political acknowledgement from the County - Reputation as a trusted entity within the community	Defining Priorities - Executing an effective “barbell strategy” - Not meeting GHG reduction targets for FY24
Skills & Experience - Employee knowledge and Board engagement - Implementation of risk management policies - Strong investment skills	Scaling Challenges - Fewer small deals - Need to increase leverage of other capital - Enhance product offerings for existing and new strategies



Financing & Funding - Rapid growth & scalability - Demonstrated capability for large and complex transactions in green finance - Growing ability to leverage private capital	Market Penetration - Lack of Agricultural Reserve representation - Challenges in communicating ROI of climate resilience and adaptation projects - Communication of qualitative impacts to partners
Strategic Partnerships - Strong network of strategic and financial partners - Statewide collaboration with organizations like MCEC	Expanding Community Impact - Improve community outreach processes - Challenges of scaling impact-driven or niche investments

To complete the SWOT assessment, a range of external opportunities and threats were evaluated for their potential impact on the Bank and likelihood of occurring through surveys of the MCGB Board of Directors. The identified opportunities (Figure 29) focus largely on political and economic factors, such as BEPS implementation and increasing private leverage. However, social factors ranked higher for opportunities, while legal and technological factors fell on the lower end of impact and likelihood.

Figure 29. Opportunities for MCGB, ranked by impact and likelihood



Italicized opportunities = identified by the Board; **Bolded & underlined opportunities** = identified by interviewed stakeholders

► **High Impact & Likelihood Opportunities**

- With a higher likelihood of additional financing or private leverage, the Bank can fund initiatives such as BEPS, which almost all stakeholders mentioned as critical to reaching County & state CAP goals
- Increasing community engagement and marketing can enhance brand awareness, leading to higher market adoption of clean energy and climate resilience



► **Medium Impact & Likelihood Opportunities**

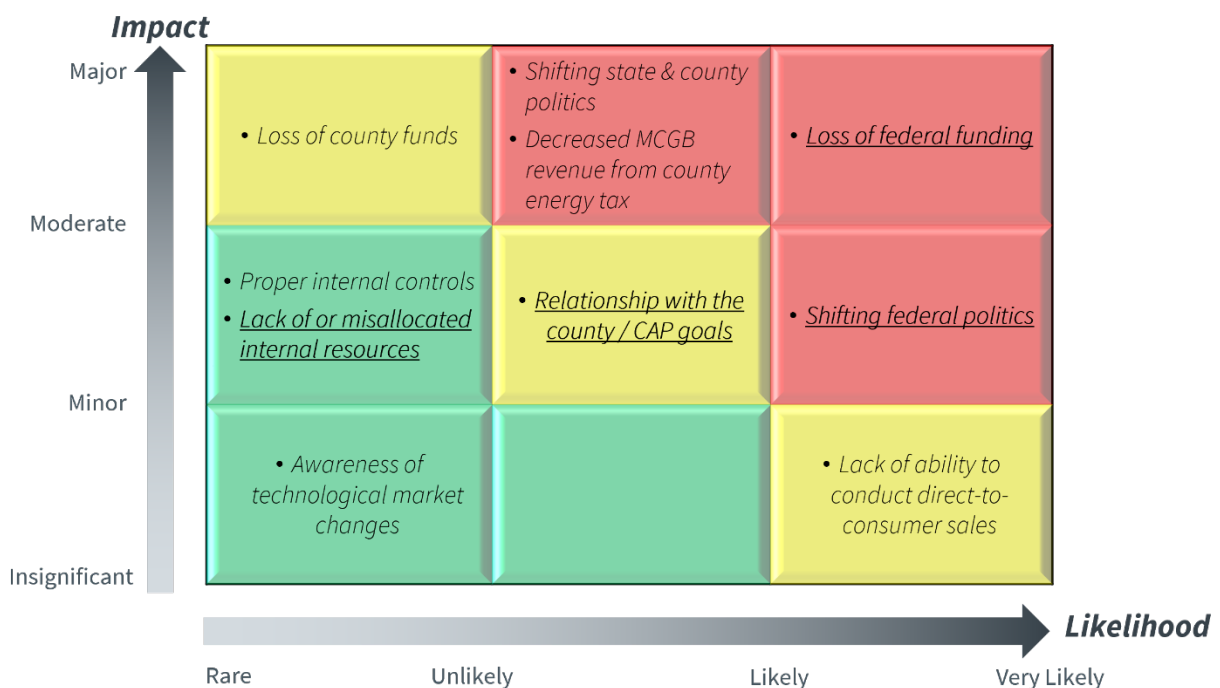
- Financial partners and other stakeholders agree on the opportunity to standardize processes for smaller deals; however, resource constraints and internal controls were not prioritized as major risks, which could limit progress

