6lr1744 CF 6lr0412

By: Senators Middleton, Britt, Exum, Gladden, Green, Grosfeld, Kelley, Klausmeier, Pinsky, and Teitelbaum <u>Teitelbaum, Hooper, and Kramer</u> Introduced and read first time: January 20, 2006

Assigned to: Finance

Committee Report: Favorable with amendments Senate action: Adopted Read second time: March 25, 2006

CHAPTER_____

1 AN ACT concerning

2

Community Energy and Economic Development Grant Program

3 FOR the purpose of establishing the Community Energy and Economic Development

- 4 Grant Program; providing for the purpose of the Program; requiring the
- 5 Maryland Energy Administration to manage, supervise, and administer the
- 6 Program; requiring the Administration to adopt certain regulations;
- 7 establishing eligibility requirements, application procedures, and
- 8 documentation requirements for grants from the Program; limiting the amount
- 9 of grants from the Program; requiring the Secretary of Natural Resources, in
- 10 consultation with the Director of the Administration, to coordinate the
- 11 preparation of a budget to support the Program; establishing a Community
- 12 Energy and Economic Development Grant Program Fund; limiting the uses of
- 13 the Fund; establishing the composition of the Fund from sources including the
- 14 environmental surcharge; providing for the investment of money in the Fund;
- 15 requiring the Governor to make a certain appropriation to the Fund each year;
- 16 providing for a certain transfer of money to the Fund; requiring the Public
- 17 Service Commission to include certain funding for the Program in setting the
- 18 level of the environmental surcharge <u>altering the amount of the environmental</u>
- 19 surcharge for each account for each retail electric customer for a specified period
- 20 of time; extending the date by which the environmental trust surcharge may be
- 21 imposed; requiring that a specified amount of the Environmental Trust Fund be
- 22 provided to the Administration for the Community Energy and Economic
- 23 Development Grant Program for a specified period of time; altering the name of
- 24 <u>a certain program; requiring the Legislative Auditor to conduct post audits of</u>
- 25 <u>the Fund;</u> requiring the Administration to report to the General Assembly on or
- 26 before a certain date; and generally relating to the Community Energy and
- 27 Economic Development Grant Program.

- 1 BY repealing and reenacting, with amendments,
- 2 Article Natural Resources
- 3 Section 3-302
- 4 Annotated Code of Maryland
- 5 (2005 Replacement Volume and 2005 Supplement)

6 BY repealing and reenacting, with amendments,

- 7 Article Public Utility Companies
- 8 Section 7-203
- 9 Annotated Code of Maryland
- 10 (1998 Volume and 2005 Supplement)
- 11 BY adding to
- 12 Article State Government
- 13 Section 9-21A-01 through 9-21A-11, inclusive, to be under the new subtitle
- 14 "Subtitle 21A. Community Energy and Economic Development Grant15 Program"
- 16 Annotated Code of Maryland
- 17 (2004 Replacement Volume and 2005 Supplement)
- 18

Preamble

19 WHEREAS, The Power Plant Assessment Program within the Department of

20 Natural Resources plays an essential role in ensuring that the State's energy needs

21 are met with minimal impact on the environment; and

22 WHEREAS, The Power Plant Assessment Program, in order to fulfill its

23 mandate through the Power Plant Siting Act of 1971, must conduct highly detailed

24 scientific and technical analyses of power generation and transmission projects and

25 their impacts on the State and coordinate among numerous State agencies; and

26 <u>WHEREAS, The Environmental Trust Fund was created for the sole purpose of</u> 27 f

27 <u>funding the Power Plant Assessment Program in recognition of the fact that no</u>

28 alternative funding sources exist; and

29 WHEREAS, The that the Environmental Trust Fund should remain dedicated

 $30 \ \underline{\text{to funding the needs of the Power Plant Assessment Program, and that any moneys}}$

31 from the Environmental Trust Fund that are used to support the Community Energy

32 and Economic Development Grant Program or other programs outside the explicit

33 mandate of the Power Plant Siting Act of 1971 should be identified only after the

