

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

House Bill 907
Economic Matters

(Delegate Hecht, *et al.*)

Finance

Sustainable Energy Task Force

This bill establishes a Sustainable Energy Task Force, staffed by the Maryland Department of the Environment and Maryland Energy Administration. The task force must study and make recommendations regarding the creation of a sustainable energy program to develop and deliver to energy end-users programs and services related to reducing energy demand in the State. The bill specifies requirements for the study and establishes a related reporting requirement.

The bill takes effect June 1, 2008 and terminates May 31, 2009.

Fiscal Summary

State Effect: Any expense reimbursements for task force members and staffing costs for MDE and MEA are assumed to be minimal and absorbable within existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: The Public Service Commission has indicated that the State faces a critical shortage of electricity capacity that could force mandatory usage restrictions by 2011 or 2012. In a report to the General Assembly, PSC noted the shortage will need to be addressed both by addition of capacity and reduction of the amount of electricity used.

MEA recently released a *Strategic Electricity Plan* for the State, identifying various strategies to address the State's energy future, including • the creation of a Strategic Energy Investment Fund geared toward energy efficiency, renewable energy, and climate change reduction/mitigation; • various energy efficiency/conservation-related options to decrease demand; • options to increase electricity supply, both in general and from renewable sources; • enhanced State energy planning; and • stimulation of Maryland's clean energy (energy efficiency/conservation and renewable energy) industry.

Existing State incentives for renewable energy and energy efficiency/conservation applications aimed toward energy end-users include the Solar Energy and Geothermal Heat Pump grant programs (for which just over \$590,000 is included in the Governor's proposed fiscal 2009 budget); the Community Energy Loan Program (for which \$1.2 million is included in the Governor's proposed fiscal 2009 budget); and an income tax credit for specified green buildings, among others.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of the Environment, Maryland Energy Administration, Department of Legislative Services

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mll/lgc

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