► **Low Impact & Likelihood Opportunities**

- Other opportunities are either unlikely and/or have low potential impact, causing them to be deprioritized unless significant changes occur
- However, some stakeholders identified the communication of non-financial benefits as a critical component of effective marketing and can help enhance the community engagement opportunity

Like the opportunities, the identified threats (Figure 30) focus on political and economic factors, signaling concern over policy-related funding opportunities at the county, state, and federal level. Legal, technological, and social threats rank the lowest.

Figure 30. Threats for MCGB, ranked by impact and likelihood



Italicized threats = identified by the Board; ***Bolded & underlined threats*** = identified by interviewed stakeholders

► **High Impact & Likelihood Threats**

- Federal policy shifts have caused GGRF funds to be frozen; other federal funding impacts could occur due to negative publicity around sustainability
- Increased EV adoption & decarbonization could cause decreased fuel energy tax revenue allocation

► **Medium Impact & Likelihood Threats**



- As the 2027 County CAP goals near, the county may increase expectations of MCGB's CAP support (e.g., stipulations on use of funds within the county or within certain sectors)
- A complete loss of County funds is unlikely due to the Bank's contribution to CAP goals; however, uncertain political shifts and impacts could result in budget reallocations or reprioritization

► **Low Impact & Likelihood Threats**

- These threats can be deprioritized in terms of developing risk management or mitigation plans; however, MCGB should monitor these threats as sufficient controls and resources will be critical for MCGB to stay nimble in a dynamic and uncertain political environment



Market Analysis

Table 27 outlines the methodology used to calculate both the total market and total addressable market across five key sectors.

Table 27. Methodology description and source documents for calculating the total market and total addressable market, by market type

	1 Population <i>Type of applicable property</i>	2 Applicability <i>Technical feasibility or replacement rate</i>	3 Cost <i>Omits point-of-sale rebates, estimated using:</i>	4 Adoption <i>Estimated from 2025-2027 using:</i>
Solar	- Buildings by sector - Community (ground-mount)	- Solar available roof - Excludes buildings with solar	- Installation cost per watt - System size per property type	- Portion of building energy use from renewables - MD installed solar capacity
Networked Geothermal	Buildings by sector	- Excludes buildings with district or no heating/cooling - No geothermal heat pump	Prior utility-scale pilot cost examples and estimated cost per customer	Networked geothermal's share of total geothermal heat pump market growth
Building Energy Efficiency¹	- Buildings by sector - Compliance requirements (BEPS / non-BEPS)	100% of buildings can pursue some type of electrification or energy efficiency project - Excludes fully electrified buildings	- BEPS technical reports - Single-family includes GHPs², electric stoves, electric panel upgrade, and HPWH³	- Average building electrification rate (non-BEPS) - BEPS buildings in-scope for interim 2028 standards
EVs & Charging Infrastructure	- Vehicles by usage type - Number of charging ports by type	- Excludes existing EVs, chargers, and auto dealer financing - Includes EV chargers needed to support projected EV growth	- Upfront capital costs by type - Unit cost per charging port/station declining at 3%/yr due to tech improvements	Anticipated growth in EV US market applied to 2024 adoption rate in Montgomery County
Regenerative Agriculture	Farm / land types	- Land applicability to each regenerative agriculture type - Excludes existing regenerative agriculture practices	Academic/non-profit research and case studies, calculated per acre	2017/ 2022 USDA Agricultural Census - Projected growth in regen. agriculture market

¹ Includes HVAC and building envelope upgrades, excludes solar; ²Geothermal heat pump; ³Heat pump water heater



The framework utilizes four core components which define the scope, feasibility, and projected uptake of each technology as inputs into determining the size of the total market and the total addressable market. The table also details exclusions, cost estimation methods, and adoption drivers such as BEPS compliance and EV market growth.