34 needs of the Power Plant Assessment Program are met; and

35 WHEREAS, The use of the Environmental Trust Fund to meet the needs of the

36 Power Plant Assessment Program should be protected in the future; now, therefore,

37 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

38 MARYLAND, That the Laws of Maryland read as follows:

UNOFFICIAL COPY OF SENATE BILL 175						
1	Article - Natural Resources					
2	3-302.					
5 6 7 8 9 10 11 12 13	(a) There is an Environmental Trust Fund. For the purpose of this subtitle, there is established as an added cost of electricity distributed to retail electric customers within the State, an environmental surcharge per kilowatt hour of electric energy distributed in the State to be paid by any electric company as defined in § 1-101 of the Public Utility Companies Article. The Public Service Commission shall impose the surcharge per kilowatt hour of electric energy distributed to retail electric customers within the State and shall authorize the electric companies to add the full amount of the surcharge to retail electric customers' bills. To the extent that the surcharge is not collected from retail electric customers, the surcharge shall be deemed a cost of distribution and shall be allowed and computed as such, together with other allowable expenses, for rate-making purposes. Revenues from the surcharge shall be collected by the Comptroller and placed in the Fund.					
17 18 19 20 21 22	(b) (1) The Secretary, in consultation with the Director of the Maryland Energy Administration, annually shall coordinate the preparation of a budget required to carry out the provisions of this subtitle AND TO SUPPORT THE COMMUNITY ENERGY AND ECONOMIC DEVELOPMENT GRANT PROGRAM UNDER TITLE 9, SUBTITLE 21A OF THE STATE GOVERNMENT ARTICLE. Upon approval of the budget by the General Assembly <u>AND SUBJECT TO PARAGRAPH (2) OF THIS</u> <u>SUBSECTION</u> , the Public Service Commission shall establish the amount of the surcharge per kilowatt hour for the fiscal year beginning July 1, 1972, and for each subsequent fiscal year.					
	(2) Notwithstanding any other provisions of this subtitle (I) EXCEPT AS <u>PROVIDED IN SUBPARAGRAPHS (II) AND (III) OF THIS PARAGRAPH</u> , the amount of the surcharge for each account for each retail electric customer may not exceed the lesser					

27	of 0.15	mill	per	kilowatt	hour	or .

28 EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS (II) 29 PARAGRAPH, FOR THE FISCAL YEARS BEGINNING JULY 1, 2006 AND JULY 1, 2007, THE 30 AMOUNT OF THE SURCHARGE FOR EACH ACCOUNT OF EACH RETAIL ELECTRIC 31 CUSTOMER SHALL BE 0.15 MILL PER KILOWATT HOUR.

(III) A RETAIL ELECTRIC CUSTOMER MAY NOT BE CHARGED MORE 32 33 THAN \$1,000 per month and the.

34

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(IV) THE surcharge may not continue beyond fiscal year 2010 2020.

35 The Comptroller shall maintain the method of collection of the (3)

36 surcharge from the companies and the collections shall accrue to the Fund. The

37 Department shall credit against the amount required to be paid into the

38 Environmental Trust Fund by each electric company an amount equal to 0.75% of the

39 total surcharge attributed to each company on the basis of the electricity distributed

40 within Maryland.

