

Department of Legislative Services  
Maryland General Assembly  
2015 Session

FISCAL AND POLICY NOTE

Senate Bill 441  
Finance

(Senator Hershey)

Economic Matters

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Maryland Energy Administration - Annual Report - Grants

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This bill requires that the amount and recipient of each grant awarded by the Maryland Energy Administration (MEA) from the Strategic Energy Investment Fund (SEIF) be included in an existing annual report to the Governor and General Assembly on the uses and expenditures of SEIF.

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Fiscal Summary

**State Effect:** None. The bill's requirement can be handled with existing resources.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Current Law:** MEA must report to the Governor and General Assembly, by January 1 of each year, on the uses and expenditures of SEIF from the prior fiscal year. The report must include, among other information, a detailed accounting of all amounts received by and disbursed from the fund.

**Background:** Chapters 127 and 128 of 2008 created the Maryland Strategic Energy Investment Program, and the implementing SEIF, to decrease energy demand and increase energy supply to promote affordable, reliable, and clean energy. SEIF is primarily funded through the proceeds from the auction of carbon allowances to power plants and other market participants under the Regional Greenhouse Gas Initiative (RGGI). MEA administers SEIF, and the fund is the primary source of funding for the agency and its

activities. A statutory formula divides the RGGI proceeds among broad categories of spending, as shown in **Exhibit 1**. Maryland has received approximately \$402 million from the RGGI auctions since they began in 2008.

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**Exhibit 1**  
**Statutory Allocation of SEIF Revenue from RGGI Auctions**

| <u>Spending Category</u>   | <u>Share of Revenue</u>                      |
|--|--|
| Low-income energy bill assistance<br>(Department of Human Resources)   | At least 50%                                 |
| Energy efficiency and conservation   | At least 20%                                 |
| Renewable and clean energy programs;<br>energy-related public education and<br>outreach; and climate change and resiliency<br>programs | At least 20%                                 |
| MEA administrative expenses  | Up to 10%, but no more than<br>\$5.0 million |

Source: Department of Legislative Services

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MEA indicates that it currently collects and disseminates project-level information, and that incorporating that information into its annual SEIF report can be absorbed into existing reporting processes.

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**Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland Energy Administration; RGGI, Inc.; Department of Legislative Services

**Fiscal Note History:** First Reader - February 27, 2015  
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