Figure 31 compares the highest total market potential across market-property type pairings in non-disadvantaged and disadvantaged areas. In non-disadvantaged areas, the greatest potential lies in building energy efficiency among single-family homes due to fewer available incentives. In contrast, disadvantaged areas show the highest potential in single-family solar and electric vehicles due to the higher up-front costs.

Figure 31. Top 5 highest market-property type combinations for the non-disadvantaged (left) and disadvantaged (right) total market (FY28)

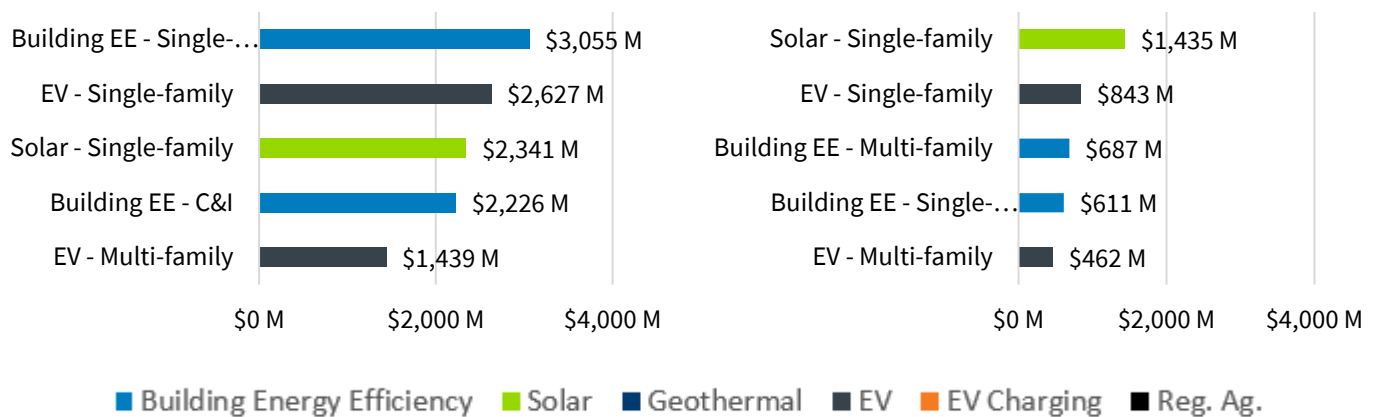
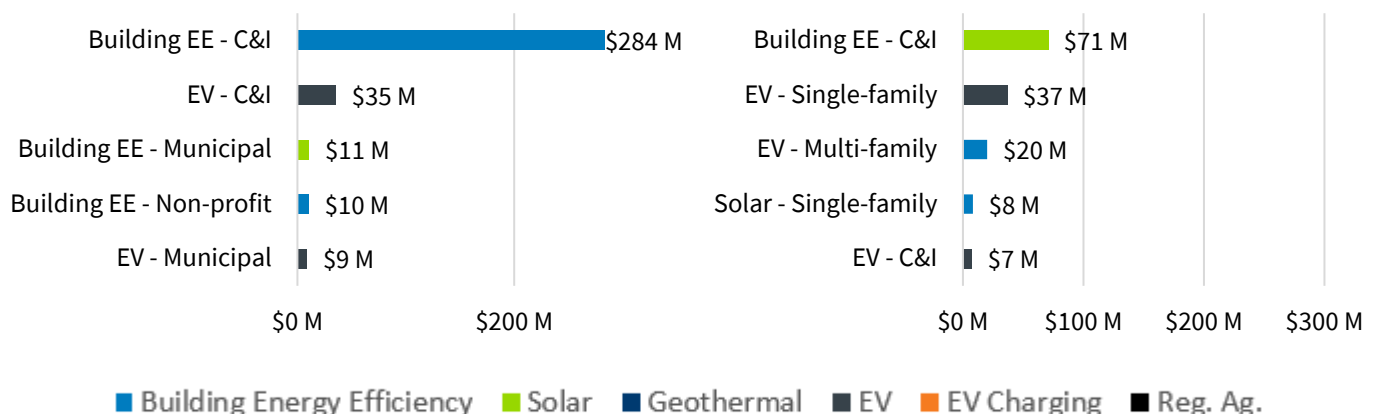


