

CHAPTER 128

(House Bill 368)

AN ACT concerning

Regional Greenhouse Gas Initiative – Maryland Strategic Energy Investment Program

FOR the purpose of repealing the Maryland Renewable Energy Fund and establishing the Maryland Strategic Energy Investment Program in the Maryland Energy Administration; establishing the purpose of the Program; establishing the duties of the Administration under the Program; establishing the Maryland Strategic Energy Investment Fund; providing that the Fund is a special, nonlapsing fund not subject to a certain law; requiring the Treasurer to hold the Fund and the Comptroller to account for the Fund; providing for the funding of the Fund; requiring the Administration to use the Fund for certain purposes, according to certain allocations; limiting the use of funds from certain compliance fees to certain purposes; requiring the Fund to be invested in a certain manner; requiring the investment earnings from the Fund and the repayment of principal and interest on loans made from the Fund to be paid to the Fund; requiring expenditures from the Fund to be made by certain appropriations or budget amendments; requiring that an expenditure from the Fund by budget amendment may be made only under certain circumstances; establishing the Strategic Energy Investment Advisory Board; providing for the membership and charge of the Board; requiring the Administration to disclose certain information regarding certain contracts in a certain manner; requiring the Administration to develop certain plans for expenditures from the Fund; requiring the Administration to hold certain public meetings; requiring the Administration to submit certain reports to the General Assembly; authorizing the Administration to enter into certain contracts with certain parties for certain purposes; prohibiting a person from knowingly making or causing to be made certain false statements; establishing that a certain violation is a misdemeanor; establishing certain penalties; requiring that certain proceeds from the sale of certain allowances be deposited in the Fund; providing for the transfer of certain moneys from the Maryland Renewable Energy Fund to the Maryland Strategic Energy Investment Fund; defining certain terms; providing for the initial terms of members of the Strategic Energy Investment Advisory Board; and generally relating to the Maryland Strategic Energy Investment Program.

BY repealing and reenacting, without amendments,
Article – Public Utility Companies
Section 7–701(a)
Annotated Code of Maryland

(1998 Volume and 2007 Supplement)

BY repealing and reenacting, with amendments,
 Article – Public Utility Companies
 Section 7–701(c) and 7–705(b)
 Annotated Code of Maryland
 (1998 Volume and 2007 Supplement)

BY repealing
 Article – Public Utility Companies
 Section 7–707
 Annotated Code of Maryland
 (1998 Volume and 2007 Supplement)

BY adding to
 Article – State Government
 Section 9–20B–01 through ~~9–20B–07~~ ~~9–20B–10~~ ~~9–20B–12~~ to be under the new
 subtitle “Subtitle 20B. Maryland Strategic Energy Investment Program”
 Annotated Code of Maryland
 (2004 Replacement Volume and 2007 Supplement)

BY repealing and reenacting, without amendments,
Article – Environment
Section 2–107(a)
Annotated Code of Maryland
(2007 Replacement Volume and 2007 Supplement)

BY repealing and reenacting, with amendments,
Article – Environment
Section 2–107(b) and (c)(4) and 2–1002(g)
Annotated Code of Maryland
(2007 Replacement Volume and 2007 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Public Utility Companies

7–701.

(a) In this subtitle the following words have the meanings indicated.

(c) “Fund” means the [Maryland Renewable Energy Fund established under § 7–707 of this subtitle] **MARYLAND STRATEGIC ENERGY INVESTMENT FUND ESTABLISHED UNDER § 9–20B–05 OF THE STATE GOVERNMENT ARTICLE.**

7-705.

(b) If an electricity supplier fails to comply with the renewable energy portfolio standard for the applicable year, the electricity supplier shall pay into the [Maryland Renewable Energy Fund established under § 7-707 of this subtitle] **MARYLAND STRATEGIC ENERGY INVESTMENT FUND ESTABLISHED UNDER § 9-20B-05 OF THE STATE GOVERNMENT ARTICLE:**

(1) except as provided in item (2) of this subsection, a compliance fee of:

(i) 2 cents for each kilowatt-hour of shortfall from required Tier 1 renewable sources other than the shortfall from the required Tier 1 renewable sources that is to be derived from solar energy;

