

SENATE BILL 921

C5, M3, C8

6lr2002
CF HB 1106

By: **Senators Pugh, Feldman, Benson, Madaleno, Mathias, ~~and Middleton~~
Middleton, Pinsky, and Raskin Raskin, and Muse**

Introduced and read first time: February 5, 2016

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: March 30, 2016

CHAPTER _____

1 AN ACT concerning

2 **Clean Energy Jobs – Renewable Energy Portfolio Standard Revisions**

3 FOR the purpose of ~~establishing the Clean Energy Workforce Account in the Maryland~~
4 ~~Employment Advancement Right Now Program; providing for the funding of the~~
5 ~~Account; specifying the purpose for which the Account may be used; specifying the~~
6 ~~priority for grants awarded from the Account; requiring the Department of Labor,~~
7 ~~Licensing, and Regulation to include certain information about the Account in a~~
8 ~~certain annual report; altering the renewable energy portfolio standard percentage~~
9 ~~derived from solar energy for certain years; altering the renewable energy portfolio~~
10 ~~standard percentage derived from Tier 1 renewable sources for certain years;~~
11 ~~altering the minimum required percentage of Tier 1 renewable energy that must be~~
12 ~~derived from solar energy in the State’s renewable energy portfolio standard in~~
13 ~~certain years; altering the minimum required percentage of energy that must be~~
14 ~~derived from Tier 1 renewable sources in the State’s renewable energy portfolio~~
15 ~~standard in certain years; requiring an electric company to contract for certain~~
16 ~~renewable energy credits and electricity generated from certain Tier 1 renewable~~
17 ~~sources to meet a certain portion of the renewable energy portfolio standard for~~
18 ~~certain electricity suppliers beginning after a certain date; requiring an electric~~
19 ~~company to solicit bids for a certain contract from certain renewable energy facilities;~~
20 ~~requiring an electric company to use a competitive procurement process to award a~~
21 ~~certain contract; requiring that a term for a certain contract be for a certain~~
22 ~~minimum and maximum duration; authorizing an electric company to recover~~
23 ~~certain costs associated with this Act; altering the compliance fee for an electricity~~
24 ~~supplier that fails to comply with certain renewable energy portfolio standards for~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 certain years; establishing certain compliance fees for an electricity supplier that
 2 fails to comply with certain renewable energy portfolio standards for certain years;
 3 altering the percentage of total annual electricity sales revenues based on which an
 4 electricity supplier may request a delay of certain solar energy requirements in the
 5 renewable energy portfolio standard; ~~establishing the Clean Energy Business~~
 6 ~~Development Account in the Small, Minority, and Women-Owned Businesses~~
 7 ~~Account; providing for the funding in the Clean Energy Account; specifying the~~
 8 ~~purpose for which the Clean Energy Account may be used; prohibiting funding from~~
 9 ~~the Clean Energy Account from being limited to certain businesses; requiring the~~
 10 ~~Maryland Energy Administration to use the Maryland Strategic Energy Investment~~
 11 ~~Fund in a certain manner; requiring proceeds from a certain Public Service~~
 12 ~~Commission order to be allocated in a certain manner; authorizing the Small,~~
 13 Minority, and Women-Owned Businesses Account to receive money from the
 14 Strategic Energy Investment Fund; requiring any money that the Account receives
 15 from the Fund to be used for a certain purpose; authorizing the Maryland Energy
 16 Administration to use the Strategic Energy Investment Fund for a certain purpose;
 17 requiring the Department of Labor, Licensing, and Regulation to study the workforce
 18 development training needs for the clean energy industry in the State; requiring the
 19 Department to seek input from certain agencies and stakeholders and identify
 20 certain information; requiring the Department to report to the General Assembly on
 21 or before a certain date on certain findings and recommendations; ~~stating certain~~
 22 ~~findings of the General Assembly; defining certain terms a certain term; providing~~
 23 for the application of this Act; making the provisions of this Act severable; and
 24 generally relating to clean energy jobs and the renewable energy portfolio standard.

