
By: **Delegates Taylor, Barkley, Barve, Bobo, Bronrott, Burns, Cardin, Conroy, Feldman, Frush, Gilleland, Heller, Hubbard, Kaiser, Kirk, Krysiak, Lee, Madaleno, Mandel, McDonough, McHale, Moe, Morhaim, Murray, Niemann, Pugh, Ramirez, and Vaughn**

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CHAPTER _____

1 AN ACT concerning

2 **Community Energy and Economic Development Grant Program and Solar**
3 **Energy Grant Program**

4 FOR the purpose of establishing the Community Energy and Economic Development
5 Grant Program; providing for the purpose of the Program; requiring the
6 Maryland Energy Administration to manage, supervise, and administer the
7 Program; requiring the Administration to adopt certain regulations;
8 establishing eligibility requirements, application procedures, and
9 documentation requirements for grants from the Program; limiting the amount
10 of grants from the Program; ~~requiring the Secretary of Natural Resources, in~~
11 ~~consultation with the Director of the Administration, to coordinate the~~
12 ~~preparation of a budget to support the Program;~~ establishing a Community
13 Energy and Economic Development Grant Program Fund; limiting the uses of
14 the Fund; establishing the composition of the Fund from sources including the
15 environmental surcharge; providing for the investment of money in the Fund;
16 ~~requiring the Governor to make a certain appropriation to the Fund each year;~~
17 ~~providing for a certain transfer of money to the Fund; requiring the Public~~
18 ~~Service Commission to include certain funding for the Program in setting the~~
19 ~~level of the environmental surcharge~~ altering the amount of the environmental
20 surcharge for each account for each retail electric customer for a specified period
21 of time; extending the date by which the environmental trust surcharge may be
22 imposed; requiring that a specified amount of the Environmental Trust Fund be
23 provided to the Administration for the Community Energy and Economic
24 Development Grant Program for a specified period of time; altering the name of
25 a certain program; requiring the Legislative Auditor to conduct post audits of

1 the Fund; altering the maximum amount of certain grants under the Solar
2 Energy Grant Program administered by the Maryland Energy Administration;
3 establishing a Solar Energy Grant Fund to be administered by the
4 Administration under Public Service Commission oversight for certain
5 purposes; requiring the State Treasurer and the State Comptroller to perform
6 certain functions related to the Solar Energy Grant Fund; authorizing the Solar
7 Energy Grant Fund to be used for grants to eligible projects; limiting the
8 amount of funds that may be used for certain administrative expenses;
9 providing that certain money expended from the Solar Energy Grant Fund is
10 supplemental to funding that otherwise would be appropriated for the Solar
11 Energy Grant Program; requiring the Governor to include a certain proposed
12 appropriation to the Solar Energy Grant Fund in the annual budget bill each
13 fiscal year under certain circumstances; requiring that a certain percentage of
14 certain compliance fees be paid into the Maryland Renewable Energy Fund and
15 a certain percentage of certain compliance fees be paid into the Solar Energy
16 Grant Fund; limiting the amount of certain compliance fees that may be paid
17 into the Solar Energy Grant Fund; requiring the Administration to report to the
18 General Assembly on or before a certain date; and generally relating to the
19 Community Energy and Economic Development Grant Program and the Solar
20 Energy Grant Program and Fund.

21 BY repealing and reenacting, with amendments,
22 Article - Natural Resources
23 Section 3-302
24 Annotated Code of Maryland
25 (2005 Replacement Volume and 2005 Supplement)

26 BY repealing and reenacting, with amendments,
27 Article - Public Utility Companies
28 Section 7-203 and 7-705
29 Annotated Code of Maryland
30 (1998 Volume and 2005 Supplement)

31 BY repealing and reenacting, with amendments,
32 Article - State Government
33 Section 9-2007
34 Annotated Code of Maryland
35 (2004 Replacement Volume and 2005 Supplement)

36 BY adding to
37 Article - State Government
38 Section 9-2007.1; and 9-21A-01 through ~~9-21A-11~~ 9-21A-10, inclusive, to be
39 under the new subtitle "Subtitle 21A. Community Energy and Economic
40 Development Grant Program"
41 Annotated Code of Maryland
42 (2004 Replacement Volume and 2005 Supplement)

1 budget by the General Assembly AND SUBJECT TO PARAGRAPH (2) OF THIS
2 SUBSECTION, the Public Service Commission shall establish the amount of the
3 surcharge per kilowatt hour for the fiscal year beginning July 1, 1972, and for each
4 subsequent fiscal year.

