

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

Senate Bill 136
Finance

(Senator Frosh)

Solar Energy Grant Program - Cooperative Housing Corporations,
Condominiums, and Homeowners Associations

This bill expands the stated purpose of the Solar Energy Grant Program to include providing grants to cooperative housing corporations, councils of unit owners of condominiums, and homeowners associations for a portion of the costs of acquiring and installing photovoltaic property and solar water heating property.

The bill takes effect July 1, 2013.

Fiscal Summary

State Effect: None. The bill does not impact overall funding for the Clean Energy Grant Program. To the extent that additional entities become eligible for and receive grants under the program, grants awarded to other residential and commercial projects are reduced. The Governor's proposed FY 2014 budget includes \$4.3 million for clean energy grants; however, the portion that will be allocated specifically to solar energy projects is unknown at this time. The Maryland Energy Administration (MEA) can implement the bill with existing budgeted resources.

Local Effect: Minimal or none.

Small Business Effect: Minimal or none.

Analysis

Current Law: The Solar Energy Grant Program, administered by MEA as part of the Residential Clean Energy Grant Program, provides grants to individuals, local

governments, and businesses for a portion of the costs of acquiring and installing photovoltaic (electricity generating) and solar water heating property. MEA may adjust grant amounts under the program to reflect market conditions and prevailing prices, but a grant awarded under the program may not exceed (1) for photovoltaic property, the lesser of \$2,500 per kilowatt of installed electricity generation capacity or \$10,000 and (2) for solar water heating property, the lesser of \$3,000 or 30% of the total installed cost of the solar water heating property. "Photovoltaic property" means solar energy property that, among other things, has an installed electricity generation capacity of 20 kilowatts or less.

Background: Emergency regulations effective December 12, 2012, administratively combined the Solar Energy Grant Program and the Geothermal Heat Pump Grant Program into the Clean Energy Grant Program. The Clean Energy Grant Program is a comprehensive grant program which is part of MEA's Strategic Energy Investment Program. It receives an annual appropriation from the Strategic Energy Investment Fund, which is funded primarily with proceeds from the sale of carbon dioxide emission allowances under the Regional Greenhouse Gas Initiative.

Grant amounts as of January 2013 are \$1,000 per solar photovoltaic project, \$500 per solar water heating project, and \$3,000 per geothermal heating and cooling project, subject to specified project size limitations. Grants are allocated in the order of approved applications across technologies and are subject to change in amount and existence based on funding availability. Grants are also made under the program to eligible commercial customers for solar photovoltaic, solar water heating, and geothermal heating and cooling projects. **Exhibit 1** shows grant activity in calendar 2011 and 2012 for solar photovoltaic, solar water heating, and geothermal projects for both residential and commercial customers. The majority of grants made have been for residential projects.

Exhibit 1
Clean Energy Grant Program Activity
2011-2012

	Calendar 2011		Calendar 2012	
	<u>Number of Grants</u>	<u>Amount Paid</u>	<u>Number of Grants</u>	<u>Amount Paid</u>
<u>Solar Photovoltaic</u>				
Commercial Renewable Grants	71	\$1,351,572	77	\$1,443,800
Residential Renewable Grants	839	2,572,320	1,144	2,390,397
<i>Subtotal</i>	<i>909</i>	<i>\$3,923,891</i>	<i>1,221</i>	<i>\$3,834,197</i>
<u>Solar Hot Water</u>				
Commercial Renewable Grants	1	\$1,160	1	\$1,000
Residential Renewable Grants	231	280,459	279	141,000
<i>Subtotal</i>	<i>232</i>	<i>\$281,619</i>	<i>280</i>	<i>\$142,000</i>
Total Solar	1,141	\$4,205,510	1,501	\$3,976,197
<u>Geothermal</u>				
Commercial Renewable Grants	5	23,500	2	9,500
Residential Renewable Grants	593	1,103,250	540	922,250
Total Geothermal	598	\$1,126,750	542	\$931,750

Note: Numbers may not sum to total due to rounding.
Source: Maryland Energy Administration

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Energy Administration, Secretary of State,
Department of Legislative Services

Fiscal Note History: First Reader - January 24, 2013
mlm/lgc

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