25 ~~BY adding to~~

26 ~~Article – Labor and Employment~~

27 ~~Section 11-708.1~~

28 ~~Annotated Code of Maryland~~

29 ~~(2008 Replacement Volume and 2015 Supplement)~~

30 ~~BY repealing and reenacting, with amendments,~~

31 ~~Article – Labor and Employment~~

32 ~~Section 11-709~~

33 ~~Annotated Code of Maryland~~

34 ~~(2008 Replacement Volume and 2015 Supplement)~~

35 BY repealing and reenacting, without amendments,

36 Article – Public Utilities

37 Section 7-702

38 Annotated Code of Maryland

39 (2010 Replacement Volume and 2015 Supplement)

40 BY repealing and reenacting, with amendments,

41 Article – Public Utilities

42 Section ~~7-702, 7-703(b)(12)~~ 7-703(a)(2)(iii), (b)(12), (13), (14), (15), (16), and (17),

43 and 7-705(b) and (e)

1 Annotated Code of Maryland
 2 (2010 Replacement Volume and 2015 Supplement)

3 ~~BY adding to~~
 4 ~~Article – Public Utilities~~
 5 ~~Section 7-703.1~~
 6 ~~Annotated Code of Maryland~~
 7 ~~(2010 Replacement Volume and 2015 Supplement)~~

8 BY repealing and reenacting, with amendments,
 9 Article – State Government
 10 Section 9-1A-35, and 9-20B-01, and ~~9-20B-05(f) and (i) through (l)~~
 11 Annotated Code of Maryland
 12 (2014 Replacement Volume and 2015 Supplement)

13 BY repealing and reenacting, without amendments,
 14 Article – State Government
 15 Section 9-20B-05(f)
 16 Annotated Code of Maryland
 17 (2014 Replacement Volume and 2015 Supplement)

18 BY adding to
 19 Article – State Government
 20 Section ~~9-20B-05(i)~~ 9-20B-05(f-1)
 21 Annotated Code of Maryland
 22 (2014 Replacement Volume and 2015 Supplement)

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

25 ~~Article – Labor and Employment~~

26 ~~11-708.1.~~

27 ~~(A) THERE IS A CLEAN ENERGY WORKFORCE ACCOUNT.~~

28 ~~(B) THE ACCOUNT SHALL BE FUNDED IN ACCORDANCE WITH § 9-20B-05(i)~~
 29 ~~OF THE STATE GOVERNMENT ARTICLE.~~

30 ~~(C) (1) MONEY IN THE ACCOUNT SHALL BE USED TO PROVIDE GRANTS ON~~
 31 ~~A COMPETITIVE BASIS FOR STRATEGIC INDUSTRY PARTNERSHIPS THAT:~~

32 ~~(i) 1. PROVIDE PRE-APPRENTICESHIP JOB TRAINING FOR~~
 33 ~~CAREERS IN THE CLEAN ENERGY INDUSTRY; OR~~

~~2. PROVIDE CAREER PATHS FOR WORKERS FROM WITHIN THE CLEAN ENERGY INDUSTRY OR ASSOCIATED INDUSTRIES TO ADVANCE THEIR CAREERS WITHIN THE CLEAN ENERGY INDUSTRY; AND~~

~~(H) COMPLY WITH THIS SUBTITLE.~~

~~(2) MONEY IN THE ACCOUNT SHALL BE SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF THE ANNUAL APPROPRIATIONS TO THE MARYLAND EARN PROGRAM.~~

~~(D) GRANTS SHALL BE AWARDED FROM THE ACCOUNT WITH PRIORITY GIVEN TO STRATEGIC INDUSTRY PARTNERSHIPS THAT:~~

~~(1) SEEK TO ADVANCE EMPLOYMENT OPPORTUNITIES AND PROVIDE JOB READINESS TRAINING FOR INDIVIDUALS FROM ECONOMICALLY DISTRESSED AREAS WITH HIGH RATES OF UNEMPLOYMENT OR HIGH PERCENTAGES OF HOUSEHOLDS THAT EARN LESS THAN 80% OF THE AREA MEDIAN INCOME;~~

~~(2) SEEK TO ADVANCE EMPLOYMENT OPPORTUNITIES AND PROVIDE JOB READINESS TRAINING FOR DISADVANTAGED WORKERS THAT HAVE BARRIERS TO ENTRY INTO THE LABOR FORCE, INCLUDING:~~