5 (2) ~~Notwithstanding any other provisions of this subtitle (I) EXCEPT AS~~
6 PROVIDED IN SUBPARAGRAPHS (II) AND (III) OF THIS PARAGRAPH, the amount of the
7 surcharge for each account for each retail electric customer may not exceed ~~the lesser~~
8 ~~of 0.15 mill per kilowatt hour or,~~

9 (II) EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS
10 PARAGRAPH, FOR THE FISCAL YEARS BEGINNING JULY 1, 2006 AND JULY 1, 2007, THE
11 AMOUNT OF THE SURCHARGE FOR EACH ACCOUNT OF EACH RETAIL ELECTRIC
12 CUSTOMER SHALL BE 0.15 MILL PER KILOWATT HOUR.

13 (III) A RETAIL ELECTRIC CUSTOMER MAY NOT BE CHARGED MORE
14 THAN \$1,000 per month and the,

15 (IV) THE surcharge may not continue beyond fiscal year ~~2010~~ 2020.

16 (3) The Comptroller shall maintain the method of collection of the
17 surcharge from the companies and the collections shall accrue to the Fund. The
18 Department shall credit against the amount required to be paid into the
19 Environmental Trust Fund by each electric company an amount equal to 0.75% of the
20 total surcharge attributed to each company on the basis of the electricity distributed
21 within Maryland.

22 (c) (1) The Secretary shall administer the Fund. The Fund is subject to the
23 provisions for financial management and budgeting established by the Department of
24 Budget and Management. Any investment earnings of the Fund shall be credited to
25 the General Fund of the State. The Fund is a special, nonlapsing fund that is not
26 subject to § 7-302 of the State Finance and Procurement Article. Except as provided
27 in paragraph (2) of this subsection, the moneys in the Fund shall be used to carry out
28 the provisions of this subtitle as provided for in the budget, except that 10% of all
29 moneys accruing to the Fund from July 1, 1978 through June 30, 1983 shall be used
30 to supplement funds necessary to carry out the duties of the People's Counsel of the
31 Public Service Commission. The People's Counsel shall submit an annual budget of
32 necessary supplemental funds to the Department to be incorporated in the
33 Department's budget. For the purposes of this subtitle, the Secretary, in consultation
34 with the Director of the Maryland Energy Administration, may execute appropriate
35 contracts with any State or federal agency, research organization, industry, or
36 academic institution to conduct the necessary research, construct or acquire, or both,
37 real property including physical predictive models, laboratories, buildings, land, and
38 appurtenances, or support the technological development of extraordinary systems
39 related to power plants designed to minimize environmental impact. The Secretary
40 may utilize available expertise in any other State unit in the development, execution,
41 and management of contracts and agreements on projects relating to their areas of
42 prime responsibility.

1 (2) (⊕) Moneys in the Fund may be used for administrative costs
2 calculated in accordance with § 1-103(b)(2) of this article.

3 (II) ~~\$2,000,000 FROM THE FUND SHALL BE DEPOSITED EACH YEAR~~
4 ~~IN THE COMMUNITY ENERGY AND ECONOMIC DEVELOPMENT GRANT FUND.~~

5 (d) (1) The Maryland Energy Administration shall receive administrative
6 and fiscal support from the Fund for COSTS AND EXPENSES TO IMPLEMENT studies
7 AND PROGRAMS relating to the conservation or production of electric energy,
8 INCLUDING RENEWABLE ENERGY, AND ENERGY EFFICIENCY.

9 (2) Fiscal support to the Maryland Energy Administration from the
10 Fund;

11 (I) may not exceed \$250,000 in any fiscal year FOR
12 ADMINISTRATIVE COSTS AND EXPENSES FOR STUDIES AND PROGRAMS RELATING TO
13 CONSERVATION OR PRODUCTION OF ENERGY; AND

14 (II) FOR THE FISCAL YEARS BEGINNING JULY 1, 2006 AND JULY 1,
15 2007, SHALL BE AN AMOUNT FOR THE COMMUNITY ENERGY AND ECONOMIC
16 DEVELOPMENT GRANT PROGRAM ESTABLISHED IN TITLE 21A OF THE STATE
17 GOVERNMENT ARTICLE EQUAL TO THE BALANCE IN THE FUND THAT EXCEEDS THE
18 TOTAL OF THE FOLLOWING:

19 1. THE CURRENT FISCAL YEAR'S APPROPRIATION TO THE
20 DEPARTMENT FROM THE FUND; AND

21 2. 10% OF THE REVENUES COLLECTED UNDER THIS SECTION
22 FROM THE SURCHARGE DURING THE PREVIOUS FISCAL YEAR.