(ii) the following amounts for each kilowatt-hour of shortfall from required Tier 1 renewable sources that is to be derived from solar energy:

1. 45 cents in 2008;
2. 40 cents in 2009 and 2010;
3. 35 cents in 2011 and 2012;
4. 30 cents in 2013 and 2014;
5. 25 cents in 2015 and 2016;
6. 20 cents in 2017 and 2018;
7. 15 cents in 2019 and 2020;
8. 10 cents in 2021 and 2022; and
9. 5 cents in 2023 and later; and

(iii) 1.5 cents for each kilowatt-hour of shortfall from required Tier 2 renewable sources; or

(2) for industrial process load:

(i) for each kilowatt-hour of shortfall from required Tier 1 renewable sources, a compliance fee of:

1. 0.8 cents in 2006, 2007, and 2008;

2. 0.5 cents in 2009 and 2010;
3. 0.4 cents in 2011 and 2012;
4. 0.3 cents in 2013 and 2014;
5. 0.25 cents in 2015 and 2016; and
6. 0.2 cents in 2017 and later; and

(ii) nothing for any shortfall from required Tier 2 renewable sources.

[7-707.

(a) There is a Maryland Renewable Energy Fund.

(b) The purpose of the Fund is to encourage the development of resources to generate renewable energy in the State.

(c) Subject to oversight by the Commission, the Administration shall administer the Fund.

(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.

(e) The Fund consists of:

- (1) compliance fees paid under § 7-705 of this subtitle;
- (2) payments received in repayment of a loan;
- (3) investment earnings of the Fund; and

(4) any other money from any other source accepted for the benefit of the Fund.

(f) (1) (i) Subject to subparagraph (ii) of this paragraph, the Fund may be used only to make loans and grants to support the creation of new Tier 1 renewable sources in the State.

(ii) Compliance fees paid under § 7-705(b)(1)(ii) of this subtitle 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.

(2) By regulation the Commission shall adopt eligibility criteria for projects supported by the Fund.

(3) (i) The Administration shall receive and review applications for loans and grants for eligible projects.

(ii) The Administration shall approve or disapprove applications for loans and grants from the Fund.

(4) (i) Subject to subparagraph (ii) of this paragraph, the Commission may allow the use of money of the Fund for administrative expenses related to the Fund and project review and oversight.

(ii) The Administration and the Commission may not spend more than 10% of the funds placed in the Fund for administrative expenses.

(g) (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 credited to the Fund.

(h) (1) On or before February 1 of each year, the Administration, in consultation with the Commission, shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly, on the status of the Fund.

(2) The report shall include:

(i) all amounts received by and disbursed from the Fund;

(ii) all amounts used by the Administration and the Commission for administrative purposes;

(iii) the evaluation criteria used by the Administration in making loans and grants from the Fund and in selecting recipients of those loans and grants;

(iv) the number and amounts of loans and grants made in the preceding calendar year;

(v) the status of loans pending as of the end of the preceding calendar year;

- (vi) the allocation of disbursements for development of new solar and other Tier 1 renewable sources;
- (vii) the projected receipts of the Fund in the current calendar year; and
- (viii) plans for the use of resources of the Fund in the current calendar year.]

Article – State Government

SUBTITLE 20B. MARYLAND STRATEGIC ENERGY INVESTMENT PROGRAM.

9-20B-01.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) “ADMINISTRATION” MEANS THE MARYLAND ENERGY ADMINISTRATION.

(C) “BOARD” MEANS THE STRATEGIC ENERGY INVESTMENT ADVISORY BOARD ESTABLISHED UNDER § 9-20B-07 OF THIS SUBTITLE.

(D) “FUND” MEANS THE MARYLAND STRATEGIC ENERGY INVESTMENT FUND.

~~(D)~~ (E) “PROGRAM” MEANS THE MARYLAND STRATEGIC ENERGY INVESTMENT PROGRAM.

9-20B-02.

THERE IS A MARYLAND STRATEGIC ENERGY INVESTMENT PROGRAM IN THE MARYLAND ENERGY ADMINISTRATION.

9-20B-03.

