

Department of Legislative Services
 Maryland General Assembly

FISCAL NOTE

Senate Bill 606 (Senator Pinsky)
 Economic and Environmental Affairs

Maryland Energy Administration - Energy Utilization - Energy Inventory

This bill directs the Maryland Energy Administration (MEA) to conduct a statewide inventory of energy utilization and evaluate future energy needs. MEA is also required to formulate strategic plans and recommendations for reducing energy use and consumption, alternative energy sources, and alternative methods of energy consumption and distribution that would maximize environmental benefits.

Fiscal Summary

State Effect: General fund expenditure increase of \$193,700 in FY 1999 which reflects program start-up costs. Out-years reflect annualization, inflation, as well as a reduction in contractual fees.

(in dollars)	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	\$193,700	\$112,800	\$114,400	\$116,000	\$117,800
Net Effect	\$193,700	\$112,800	\$114,400	\$116,000	\$117,800

Note: () - decrease; GF - general funds; FF - federal funds; SF - special funds

Local Effect: None.

Small Business Effect: None.

Fiscal Analysis

Bill Summary: The bill directs the Maryland Energy Administration to:

- conduct a statewide energy inventory of current levels of energy consumption and utilization from residential, commercial, industrial, and governmental sources and compile that information into a form that may be easily analyzed and evaluated;
- collect and analyze statistics and information related to future residential, commercial, industrial, and governmental energy needs;
- formulate strategic plans and make recommendations related to reducing energy use and consumption for residential, commercial, industrial, and governmental applications; and
- research, collect, and analyze information on, and make recommendations related to, alternative energy sources and alternative methods of energy consumption and distribution that would maximize environmental benefits.

State Effect: MEA advises that in order to carry out the provisions of the bill in the most cost effective manner much of the work would be done under contract with the Power Plant Research Program (PPRP) at the Department of Natural Resources. PPRP has access to some of the related data as well as the expertise in the field to set up a system for collecting and monitoring the needed data. PPRP estimates that it would require an additional 2,000 hours of staff time to start up a program that encompassed the requirements of the bill.

General fund expenditures could increase by an estimated \$193,700 in fiscal 1999, which accounts for the bill's October 1, 1998 effective date. This estimate reflects the cost of hiring one Energy Manager to run the new program, which includes coordinating the collection and monitoring of data on energy usage, and making recommendations for energy conservation, alternative energy sources, and environmental benefits. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses including \$154,700 for contractual services from PPRP to assist in the collecting, monitoring, and updating of the relevant energy data needed to carry out the requirements of the bill. In future years the fees for contractual services will decrease to approximately \$67,000 annually.

Future year expenditures reflect (1) full salaries with 3.5% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

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

Fiscal Note History: First Reader - March 5, 1998

tlw

Analysis by: Mike Sanelli

Reviewed by: John Rixey

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710