~~(I) HOMELESSNESS;~~

~~(II) PRIOR CRIMINAL RECORDS;~~

~~(III) RECEIPT OF PUBLIC ASSISTANCE;~~

~~(IV) UNEMPLOYMENT WITH NO HIGH SCHOOL EDUCATION;~~

~~(V) VETERANS OF THE ARMED FORCES OF THE UNITED STATES;~~

~~AND~~

~~(VI) FORMER FOSTER CARE YOUTH; OR~~

~~(3) SEEK TO BUILD LOCAL WORKFORCE CAPACITY THROUGH COOPERATION WITH COMMUNITY COLLEGES OR OTHER LOCAL GOVERNMENT ORGANIZATIONS.~~

~~11-709.~~

~~(a) On or before December 31 of each year, the Department shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, to the Senate Finance Committee and the House Economic Matters Committee on the Maryland EARN Program.~~

1 7-702.

2 (a) It is the intent of the General Assembly to:

3 (1) recognize the economic, environmental, fuel diversity, and security
4 benefits of renewable energy resources;

5 (2) establish a market for electricity from these resources in Maryland; and

6 (3) lower the cost to consumers of electricity produced from these resources.

7 (b) The General Assembly finds that:

8 (1) the benefits of electricity from renewable energy resources, including
9 long-term decreased emissions, a healthier environment, increased energy security, and
10 decreased reliance on and vulnerability from imported energy sources, accrue to the public
11 at large; ~~and~~

12 (2) electricity suppliers and consumers share an obligation to develop a
13 minimum level of these resources in the electricity supply portfolio of the State; ~~AND~~

14 ~~(3) THE RENEWABLE ENERGY PORTFOLIO STANDARD IS AN~~
15 ~~ESSENTIAL CARBON REDUCING PROGRAM FOR THE STATE, AS IDENTIFIED IN THE~~
16 ~~STATE'S GREENHOUSE GAS REDUCTION PLAN DEVELOPED UNDER § 2-1205 OF THE~~
17 ~~ENVIRONMENT ARTICLE; AND~~

18 ~~(4) ACHIEVING A RENEWABLE PORTFOLIO STANDARD OF 25% FROM~~
19 ~~TIER 1 RENEWABLE SOURCES BY 2020 WOULD, IF CONTINUED AT THE SAME RATE~~
20 ~~OF GROWTH, PUT THE STATE ON A TRAJECTORY TOWARDS CONSUMING AT LEAST~~
21 ~~40% OF ITS ELECTRICITY FROM RENEWABLE ENERGY SOURCES BY 2025, KEEPING~~
22 ~~THE STATE'S EFFORTS CONSISTENT WITH INTERNATIONAL EFFORTS TO REACH~~
23 ~~CARBON REDUCTIONS IN ACCORDANCE WITH SCIENTIFIC DATA.~~

24 7-703.

25 (a) (2) A renewable energy portfolio standard may not apply to electricity sales
26 at retail by any electricity supplier:

27 (iii) to a customer served by an electric cooperative under an
28 electricity supplier purchase agreement that existed on October 1, 2004, until the
29 expiration of the agreement, AS THE AGREEMENT MAY BE RENEWED OR AMENDED.

30 (b) The renewable energy portfolio standard shall be as follows:

31 (12) in 2017:

- 1 (i) 13.1% from Tier 1 renewable sources, including:
- 2 1. at least [0.95%] **1.15%** derived from solar energy; and
- 3 2. an amount set by the Commission under § 7–704.2(a) of
4 this subtitle, not to exceed 2.5%, derived from offshore wind energy; and
- 5 (ii) 2.5% from Tier 2 renewable sources;
- 6 (13) in 2018:
- 7 (i) 15.8% from Tier 1 renewable sources, including:
- 8 1. at least [1.4%] **1.5%** derived from solar energy; and
- 9 2. an amount set by the Commission under § 7–704.2(a) of
10 this subtitle, not to exceed 2.5%, derived from offshore wind energy; and
- 11 (ii) 2.5% from Tier 2 renewable sources;
- 12 (14) in 2019, [17.4%] **20.4%** from Tier 1 renewable sources, including:
- 13 (i) at least [1.75%] **1.95%** derived from solar energy; and
- 14 (ii) an amount set by the Commission under § 7–704.2(a) of this
15 subtitle, not to exceed 2.5%, derived from offshore wind energy; **AND**
- 16 (15) in 2020 **AND LATER**, [18%] **25%** from Tier 1 renewable sources,
17 including:
- 18 (i) at least [2.0%] **2.5%** derived from solar energy; and
- 19 (ii) an amount set by the Commission under § 7–704.2(a) of this
20 subtitle, not to exceed 2.5%, derived from offshore wind energy[;
- 21 (16) in 2021, 18.7% from Tier 1 renewable sources, including:
- 22 (i) at least 2.0% derived from solar energy; and
- 23 (ii) an amount set by the Commission under § 7–704.2(a) of this
24 subtitle, not to exceed 2.5%, derived from offshore wind energy; and
- 25 (17) in 2022 and later, 20% from Tier 1 renewable sources, including:
- 26 (i) at least 2% derived from solar energy; and