23 (e) The Legislative Auditor shall conduct post audits of a fiscal and
24 compliance nature of the Fund and of the appropriations and expenditures made for
25 the purposes of this subtitle. The cost of the fiscal portion of the post audit
26 examinations shall be an operating cost of the Fund.

27 **Article - Public Utility Companies**

28 7-203.

29 (a) (1) The Commission shall:

30 (i) impose an environmental surcharge per kilowatt hour of
31 electricity distributed to retail electric customers within the State; and

32 (ii) authorize each electric company to add the full amount of the
33 surcharge to its customers' bills.

34 (2) To the extent that an electric company fails to collect the surcharge
35 from its customers, the amount uncollected shall be deemed a cost of power

1 distribution and allowed and computed as such together with other allowable
2 expenses for purposes of rate-making.

3 (b) (1) The Comptroller shall collect the revenue from the surcharge
4 imposed under subsection (a) of this section and place the revenue into a special fund,
5 the Environmental Trust Fund.

6 (2) The Comptroller shall maintain the method of collection of the
7 surcharge from each electric company, and the money collected shall accrue to the
8 Fund.

9 (c) (1) Each fiscal year, the Secretary of Natural Resources shall coordinate
10 the preparation of the annual budget required to carry out the provisions of the Power
11 Plant ~~Research~~ ASSESSMENT Program under Title 3, Subtitle 3 of the Natural
12 Resources Article ~~AND THE COMMUNITY ENERGY AND ECONOMIC DEVELOPMENT~~
13 ~~GRANT PROGRAM UNDER TITLE 9, SUBTITLE 21 OF THE STATE GOVERNMENT~~
14 ~~ARTICLE.~~

15 (2) Each fiscal year, on approval of the annual ~~budget~~ BUDGETS by the
16 General Assembly for the Power Plant ~~Research~~ ASSESSMENT Program ~~AND THE~~
17 ~~COMMUNITY ENERGY AND ECONOMIC DEVELOPMENT GRANT PROGRAM AND~~
18 SUBJECT TO SUBSECTION (D) OF THIS SECTION, the Commission shall establish the
19 amount of the environmental surcharge per kilowatt hour of electric energy
20 distributed in the State that is to be imposed on each electric company in accordance
21 with subsection (a) of this section.

22 (d) (1) ~~Notwithstanding any other provision of this subtitle~~

23 (I) EXCEPT AS PROVIDED IN SUBPARAGRAPHS (II) AND (III) OF THIS
24 PARAGRAPH, the amount of the surcharge for each account of each retail electric
25 customer may not exceed ~~the lesser of~~ 0.15 mill per kilowatt hour ~~or~~.

26 (II) EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS
27 PARAGRAPH, FOR THE FISCAL YEARS BEGINNING JULY 1, 2006 AND JULY 1, 2007, THE
28 AMOUNT OF THE SURCHARGE FOR EACH ACCOUNT OF EACH RETAIL ELECTRIC
29 CUSTOMER SHALL BE 0.15 MILL PER KILOWATT HOUR.

30 (III) A RETAIL ELECTRIC CUSTOMER MAY NOT BE CHARGED MORE
31 THAN \$1,000 per month.

32 (2) The Department of Natural Resources shall credit against the
33 amount the Commission requires each electric company to pay into the
34 Environmental Trust Fund 0.75% of the total surcharge amount attributed to the
35 electric company on the basis of the amount of the electricity distributed in the State.

36 (e) To the extent that the Commission requires an electric company to report
37 the total estimated kilowatt hours of electricity distributed in the State in order to
38 calculate the surcharge under subsection (a)(1) of this section, a small rural electric
39 cooperative described in § 7-502(a) of this title may satisfy the requirement by
40 submitting to the Commission an estimate made in accordance with a formula

1 approved by the Commission from information that the small rural electric
 2 cooperative submits to the rural utilities service that includes the required
 3 information.

