

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

House Bill 1294
Economic Matters

(Delegate Montgomery, *et al.*)

Task Force to Study the Economic Development Benefits of the Clean Energy
Industry in Maryland

This bill establishes the Task Force to Study the Economic Development Benefits of the Clean Energy Industry in Maryland to identify and demonstrate the economic development, environmental, and energy security benefits of using clean energy and implementing energy efficiency and conservation policies and technology. In addition, the task force has to develop a comprehensive strategy for promoting the use of clean energy in Maryland. A report with findings and recommendations is due to the Governor and the General Assembly by December 31, 2007. The task force is staffed by the Department of Business and Economic Development (DBED).

The bill takes effect June 1, 2007 and terminates May 31, 2008.

Fiscal Summary

State Effect: Any expense reimbursements for task force members and staffing requirements for DBED could be provided within existing resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The task force has to analyze and recommend policies, standards, and mechanisms needed to, among other things, promote the development of clean energy

industry in the State; increase the demand for clean energy in the State through alternative energy generation and energy efficiency programs; require all public buildings, and facilitate the effort of private buildings, to meet the standard for high performance, “green” buildings; and promote efficient metropolitan growth.

The task force also has to consider specified approaches to clean energy incentives; compile and inventory statutory and regulatory efforts made by the State to date to address clean energy issues; consider more effective methods of implementing, enforcing, and marketing existing State efforts to address clean energy issues; and develop goals for the future use of clean energy in the State.

Current Law: Several programs and efforts have been established under State law to encourage efficient energy use and the generation/production and use of renewable energy resources. They include the Renewable Energy Portfolio Standard (RPS), grant and loan programs administered by the Maryland Energy Administration, net metering, renewable fuels production credits, tax credits for green buildings and producers of qualified energy resources, and energy efficiency standards for new products.

Background: A number of the programs and efforts established under State law to encourage efficient energy use and the generation/production and use of renewable energy resources are relatively new. The RPS, for example, was enacted in 2004 (Chapter 487/488), and 2006 was the first year in which electricity suppliers were required to meet the RPS requirements. The Solar Energy Grant Program was also enacted in 2004 (Chapter 128) and took effect January 1, 2005. The fiscal 2006 budget included a \$75,000 general fund appropriation for the program, and funding was increased in fiscal 2007 to \$1.5 million. Renewable fuel production credits established under Chapter 332 of 2005 are authorized in State law to be distributed on or after December 31, 2007. However, renewable fuel production in Maryland is mostly in the conceptual or development stages, and no producers have applied or been certified to receive credits to date.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Business and Economic Development, Department of Legislative Services

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