(ii) an amount set by the Commission under § 7-704.2(a) of this subtitle, not to exceed 2.5%, derived from offshore wind energy].

~~7-703.1.~~

~~(A) NOTWITHSTANDING § 7-510 OF THIS ARTICLE OR ANY REGULATION OR ORDER UNDER THIS TITLE, BEGINNING IN 2017, AN ELECTRIC COMPANY SHALL CONTRACT FOR RENEWABLE ENERGY CREDITS AND ELECTRICITY GENERATED FROM EMISSIONS-FREE NONSOLAR TIER 1 RENEWABLE SOURCES TO MEET A PORTION OF AN ELECTRICITY SUPPLIER'S RENEWABLE ENERGY PORTFOLIO STANDARD IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION.~~

~~(B) (1) AN ELECTRIC COMPANY SHALL:~~

~~(I) SOLICIT BIDS FOR A CONTRACT UNDER SUBSECTION (A) OF THIS SECTION FROM RENEWABLE ENERGY FACILITIES THAT WILL BE PLACED INTO SERVICE WITHIN 3 YEARS AFTER THE DATE OF THE SOLICITATION; AND~~

~~(II) USE A COMPETITIVE PROCUREMENT PROCESS TO AWARD THE CONTRACT.~~

~~(2) THE TERM OF A CONTRACT UNDER SUBSECTION (A) OF THIS SECTION SHALL BE FOR AT LEAST 10 YEARS AND NOT MORE THAN 20 YEARS.~~

~~(C) BEGINNING IN 2017, THE RENEWABLE ENERGY CREDITS AND ELECTRICITY CONTRACTED FOR UNDER SUBSECTION (A) OF THIS SECTION SHALL BE USED TO MEET AT LEAST 20% OF THAT YEAR'S RENEWABLE PORTFOLIO STANDARD FOR ALL ELECTRICITY SUPPLIERS THAT SELL ELECTRIC SUPPLY SERVICE TO THE ELECTRIC COMPANY'S DISTRIBUTION SERVICE CUSTOMERS THAT THE RENEWABLE PORTFOLIO STANDARD APPLIES TO, INCLUDING CUSTOMERS OF THE ELECTRIC COMPANY'S STANDARD OFFER SERVICE.~~

~~(D) AN ELECTRIC COMPANY MAY RECOVER COSTS ASSOCIATED WITH THIS SECTION, INCLUDING LOST REVENUE, IN ITS DISTRIBUTION RATES IN A BASE RATE CASE.~~

7-705.

(b) (1) This subsection does not apply to a shortfall from the required Tier 1 renewable sources that is to be derived from offshore wind energy.

(2) 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 Strategic Energy Investment Fund established under § 9-20B-05 of the State Government Article:

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

3 1. [4 cents] **THE FOLLOWING AMOUNTS** for each
4 kilowatt-hour of shortfall from required Tier 1 renewable sources other than the shortfall
5 from the required Tier 1 renewable sources that is to be derived from solar energy:

6 **A. 4 CENTS THROUGH 2016; AND**

7 **B. 3.75 CENTS IN 2017 AND LATER;**

8 2. the following amounts for each kilowatt-hour of shortfall
9 from required Tier 1 renewable sources that is to be derived from solar energy:

10 A. 45 cents in 2008;

11 B. 40 cents in 2009 through 2014;

12 C. 35 cents in 2015 and 2016;

13 D. [20] **19.5** cents in 2017 [and 2018];

14 E. [15 cents in 2019 and 2020] **17.5 CENTS IN 2018;**

15 F. [10 cents in 2021 and 2022] **15 CENTS IN 2019;** [and]

16 G. [5 cents in 2023 and later] **12.5 CENTS IN 2020;** [and]

17 **H. 10 CENTS IN 2021;**

18 **I. 7.5 CENTS IN 2022;**

19 **J. 6 CENTS IN 2023;**

20 **K. 5 CENTS IN 2024 AND LATER; AND**

21 3. 1.5 cents for each kilowatt-hour of shortfall from required
22 Tier 2 renewable sources; or