4 (f) The surcharge imposed under this subtitle shall terminate on June 30,
 5 ~~2010~~ 2020.

6 7-705.

7 (a) Each electricity supplier shall submit a report to the Commission each
 8 year in a form and by a date specified by the Commission that:

9 (1) demonstrates that the electricity supplier has complied with the
 10 applicable renewable energy portfolio standard under § 7-703 of this subtitle and
 11 includes the submission of the required amount of renewable energy credits; or

12 (2) demonstrates the amount of electricity sales by which the electricity
 13 supplier failed to meet the applicable renewable energy portfolio standard.

14 (b) (1) If an electricity supplier fails to comply with the renewable energy
 15 portfolio standard for the applicable year, the electricity supplier shall pay [into the
 16 Maryland Renewable Energy Fund established under § 7-707 of this subtitle]:

17 [(1)] (I) except as provided in [paragraph (2)] ITEM (II) of this
 18 [subsection] PARAGRAPH, a compliance fee of:

19 [(i)] 1. 2 cents for each kilowatt-hour of shortfall from required
 20 Tier 1 renewable sources; and

21 [(ii)] 2. 1.5 cents for each kilowatt-hour of shortfall from required
 22 Tier 2 renewable sources; or

23 [(2)] (II) for industrial process load:

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

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

27 [2.] B. 0.5 cents in 2009 and 2010;

28 [3.] C. 0.4 cents in 2011 and 2012;

29 [4.] D. 0.3 cents in 2013 and 2014;

30 [5.] E. 0.25 cents in 2015 and 2016; and

31 [6.] F. 0.2 cents in 2017 and later; and

32 [(ii)] 2. nothing for any shortfall from required Tier 2 renewable
 33 sources.

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

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

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

7 (c) The purpose of the Program is to provide grants to individuals, local
 8 governments, and businesses for a portion of the costs of acquiring and installing
 9 photovoltaic property and solar water heating property.

10 (d) The Administration shall:

11 (1) administer the Program;

12 (2) establish application procedures for the Program; and

13 (3) award grants from the Program.

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

15 (1) for photovoltaic property installed on residential property, THE SUM
 16 OF:

17 (I) the lesser of [\$3,000] \$20,000 or [20%] 50% of the total installed
 18 cost of the photovoltaic property; AND

19 (II) THE LESSER OF THE AMOUNT OF \$1 MULTIPLIED BY THE
 20 KILOWATT-HOURS OF ELECTRICITY PRODUCED FROM THE PHOTOVOLTAIC
 21 PROPERTY DURING ITS FIRST YEAR OF OPERATION, OR \$10,000;

22 (2) for photovoltaic property installed on nonresidential property, THE
 23 SUM OF:

24 (I) the lesser of [\$5,000] \$60,000 or [20%] 50% of the total installed
 25 cost of the photovoltaic property; and

26 (II) THE LESSER OF THE AMOUNT OF \$1 MULTIPLIED BY THE
 27 KILOWATT-HOURS OF ELECTRICITY PRODUCED FROM THE PHOTOVOLTAIC
 28 PROPERTY DURING ITS FIRST YEAR OF OPERATION, OR \$10,000; AND

29 (3) for solar water heating property, the lesser of [\$2,000] \$3,500 or
 30 [20%] 50% of the total installed cost of the solar water heating property.

31 9-2007.1.

32 (A) THERE IS A SOLAR ENERGY GRANT FUND.

1 (B) THE PURPOSE OF THE FUND IS TO ENCOURAGE INDIVIDUALS, LOCAL
2 GOVERNMENTS, AND BUSINESSES TO ACQUIRE AND INSTALL PHOTOVOLTAIC
3 PROPERTY AND SOLAR WATER HEATING PROPERTY.

4 (C) SUBJECT TO OVERSIGHT BY THE PUBLIC SERVICE COMMISSION, THE
5 ADMINISTRATION SHALL ADMINISTER THE FUND.

6 (D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT
7 TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

8 (2) THE TREASURER SHALL HOLD THE FUND SEPARATELY AND THE
9 COMPTROLLER SHALL ACCOUNT FOR THE FUND.