Figure 32 shows a similar analysis for the total addressable market (TAM). In both communities, building energy efficiency in C&I buildings ranks highest, though the TAM is significantly larger in non-disadvantaged areas (\$284M) compared to disadvantaged areas (\$71M). Non-disadvantaged areas also show notable TAMs for C&I, non-profit, and municipal properties, while disadvantaged areas show strong TAMs in the residential sector. These differences highlight the need for tailored strategies: while non-disadvantaged areas offer larger-scale institutional opportunities, disadvantaged communities present high-impact potential in residential electrification.

Figure 32. Top 5 highest market-property type combinations for the non-disadvantaged (left) and disadvantaged (right) total addressable market (FY28)





Scoring Matrix

Table 28 below shows the rank-order of the total market scores with their sub-category scoring for each market-property combination. The rank-order below is used to prioritize MCGB's capital allocation in the business model as it aggregates all the analysis in the market analysis and scoring matrix.

Table 28. Scoring matrix results: market-property type pairings ranked by total market score

Rank	Market Type	Property Type	Scoring Matrix Scores (0 = low, 1 = high)				
			Size	Benefits	Execution	Adoption	Total Market
1	Solar	Single family	0.82	0.64	0.83	0.81	0.76
2	EV Charging	Single family	0.61	0.76	1.00	0.81	0.76
3	Bldg. EE	Single family	0.57	0.62	0.83	0.86	0.68
4	Solar	Community	0.43	0.85	0.83	0.57	0.66
5	Bldg. EE	C&I	0.93	0.36	0.83	0.48	0.65
6	Solar	Multi-family	0.53	0.76	0.83	0.48	0.65
7	EV Charging	C&I	0.35	0.72	1.00	0.69	0.64
8	EV Charging	Multi-family	0.15	0.85	1.00	0.79	0.63
9	Solar	C&I	0.60	0.53	0.83	0.52	0.60
10	EV Charging	Municipal	0.19	0.64	1.00	0.69	0.56
11	EVs	Single family	0.93	0.28	0.33	0.55	0.55
12	EVs	C&I	0.90	0.28	0.33	0.50	0.53
13	Bldg. EE	Non-profit	0.54	0.35	0.83	0.57	0.53
14	Reg. Ag.	Agriculture	0.63	0.47	0.50	0.48	0.53
15	EVs	Multi-family	0.86	0.28	0.33	0.55	0.53
16	Solar	Non-Profit	0.28	0.53	0.83	0.60	0.51
17	Bldg. EE	Municipal	0.54	0.28	0.83	0.52	0.50
18	Bldg. EE	Multi-family	0.47	0.36	0.83	0.50	0.50
19	Solar	Municipal	0.29	0.47	0.83	0.55	0.49
20	Geothermal	Multi-family	0.50	0.72	0.17	0.14	0.46
21	EVs	Municipal	0.69	0.14	0.33	0.53	0.42
22	Geothermal	Single family	0.31	0.66	0.17	0.14	0.37
23	Geothermal	C&I	0.24	0.53	0.17	0.14	0.31



Business Model

Table 29 outlines the minimum and maximum portfolio allocation constraints used as inputs in MCGB’s business model. Without constraints (i.e., all minimums at 0% and maximums at 100%), the model would allocate 100% of capital to the market, property, or financial product most aligned with the scenario objective—for example, allocating entirely to mezzanine debt under the high leverage/margin sub-scenario. To avoid unrealistic outcomes, these constraints serve as guardrails, ensuring allocations reflect MCGB’s operational, financial, and strategic capabilities. Wider ranges between minimum and maximum values allow greater flexibility for the model to optimize allocations. The constraints were also cross-referenced with market analysis findings, with the lesser value applied. As a result, final allocations in the FY26–FY28 Strategic Plan may not strictly fall within these bounds. These parameters help ensure the model outputs are both feasible and aligned with MCGB’s mission and growth trajectory.