1 (c) (1)The Secretary shall administer the Fund. The Fund is subject to the provisions for financial management and budgeting established by the Department of 2 3 Budget and Management. Any investment earnings of the Fund shall be credited to 4 the General Fund of the State. The Fund is a special, nonlapsing fund that is not 5 subject to § 7-302 of the State Finance and Procurement Article. Except as provided 6 in paragraph (2) of this subsection, the moneys in the Fund shall be used to carry out 7 the provisions of this subtitle as provided for in the budget, except that 10% of all 8 moneys accruing to the Fund from July 1, 1978 through June 30, 1983 shall be used 9 to supplement funds necessary to carry out the duties of the People's Counsel of the 10 Public Service Commission. The People's Counsel shall submit an annual budget of 11 necessary supplemental funds to the Department to be incorporated in the 12 Department's budget. For the purposes of this subtitle, the Secretary, in consultation 13 with the Director of the Maryland Energy Administration, may execute appropriate 14 contracts with any State or federal agency, research organization, industry, or 15 academic institution to conduct the necessary research, construct or acquire, or both, 16 real property including physical predictive models, laboratories, buildings, land, and 17 appurtenances, or support the technological development of extraordinary systems 18 related to power plants designed to minimize environmental impact. The Secretary 19 may utilize available expertise in any other State unit in the development, execution, 20 and management of contracts and agreements on projects relating to their areas of 21 prime responsibility. 22 (\mathbf{H}) Moneys in the Fund may be used for administrative costs (2)23 calculated in accordance with § 1-103(b)(2) of this article. (H)\$2,000,000 FROM THE FUND SHALL BE DEPOSITED EACH YEAR 24 25 IN THE COMMUNITY ENERGY AND ECONOMIC DEVELOPMENT GRANT FUND. 26 (d) (1)The Maryland Energy Administration shall receive administrative 27 and fiscal support from the Fund for COSTS AND EXPENSES TO IMPLEMENT studies 28 AND PROGRAMS relating to the conservation or production of electric energy, 29 INCLUDING RENEWABLE ENERGY, AND ENERGY EFFICIENCY. 30 (2)Fiscal support to the Maryland Energy Administration from the 31 Fund: 32 may not exceed \$250,000 in any fiscal year FOR (I) 33 ADMINISTRATIVE COSTS AND EXPENSES FOR STUDIES AND PROGRAMS RELATING TO CONSERVATION OR PRODUCTION OF ENERGY; AND 34 FOR THE FISCAL YEARS BEGINNING JULY 1, 2006 AND JULY 1, 35 (II) 36 2007, SHALL BE AN AMOUNT FOR THE COMMUNITY ENERGY AND ECONOMIC 37 DEVELOPMENT GRANT PROGRAM ESTABLISHED IN TITLE 21A OF THE STATE 38 GOVERNMENT ARTICLE EOUAL TO THE BALANCE IN THE FUND THAT EXCEEDS THE 39 TOTAL OF THE FOLLOWING: 40 THE CURRENT FISCAL YEAR'S APPROPRIATION TO THE 1. 41 DEPARTMENT FROM THE FUND; AND

1 10% OF THE REVENUES COLLECTED UNDER THIS SECTION <u>2.</u> 2 FROM THE SURCHARGE DURING THE PREVIOUS FISCAL YEAR. 3 (e) The Legislative Auditor shall conduct post audits of a fiscal and 4 compliance nature of the Fund and of the appropriations and expenditures made for 5 the purposes of this subtitle. The cost of the fiscal portion of the post audit examinations shall be an operating cost of the Fund. 6 7 **Article - Public Utility Companies** 8 7-203. 9 (a) (1)The Commission shall: 10 (i) impose an environmental surcharge per kilowatt hour of 11 electricity distributed to retail electric customers within the State; and 12 authorize each electric company to add the full amount of the (ii) 13 surcharge to its customers' bills. 14 To the extent that an electric company fails to collect the surcharge (2)15 from its customers, the amount uncollected shall be deemed a cost of power 16 distribution and allowed and computed as such together with other allowable expenses for purposes of rate-making. 17 18 The Comptroller shall collect the revenue from the surcharge (b) (1)19 imposed under subsection (a) of this section and place the revenue into a special fund, 20 the Environmental Trust Fund. 21 (2)The Comptroller shall maintain the method of collection of the 22 surcharge from each electric company, and the money collected shall accrue to the 23 Fund. 24 Each fiscal year, the Secretary of Natural Resources shall coordinate (c) (1)25 the preparation of the annual budget required to carry out the provisions of the Power 26 Plant Research ASSESSMENT Program under Title 3, Subtitle 3 of the Natural 27 Resources Article AND THE COMMUNITY ENERGY AND ECONOMIC DEVELOPMENT 28 GRANT PROGRAM UNDER TITLE 9, SUBTITLE 21 OF THE STATE GOVERNMENT 29 ARTICLE. 30 (2)Each fiscal year, on approval of the annual [budget] BUDGETS by the 31 General Assembly for the Power Plant Research ASSESSMENT Program AND THE 32 COMMUNITY ENERGY AND ECONOMIC DEVELOPMENT GRANT PROGRAM AND 33 SUBJECT TO SUBSECTION (D) OF THIS SECTION, the Commission shall establish the 34 amount of the environmental surcharge per kilowatt hour of electric energy 35 distributed in the State that is to be imposed on each electric company in accordance

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36 with subsection (a) of this section.