10 (E) THE FUND CONSISTS OF:

11 (1) COMPLIANCE FEES PAID UNDER § 7-705 OF THE PUBLIC UTILITY
12 COMPANIES ARTICLE;

13 (2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

14 (3) INVESTMENT EARNINGS OF THE FUND; AND

15 (4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE
16 BENEFIT OF THE FUND.

17 (F) (1) THE FUND MAY BE USED ONLY TO AWARD GRANTS UNDER THE
18 SOLAR ENERGY GRANT PROGRAM IN ACCORDANCE WITH § 9-2007 OF THIS SUBTITLE.

19 (2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE
20 ADMINISTRATION MAY ALLOW THE USE OF MONEY OF THE FUND FOR
21 ADMINISTRATIVE EXPENSES RELATED TO THE FUND AND PROJECT REVIEW AND
22 OVERSIGHT.

23 (II) THE ADMINISTRATION MAY NOT SPEND MORE THAN 10% OF
24 THE FUNDS PLACED IN THE FUND FOR ADMINISTRATIVE EXPENSES.

25 (G) (1) THE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE
26 SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

27 (2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED TO
28 THE FUND.

29 (H) (1) MONEY EXPENDED FROM THE FUND FOR THE SOLAR ENERGY
30 GRANT PROGRAM IS SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE
31 OF FUNDING THAT OTHERWISE WOULD BE APPROPRIATED FOR THE SOLAR ENERGY
32 GRANT PROGRAM.

33 (2) THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL A
34 PROPOSED GENERAL FUND APPROPRIATION TO THE FUND NOT EXCEEDING THE
35 AMOUNT NEEDED TO BRING THE BALANCE OF THE FUND TO \$1,000,000 AT THE START
36 OF THE FISCAL YEAR, TAKING INTO ACCOUNT PROJECTED:

1 (I) EXPENDITURES FROM THE FUND DURING THE PRECEDING
2 FISCAL YEAR; AND

3 (II) COMPLIANCE FEES PAID IN ACCORDANCE WITH § 7-705 OF THE
4 PUBLIC UTILITY COMPANIES ARTICLE.

5 SUBTITLE 21A. COMMUNITY ENERGY AND ECONOMIC DEVELOPMENT GRANT
6 PROGRAM.

7 9-21A-01.

8 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
9 INDICATED.

10 (B) "ADMINISTRATION" MEANS THE MARYLAND ENERGY ADMINISTRATION.

11 (C) "FUND" MEANS THE COMMUNITY ENERGY AND ECONOMIC DEVELOPMENT
12 GRANT FUND.

13 (D) "LOCAL JURISDICTION" MEANS A COUNTY OR MUNICIPAL CORPORATION
14 OF THE STATE.

15 (E) "MINORITY BUSINESS ENTERPRISE" MEANS A BUSINESS TO WHICH § 9-305
16 OF THIS TITLE APPLIES.

17 (F) "NONPROFIT ORGANIZATION" MEANS A CORPORATION, FOUNDATION,
18 SCHOOL, HOSPITAL, OR OTHER LEGAL ENTITY, NO PART OF THE NET EARNINGS OF
19 WHICH BENEFIT ANY PRIVATE SHAREHOLDER OR INDIVIDUAL HOLDING AN
20 INTEREST IN THE ORGANIZATION.

21 (G) "PROGRAM" MEANS THE COMMUNITY ENERGY AND ECONOMIC
22 DEVELOPMENT GRANT PROGRAM.

23 (H) "RENEWABLE SOURCE" MEANS A TIER 1 RENEWABLE SOURCE ~~OR TIER 2~~
24 ~~RENEWABLE SOURCE~~, AS DEFINED IN § 7-701 OF THE PUBLIC UTILITY COMPANIES
25 ARTICLE.

26 9-21A-02.

27 THERE IS A COMMUNITY ENERGY AND ECONOMIC DEVELOPMENT GRANT
28 PROGRAM IN THE ADMINISTRATION.

29 9-21A-03.

30 THE PURPOSE OF THE PROGRAM IS TO PROVIDE GRANTS TO NONPROFIT
31 ORGANIZATIONS AND LOCAL JURISDICTIONS THAT OPERATE COMMUNITY ENERGY
32 PROGRAMS PROMOTING ENERGY EFFICIENCY, RENEWABLE ENERGY, AND
33 INCREASED MARKET COMPETITION FOR ELECTRICITY PRODUCTS.