Table 29. Business model inputs: constraints on the minimum and maximum percent of the portfolio represented by each market type, property type, and financial product

Type	Min % of Portfolio	Max % of Portfolio	Notes/Rationale
Market Types			
Solar	15%	75%	Minimum set at 15% to represent the average of the TAM and MCGB’s historical allocations. Maximum set at 75% to maintain some diversity in project types.
Bldg. Energy Efficiency	40%	75%	Minimum set at 40% due to the County’s high focus on BEPS implementation. By FY28, only 40% of MCGB’s deployed capital is expected to come from the energy fuel tax. Maximum set at 75% to maintain some diversity in project types.
EV Charging	10%	30%	Minimum set at 10% to maintain high-impact deals when available. Maximum set at 30% as there are opportunities to co-locate EV charging with bldg. energy efficiency and solar projects
Regenerative Agriculture	3%	5%	Minimum set at 3% to maintain high-impact deals. Maximum set at 5% as it’s a small market, harder to penetrate, and very different from other markets (e.g., not building based)
Resilience	3%	5%	
Geothermal	0%	0%	Geothermal was deprioritized by the Board because networked geothermal is at very nascent stages and is not currently commercialized in Montgomery County.
EVs	0%	0%	EV financing was deprioritized by the Board due to its limitations on direct-to-consumer lending and market maturity.
Property Types			
Single-family	10%	20%	The Bank can only support single-family projects through financial partners due to its limitations on direct-to-consumer lending. These 0% margin financial products should not exceed 20% of the total portfolio, but the minimum was set at 10% to enable high-impact deals and indirect access to the market.



Type	Min % of Portfolio	Max % of Portfolio	Notes/Rationale
Multi-family	20%	75%	Minimum set at 20% to maintain at least 25% of the portfolio in multi-family properties to align with MCGB priorities. Maximum set at 75% to allow diversity in project types.
C&I	20%	75%	Minimum set at 25% to align with CAP priorities and BEPS market share concentration in C&I properties. Maximum set at 75% to allow diversity in project types.
Non-profit	5%	10%	Minimum set at 5% to ensure at least 10% across non-profit and municipal properties. Maximum set at 10% to focus on larger market opportunities.
Municipal	5%	10%	
Community	0%	5%	Maximum set at 5% due to TAM size.
Agriculture	3%	5%	Relies on the market type input for consistency. A separate category is required for property types for the model to work (e.g., it matches the correct market type with the property type).
Resilience	3%	5%	
Financial Products			
Credit Subsidies / LLR	10%	20%	See note on single-family property type.
Mezzanine Debt	0%	70%	MCGB offers a higher amount of mezzanine debt, as projects typically rely on MCGB to take the riskier position in the capital stack in order to enable a deal to go through. Maximum set at 70% to allow diversity in financial products for other market/property types.
Senior Debt	5%	20%	Due to market constraints, maximum set at 20%.
Specialty Products ¹	5%	10%	Minimum set at 5% to maintain some high-impact deals. Maximum set at 10% as it's a niche market and would require more specialization/resources from MCGB to execute.
Developer Debt	5%	10%	
Technical Assistance	4%	4%	Must be fixed. Set equal to prior year's TA allocation.

¹ Includes C-PACE, warehouse loans, and bridge loans

For each of its financial products, MCGB also provided the range of possible leverage and margins, average loan term, risk level, and average fees. Other key assumptions and methodological notes include:

- ▶ There is no waiting period to collect interest on loans
- ▶ A flat 0.5% fee was applied to all applicable financial products
- ▶ MCGB will increase interest rates on mezzanine loans to account for higher risk
- ▶ ROI is based on the first year of repayments for all deployment, regardless of what point of the year it was deployed (as that can't be predicted)
- ▶ Adjusted leverage rates were calculated based on moving from the low-end of the leverage range (as aligned with historical results) and moving incrementally to reach the average leverage range by FY28.



