



Climate Change Statutory Citations

STATE OF MARYLAND

This project was undertaken in partnership with the USDA Office of the Chief Economist, The Office of Energy Policy and New Uses. For information on the full project, visit [Climate Change Statutes](#).

Current through the 2009 Legislative Session of the Maryland General Assembly.

§ 9-20B-05. Maryland Strategic Energy Investment Fund

Established

(a) There is a Maryland Strategic Energy Investment Fund.

Purpose of Fund

(b) The purpose of the Fund is to implement the Strategic Energy Investment Program.

Administration of Fund

(c) The Administration shall administer the Fund.

Status

(d)(1) The Fund is a special, nonlapsing fund that is not subject to § 7-302 of the State Finance and Procurement Article.

(2) The Treasurer shall hold the Fund separately and the Comptroller shall account for the Fund.

Composition

(e) The Fund consists of:

(1) all of the proceeds from the sale of allowances under § 2-1002(g) of the Environment Article;

(2) money appropriated in the State budget to the Program;

(3) repayments and prepayments of principal and interest on loans made from the Fund;

(4) interest and investment earnings on the Fund;

(5) compliance fees paid under § 7-705 of the Public Utility Companies Article; and

(6) money received from any public or private source for the benefit of the Fund.

Expenditures from Fund

(f) The Administration shall use the Fund:

(1) to invest in the promotion, development, and implementation of:

(i) cost-effective energy efficiency and conservation programs, projects, or activities, including measurement and verification of energy savings;

(ii) renewable and clean energy resources;

(iii) climate change programs directly related to reducing or mitigating the effects of climate change; and

(iv) demand response programs that are designed to promote changes in electric usage by customers in response to:

1. changes in the price of electricity over time; or

2. incentives designed to induce lower electricity use at times of high wholesale market prices or when system reliability is jeopardized;

(2) to provide targeted programs, projects, activities, and investments to reduce electricity consumption by customers in the low-income and moderate-income residential sectors;

(3) to provide supplemental funds for low-income energy assistance through the Electric Universal Service Program established under § 7-512.1 of the Public Utility Companies Article and other electric assistance programs in the Department of Human Resources;

(4) to provide rate relief by offsetting electricity rates of residential customers, including an offset of surcharges imposed on ratepayers under § 7-211 of the Public Utility Companies Article;

(5) to provide grants, loans, and other assistance and investment as necessary and appropriate to implement the purposes of the Program as set forth in § 9-20B-03 of this subtitle;

(6) to implement energy-related public education and outreach initiatives regarding reducing energy consumption and greenhouse gas emissions; and

(7) to pay the expenses of the Program.

Allocations from Fund

(g) Except as provided in subsection (g-1) of this section, proceeds received by the Fund from the sale of allowances under § 2-1002(g) of the Environment Article shall be allocated to the following accounts:

(1) 17% shall be credited to an energy assistance account to be used for the Electric Universal Service Program and other electricity assistance programs in the Department of Human Resources;

(2) 23% shall be credited to a rate relief account to provide rate relief by offsetting electricity rates of residential customers, including an offset of surcharges imposed on ratepayers under § 7-211 of the Public Utility Companies Article, on a per customer basis and in a manner prescribed by the Public Service Commission;

(3) at least 46% shall be credited to a low and moderate income efficiency and conservation programs account and to a general efficiency and conservation programs account for energy efficiency and conservation programs, projects, or activities and demand response programs, of which at least one-half shall be targeted to the low and moderate income efficiency and conservation programs account for:

(i) the low-income residential sector at no cost to the participants of the programs, projects, or activities; and

(ii) the moderate-income residential sector;

(4) up to 10.5% shall be credited to a renewable and clean energy programs account for:

(i) subject to subsection (i) of this section, renewable and clean energy programs and initiatives;

(ii) energy-related public education and outreach; and

(iii) climate change programs; and

(5) up to 3.5%, but not more than \$4,000,000, shall be credited to an administrative expense account for costs related to the administration of the Fund, including the review of electric company plans for achieving electricity savings and demand reductions that the electric companies are required under law to submit to the Administration.

Allocation of proceeds

(g-1) The proceeds described in subsection (g) of this section from the allowances sold between March 1, 2009, and June 30, 2011, shall be allocated as follows:

(1) up to 50% shall be credited to an energy assistance account to be used as described in subsection (g)(1) of this section;

(2) 23% shall be credited to a rate relief account to be allocated as provided in subsection (g)(2) of this section;

(3) at least 17.5% shall be credited to a low and moderate income efficiency and conservation programs account and to a general efficiency and conservation programs account to be allocated as provided in subsection (g)(3) of this section;

(4) at least 6.5% shall be credited to a renewable and clean energy programs account to be allocated as provided in subsection (g)(4) of this section; and

(5) up to 3.0%, but not more than \$4,000,000, shall be credited to an administrative expense account to be allocated as provided in subsection (g)(5) of this section.

Energy efficiency and conservation programs included

(h)(1) Energy efficiency and conservation programs under subsection (g)(3) of this section include:

- (i) low-income energy efficiency programs;
- (ii) residential and small business energy efficiency programs;
- (iii) commercial and industrial energy efficiency programs;
- (iv) State and local energy efficiency programs;
- (v) demand response programs;
- (vi) loan programs and alternative financing mechanisms; and
- (vii) grants to training funds and other organizations supporting job training for deployment of energy efficiency and energy conservation technology and equipment.

(2) Energy-related public education and outreach and renewable and clean energy programs and initiatives under subsection (g)(4)(i) and (ii) of this section include:

- (i) production incentives for specified renewable energy sources;
- (ii) expansion of existing grant programs for solar, geothermal, and wind programs;
- (iii) loan programs and alternative financing mechanisms; and
- (iv) consumer education and outreach programs that are designed to reach low-income communities.

Use of compliance fees

(i)(1) Except as provided in paragraph (2) of this subsection, compliance fees paid under § 7-705(b) of the Public Utility Companies Article may be used only to make loans and grants to support the creation of new Tier 1 renewable energy sources in the State.

(2) Compliance fees paid under § 7-705(b)(1)(ii) of the Public Utility Companies Article shall be accounted for separately within the Fund and may be used only to make loans and grants to support the creation of new solar energy sources in the State.

Investments

(j)(1) The Treasurer shall invest the money of the Fund in the same manner as other State money may be invested.

(2) Any investment earnings of the Fund shall be paid into an administrative expense account within the Fund.

(3) Any repayment of principal and interest on loans made from the Fund shall be paid into the Fund.

(4) Balances in the Fund shall be held for the benefit of the Program, shall be expended solely for the purposes of the Program, and may not be used for the general obligations of government.

Authority to make expenditures from Fund

(k) Expenditures from the Fund shall be made by:

(1) an appropriation in the annual State budget; or

(2) a budget amendment in accordance with § 7-209 of the State Finance and Procurement Article.

Expenditure by budget amendment

(l) An expenditure by budget amendment may be made under subsection (k) of this section only after:

(1) the Administration has submitted the proposed budget amendment and supporting documentation to the Senate Budget and Taxation Committee, Senate Finance Committee, House Appropriations Committee, and House Economic Matters Committee; and

(2) the committees have had 45 days for review and comment.