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37 (d) (1) Notwithstanding any other provision of this subtitle

6	UNOFFICIAL COPY OF SENATE BILL 175
	(I) EXCEPT AS PROVIDED IN SUBPARAGRAPHS (II) AND (III) OF THIS PARAGRAPH, the amount of the surcharge for each account of each retail electric customer may not exceed the lesser of 0.15 mill per kilowatt hour or.
4 5 6 7	(II) EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS PARAGRAPH, FOR THE FISCAL YEARS BEGINNING JULY 1, 2006 AND JULY 1, 2007, THE AMOUNT OF THE SURCHARGE FOR EACH ACCOUNT OF EACH RETAIL ELECTRIC CUSTOMER SHALL BE 0.15 MILL PER KILOWATT HOUR.
8 9	(III) <u>A RETAIL ELECTRIC CUSTOMER MAY NOT BE CHARGED MORE</u> <u>THAN</u> \$1,000 per month.
12	(2) The Department of Natural Resources shall credit against the amount the Commission requires each electric company to pay into the Environmental Trust Fund 0.75% of the total surcharge amount attributed to the electric company on the basis of the amount of the electricity distributed in the State.
16 17 18 19 20	(e) To the extent that the Commission requires an electric company to report the total estimated kilowatt hours of electricity distributed in the State in order to calculate the surcharge under subsection (a)(1) of this section, a small rural electric cooperative described in § 7-502(a) of this title may satisfy the requirement by submitting to the Commission an estimate made in accordance with a formula approved by the Commission from information that the small rural electric cooperative submits to the rural utilities service that includes the required information.
22 23	(f) The surcharge imposed under this subtitle shall terminate on June 30, $2010 \ \underline{2020}$.
24	Article - State Government
25 26	
27	9-21A-01.
28 29	(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.
30	(B) "ADMINISTRATION" MEANS THE MARYLAND ENERGY ADMINISTRATION.
31 32	(C) "FUND" MEANS THE COMMUNITY ENERGY AND ECONOMIC DEVELOPMENT GRANT FUND.
33 34	(D) "LOCAL JURISDICTION" MEANS A COUNTY OR MUNICIPAL CORPORATION OF THE STATE.
35 36	(E) "MINORITY BUSINESS ENTERPRISE" MEANS A BUSINESS TO WHICH § 9-305 OF THIS TITLE APPLIES.

(F) "NONPROFIT ORGANIZATION" MEANS A CORPORATION, FOUNDATION,
 SCHOOL, HOSPITAL, OR OTHER LEGAL ENTITY, NO PART OF THE NET EARNINGS OF
 WHICH BENEFIT ANY PRIVATE SHAREHOLDER OR INDIVIDUAL HOLDING AN
 INTEREST IN THE ORGANIZATION.

5 (G) "PROGRAM" MEANS THE COMMUNITY ENERGY AND ECONOMIC 6 DEVELOPMENT GRANT PROGRAM.

7 (H) "RENEWABLE SOURCE" MEANS A TIER 1 RENEWABLE SOURCE OR TIER 2
8 RENEWABLE SOURCE, AS DEFINED IN § 7-701 OF THE PUBLIC UTILITY COMPANIES
9 ARTICLE.

10 9-21A-02.

11 THERE IS A COMMUNITY ENERGY AND ECONOMIC DEVELOPMENT GRANT12 PROGRAM IN THE ADMINISTRATION.

13 9-21A-03.

14 THE PURPOSE OF THE PROGRAM IS TO PROVIDE GRANTS TO NONPROFIT
15 ORGANIZATIONS AND LOCAL JURISDICTIONS THAT OPERATE COMMUNITY ENERGY
16 PROGRAMS PROMOTING ENERGY EFFICIENCY, RENEWABLE ENERGY, AND
17 INCREASED MARKET COMPETITION FOR ELECTRICITY PRODUCTS.