23 (ii) for industrial process load:

24 1. for each kilowatt-hour of shortfall from required Tier 1
25 renewable sources, a compliance fee of:

26 A. 0.8 cents in 2006, 2007, and 2008;

- 1 B. 0.5 cents in 2009 and 2010;
- 2 C. 0.4 cents in 2011 and 2012;
- 3 D. 0.3 cents in 2013 and 2014;
- 4 E. 0.25 cents in 2015 and 2016; and
- 5 F. except as provided in paragraph (3) of this subsection, 0.2
- 6 cents in 2017 and later; and
- 7 2. nothing for any shortfall from required Tier 2 renewable
- 8 sources.

9 (3) For industrial process load, the compliance fee for each kilowatt-hour

10 of shortfall from required Tier 1 renewable sources is:

11 (i) 0.1 cents in any year during which suppliers are required to

12 purchase ORECs under § 7-704.2 of this subtitle; and

13 (ii) nothing for the year following any year during which, after final

14 calculations, the net rate impact per megawatt-hour from qualified offshore wind projects

15 exceeded \$1.65 in 2012 dollars.

16 (e) (1) Notwithstanding the requirements of § 7-703(b) of this subtitle, if the

17 actual or projected dollar-for-dollar cost incurred or to be incurred by an electricity

18 supplier solely for the purchase of Tier 1 renewable energy credits derived from solar energy

19 in any 1 year is greater than or equal to, or is anticipated to be greater than or equal to,

20 [1%] **2.5%** of the electricity supplier's total annual electricity sales revenues in Maryland,

21 the electricity supplier may request that the Commission:

22 (i) delay by 1 year each of the scheduled percentages for solar energy

23 under § 7-703(b) of this subtitle that would apply to the electricity supplier; and

24 (ii) allow the renewable energy portfolio standard for solar energy

25 for that year to continue to apply to the electricity supplier for the following year.

26 (2) In making its determination under paragraph (1) of this subsection, the

27 Commission shall consider the actual or projected dollar-for-dollar compliance costs of

28 other electricity suppliers.

29 (3) If an electricity supplier makes a request under paragraph (1) of this

30 subsection based on projected costs, the electricity supplier shall provide verifiable evidence

31 of the projections to the Commission at the time of the request.

1 (4) If the Commission allows a delay under paragraph (1) of this
 2 subsection:

3 (i) the renewable energy portfolio standard for solar energy
 4 applicable to the electricity supplier under the delay continues for each subsequent
 5 consecutive year that the actual or projected dollar-for-dollar costs incurred, or to be
 6 incurred, by the electricity supplier solely for the purchase of solar renewable energy credits
 7 is greater than or equal to, or is anticipated to be greater than or equal to, [1%] **2.5%** of the
 8 electricity supplier’s total annual retail electricity sales revenues in Maryland; and

9 (ii) the renewable energy portfolio standard for solar energy
 10 applicable to the electricity supplier under the delay is increased to the next scheduled
 11 percentage increase under § 7-703(b) of this subtitle for each year in which the actual or
 12 projected dollar-for-dollar costs incurred, or to be incurred, by the electricity supplier
 13 solely for the purchase of solar renewable energy credits is less than, or is anticipated to be
 14 less than, [1%] **2.5%** of the electricity supplier’s total annual retail electricity sales
 15 revenues in Maryland.

16 **Article – State Government**

17 9-1A-35.