THE PURPOSE OF THE PROGRAM IS TO DECREASE ENERGY DEMAND AND INCREASE ENERGY SUPPLY TO PROMOTE AFFORDABLE, RELIABLE, AND CLEAN ENERGY TO FUEL MARYLAND’S FUTURE PROSPERITY.

9-20B-04.

THE ADMINISTRATION SHALL:

- (1) MANAGE, SUPERVISE, AND ADMINISTER THE PROGRAM;**
- (2) ADOPT REGULATIONS TO IMPLEMENT THE PROGRAM AND TO ENSURE THAT FUND RESOURCES ARE UTILIZED ONLY TO CARRY OUT THE PURPOSES OF THE PROGRAM;**
- (3) ATTACH SPECIFIC TERMS AND CONDITIONS TO ANY GRANT, LOAN, OR OTHER FORM OF ASSISTANCE THAT ARE DETERMINED BY THE ADMINISTRATION AS NECESSARY TO ENSURE THAT THE PURPOSES OF THE PROGRAM ARE FULFILLED;**
- (4) DEVELOP PROCEDURES FOR MONITORING ~~PROJECTS~~ PROGRAMS, PROJECTS, ACTIVITIES, AND INVESTMENTS TO VERIFY THAT FUND RESOURCES ARE BEING USED TO MEET THE PURPOSES OF THE PROGRAM; AND**
- (5) PROVIDE MONEYS ANNUALLY OR AS NEEDED TO THE CLEAN AIR FUND MANAGED BY THE DEPARTMENT OF THE ENVIRONMENT TO FUND THE COSTS OF THE DEPARTMENT'S PROGRAMS TO REDUCE OR MITIGATE THE EFFECTS OF CLIMATE CHANGE.**

9-20B-05.

- (A) THERE IS A MARYLAND STRATEGIC ENERGY INVESTMENT FUND.**
- (B) THE PURPOSE OF THE FUND IS TO IMPLEMENT THE STRATEGIC ENERGY INVESTMENT PROGRAM.**
- (C) THE ADMINISTRATION SHALL ADMINISTER THE FUND.**
- (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.**
- (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.

(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; ~~AND~~

(III) CLIMATE CHANGE ~~RESEARCH AND OTHER~~ 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;

~~(2) (3) TO PROVIDE SUPPLEMENTAL TARGETED PROGRAMS TO REDUCE ELECTRICITY CONSUMPTION BY CUSTOMERS IN THE LOW-INCOME AND MODERATE-INCOME RESIDENTIAL SECTOR; FUNDS FOR~~

LOW-INCOME ENERGY ASSISTANCE THROUGH THE ELECTRIC UNIVERSAL SERVICE PROGRAM ESTABLISHED UNDER § 7-512.1 OF THE PUBLIC UTILITIES COMPANY UTILITY COMPANIES ARTICLE AND OTHER ELECTRIC ASSISTANCE PROGRAMS IN THE DEPARTMENT OF HUMAN RESOURCES;

~~(3)~~ (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;

~~(3)~~ ~~(4)~~ (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;

~~(5)~~ (6) TO IMPLEMENT ENERGY-RELATED PUBLIC EDUCATION AND OUTREACH INITIATIVES REGARDING REDUCING ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSIONS; AND

~~(4)~~ ~~(6)~~ (7) TO PAY THE EXPENSES OF THE PROGRAM.

~~(C)~~ MONEYS RECEIVED EACH YEAR BY THE FUND FROM THE SALE OF ALLOWANCES UNDER § 2-1002(G) OF THE ENVIRONMENT ARTICLE SHALL BE ALLOCATED AS FOLLOWS:

~~(1)~~ \$10,000,000 SHALL BE TRANSFERRED TO THE ELECTRIC UNIVERSAL SERVICE PROGRAM FUND UNDER § 7-512.1 OF THE PUBLIC UTILITY COMPANIES ARTICLE, TO BE USED FOR BILL ASSISTANCE AND ARREARAGE RETIREMENT;

~~(2)~~ OF ALL AMOUNTS ABOVE \$10,000,000 UP TO \$100,000,000;

~~(I)~~ AT LEAST 70% SHALL BE SPENT ON ENERGY EFFICIENCY AND ENERGY CONSERVATION PROGRAMS;