1 9-21A-04.

2 THE ADMINISTRATION SHALL:

3 (1) MANAGE, SUPERVISE, AND ADMINISTER THE PROGRAM;

4 (2) ADOPT REGULATIONS TO ENSURE THAT GRANTS ARE PROVIDED
5 ONLY TO PROJECTS THAT CARRY OUT THE PURPOSE OF THE PROGRAM; AND

6 (3) ATTACH THE SPECIFIC TERMS TO ANY GRANT THAT THE
7 ADMINISTRATION CONSIDERS NECESSARY TO ENSURE THAT THE PURPOSE OF THE
8 PROGRAM IS FULFILLED.

9 9-21A-05.

10 IN FULFILLING THE REQUIREMENTS OF THIS SUBTITLE, THE ADMINISTRATION
11 SHALL RECOGNIZE THE IMPORTANCE TO THE STATE OF ASSISTING RESIDENTS OF
12 MODERATE INCOME, AND MINORITY BUSINESS ENTERPRISES, ~~AND FARMERS.~~

13 9-21A-06.

14 TO RECEIVE A GRANT UNDER THIS SUBTITLE, A NONPROFIT ORGANIZATION OR
15 LOCAL JURISDICTION SHALL DEMONSTRATE TO THE ADMINISTRATION THAT THE
16 PROPOSED COMMUNITY ENERGY PROGRAM WILL:

17 (1) SELL ELECTRICITY FROM A RENEWABLE SOURCE TO RESIDENTS
18 AND BUSINESSES IN A LOCAL JURISDICTION;

19 (2) OFFER ELECTRIC CUSTOMERS IN A LOCAL JURISDICTION AN
20 OPPORTUNITY TO PURCHASE RENEWABLE ELECTRICITY COLLECTIVELY;

21 (3) ~~MAKE LOW-INTEREST LOANS TO RESIDENTS FOR THE~~
22 ~~INSTALLATION OF SOLAR OR GEOTHERMAL ELECTRIC GENERATORS ON THEIR~~
23 ~~PROPERTY;~~

24 (4) PROVIDE A CENTRALIZED INFORMATION SOURCE ON RENEWABLE
25 ENERGY ISSUES;

26 (5) (4) PUBLICIZE THE ACTIONS OF BUSINESSES THAT PURCHASE
27 ELECTRICITY FROM A RENEWABLE SOURCE;

28 (6) (5) PROVIDE LOW-COST ENERGY EFFICIENCY CONSULTATION TO
29 ELECTRIC CUSTOMERS;

30 (7) ~~PROVIDE REBATES TO ELECTRIC CUSTOMERS FOR THE PURCHASE~~
31 ~~OF ENERGY EFFICIENT APPLIANCES AND WINDOWS;~~

32 (8) (6) FUND TRAINING PROGRAMS FOR TECHNICIANS OF
33 RENEWABLE SOURCE POWER SYSTEMS;

1 ~~(9)~~ (7) PROVIDE GRANTS FOR MINORITY BUSINESS ENTERPRISES ~~AND~~
 2 ~~MODERATE-INCOME RESIDENTS~~ TO PURCHASE RENEWABLE SOURCE POWER
 3 SYSTEMS;

4 ~~(10)~~ (8) PROVIDE GRANTS FOR MODERATE-INCOME RESIDENTS TO
 5 IMPROVE HOME ENERGY EFFICIENCY; OR

6 ~~(11)~~ ~~PROVIDE GRANTS OR LOW-INTEREST LOANS TO FARMERS FOR THE~~
 7 ~~INSTALLATION ON FARMS OF GENERATORS THAT PRODUCE ELECTRICITY FROM A~~
 8 ~~RENEWABLE SOURCE; OR~~

9 ~~(12)~~ (9) CARRY OUT THE PURPOSE OF THE PROGRAM IN A MANNER
 10 APPROVED BY THE ADMINISTRATION.

11 9-21A-07.

12 (A) (1) TO RECEIVE A GRANT UNDER THE PROGRAM, A NONPROFIT
 13 ORGANIZATION OR LOCAL JURISDICTION SHALL FILE AN APPLICATION WITH THE
 14 ADMINISTRATION.

