

HB0368/763795/3

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL 368

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and F. Turner” and substitute “F. Turner, Burns, Feldman, Haddaway, Harrison, Kirk, and Krysiak”; in line 11, after “purposes” insert “, according to certain allocations”; in line 16, after “amendments;” insert “requiring that an expenditure from the Fund by budget amendment may be made only under certain circumstances; establishing the Strategic Energy Investment Advisory Board; providing for the membership and charge of the Board; requiring the Administration to disclose certain information regarding certain contracts in a certain manner; requiring the Administration to develop certain plans for expenditures from the Fund; requiring the Administration to hold certain public meetings; requiring the Administration to submit certain reports to the General Assembly;”; in line 20, after “penalties;” insert “requiring that certain proceeds from the sale of certain allowances be deposited in the Fund;”; and in line 22, after “terms;” insert “providing for the initial terms of members of the Strategic Energy Investment Advisory Board;”.

On page 2, in line 16, strike “9-20B-07” and substitute “9-20B-10”; and after line 19, insert:

“BY repealing and reenacting, without amendments,

Article – Environment

Section 2-107(a)

Annotated Code of Maryland

(2007 Replacement Volume and 2007 Supplement)

BY repealing and reenacting, with amendments,

Article – Environment

Section 2-107(b) and 2-1002(g)

(Over)

Annotated Code of Maryland
(2007 Replacement Volume and 2007 Supplement)".

AMENDMENT NO. 2

On page 7, in line 25, after "(I)" insert "**COST-EFFECTIVE**"; in line 26, after "ACTIVITIES" insert " **, INCLUDING MEASUREMENT AND VERIFICATION OF ENERGY SAVINGS**"; and in line 27, strike the second "AND".

AMENDMENT NO. 3

On page 8, strike beginning with "TARGETED" in line 4 down through "SECTOR;" in line 6 and substitute "**FUNDS FOR LOW-INCOME ENERGY ASSISTANCE THROUGH THE ELECTRIC UNIVERSAL SERVICE PROGRAM ESTABLISHED UNDER § 7-512.1 OF THE PUBLIC UTILITIES COMPANY ARTICLE;**

(3) TO PROVIDE RATE RELIEF BY OFFSETTING ELECTRICITY RATES OF RESIDENTIAL CUSTOMERS;;

in line 7, strike "(3)" and substitute "**(4)**"; and in line 10, strike "(4)" and substitute "**(6)**".

AMENDMENT NO. 4

On page 8, in line 3, after "CHANGE;" insert "**AND**

(IV) DEMAND RESPONSE PROGRAMS THAT ARE DESIGNED TO PROMOTE CHANGES IN ELECTRIC USAGE BY CUSTOMERS IN RESPONSE TO:

1. CHANGES IN THE PRICE OF ELECTRICITY OVER TIME; OR

2. INCENTIVES DESIGNED TO INDUCE LOWER ELECTRICITY USE AT TIMES OF HIGH WHOLESALE MARKET PRICES OR WHEN SYSTEM RELIABILITY IS JEOPARDIZED;;

in line 9, after “SUBTITLE;” insert:

“(5) TO IMPLEMENT EDUCATION AND OUTREACH INITIATIVES REGARDING REDUCING ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSIONS;”;

after line 10, insert:

“(G) MONEYS RECEIVED EACH YEAR BY THE FUND FROM THE SALE OF ALLOWANCES UNDER § 2-1002(G) OF THE ENVIRONMENT ARTICLE SHALL BE ALLOCATED AS FOLLOWS:

(1) \$10,000,000 SHALL BE TRANSFERRED TO THE ELECTRIC UNIVERSAL SERVICE PROGRAM FUND UNDER § 7-512.1 OF THE PUBLIC UTILITY COMPANIES ARTICLE, TO BE USED FOR BILL ASSISTANCE AND ARREARAGE RETIREMENT;

(2) OF ALL AMOUNTS ABOVE \$10,000,000 UP TO \$100,000,000:

(I) AT LEAST 70% SHALL BE SPENT ON ENERGY EFFICIENCY AND ENERGY CONSERVATION PROGRAMS;

(II) 20% MAY BE ALLOCATED TO ENERGY EDUCATION AND RENEWABLE ENERGY DEVELOPMENT;

(Over)

(III) 5% MAY BE ALLOCATED TO CLIMATE CHANGE PROGRAMS; AND

(IV) UP TO 4% MAY BE USED FOR ADMINISTRATIVE EXPENSES;