~~(II)~~ 20% MAY BE ALLOCATED TO ENERGY EDUCATION AND RENEWABLE ENERGY DEVELOPMENT;

~~(III)~~ 5% MAY BE ALLOCATED TO CLIMATE CHANGE PROGRAMS; AND

~~(IV)~~ UP TO 4% MAY BE USED FOR ADMINISTRATIVE EXPENSES;

~~(3)~~ OF ALL AMOUNTS ABOVE \$100,000,000 UP TO \$140,000,000;

~~(I) 25% SHALL BE USED TO PROVIDE FOR RESIDENTIAL ELECTRICITY RATE RELIEF THROUGH THE ENERGY ASSISTANCE PROGRAMS UNDER THE OFFICE OF HOME ENERGY PROGRAMS IN THE DEPARTMENT OF HUMAN RESOURCES; AND~~

~~(II) 75% SHALL BE RETURNED TO RESIDENTIAL RATEPAYERS, IN A MANNER DETERMINED BY THE PUBLIC SERVICE COMMISSION, TO OFFSET COSTS IMPOSED ON RATEPAYERS FROM ENERGY EFFICIENCY AND CONSERVATION MEASURES AND SERVICES AND DEMAND RESPONSE PROGRAMS APPROVED BY THE COMMISSION; AND~~

~~(4) ALL AMOUNTS IN EXCESS OF \$140,000,000 SHALL BE USED AS FOLLOWS:~~

~~(I) PROCEEDS FROM THE SALE OF ALLOWANCES AT AUCTIONS OCCURRING BEFORE JANUARY 1, 2011 SHALL BE RETURNED TO RESIDENTIAL RATEPAYERS, IN A MANNER DETERMINED BY THE PUBLIC SERVICE COMMISSION:~~

~~1. TO OFFSET COSTS IMPOSED ON RATEPAYERS FROM ENERGY EFFICIENCY AND CONSERVATION MEASURES AND SERVICES AND DEMAND RESPONSE PROGRAMS APPROVED BY THE COMMISSION; AND~~

~~2. FOR OTHER APPROPRIATE RATE RELIEF; AND~~

~~(II) PROCEEDS FROM THE SALE OF ALLOWANCES AT AUCTIONS OCCURRING ON OR AFTER JANUARY 1, 2011 SHALL BE DIVIDED PROPORTIONALLY AMONG THE USES SPECIFIED IN ITEMS (2) AND (3) OF THIS SUBSECTION.~~

~~(G) MONEYS RECEIVED EACH YEAR BY THE FUND SHALL BE ALLOCATED EACH YEAR AS FOLLOWS:~~

~~(1) 17% SHALL BE TRANSFERRED TO THE DEPARTMENT OF HUMAN RESOURCES TO BE USED FOR THE ELECTRIC UNIVERSAL SERVICE PROGRAM AND OTHER ELECTRICITY ASSISTANCE PROGRAMS IN THE DEPARTMENT OF HUMAN RESOURCES;~~

~~(2) 23% 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% FOR ENERGY EFFICIENCY AND CONSERVATION PROGRAMS, PROJECTS, OR ACTIVITIES AND DEMAND RESPONSE PROGRAMS, OF WHICH AT LEAST ONE-HALF SHALL BE TARGETED TO:

(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% 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, 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.

(H) (1) ENERGY EFFICIENCY AND ~~ENERGY~~ CONSERVATION PROGRAMS UNDER SUBSECTION ~~(G)(2)(I)~~ (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; ~~AND~~

(VI) LOAN PROGRAMS AND ALTERNATIVE FINANCING MECHANISMS; AND

~~(VI)~~ (VII) GRANTS TO TRAINING FUNDS AND OTHER ORGANIZATIONS SUPPORTING JOB TRAINING FOR DEPLOYMENT OF ENERGY EFFICIENCY AND ENERGY CONSERVATION TECHNOLOGY AND EQUIPMENT.

(2) ~~ENERGY~~ ENERGY-RELATED PUBLIC EDUCATION AND OUTREACH AND RENEWABLE AND CLEAN ENERGY DEVELOPMENT PROGRAMS AND INITIATIVES UNDER SUBSECTION ~~(G)(2)(H)~~ (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.

~~(G)~~ (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.