18 9-21A-04.

19 THE ADMINISTRATION SHALL:

20 (1) MANAGE, SUPERVISE, AND ADMINISTER THE PROGRAM;

21(2)ADOPT REGULATIONS TO ENSURE THAT GRANTS ARE PROVIDED22ONLY TO PROJECTS THAT CARRY OUT THE PURPOSE OF THE PROGRAM; AND

(3) ATTACH THE SPECIFIC TERMS TO ANY GRANT THAT THE
 ADMINISTRATION CONSIDERS NECESSARY TO ENSURE THAT THE PURPOSE OF THE
 PROGRAM IS FULFILLED.

26 9-21A-05.

IN FULFILLING THE REQUIREMENTS OF THIS SUBTITLE, THE ADMINISTRATION
8 SHALL RECOGNIZE THE IMPORTANCE TO THE STATE OF ASSISTING RESIDENTS OF
29 MODERATE INCOME, AND MINORITY BUSINESS ENTERPRISES, AND FARMERS.

30 9-21A-06.

TO RECEIVE A GRANT UNDER THIS SUBTITLE, A NONPROFIT ORGANIZATION OR
 LOCAL JURISDICTION SHALL DEMONSTRATE TO THE ADMINISTRATION THAT THE
 PROPOSED COMMUNITY ENERGY PROGRAM WILL:

34 (1) SELL ELECTRICITY FROM A RENEWABLE SOURCE TO RESIDENTS
 35 AND BUSINESSES IN A LOCAL JURISDICTION;

1 (2) OFFER ELECTRIC CUSTOMERS IN A LOCAL JURISDICTION AN 2 OPPORTUNITY TO PURCHASE <u>RENEWABLE</u> ELECTRICITY COLLECTIVELY;

3 (3) MAKE LOW INTEREST LOANS TO RESIDENTS FOR THE
4 INSTALLATION OF SOLAR OR GEOTHERMAL ELECTRIC GENERATORS ON THEIR
5 PROPERTY;

6 (4) PROVIDE A CENTRALIZED INFORMATION SOURCE ON <u>RENEWABLE</u> 7 ENERGY ISSUES;

8 (5) (4) PUBLICIZE THE ACTIONS OF BUSINESSES THAT PURCHASE 9 ELECTRICITY FROM A RENEWABLE SOURCE;

10(6)(5)PROVIDE LOW-COST ENERGY EFFICIENCY CONSULTATION TO11ELECTRIC CUSTOMERS;

12 (7) PROVIDE REBATES TO ELECTRIC CUSTOMERS FOR THE PURCHASE 13 OF ENERGY EFFICIENT APPLIANCES AND WINDOWS;

14 (8) (6) FUND TRAINING PROGRAMS FOR TECHNICIANS OF 15 RENEWABLE SOURCE POWER SYSTEMS;

16 (9) (7) PROVIDE GRANTS FOR MINORITY BUSINESS ENTERPRISES AND
 17 MODERATE INCOME RESIDENTS TO PURCHASE RENEWABLE SOURCE POWER
 18 SYSTEMS;

19(10)(8)PROVIDE GRANTS FOR MODERATE-INCOME RESIDENTS TO20IMPROVE HOME ENERGY EFFICIENCY; OR

(11) PROVIDE GRANTS OR LOW INTEREST LOANS TO FARMERS FOR THE
 INSTALLATION ON FARMS OF GENERATORS THAT PRODUCE ELECTRICITY FROM A
 RENEWABLE SOURCE; OR

24 (12) (9) CARRY OUT THE PURPOSE OF THE PROGRAM IN A MANNER 25 APPROVED BY THE ADMINISTRATION.

26 9-21A-07.

27 (A) (1) TO RECEIVE A GRANT UNDER THE PROGRAM, A NONPROFIT
28 ORGANIZATION OR LOCAL JURISDICTION SHALL FILE AN APPLICATION WITH THE
29 ADMINISTRATION.

30 (2) IF AN APPLICANT IS A LOCAL JURISDICTION, THE APPLICATION
31 MUST BE SIGNED BY THE CHIEF ELECTED OFFICER OR, IF NONE, BY THE GOVERNING
32 BODY OF THE LOCAL JURISDICTION.

