

HOUSE BILL 1236

C5, P1

8lr2571
CF SB 879

By: **Delegates Clippinger and Brooks**

Introduced and read first time: February 8, 2018

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 14, 2018

CHAPTER _____

1 AN ACT concerning

2 **Solar Energy Grant Program – Revisions**

3 FOR the purpose of altering the maximum grant amount that the Maryland Energy
4 Administration may award to certain properties under the Solar Energy Grant
5 Program; prohibiting the Administration from denying a grant application for a
6 certain property except under certain circumstances; establishing the maximum
7 grant amount for certain years for properties that do not serve a certain purpose;
8 requiring the Administration to use the Strategic Energy Investment Fund for a
9 certain purpose, subject to a certain provision; defining certain terms; and generally
10 relating to the Solar Energy Grant Program.

11 BY repealing and reenacting, with amendments,
12 Article – State Government
13 Section 9–2007 and 9–20B–05(f) and (h)
14 Annotated Code of Maryland
15 (2014 Replacement Volume and 2017 Supplement)

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

18 **Article – State Government**

19 9–2007.

20 (a) (1) In this section the following words have the meanings indicated.

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 (2) “Installed electricity generation capacity” means the maximum direct
2 current power output in watts of the array of photovoltaic modules rated under standard
3 test condition.

4 **(3) “LOW-INCOME” MEANS HAVING:**

5 **(I) GROSS ANNUAL HOUSEHOLD INCOME NOT EXCEEDING**
6 **175% OF THE FEDERAL POVERTY LEVEL; OR**

7 **(II) CERTIFICATION AS ELIGIBLE FOR A FEDERAL, STATE, OR**
8 **LOCAL ASSISTANCE PROGRAM THAT LIMITS PARTICIPATION TO HOUSEHOLDS WITH**
9 **INCOME NOT EXCEEDING 175% OF THE FEDERAL POVERTY LIMIT.**

10 **(4) (I) “MODERATE-INCOME” MEANS HAVING GROSS ANNUAL**
11 **HOUSEHOLD INCOME NOT EXCEEDING 80% OF THE MEDIAN INCOME FOR THE**
12 **STATE.**

13 **(II) “MODERATE-INCOME” DOES NOT INCLUDE LOW-INCOME.**

14 **[(3)] (5)** “Photovoltaic property” means solar energy property [with an
15 installed electricity generation capacity of 20 kilowatts or less] that uses a solar
16 photovoltaic process to generate electricity and that meets applicable performance and
17 quality standards and certification requirements in effect at the time of acquisition of the
18 property, as specified by the Maryland Energy Administration.

19 **[(4)] (6)** “Program” means the Solar Energy Grant Program.

20 **[(5)] (7)** (i) “Solar energy property” means equipment that uses solar
21 energy:

- 22 1. to generate electricity;
- 23 2. to heat or cool a structure or provide hot water for use in
24 a structure; or
- 25 3. to provide solar process heat.

26 (ii) “Solar energy property” does not include a swimming pool, hot
27 tub, or any other energy storage medium that has a function other than storage.

28 **[(6)] (8)** “Solar water heating property” means solar energy property that:

29 (i) when installed in connection with a structure, uses solar energy
30 for the purpose of providing hot water for use within the structure; and

(ii) meets applicable performance and quality standards and certification requirements in effect at the time of acquisition of the property, as specified by the Maryland Energy Administration.

(b) There is a Solar Energy Grant Program in the Administration.

(c) The purpose of the Program is to provide grants to individuals, local governments, ~~NONPROFIT ORGANIZATIONS, THIRD PARTY SOLAR PROJECT OWNERS,~~ and businesses for a portion of the costs of acquiring and installing photovoltaic property and solar water heating property.

(d) The Administration shall:

(1) administer the Program;

(2) establish application procedures for the Program; and

(3) award grants from the Program.

(e) ~~(1)~~ A grant awarded under the Program may not exceed:

~~{(1)}~~ ~~(H)~~ for photovoltaic property WITH AN INSTALLED ELECTRICITY GENERATION CAPACITY OF 20 KILOWATTS OR LESS THAT DOES NOT SERVE LOW-INCOME OR MODERATE-INCOME RESIDENTS, the lesser of \$2,500 per kilowatt of installed electricity generation capacity or \$10,000; [and]

~~(H)~~ **(2)** FOR PHOTOVOLTAIC PROPERTY THAT SERVES LOW-INCOME OR MODERATE-INCOME RESIDENTS:

1. \$500, THE LESSER OF \$300 PER KILOWATT OF INSTALLED ELECTRICITY GENERATION OR \$3,000, FOR A BUILDING WITH NOT MORE THAN 5 DWELLING UNITS;

~~2. \$150 PER KILOWATT OF INSTALLED ELECTRICITY GENERATION, FOR A BUILDING WITH MORE THAN 5 DWELLING UNITS; AND~~

~~3. \$500 PER KILOWATT OF INSTALLED ELECTRICITY GENERATION, FOR A SINGLE FAMILY DWELLING; AND~~

(2) ~~(H)~~ **(3)** for solar water heating property, the lesser of \$3,000 or 30% of the total installed cost of the solar water heating property.