Figure 33 highlights the projected GHG emissions reductions across scenarios and sub-scenarios. By FY28, the Maximize Leverage/Margin sub-scenario achieves 250,000 metric tons of CO₂e avoided—31% more than the Low Risk sub-scenario. Among the scenarios, the GHG Emissions scenario delivers the highest impact, avoiding 53–72% more emissions than the Scoring Matrix and Disadvantaged Communities scenarios. These results reinforce MCGB’s strategic decision to prioritize the Scoring Matrix scenario for balanced impact and performance, and the Leverage/Margin sub-scenario for maximizing climate benefits through higher capital efficiency.

Figure 33. Total GHG emissions avoided (MT CO₂e) by scenario and sub-scenario

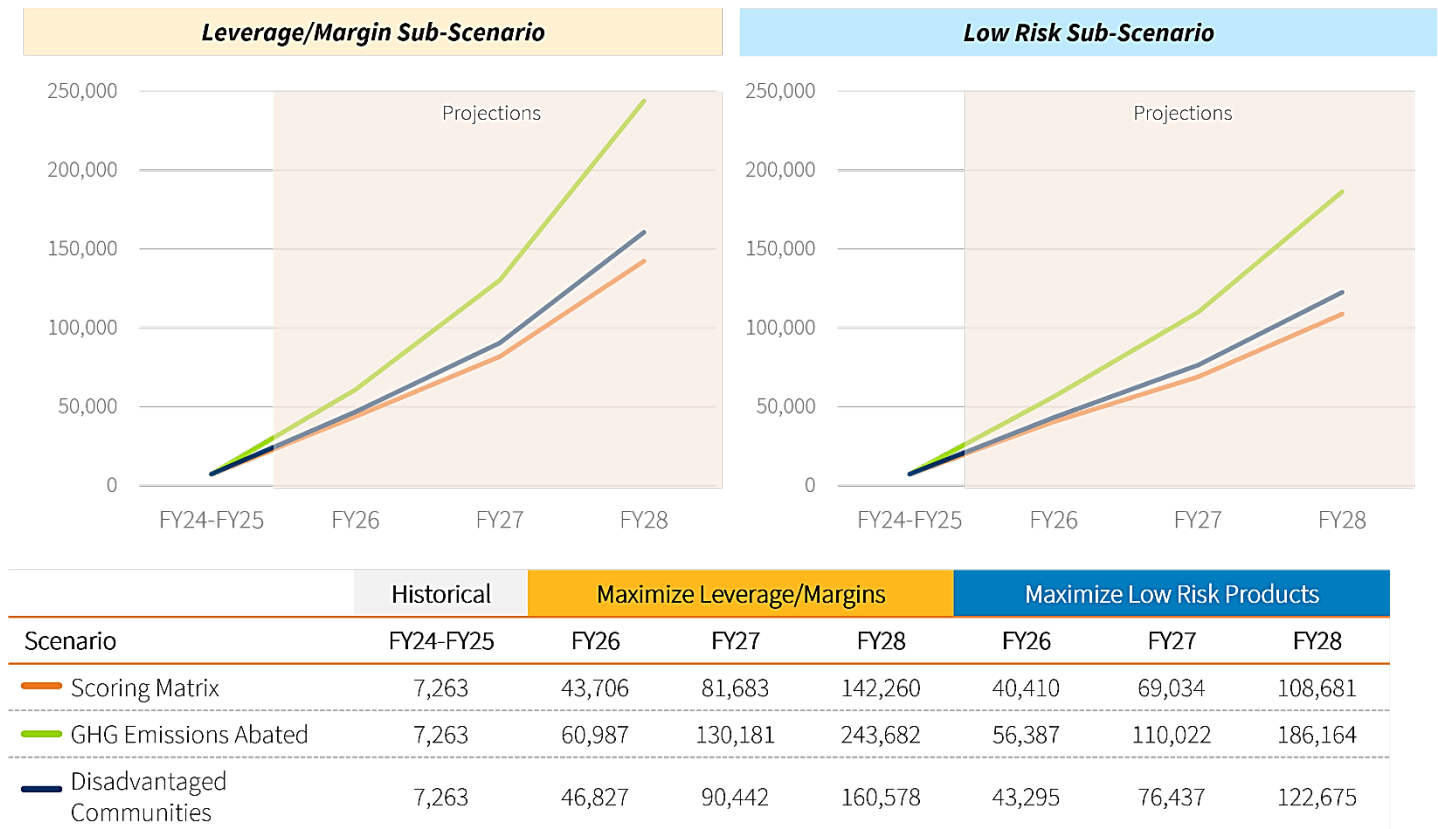
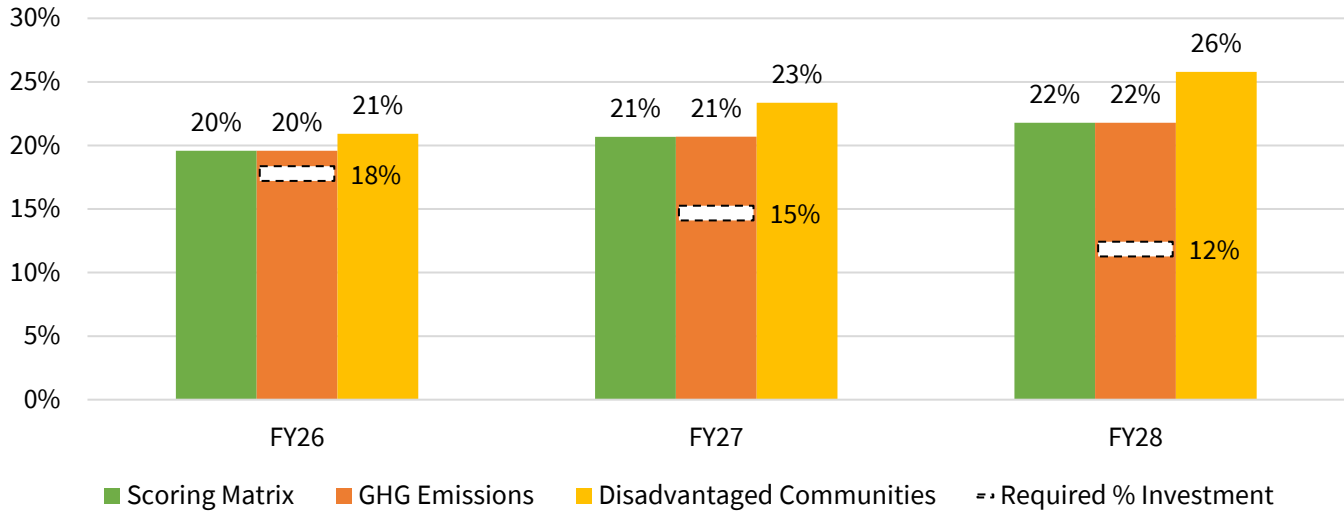


