

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1281
Economic Matters

(Delegates Jameson and Gaines)

Finance

Strategic Energy Investment Program and Advisory Board - Alterations

This bill requires the Governor to appoint a chair for the Strategic Energy Investment Advisory Board from among its voting members and authorizes the board to meet at the discretion of the chair or the request of the Director of the Maryland Energy Administration (MEA). MEA must report on a plan for the Strategic Energy Investment Fund (SEIF) expenditures to the board annually, rather than only in a plan development year (which occurs every three years). The SEIF annual report that MEA must make to the Governor and the General Assembly each year must also be made to specified legislative committees and must include additional specified information. Finally, interest earnings in SEIF no longer accrue to the administrative expense account in SEIF but are still retained in SEIF.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: No effect on total special fund revenues or expenditures for SEIF; interest earnings still accrue to SEIF, just not the administrative expense account within SEIF. MEA can handle the bill's requirements with existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: Chapters 127 and 128 of 2008 established SEIF primarily to receive revenue from Regional Greenhouse Gas Initiative (RGGI) carbon dioxide emission

allowance auctions. The Acts also established an allocation of the revenue from the quarterly RGGI carbon dioxide emission allowance auctions to be distributed among various categories of spending. Other revenue in SEIF available from different fund sources is not subject to the allocation.

Generally, RGGI funds in SEIF support (1) energy assistance programs; (2) low- and moderate-income energy efficiency and other energy efficiency programs, (3) renewable energy, climate change, resiliency, and energy education programs; and (4) MEA administrative expenses. Up to \$5.0 million annually from RGGI funds may be allocated for MEA administrative expenses. MEA notes that, in the past, other sources of funds have also been appropriated through the administrative expense account within SEIF, such as funding for offshore wind development. Expenditures from SEIF may only be made by an appropriation in the State budget or by an approved budget amendment. A detailed discussion of the funding allocations for SEIF can be found in the 2016 [budget analysis](#) by the Department of Legislative Services for MEA.

The SEIF advisory board must review the Strategic Energy Investment Program and MEA's proposed uses of and expenditures from SEIF and make recommendations to MEA concerning any proposed use or expenditure. MEA must provide staff for the board. By January 1 of each year, MEA must report to the Governor and the General Assembly on the uses and expenditures of SEIF from the prior fiscal year. The report must include, among other things (1) a detailed accounting of all amounts received by and disbursed from SEIF, as specified; (2) all amounts used by MEA for administrative purposes; and (3) the status of programs, projects, activities, and investments implemented with SEIF funds.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Energy Administration, Department of Legislative Services

Fiscal Note History: First Reader - March 2, 2016
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