15 (2) IF AN APPLICANT IS A LOCAL JURISDICTION, THE APPLICATION
 16 MUST BE SIGNED BY THE CHIEF ELECTED OFFICER OR, IF NONE, BY THE GOVERNING
 17 BODY OF THE LOCAL JURISDICTION.

18 (B) THE APPLICATION SHALL CONTAIN:

19 (1) A DESCRIPTION OF THE PROPOSED COMMUNITY ENERGY PROGRAM;

20 (2) THE PROJECTED COST OF THE PROPOSED COMMUNITY ENERGY
 21 PROGRAM;

22 (3) THE AMOUNT OF ENERGY, IF ANY, A PROPOSED COMMUNITY ENERGY
 23 PROGRAM IS EXPECTED TO SAVE OVER A DEFINED PERIOD OF TIME;

24 (4) THE AMOUNT OF ENERGY COST SAVINGS, IF ANY, A PROPOSED
 25 COMMUNITY ENERGY PROGRAM IS EXPECTED TO PRODUCE OVER A DEFINED
 26 PERIOD OF TIME;

27 (5) A DESCRIPTION OF THE APPLICANT'S CONTRIBUTION TO A
 28 PROPOSED COMMUNITY ENERGY PROGRAM AS REQUIRED BY § 9-21A-08 OF THIS
 29 SUBTITLE; AND

30 (6) ANY OTHER INFORMATION THE ADMINISTRATION CONSIDERS
 31 NECESSARY.

32 (C) THE ADMINISTRATION SHALL NOTIFY EACH APPLICANT OF ITS DECISION
 33 ON WHETHER TO AWARD A GRANT WITHIN 90 DAYS AFTER RECEIVING THE
 34 APPLICATION.

35 (D) A NONPROFIT ORGANIZATION OR LOCAL JURISDICTION RECEIVING A
 36 GRANT UNDER THIS SUBTITLE SHALL BEGIN THE COMMUNITY ENERGY PROGRAM

1 FOR WHICH THE GRANT IS AWARDED WITHIN 6 MONTHS AFTER RECEIVING THE
2 GRANT.

3 9-21A-08.

4 (A) (1) A GRANT AWARDED UNDER THE PROGRAM MAY NOT EXCEED
5 \$1,000,000 FOR THE DURATION OF THE GRANT.

6 (2) IN MAKING GRANTS UNDER THIS SUBTITLE, THE ADMINISTRATION
7 SHALL CONSIDER:

8 (I) AN ALLOCATION OF GRANT ASSISTANCE AMONG PROPOSED
9 COMMUNITY ENERGY PROGRAMS BASED ON PROJECTED ENERGY COST SAVINGS OR
10 PROJECTED INCREASES IN RENEWABLE ENERGY USE OR PRODUCTION; AND

11 (II) THE GEOGRAPHIC DISTRIBUTION OF GRANT ASSISTANCE.

12 (B) (1) TO RECEIVE A GRANT, A LOCAL JURISDICTION SHALL MAKE A
13 MATCHING CONTRIBUTION TO THE COMMUNITY ENERGY PROGRAM BEING FUNDED
14 BY THE GRANT.

15 (2) A GRANT TO A LOCAL JURISDICTION MAY NOT EXCEED FOUR TIMES
16 THE AMOUNT OF THE MATCHING CONTRIBUTION BY THE LOCAL JURISDICTION.

17 9-21A-09.

18 THE ADMINISTRATION MAY REQUIRE A NONPROFIT ORGANIZATION OR LOCAL
19 JURISDICTION RECEIVING A GRANT UNDER THIS SUBTITLE, BEFORE A DATE
20 DETERMINED BY THE ADMINISTRATION WHEN AWARDED THE GRANT, TO
21 DOCUMENT FOR THE ADMINISTRATION:

22 (1) THE COST OF THE COMMUNITY ENERGY PROGRAM;

23 (2) THE AMOUNT OF ENERGY THE COMMUNITY ENERGY PROGRAM HAS
24 SAVED;

25 (3) THE AMOUNT OF ENERGY COST SAVINGS THE COMMUNITY ENERGY
26 PROGRAM HAS PRODUCED; AND

27 (4) ANY OTHER INFORMATION THE ADMINISTRATION CONSIDERS
28 NECESSARY.

29 9-21A-10.

30 (A) THERE IS A COMMUNITY ENERGY AND ECONOMIC DEVELOPMENT GRANT
31 FUND.