18 ~~(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS~~
 19 ~~INDICATED.~~

20 ~~(2) “ACCOUNT” MEANS THE SMALL, MINORITY, AND~~
 21 ~~WOMEN OWNED BUSINESSES ACCOUNT ESTABLISHED UNDER THIS SECTION.~~

22 ~~(3) “CLEAN ENERGY ACCOUNT” MEANS THE CLEAN ENERGY~~
 23 ~~BUSINESS DEVELOPMENT ACCOUNT ESTABLISHED UNDER SUBSECTION (E) OF THIS~~
 24 ~~SECTION.~~

25 ~~(4) “CLEAN ENERGY INDUSTRY” HAS THE MEANING STATED IN §~~
 26 ~~9-20B-01 OF THIS TITLE.~~

27 ~~(5) “ELIGIBLE FUND MANAGER” MEANS AN ENTITY THAT HAS~~
 28 ~~SIGNIFICANT FINANCIAL OR INVESTMENT EXPERIENCE UNDER CRITERIA THAT THE~~
 29 ~~BOARD OF PUBLIC WORKS DEVELOPS.~~

30 ~~[(a)] (B)~~ There is a Small, Minority, and Women-Owned Businesses Account
 31 under the authority of the Board of Public Works.

32 ~~[(b)] (C)~~ (1) (I) The Account shall receive money;

33 ~~(I)~~ as required under § 9-1A-27 of this subtitle; ~~AND~~

~~(H) FROM THE CLEAN ENERGY ACCOUNT ESTABLISHED UNDER SUBSECTION (E) OF THIS SECTION.~~

(II) THE ACCOUNT MAY RECEIVE MONEY FROM THE STRATEGIC ENERGY INVESTMENT FUND UNDER § 9-20B-05 OF THIS TITLE.

(2) Money in the Account shall be invested and reinvested by the Treasurer and interest and earnings shall accrue to the Account.

(3) The Comptroller shall:

(i) account for the Account; and

(ii) on a properly approved transmittal prepared by the Board of Public Works, issue a warrant to pay out money from the Account in the manner provided under this section.

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

(5) Expenditures from the Account shall only be made on a properly approved transmittal prepared by the Board of Public Works as provided under subsection ~~[(c)] (D)~~ of this section.

~~[(c)] (D)~~ (1) ~~[(c)] (D)~~ In this subsection, “eligible fund manager” means an entity that has significant financial or investment experience, under criteria developed by the Board of Public Works.

~~(2)~~ Subject to ~~[(c)] (D)~~ the provisions of ~~[(3)] (2)~~ paragraph ~~[(3)] (2)~~ of this subsection, the Board of Public Works shall make grants to eligible fund managers to provide investment capital and loans to small, minority, and women-owned businesses in the State.

~~[(3)] (2)~~ The Board of Public Works shall ensure that eligible fund managers allocate at least 50% of the funds from this Account to small, minority, and women-owned businesses in the jurisdictions and communities surrounding a video lottery facility.

~~(E) (1) THERE IS A CLEAN ENERGY BUSINESS DEVELOPMENT ACCOUNT AS A SUBACCOUNT IN THE ACCOUNT.~~

~~(2) THE CLEAN ENERGY ACCOUNT SHALL RECEIVE MONEY IN ACCORDANCE WITH § 9-20B-05(I) OF THE STATE GOVERNMENT ARTICLE.~~

~~(3) MONEY IN THE CLEAN ENERGY ACCOUNT SHALL BE AVAILABLE TO:~~

1 ~~(I) MAKE GRANTS TO ELIGIBLE FUND MANAGERS TO PROVIDE~~
 2 ~~INVESTMENT CAPITAL AND LOANS TO SMALL, MINORITY, AND WOMEN OWNED~~
 3 ~~BUSINESSES IN THE CLEAN ENERGY INDUSTRY IN THE STATE; AND~~

4 ~~(H) PROVIDE A MANAGEMENT FEE TO COMPENSATE A FUND~~
 5 ~~MANAGER FOR ADMINISTRATIVE EXPENSES.~~

6 ~~(4) FUNDING FROM THE CLEAN ENERGY ACCOUNT MAY NOT BE~~
 7 ~~LIMITED TO SMALL, MINORITY, AND WOMEN OWNED BUSINESSES IN THE CLEAN~~
 8 ~~ENERGY INDUSTRY IN THE JURISDICTIONS AND COMMUNITIES SURROUNDING A~~
 9 ~~VIDEO LOTTERY FACILITY.~~

10 ~~(5) A FUND MANAGER THAT PROVIDES INVESTMENT CAPITAL AND~~
 11 ~~LOANS UNDER THIS SUBSECTION SHALL BE COMPENSATED FOR MARKETING AND~~
 12 ~~OPERATION ON A MANAGEMENT FEE BASIS.~~

13 (D) ANY MONEY RECEIVED FROM THE STRATEGIC ENERGY INVESTMENT
 14 FUND SHALL BE USED TO BENEFIT SMALL, MINORITY, AND WOMEN-OWNED
 15 BUSINESSES IN THE CLEAN ENERGY INDUSTRY IN THE STATE.