33 (B) THE APPLICATION SHALL CONTAIN:

34 (1) A DESCRIPTION OF THE PROPOSED COMMUNITY ENERGY PROGRAM;

1 (2) THE PROJECTED COST OF THE PROPOSED COMMUNITY ENERGY 2 PROGRAM;

3 (3) THE AMOUNT OF ENERGY, IF ANY, A PROPOSED COMMUNITY ENERGY 4 PROGRAM IS EXPECTED TO SAVE OVER A DEFINED PERIOD OF TIME;

5 (4) THE AMOUNT OF ENERGY COST SAVINGS, IF ANY, A PROPOSED
6 COMMUNITY ENERGY PROGRAM IS EXPECTED TO PRODUCE OVER A DEFINED
7 PERIOD OF TIME;

8 (5) A DESCRIPTION OF THE APPLICANT'S CONTRIBUTION TO A 9 PROPOSED COMMUNITY ENERGY PROGRAM AS REQUIRED BY § 9-21A-08 OF THIS 10 SUBTITLE; AND

11(6)ANY OTHER INFORMATION THE ADMINISTRATION CONSIDERS12 NECESSARY.

13 (C) THE ADMINISTRATION SHALL NOTIFY EACH APPLICANT OF ITS DECISION
14 ON WHETHER TO AWARD A GRANT WITHIN 90 DAYS AFTER RECEIVING THE
15 APPLICATION.

16 (D) A NONPROFIT ORGANIZATION OR LOCAL JURISDICTION RECEIVING A
17 GRANT UNDER THIS SUBTITLE SHALL BEGIN THE COMMUNITY ENERGY PROGRAM
18 FOR WHICH THE GRANT IS AWARDED WITHIN 6 MONTHS AFTER RECEIVING THE
19 GRANT.

20 9-21A-08.

21(A)(1)A GRANT AWARDED UNDER THE PROGRAM MAY NOT EXCEED22\$1,000,000 FOR THE DURATION OF THE GRANT.

23(2)IN MAKING GRANTS UNDER THIS SUBTITLE, THE ADMINISTRATION24SHALL CONSIDER:

25 (I) <u>AN ALLOCATION OF GRANT ASSISTANCE AMONG PROPOSED</u>
 26 <u>COMMUNITY ENERGY PROGRAMS BASED ON PROJECTED ENERGY COST SAVINGS OR</u>
 27 PROJECTED INCREASES IN RENEWABLE ENERGY USE OR PRODUCTION; AND

28 (II) <u>THE GEOGRAPHIC DISTRIBUTION OF GRANT ASSISTANCE.</u>

29 (B) (1) TO RECEIVE A GRANT, A LOCAL JURISDICTION SHALL MAKE A
30 MATCHING CONTRIBUTION TO THE COMMUNITY ENERGY PROGRAM BEING FUNDED
31 BY THE GRANT.

32 (2) A GRANT TO A LOCAL JURISDICTION MAY NOT EXCEED FOUR TIMES
 33 THE AMOUNT OF THE MATCHING CONTRIBUTION BY THE LOCAL JURISDICTION.

34 9-21A-09.

THE ADMINISTRATION MAY REQUIRE A NONPROFIT ORGANIZATION OR LOCAL
 JURISDICTION RECEIVING A GRANT UNDER THIS SUBTITLE, BEFORE A DATE

DETERMINED BY THE ADMINISTRATION WHEN AWARDING THE GRANT, TO
 DOCUMENT FOR THE ADMINISTRATION:

3 (1) THE COST OF THE COMMUNITY ENERGY PROGRAM;

4 (2) THE AMOUNT OF ENERGY THE COMMUNITY ENERGY PROGRAM HAS 5 SAVED;

6 (3) THE AMOUNT OF ENERGY COST SAVINGS THE COMMUNITY ENERGY 7 PROGRAM HAS PRODUCED; AND

8 (4) ANY OTHER INFORMATION THE ADMINISTRATION CONSIDERS9 NECESSARY.

10 9-21A-10.

11 (A) THERE IS A COMMUNITY ENERGY AND ECONOMIC DEVELOPMENT GRANT 12 FUND.