32 (B) (1) THE FUND MAY BE USED ONLY TO PAY THE EXPENSES OF THE
33 PROGRAM AND TO PROVIDE GRANTS UNDER THE PROGRAM TO ELIGIBLE LOCAL
34 JURISDICTIONS AND NONPROFIT ORGANIZATIONS.

1 (2) THE ADMINISTRATION MAY NOT SPEND FOR ADMINISTRATIVE
2 EXPENSES MORE THAN 10% OF THE FUNDS PLACED IN THE FUND.

3 (C) THE ADMINISTRATION SHALL ADMINISTER THE FUND.

4 (D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT
5 TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

6 (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND
7 THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

8 (E) THE FUND CONSISTS OF:

9 (1) MONEY ~~TRANSFERRED TO THE FUND FROM THE ENVIRONMENTAL~~
10 ~~TRUST FUND IN ACCORDANCE WITH § 3-302 OF THE NATURAL RESOURCES ARTICLE~~
11 ~~AND § 7-203 OF THE PUBLIC UTILITY COMPANIES ARTICLE RECEIVED BY THE~~
12 ADMINISTRATION UNDER § 3-302(D)(2)(II) OF THE NATURAL RESOURCES ARTICLE FOR
13 THE USE IN PROGRAMS RELATING TO RENEWABLE ENERGY AND ENERGY
14 EFFICIENCY;

15 (2) INVESTMENT EARNINGS OF THE FUND;

16 (3) MONEY DIRECTED TO THE FUND IN CONNECTION WITH ANY
17 PROCEEDINGS BEFORE THE PUBLIC SERVICE COMMISSION;

18 (4) MONEY TRANSFERRED FROM THE RENEWABLE ENERGY FUND
19 UNDER § 7-707 OF THE PUBLIC UTILITY COMPANIES ARTICLE, AS PROVIDED IN THE
20 STATE BUDGET; AND

21 ~~(3)~~ (5) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR
22 THE BENEFIT OF THE FUND.

23 (F) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN
24 THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

25 (2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID INTO
26 THE FUND.

27 (G) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE
28 WITH THE STATE BUDGET.

29 (H) THE FUND IS SUBJECT TO THE PROVISIONS FOR FINANCIAL
30 MANAGEMENT AND BUDGETING ESTABLISHED BY THE DEPARTMENT OF BUDGET
31 AND MANAGEMENT.

32 (I) (1) THE LEGISLATIVE AUDITOR SHALL CONDUCT POST AUDITS OF A
33 FISCAL AND COMPLIANCE NATURE OF THE FUND AND OF THE APPROPRIATIONS AND
34 EXPENDITURES MADE FOR THE PURPOSE OF THIS SUBTITLE.

35 (2) THE COST OF THE FISCAL PORTION OF THE POST AUDIT
36 EXAMINATIONS SHALL BE AN OPERATING COST OF THE FUND.

1 ~~9-21A-11.~~

2 ~~EACH YEAR THE GOVERNOR SHALL INCLUDE IN THE STATE BUDGET AN~~
3 ~~APPROPRIATION OF \$2,000,000 FOR THE FUND TO BE PAID FROM THE~~
4 ~~ENVIRONMENTAL SURCHARGE UNDER § 3-302 OF THE NATURAL RESOURCES~~
5 ~~ARTICLE AND § 7-203 OF THE PUBLIC UTILITY COMPANIES ARTICLE.~~

6 ~~SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding §~~
7 ~~3-302(c)(2)(ii) of the Natural Resources Article, as enacted by this Act, for the fiscal~~
8 ~~year beginning July 1, 2006, \$1,000,000 shall be transferred from the Environmental~~
9 ~~Trust Fund to the Community Energy and Economic Development Grant Fund.~~

10 ~~SECTION 3. 2.~~ AND BE IT FURTHER ENACTED, That the Maryland Energy
11 Administration shall report to the General Assembly on or before January 1, 2009, in
12 accordance with § 2-1246 of the State Government Article, on the implementation of
13 this Act, including the number of grants that have been awarded, the amount of
14 money that has been awarded, and the success of the programs awarded grants at
15 fulfilling the purpose of the Community Energy and Economic Development Grant
16 Program.

17 ~~SECTION 4. 3.~~ AND BE IT FURTHER ENACTED, That this Act shall take
18 effect June 1, 2006.