16 [(d)] ~~(F)~~ (E) Fund managers receiving grants under this section shall:

17 (1) keep proper records of funds and accounts;

18 (2) provide an annual report to the Governor and, in accordance with §
 19 2-1246 of this article, the General Assembly on investment capital and loans made
 20 pursuant to subsection ~~[(c)]~~ ~~(D)~~ of this section; and

21 (3) be subject to audit by the Office of Legislative Audits of the Department
 22 of Legislative Services.

23 [(e)] ~~(G)~~ (F) (1) Subject to paragraph (2) of this subsection, ~~EXCEPT FOR AN~~
 24 ~~ELIGIBLE FUND MANAGER MANAGING A GRANT UNDER SUBSECTION (E) OF THIS~~
 25 ~~SECTION~~, an eligible fund manager may use money from grants received under this section
 26 to pay expenses for administrative, actuarial, legal, and technical services.

27 (2) The Board of Public Works shall set the maximum amount of grant
 28 money that each eligible fund manager may use under paragraph (1) of this subsection.

29 [(f)] ~~(H)~~ (G) Each fiscal year the Legislative Auditor shall audit and evaluate the
 30 utilization of the funds that are allocated to small, minority, and women-owned businesses
 31 by eligible fund managers under subsection ~~[(c)(3)]~~ ~~(D)~~ ~~(2)~~ of this section.

- 1 (a) In this subtitle the following words have the meanings indicated.
- 2 (b) “Administration” means the Maryland Energy Administration.
- 3 (c) “Board” means the Strategic Energy Investment Advisory Board established
4 under § 9–20B–07 of this subtitle.

5 **(D) “CLEAN ENERGY INDUSTRY” MEANS A GROUP OF EMPLOYERS THAT ARE**
6 **ASSOCIATED BY THEIR PROMOTION OF:**

7 **(1) PRODUCTS AND SERVICES THAT IMPROVE ENERGY EFFICIENCY**
8 **AND CONSERVATION, INCLUDING PRODUCTS AND SERVICES PROVIDED BY:**

9 **(I) ELECTRICIANS;**

10 **(II) HEATING, VENTILATION, AND AIR–CONDITIONING**
11 **INSTALLERS;**

12 **(III) PLUMBERS; AND**

13 **(IV) ENERGY AUDITORS; AND**

14 **(2) RENEWABLE AND CLEAN ENERGY RESOURCES ~~THAT REDUCE~~**
15 **~~GREENHOUSE GAS EMISSIONS; AND~~**

16 **~~(3) TECHNOLOGY THAT ADVANCES EMISSIONS FREE ENERGY~~**
17 **~~SYSTEMS.~~**

18 **[(d)] (E)** “Fund” means the Maryland Strategic Energy Investment Fund.

19 **[(e)] (F)** “Program” means the Maryland Strategic Energy Investment Program.
20 9–20B–05.

21 (f) The Administration shall use the Fund:

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

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

25 (ii) renewable and clean energy resources;

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

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

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

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

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

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

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

16 (5) to provide grants, loans, and other assistance and investment as
17 necessary and appropriate to implement the purposes of the Program as set forth in §
18 9-20B-03 of this subtitle;

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

21 (7) to provide rebates under the Electric Vehicle Recharging Equipment
22 Rebate Program established under § 9-2009 of this title;

23 (8) to provide grants to encourage combined heat and power projects at
24 industrial facilities; ~~and~~

25 ~~(9) TO INVEST IN PRE-APPRENTICESHIP, APPRENTICESHIP, AND~~
26 ~~OTHER WORKFORCE DEVELOPMENT PROGRAMS TO ESTABLISH CAREER PATHS IN~~
27 ~~THE CLEAN ENERGY INDUSTRY UNDER § 11-708.1 OF THE LABOR AND~~
28 ~~EMPLOYMENT ARTICLE;~~

29 ~~(10) TO PROVIDE ACCESS TO CAPITAL FOR SMALL, MINORITY, AND~~
30 ~~WOMEN-OWNED BUSINESSES IN THE CLEAN ENERGY INDUSTRY UNDER § 9-1A-35~~
31 ~~OF THIS TITLE; AND~~

32 ~~(9)~~ (11) to pay the expenses of the Program.