~~(H)~~ (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 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.

~~(H)~~ (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.

(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.

~~(M) (1) THE ADMINISTRATION REGULARLY SHALL DISCLOSE SUMMARY INFORMATION REGARDING ANY CONTRACT ENTERED INTO BY THE ADMINISTRATION THAT ENCUMBERS \$100,000 OR MORE FROM THE FUND.~~

~~(2) FOR EACH OF THE CONTRACTS SPECIFIED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE FOLLOWING INFORMATION SHALL BE POSTED ON THE ADMINISTRATION'S WEBSITE ON A QUARTERLY BASIS:~~

~~(I) THE NAME AND BUSINESS ADDRESS OF THE PARTIES OF THE CONTRACT;~~

~~(II) A SUMMARY OF THE GOODS AND SERVICES TO BE PROVIDED UNDER THE CONTRACT; AND~~

~~(III) THE MAXIMUM AMOUNT OF MONEYS FROM THE FUND THAT MAY BE OBLIGATED BY THE CONTRACT.~~

9-20B-06.

(A) ON OR BEFORE DECEMBER 15, 2008, THE ADMINISTRATION SHALL DEVELOP A PLAN FOR EXPENDITURES FROM THE FUND FOR FISCAL YEAR 2009 AND FISCAL YEAR 2010.

(B) ON OR BEFORE SEPTEMBER 1, 2009, AND EVERY 3 YEARS THEREAFTER, THE ADMINISTRATION SHALL DEVELOP A PLAN FOR EXPENDITURES COVERING THE NEXT 3 FISCAL YEARS.

(C) (1) THE ADMINISTRATION SHALL HOLD ONE OR MORE PUBLIC MEETINGS IN CONJUNCTION WITH THE DEVELOPMENT OF A PLAN.

(2) THE ADMINISTRATION:

(I) SHALL HOLD AT LEAST FOUR PUBLIC MEETINGS ACROSS THE STATE DURING THE DEVELOPMENT OF THE INITIAL PLAN UNDER SUBSECTION (A) OF THIS SECTION, IN THE EASTERN, SOUTHERN, CENTRAL, AND WESTERN PARTS OF THE STATE, RESPECTIVELY; AND

(II) IS ENCOURAGED TO SOLICIT INPUT FROM ALL REGIONS OF THE STATE IN DEVELOPING SUBSEQUENT PLANS UNDER THIS SECTION.

(3) THE ADMINISTRATION SHALL SUBMIT A PLAN TO THE BOARD FOR REVIEW.

~~**9-20B-06.**~~ **9-20B-07.**

(A) THERE IS A STRATEGIC ENERGY INVESTMENT ADVISORY BOARD.

(B) (1) THE BOARD SHALL REVIEW THE PROGRAM AND THE ADMINISTRATION'S PROPOSED USES OF AND EXPENDITURES FROM THE FUND AND MAKE RECOMMENDATIONS TO THE ADMINISTRATION CONCERNING ANY PROPOSED USE OR EXPENDITURE.

(2) THE ADMINISTRATION SHALL CONSIDER THE BOARD'S RECOMMENDATIONS WHEN MAKING DECISIONS ABOUT USES AND EXPENDITURES FROM THE FUND.

(C) THE BOARD CONSISTS OF THE FOLLOWING MEMBERS:

(1) ONE MEMBER OF THE SENATE, APPOINTED BY THE PRESIDENT OF THE SENATE;

(2) ONE MEMBER OF THE HOUSE OF DELEGATES, APPOINTED BY THE SPEAKER OF THE HOUSE OF DELEGATES;

(3) THE FOLLOWING MEMBERS APPOINTED BY THE GOVERNOR:

(I) TWO REPRESENTATIVES OF MARYLAND RESIDENTIAL CUSTOMERS;

(II) A REPRESENTATIVE OF MARYLAND COMMERCIAL CUSTOMERS;

(III) A REPRESENTATIVE OF LARGE ELECTRICITY USERS IN THE STATE;

(IV) A REPRESENTATIVE OF AN ELECTRIC COMPANY;

(V) A REPRESENTATIVE OF AN ELECTRIC COOPERATIVE;

(VI) A REPRESENTATIVE OF ELECTRICITY SUPPLIERS;