(3) OF ALL AMOUNTS ABOVE \$100,000,000 UP TO \$140,000,000:

(I) 25% SHALL BE USED TO PROVIDE FOR RESIDENTIAL ELECTRICITY RATE RELIEF THROUGH THE ENERGY ASSISTANCE PROGRAMS UNDER THE OFFICE OF HOME ENERGY PROGRAMS IN THE DEPARTMENT OF HUMAN RESOURCES; AND

(II) 75% SHALL BE RETURNED TO RESIDENTIAL RATEPAYERS, IN A MANNER DETERMINED BY THE PUBLIC SERVICE COMMISSION, TO OFFSET COSTS IMPOSED ON RATEPAYERS FROM ENERGY EFFICIENCY AND CONSERVATION MEASURES AND SERVICES AND DEMAND RESPONSE PROGRAMS APPROVED BY THE COMMISSION; AND

(4) ALL AMOUNTS IN EXCESS OF \$140,000,000 SHALL BE DIVIDED PROPORTIONALLY AMONG THE USES SPECIFIED IN ITEMS (2) AND (3) OF THIS SUBSECTION.

(H) (1) ENERGY EFFICIENCY AND ENERGY CONSERVATION PROGRAMS UNDER SUBSECTION (G)(2)(I) OF THIS SECTION INCLUDE:

(I) LOW-INCOME ENERGY EFFICIENCY PROGRAMS;

(II) RESIDENTIAL AND SMALL BUSINESS ENERGY EFFICIENCY PROGRAMS;

(III) COMMERCIAL AND INDUSTRIAL ENERGY EFFICIENCY PROGRAMS;

(IV) STATE AND LOCAL ENERGY EFFICIENCY PROGRAMS;

(V) DEMAND RESPONSE PROGRAMS; AND

(VI) GRANTS TO TRAINING FUNDS AND OTHER ORGANIZATIONS SUPPORTING JOB TRAINING FOR DEPLOYMENT OF ENERGY EFFICIENCY AND ENERGY CONSERVATION TECHNOLOGY AND EQUIPMENT.

(2) ENERGY EDUCATION AND RENEWABLE ENERGY DEVELOPMENT UNDER SUBSECTION (G)(2)(II) OF THIS SECTION INCLUDE:

(I) PRODUCTION INCENTIVES FOR SPECIFIED RENEWABLE ENERGY SOURCES;

(II) EXPANSION OF EXISTING GRANT PROGRAMS FOR SOLAR, GEOTHERMAL, AND WIND PROGRAMS;

(III) LOAN PROGRAMS AND ALTERNATIVE FINANCING MECHANISMS; AND

(IV) CONSUMER EDUCATION AND OUTREACH PROGRAMS.”;

and in lines 11, 21, and 31, strike “(G)”, “(H)”, and “(I)”, respectively, and substitute “(I)”, “(J)”, and “(K)”, respectively.

AMENDMENT NO. 5

(Over)

On page 9, after line 2, insert:

“(L) AN EXPENDITURE BY BUDGET AMENDMENT MAY BE MADE UNDER SUBSECTION (K) OF THIS SECTION ONLY AFTER:

(1) THE ADMINISTRATION HAS SUBMITTED THE PROPOSED BUDGET AMENDMENT AND SUPPORTING DOCUMENTATION TO THE SENATE BUDGET AND TAXATION COMMITTEE, SENATE FINANCE COMMITTEE, HOUSE APPROPRIATIONS COMMITTEE, AND HOUSE ECONOMIC MATTERS COMMITTEE; AND

(2) THE COMMITTEES HAVE HAD 45 DAYS FOR REVIEW AND COMMENT.”.

AMENDMENT NO. 6

On page 9, before line 3, insert:

“(M) (1) THE ADMINISTRATION REGULARLY SHALL DISCLOSE SUMMARY INFORMATION REGARDING ANY CONTRACT ENTERED INTO BY THE ADMINISTRATION THAT ENCUMBERS \$100,000 OR MORE FROM THE FUND.

(2) FOR EACH OF THE CONTRACTS SPECIFIED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE FOLLOWING INFORMATION SHALL BE POSTED ON THE ADMINISTRATION’S WEBSITE ON A QUARTERLY BASIS:

(I) THE NAME AND BUSINESS ADDRESS OF THE PARTIES OF THE CONTRACT;

(II) A SUMMARY OF THE GOODS AND SERVICES TO BE PROVIDED UNDER THE CONTRACT; AND

(III) THE MAXIMUM AMOUNT OF MONEYS FROM THE FUND THAT MAY BE OBLIGATED BY THE CONTRACT.”.