~~(I) MONEY THAT THE FUND RECEIVES UNDER PUBLIC SERVICE COMMISSION ORDER NUMBER 86372 SHALL BE ALLOCATED AS FOLLOWS:~~

~~(1) \$10,000,000 TO A CLEAN ENERGY WORKFORCE ACCOUNT ESTABLISHED IN THE MARYLAND EMPLOYMENT ADVANCEMENT RIGHT NOW PROGRAM UNDER § 11-708.1 OF THE LABOR AND EMPLOYMENT ARTICLE; AND~~

~~(2) \$30,000,000 TO A CLEAN ENERGY BUSINESS DEVELOPMENT ACCOUNT ESTABLISHED IN THE SMALL, MINORITY, AND WOMEN OWNED BUSINESSES ACCOUNT UNDER § 9-1A-35 OF THIS TITLE.~~

(F-1) THE ADMINISTRATION MAY USE THE FUND, INCLUDING MONEY THAT THE FUND RECEIVES UNDER PUBLIC SERVICE COMMISSION ORDER NUMBER 86372, TO PROVIDE FUNDING FOR ACCESS TO CAPITAL FOR SMALL, MINORITY, AND WOMEN-OWNED BUSINESSES IN THE CLEAN ENERGY INDUSTRY UNDER § 9-1A-35 OF THIS TITLE.

~~[(i)] (J) (1) Except as provided in paragraph (2) of this subsection, compliance fees paid under § 7-705(b) of the Public Utilities 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)(2)(i)2 of the Public Utilities 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.~~

~~[(j)] (K) (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.~~

~~[(k)] (L) 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.~~

1 ~~[(1)] (M)~~ ~~An expenditure by budget amendment may be made under subsection~~
2 ~~[(k)] (L) of this section only after:~~

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

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

8 SECTION 2. AND BE IT FURTHER ENACTED, That the Department of Labor,
9 Licensing, and Regulation shall:

10 (1) study the workforce development training needs for the clean energy
11 industry in the State;

12 (2) in conducting the study required under item (1) of this section, seek
13 input from:

14 (i) State agencies, including the Department of Budget and
15 Management, the Department of Commerce, the Governor's Office of Minority Affairs, the
16 Maryland Energy Administration, and the Maryland Clean Energy Center;

17 (ii) clean energy industry stakeholders; and

18 (iii) any other persons that the Department determines appropriate;

19 (3) identify:

20 (i) existing programs that could help address the clean energy
21 industry workforce needs;

22 (ii) any new program that could be developed to provide workforce
23 development training for the clean energy workforce;

24 (iii) ways to advance clean energy job training and employment
25 opportunities for:

26 1. individuals from economically distressed areas; and

27 2. disadvantaged workers who have barriers to entry into the
28 labor force, including homelessness, prior criminal records, receipt of public assistance,
29 unemployment with no high school education, veterans of the armed forces of the United
30 States, and former foster care youth;

31 (iv) barriers to entry for small, minority, and women-owned
32 businesses in the clean energy industry;

1 (v) funding ways that may be used to provide incentives for the
 2 development of clean energy workforce development training programs, including through
 3 tax credits, grants, or other forms; and

4 (vi) options for funding sources, including the Strategic Energy
 5 Investment Fund, money directed by Public Service Commission orders, and other sources;
 6 and

7 (4) on or before July 1, 2017, report, in accordance with § 2-1246 of the
 8 State Government Article, to the General Assembly its findings and any recommendations.

9 SECTION ~~3~~ 3. AND BE IT FURTHER ENACTED, That this Act shall be construed
 10 to apply only prospectively and may not be applied or interpreted to have any effect on or
 11 application to any contract existing before the effective date of this Act.

12 SECTION ~~4~~ 4. AND BE IT FURTHER ENACTED, That, if any provision of this Act
 13 or the application thereof to any person or circumstance is held invalid for any reason in a
 14 court of competent jurisdiction, the invalidity does not affect other provisions or any other
 15 application of this Act that can be given effect without the invalid provision or application,
 16 and for this purpose the provisions of this Act are declared severable.

17 SECTION ~~5~~ 5. AND BE IT FURTHER ENACTED, That this Act shall take effect
 18 October 1, 2016.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.