(VII) A REPRESENTATIVE OF A MARYLAND ENVIRONMENTAL GROUP; AND

(VIII) A REPRESENTATIVE OF A RENEWABLE ELECTRICITY INDUSTRY; AND

(4) THE FOLLOWING NONVOTING EX OFFICIO MEMBERS:

(I) THE CHAIRMAN OF THE PUBLIC SERVICE COMMISSION OR THE CHAIRMAN'S DESIGNEE;

(II) THE PEOPLE'S COUNSEL OR THE DESIGNEE OF THE PEOPLE'S COUNSEL; AND

(III) THE SECRETARY OF THE ENVIRONMENT OR THE SECRETARY'S DESIGNEE.

(D) IF A REGULATED LOBBYIST IS APPOINTED TO SERVE AS A MEMBER OF THE BOARD, THE LOBBYIST:

(1) IS NOT SUBJECT TO § 15-504(D) OF THIS ARTICLE WITH RESPECT TO THAT SERVICE; AND

(2) IS NOT SUBJECT TO § 15-703(F)(3) OF THIS ARTICLE AS A RESULT OF THAT SERVICE.

(E) (1) THE TERM OF A MEMBER APPOINTED BY THE GOVERNOR IS 3 YEARS.

(2) THE TERMS OF THE MEMBERS APPOINTED BY THE GOVERNOR ARE STAGGERED AS REQUIRED BY THE TERMS PROVIDED FOR MEMBERS OF THE BOARD ON JUNE 1, 2008.

(3) THE BOARD SHALL MEET AT LEAST ~~TWO~~ 2 TIMES EACH YEAR.

(4) THE BOARD MAY ACT ONLY BY THE AFFIRMATIVE VOTE OF AT LEAST SIX VOTING MEMBERS.

(5) A MEMBER OF THE BOARD:

(I) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE BOARD; BUT

(II) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

(F) THE ADMINISTRATION SHALL PROVIDE STAFF SUPPORT FOR THE BOARD.

9-20B-08.

(A) THE ADMINISTRATION REGULARLY SHALL DISCLOSE SUMMARY INFORMATION REGARDING ANY CONTRACT ENTERED INTO BY THE ADMINISTRATION THAT ENCUMBERS \$100,000 OR MORE FROM THE FUND.

(B) FOR EACH OF THE CONTRACTS SPECIFIED UNDER SUBSECTION (A) OF THIS SECTION, THE FOLLOWING INFORMATION SHALL BE POSTED ON THE ADMINISTRATION'S WEBSITE ON A QUARTERLY BASIS:

(1) THE NAME AND BUSINESS ADDRESS OF THE PARTIES OF THE CONTRACT;

(2) A SUMMARY OF THE GOODS AND SERVICES TO BE PROVIDED UNDER THE CONTRACT; AND

(3) THE MAXIMUM AMOUNT OF MONEYS FROM THE FUND THAT MAY BE OBLIGATED BY THE CONTRACT.

9-20B-09.

(A) THE ADMINISTRATION SHALL MONITOR AND ANALYZE THE IMPACT OF EACH PROGRAM, PROJECT, ACTIVITY, AND INVESTMENT TO ENSURE THAT THE OUTCOME OF EACH PROGRAM, PROJECT, ACTIVITY, OR INVESTMENT ACHIEVES THE PURPOSES OF THE PROGRAM.

(B) IN MONITORING AND ANALYZING THE IMPACT OF A PROGRAM, PROJECT, ACTIVITY, OR INVESTMENT UNDER SUBSECTION (A) OF THIS SECTION, IF THE ADMINISTRATION FINDS THAT THE OUTCOME OF THE PROGRAM, PROJECT, ACTIVITY, OR INVESTMENT IS NOT ACHIEVING THE PURPOSES OF THE PROGRAM, THE ADMINISTRATION SHALL TAKE SPECIFIC MEASURES TO ADDRESS THE FINDINGS.