(B) (1) THE FUND MAY BE USED ONLY TO PAY THE EXPENSES OF THE
PROGRAM AND TO PROVIDE GRANTS UNDER THE PROGRAM TO ELIGIBLE LOCAL
JURISDICTIONS AND NONPROFIT ORGANIZATIONS.

16(2)THE ADMINISTRATION MAY NOT SPEND FOR ADMINISTRATIVE17EXPENSES MORE THAN 10% OF THE FUNDS PLACED IN THE FUND.

18 (C) THE ADMINISTRATION SHALL ADMINISTER THE FUND.

19(D)(1)THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT20TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

21 (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND 22 THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

23 (E) THE FUND CONSISTS OF:

(1) MONEY TRANSFERRED TO THE FUND FROM THE ENVIRONMENTAL
 TRUST FUND IN ACCORDANCE WITH § 3-302 OF THE NATURAL RESOURCES ARTICLE
 AND § 7-203 OF THE PUBLIC UTILITY COMPANIES ARTICLE <u>RECEIVED BY THE</u>
 ADMINISTRATION UNDER § 3-302(D)(2)(II) OF THE NATURAL RESOURCES ARTICLE FOR
 THE USE IN PROGRAMS RELATING TO RENEWABLE ENERGY AND ENERGY
 EFFICIENCY;

30 (2) INVESTMENT EARNINGS OF THE FUND;

31(3)MONEY DIRECTED TO THE FUND IN CONNECTION WITH ANY32PROCEEDINGS BEFORE THE PUBLIC SERVICE COMMISSION;

33 (4) MONEY TRANSFERRED FROM THE RENEWABLE ENERGY FUND

34 <u>UNDER § 7-707 OF THE PUBLIC UTILITY COMPANIES ARTICLE, AS PROVIDED IN THE</u> 35 STATE BUDGET; AND

1 (3) (5) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR 2 THE BENEFIT OF THE FUND.

3 (F) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN 4 THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

5 (2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID INTO 6 THE FUND.

7 (G) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE 8 WITH THE STATE BUDGET.

9 (H) THE FUND IS SUBJECT TO THE PROVISIONS FOR FINANCIAL
 10 MANAGEMENT AND BUDGETING ESTABLISHED BY THE DEPARTMENT OF BUDGET
 11 AND MANAGEMENT.

<u>(I)</u> <u>(1)</u> <u>THE LEGISLATIVE AUDITOR SHALL CONDUCT POST AUDITS OF A</u>
 FISCAL AND COMPLIANCE NATURE OF THE FUND AND OF THE APPROPRIATIONS AND
 EXPENDITURES MADE FOR THE PURPOSE OF THIS SUBTITLE.

15(2)THE COST OF THE FISCAL PORTION OF THE POST AUDIT16EXAMINATIONS SHALL BE AN OPERATING COST OF THE FUND.

17 9 21A 11.

18 EACH YEAR THE GOVERNOR SHALL INCLUDE IN THE STATE BUDGET AN

19 APPROPRIATION OF \$2,000,000 FOR THE FUND TO BE PAID FROM THE

20 ENVIRONMENTAL SURCHARGE UNDER § 3 302 OF THE NATURAL RESOURCES

21 ARTICLE AND § 7 203 OF THE PUBLIC UTILITY COMPANIES ARTICLE.

22 SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding §

23 3-302(c)(2)(ii) of the Natural Resources Article, as enacted by this Act, for the fiscal

24 year beginning July 1, 2006, \$1,000,000 shall be transferred from the Environmental

25 Trust Fund to the Community Energy and Economic Development Grant Fund.

26 SECTION 3. AND BE IT FURTHER ENACTED, That the Maryland Energy

27 Administration shall report to the General Assembly on or before January 1, 2009, in

28 accordance with § 2-1246 of the State Government Article, on the implementation of

29 this Act, including the number of grants that have been awarded, the amount of

30 money that has been awarded, and the success of the programs awarded grants at

31 fulfilling the purpose of the Community Energy and Economic Development Grant32 Program.

33 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect 34 June 1, 2006.