Figure 34 shows MCGB’s projected investment in disadvantaged communities from FY26 to FY28. Under the Scoring Matrix scenario—MCGB’s selected strategic framework—investment grows from 20% in FY26 to 22% in FY28, consistently exceeding Montgomery County’s declining requirement, which drops from ~18% to ~12% over the same period. While the Disadvantaged Communities scenario reaches a higher investment level of 26% by FY28, it serves as a reference point of the maximum, feasible investment MCGB could allocate. These results confirm that even without exclusively prioritizing disadvantaged communities, MCGB’s approach under the Scoring Matrix scenario will significantly surpass County requirements, advancing equity while maintaining a balanced portfolio.



Figure 34. Percent of MCGB's capital invested in disadvantaged communities by scenario, FY26-FY28



The two financial product sub-scenarios also compared total project investment achieved with the cumulative ROI. Overall, the Leverage/Margin scenario resulted in \$222 million in total investment as compared to \$170 million in the Low Risk scenario with insignificant differences in estimated ROI. While both scenarios show steady growth, the Leverage/Margin scenario consistently delivers higher capital deployment and marginally stronger financial returns. These results support MCGB's strategic decision to adopt the Leverage/Margin sub-scenario, aligning with goals for increased impact, financial sustainability, and capital efficiency.