~~9-20B-07, 9-20B-10.~~

THE ADMINISTRATION MAY ENTER INTO CONTRACTS WITH THIRD PARTIES TO ASSIST IN THE DEVELOPMENT AND IMPLEMENTATION OF PROGRAMS AND PROJECTS THAT WILL ADVANCE THE PURPOSES OF THE PROGRAM OR TO ADMINISTER THE PROGRAM, INCLUDING CONTRACTS WITH THIRD PARTIES TO MAKE, SERVICE, OR SETTLE LOANS AND OTHER ASSISTANCE OR INVESTMENTS MADE THROUGH THE PROGRAM.

~~9-20B-07, 9-20B-08, 9-20B-11.~~

(A) A PERSON MAY NOT KNOWINGLY MAKE OR CAUSE TO BE MADE ANY FALSE STATEMENT OR REPORT IN ANY DOCUMENT REQUIRED TO BE FURNISHED TO THE ADMINISTRATION BY ANY AGREEMENT RELATING TO A GRANT, LOAN, OR OTHER FINANCIAL ASSISTANCE.

(B) A PERSON APPLYING FOR A GRANT, LOAN, OR OTHER FINANCIAL ASSISTANCE THROUGH THE PROGRAM MAY NOT KNOWINGLY MAKE OR CAUSE TO BE MADE ANY FALSE STATEMENTS FOR THE PURPOSE OF INFLUENCING ANY ACTION OF THE ADMINISTRATION ON AN APPLICATION OR FOR THE PURPOSE OF INFLUENCING ANY ACTION OF THE ADMINISTRATION AFFECTING ANY GRANT, LOAN, OR OTHER FINANCIAL ASSISTANCE ALREADY PROVIDED.

(C) A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$50,000 OR IMPRISONMENT NOT EXCEEDING 1 YEAR OR BOTH.

~~9-20B-09.~~

~~(A) ON OR BEFORE SEPTEMBER 1, 2008, THE ADMINISTRATION SHALL DEVELOP A PLAN FOR EXPENDITURES FROM THE FUND FOR FISCAL YEAR 2009 AND FISCAL YEAR 2010.~~

~~(B) ON OR BEFORE SEPTEMBER 1, 2009, AND EVERY 3 YEARS THEREAFTER, THE ADMINISTRATION SHALL DEVELOP A PLAN FOR EXPENDITURES COVERING THE NEXT 3 FISCAL YEARS.~~

~~(C) (1) THE ADMINISTRATION SHALL HOLD ONE OR MORE PUBLIC MEETINGS IN CONJUNCTION WITH THE DEVELOPMENT OF A PLAN.~~

~~(2) THE ADMINISTRATION:~~

~~(I) SHALL HOLD AT LEAST FOUR PUBLIC MEETINGS ACROSS THE STATE DURING THE DEVELOPMENT OF THE INITIAL PLAN THAT IS DUE ON SEPTEMBER 1, 2008, IN THE EASTERN, SOUTHERN, CENTRAL, AND WESTERN PARTS OF THE STATE, RESPECTIVELY; AND~~

~~(H) IS ENCOURAGED TO SOLICIT INPUT FROM ALL REGIONS OF THE STATE IN DEVELOPING SUBSEQUENT PLANS UNDER THIS SECTION.~~

~~9-20B-10, 9-20B-12.~~

~~(A) ON OR BEFORE NOVEMBER JANUARY 1 OF EACH YEAR, THE ADMINISTRATION SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY ON THE USES AND EXPENDITURES OF THE FUND FROM THE PRIOR FISCAL YEAR.~~

~~(B) THE REPORT SHALL INCLUDE:~~

~~(1) A DETAILED ACCOUNTING OF ALL AMOUNTS RECEIVED BY AND DISBURSED FROM THE FUND;~~

~~(2) ALL AMOUNTS USED BY THE ADMINISTRATION FOR ADMINISTRATIVE PURPOSES;~~

~~(3) PROGRAMS, PROJECTS, AND ACTIVITIES INCLUDED IN EACH CATEGORY UNDER § 9-20B-05(G) OF THIS SUBTITLE;~~

~~(4)~~ PROGRAMS IMPLEMENTED WITH THE FUND THE STATUS OF PROGRAMS, PROJECTS, ACTIVITIES, AND INVESTMENTS IMPLEMENTED WITH FUNDS FROM THE FUND, INCLUDING AN EVALUATION OF THE IMPACT OF THE PROGRAMS, PROJECTS, ACTIVITIES, AND INVESTMENTS THAT ARE DIRECTED TO LOW-INCOME OR MODERATE-INCOME RESIDENTIAL SECTORS OR TO OTHER PARTICULAR CLASSES OF RATEPAYERS;