~~(2) A GRANT AWARDED UNDER PARAGRAPH (1)(H) OF THIS SUBSECTION MAY BE DIRECTLY ASSIGNABLE TO AN INSTALLER OR A THIRD PARTY OWNER WHO:~~

~~(I) PROVIDES THE PHOTOVOLTAIC PROPERTY AT NO UP-FRONT COST; AND~~

~~(H) DEMONSTRATES A COMMITMENT TO:~~

~~1. HOUSEHOLD SAVINGS; OR~~

~~2. PASSING SAVINGS THROUGH TO TENANTS OR TENANT PROGRAMS OR FOR OPERATIONAL BENEFITS.~~

(f) Subject to the limitations in subsection (e) of this section, the Administration may adjust the grant amounts under the Program to reflect market conditions and the prevailing prices of photovoltaic property and solar water heating property.

(G) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE ADMINISTRATION MAY NOT DENY AN APPLICATION FOR A GRANT UNDER THIS SECTION ON THE BASIS OF THE AGE OF THE PROPERTY ON WHICH THE PHOTOVOLTAIC PROPERTY WILL BE INSTALLED.

(2) THE ADMINISTRATION MAY DENY AN APPLICATION FOR A GRANT BASED ON THE AGE OF A PROPERTY IF THE PROPERTY IS LISTED ON THE NATIONAL REGISTER OF HISTORIC PLACES.

~~SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding § 9-207(c) of the State Government Article, as enacted by Section 1 of this Act, for fiscal years 2019 and 2020 only, a grant awarded shall be equal to \$300 per kilowatt of installed electric generation capacity up to a maximum of \$3,000 for a photovoltaic property that:~~

~~(1) is residential, but does not serve low-income or moderate-income residents; or~~

~~(2) is not residential.~~

9-20B-05.

(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;

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

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

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

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

8 (2) to provide targeted programs, projects, activities, and investments to
9 reduce electricity consumption by customers in the low-income and moderate-income
10 residential sectors, **INCLUDING THROUGH THE SOLAR ENERGY GRANT PROGRAM**
11 **ESTABLISHED UNDER § 9-2007 OF THIS TITLE;**

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

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

19 (5) to provide grants, loans, and other assistance and investment as
20 necessary and appropriate to implement the purposes of the Program as set forth in §
21 9-20B-03 of this subtitle;

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

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

26 (8) to provide grants to encourage combined heat and power projects at
27 industrial facilities; and

28 (9) to pay the expenses of the Program.

29 (h) (1) Energy efficiency and conservation programs under subsection (g)(2) of
30 this section include:

31 (i) low-income energy efficiency programs;

32 (ii) residential and small business energy efficiency programs;

- 1 (iii) commercial and industrial energy efficiency programs;
- 2 (iv) State and local energy efficiency programs;
- 3 (v) demand response programs;
- 4 (vi) loan programs and alternative financing mechanisms; and
- 5 (vii) grants to training funds and other organizations supporting job
6 training for deployment of energy efficiency and energy conservation technology and
7 equipment.

8 (2) Energy-related public education and outreach and renewable and clean
9 energy programs and initiatives under subsection (g)(3)(i) and (ii) of this section include:

- 10 (i) production incentives for specified renewable energy sources;
- 11 (ii) expansion of existing grant programs for solar, geothermal, and
12 wind programs;
- 13 (iii) loan programs and alternative financing mechanisms; and
- 14 (iv) consumer education and outreach programs that are designed to
15 reach low-income communities.

16 **(3) THE ADMINISTRATION SHALL COMPLY WITH THE REQUIREMENTS**
17 **OF § 9-2007 OF THIS TITLE WHEN AWARDING SOLAR GRANTS THAT ARE FUNDED**
18 **UNDER SUBSECTIONS (F)(2) AND (G) OF THIS SECTION.**

19 SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding § 9-2007(e)
20 of the State Government Article, as enacted by Section 1 of this Act, for fiscal years 2019
21 and 2020 only, a grant awarded shall be equal to \$250 per kilowatt of installed electric
22 generation capacity up to a maximum of \$2,000 for a photovoltaic property that:

- 23 (1) is residential, but does not serve low-income or moderate-income
24 residents; or
- 25 (2) is not residential.

26 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June
27 1, 2018.