AMENDMENT NO. 7

On page 9, after line 3, insert:

“(A) THERE IS A STRATEGIC ENERGY INVESTMENT ADVISORY BOARD.

(B) (1) THE BOARD SHALL REVIEW THE PROGRAM AND THE ADMINISTRATION’S PROPOSED USES OF AND EXPENDITURES FROM THE FUND AND MAKE RECOMMENDATIONS TO THE ADMINISTRATION CONCERNING ANY PROPOSED USE OR EXPENDITURE.

(2) THE ADMINISTRATION SHALL CONSIDER THE BOARD’S RECOMMENDATIONS WHEN MAKING DECISIONS ABOUT USES AND EXPENDITURES FROM THE FUND.

(C) THE BOARD CONSISTS OF THE FOLLOWING MEMBERS:

(1) ONE MEMBER OF THE SENATE, APPOINTED BY THE PRESIDENT OF THE SENATE;

(2) ONE MEMBER OF THE HOUSE OF DELEGATES, APPOINTED BY THE SPEAKER OF THE HOUSE OF DELEGATES;

(3) THE FOLLOWING MEMBERS APPOINTED BY THE GOVERNOR:

(I) TWO REPRESENTATIVES OF MARYLAND RESIDENTIAL CUSTOMERS;

(Over)

(II) A REPRESENTATIVE OF MARYLAND COMMERCIAL CUSTOMERS;

(III) A REPRESENTATIVE OF LARGE ELECTRICITY USERS IN THE STATE;

(IV) A REPRESENTATIVE OF AN ELECTRIC COMPANY;

(V) A REPRESENTATIVE OF AN ELECTRIC COOPERATIVE;

(VI) A REPRESENTATIVE OF ELECTRICITY SUPPLIERS;

(VII) A REPRESENTATIVE OF A MARYLAND ENVIRONMENTAL GROUP; AND

(VIII) A REPRESENTATIVE OF A RENEWABLE ELECTRICITY INDUSTRY; AND

(4) THE FOLLOWING NONVOTING EX OFFICIO MEMBERS:

(I) THE CHAIRMAN OF THE PUBLIC SERVICE COMMISSION OR THE CHAIRMAN'S DESIGNEE;

(II) THE PEOPLE'S COUNSEL OR THE DESIGNEE OF THE PEOPLE'S COUNSEL; AND

(III) THE SECRETARY OF THE ENVIRONMENT OR THE SECRETARY'S DESIGNEE.

(D) IF A REGULATED LOBBYIST IS APPOINTED TO SERVE AS A MEMBER OF THE BOARD, THE LOBBYIST:

(1) IS NOT SUBJECT TO § 15-504(D) OF THIS ARTICLE WITH RESPECT TO THAT SERVICE; AND

(2) IS NOT SUBJECT TO § 15-703(F)(3) OF THIS ARTICLE AS A RESULT OF THAT SERVICE.

(E) (1) THE TERM OF A MEMBER APPOINTED BY THE GOVERNOR IS 3 YEARS.

(2) THE TERMS OF THE MEMBERS APPOINTED BY THE GOVERNOR ARE STAGGERED AS REQUIRED BY THE TERMS PROVIDED FOR MEMBERS OF THE BOARD ON JUNE 1, 2008.

(3) THE BOARD SHALL MEET AT LEAST TWO TIMES EACH YEAR.

(4) THE BOARD MAY ACT ONLY BY THE AFFIRMATIVE VOTE OF AT LEAST SIX VOTING MEMBERS.

(5) A MEMBER OF THE BOARD:

(I) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE BOARD; BUT

(II) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

9-20B-07.”;

and in line 10, strike “**9-20B-07.**” and substitute “**9-20B-08.**”.

AMENDMENT NO. 8

On page 9, after line 23, insert:

“9-20B-09.

(A) ON OR BEFORE SEPTEMBER 1, 2008, THE ADMINISTRATION SHALL DEVELOP A PLAN FOR EXPENDITURES FROM THE FUND FOR FISCAL YEAR 2009 AND FISCAL YEAR 2010.

(B) ON OR BEFORE SEPTEMBER 1, 2009, AND EVERY 3 YEARS THEREAFTER, THE ADMINISTRATION SHALL DEVELOP A PLAN FOR EXPENDITURES COVERING THE NEXT 3 FISCAL YEARS.