~~(4)~~ (5) AN ESTIMATE OF ELECTRICITY SAVINGS FROM THE PROGRAMS, PROJECTS, ACTIVITIES, AND INVESTMENTS;

~~(5)~~ (6) THE NUMBER OF ALLOWANCES SOLD IN EACH AUCTION;

~~(6)~~ (7) THE AVERAGE ALLOWANCE PRICE FROM EACH AUCTION; AND

~~(7)~~ (8) AN ESTIMATE OF REVENUE FROM FUTURE AUCTIONS; AND

(9) RECOMMENDATIONS FOR CHANGES TO THE ALLOCATION OF FUNDS UNDER § 9-20B-05(G) OF THIS SUBTITLE.

Article - Environment

2-107.

(a) There is a Maryland Clean Air Fund.

(b) [All] EXCEPT AS PROVIDED IN § 2-1002(G) OF THIS TITLE, ALL application fees, permit fees, renewal fees, and funds collected by the Department under this title ~~or~~, Title 6, Subtitle 4 of this article, OR RECEIVED FROM THE MARYLAND STRATEGIC ENERGY INVESTMENT FUND UNDER § 9-20B-05(G)(4)(III) OF THE STATE GOVERNMENT ARTICLE, including any civil or administrative penalty or any fine imposed by a court under these provisions, shall be paid into the Maryland Clean Air Fund.

(c) (4) When the Fund equals or exceeds a maximum limit of [\$750,000] \$2,000,000, additional moneys received for the Fund by the Department shall be deposited to the General Fund.

2-1002.

(g) (1) IN THIS SUBSECTION, "ALLOWANCE" MEANS ONE ~~SHORT~~ TON OF CARBON DIOXIDE THAT MAY BE BOUGHT, SOLD, TRADED, OR BANKED FOR USE UNDER THE REGIONAL GREENHOUSE GAS INITIATIVE.

(2) Not later than June 30, 2007, the Governor shall include the State as a full participant in the Regional Greenhouse Gas Initiative among Mid-Atlantic and Northeast states.

[(2)] (3) The State may withdraw from the Initiative, as provided in the December 20, 2005 memorandum of understanding of the Initiative, at any time after January 1, 2009.

[(3)] (4) If the Regional Greenhouse Gas Initiative expires and there is a successor organization with the same purposes and goals, the Governor is encouraged to join the State in the successor organization.

(5) NOTWITHSTANDING § 2-107 OF THIS TITLE, ALL OF THE PROCEEDS FROM THE SALE OF MARYLAND ALLOWANCES UNDER THE REGIONAL GREENHOUSE GAS INITIATIVE SHALL BE DEPOSITED IN THE MARYLAND STRATEGIC ENERGY INVESTMENT FUND UNDER § 9-20B-05 OF THE STATE GOVERNMENT ARTICLE.

[(4)] (6) If the State's participation in the Regional Greenhouse Gas Initiative ceases for any reason, the Governor shall report to the General Assembly, in accordance with § 2-1246 of the State Government Article, regarding:

- (i) Why participation ceased; and
- (ii) A plan to reduce carbon dioxide emissions from power plants in the State that considers the use of Maryland grown, native, warm season grasses as a possible method of reducing carbon emissions.

SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Strategic Energy Investment Fund is the successor to the Maryland Renewable Energy Fund and any moneys remaining in the Maryland Renewable Energy Fund on the effective date of this Act shall be transferred by the State Treasurer to the Maryland Strategic Energy Investment Fund.

SECTION 3. AND BE IT FURTHER ENACTED, That the initial terms of members of the Strategic Energy Investment Advisory Board appointed by the Governor under § 9-20B-06(c)(3) of the State Government Article, as enacted by this Act, expire as follows:

- (1) 3 members on June 30, 2010;
- (2) 3 members on June 30, 2011; and
- (3) 3 members on June 30, 2012.

SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~July~~ June 1, 2008.

Approved by the Governor, April 24, 2008.