(C) (1) THE ADMINISTRATION SHALL HOLD ONE OR MORE PUBLIC MEETINGS IN CONJUNCTION WITH THE DEVELOPMENT OF A PLAN.

(2) THE ADMINISTRATION:

(I) SHALL HOLD AT LEAST FOUR PUBLIC MEETINGS ACROSS THE STATE DURING THE DEVELOPMENT OF THE INITIAL PLAN THAT IS DUE ON SEPTEMBER 1, 2008, IN THE EASTERN, SOUTHERN, CENTRAL, AND WESTERN PARTS OF THE STATE, RESPECTIVELY; AND

(II) IS ENCOURAGED TO SOLICIT INPUT FROM ALL REGIONS OF THE STATE IN DEVELOPING SUBSEQUENT PLANS UNDER THIS SECTION.

9-20B-10.

(A) ON OR BEFORE NOVEMBER 1 OF EACH YEAR, THE ADMINISTRATION SHALL REPORT, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY ON THE EXPENDITURES OF THE FUND FROM THE PRIOR FISCAL YEAR.

(B) THE REPORT SHALL INCLUDE:

(1) A DETAILED ACCOUNTING OF ALL AMOUNTS RECEIVED BY AND DISBURSED FROM THE FUND;

(2) ALL AMOUNTS USED BY THE ADMINISTRATION FOR ADMINISTRATIVE PURPOSES;

(3) PROGRAMS IMPLEMENTED WITH THE FUND;

(4) AN ESTIMATE OF ELECTRICITY SAVINGS FROM THE PROGRAMS;

(5) THE NUMBER OF ALLOWANCES SOLD IN EACH AUCTION;

(6) THE AVERAGE ALLOWANCE PRICE FROM EACH AUCTION; AND

(7) AN ESTIMATE OF REVENUE FROM FUTURE AUCTIONS.”.

AMENDMENT NO. 9

On page 9, before line 24, insert:

“Article – Environment

(Over)

2-107.

(a) There is a Maryland Clean Air Fund.

(b) [All] EXCEPT AS PROVIDED IN § 2-1002(G) OF THIS TITLE, ALL application fees, permit fees, renewal fees, and funds collected by the Department under this title or Title 6, Subtitle 4 of this article, including any civil or administrative penalty or any fine imposed by a court under these provisions, shall be paid into the Maryland Clean Air Fund.

2-1002.

(g) (1) IN THIS SUBSECTION, "ALLOWANCE" MEANS ONE SHORT TON OF CARBON DIOXIDE THAT MAY BE BOUGHT, SOLD, TRADED, OR BANKED FOR USE UNDER THE REGIONAL GREENHOUSE GAS INITIATIVE.

(2) Not later than June 30, 2007, the Governor shall include the State as a full participant in the Regional Greenhouse Gas Initiative among Mid-Atlantic and Northeast states.

[(2)] (3) The State may withdraw from the Initiative, as provided in the December 20, 2005 memorandum of understanding of the Initiative, at any time after January 1, 2009.

[(3)] (4) If the Regional Greenhouse Gas Initiative expires and there is a successor organization with the same purposes and goals, the Governor is encouraged to join the State in the successor organization.

(5) NOTWITHSTANDING § 2-107 OF THIS TITLE, ALL OF THE PROCEEDS FROM THE SALE OF MARYLAND ALLOWANCES UNDER THE

REGIONAL GREENHOUSE GAS INITIATIVE SHALL BE DEPOSITED IN THE MARYLAND STRATEGIC ENERGY INVESTMENT FUND UNDER § 9-20B-05 OF THE STATE GOVERNMENT ARTICLE.

[(4)] (6) If the State’s participation in the Regional Greenhouse Gas Initiative ceases for any reason, the Governor shall report to the General Assembly, in accordance with § 2-1246 of the State Government Article, regarding:

(i) Why participation ceased; and

(ii) A plan to reduce carbon dioxide emissions from power plants in the State that considers the use of Maryland grown, native, warm season grasses as a possible method of reducing carbon emissions.”;

after line 28, insert:

“SECTION 3. AND BE IT FURTHER ENACTED, That the initial terms of members of the Strategic Energy Investment Advisory Board appointed by the Governor under § 9-20B-06(c)(3) of the State Government Article, as enacted by this Act, expire as follows:

(1) 3 members on June 30, 2010;

(2) 3 members on June 30, 2011; and

(3) 3 members on June 30, 2012.”;

in line 29, strike “3.” and substitute “4.”; and in line 30, strike “July” and substitute “June”.