

## Chapter 2

**(Senate Bill 921 of the 2016 Regular Session)**

AN ACT concerning

**Clean Energy Jobs – Renewable Energy Portfolio Standard Revisions**

FOR the purpose of ~~establishing the Clean Energy Workforce Account in the Maryland Employment Advancement Right Now Program; providing for the funding of the Account; specifying the purpose for which the Account may be used; specifying the priority for grants awarded from the Account; requiring the Department of Labor, Licensing, and Regulation to include certain information about the Account in a certain annual report; altering the renewable energy portfolio standard percentage derived from solar energy for certain years; altering the renewable energy portfolio standard percentage derived from Tier 1 renewable sources for certain years; altering the minimum required percentage of Tier 1 renewable energy that must be derived from solar energy in the State's renewable energy portfolio standard in certain years; altering the minimum required percentage of energy that must be derived from Tier 1 renewable sources in the State's renewable energy portfolio standard in certain years; requiring an electric company to contract for certain renewable energy credits and electricity generated from certain Tier 1 renewable sources to meet a certain portion of the renewable energy portfolio standard for certain electricity suppliers beginning after a certain date; requiring an electric company to solicit bids for a certain contract from certain renewable energy facilities; requiring an electric company to use a competitive procurement process to award a certain contract; requiring that a term for a certain contract be for a certain minimum and maximum duration; authorizing an electric company to recover certain costs associated with this Act; altering the compliance fee for an electricity supplier that fails to comply with certain renewable energy portfolio standards for certain years; establishing certain compliance fees for an electricity supplier that fails to comply with certain renewable energy portfolio standards for certain years; altering the percentage of total annual electricity sales revenues based on which an electricity supplier may request a delay of certain solar energy requirements in the renewable energy portfolio standard; establishing the Clean Energy Business Development Account in the Small, Minority, and Women-Owned Businesses Account; providing for the funding in the Clean Energy Account; specifying the purpose for which the Clean Energy Account may be used; prohibiting funding from the Clean Energy Account from being limited to certain businesses; requiring the Maryland Energy Administration to use the Maryland Strategic Energy Investment Fund in a certain manner; requiring proceeds from a certain Public Service Commission order to be allocated in a certain manner; authorizing the Small, Minority, and Women-Owned Businesses Account to receive money from the Strategic Energy Investment Fund; requiring any money that the Account receives from the Fund to be used for a certain purpose; authorizing the Maryland Energy Administration to use the Strategic Energy Investment Fund for a certain purpose;~~

requiring the Department of Labor, Licensing, and Regulation to study the workforce development training needs for the clean energy industry in the State; requiring the Department to seek input from certain agencies and stakeholders and identify certain information; requiring the Department to report to the General Assembly on or before a certain date on certain findings and recommendations; ~~stating certain findings of the General Assembly;~~ defining ~~certain terms~~ a certain term; providing for the application of this Act; making the provisions of this Act severable; and generally relating to clean energy jobs and the renewable energy portfolio standard.

~~BY adding to~~

~~Article – Labor and Employment~~

~~Section 11-708.1~~

~~Annotated Code of Maryland~~

~~(2008 Replacement Volume and 2015 Supplement)~~

~~BY repealing and reenacting, with amendments,~~

~~Article – Labor and Employment~~

~~Section 11-709~~

~~Annotated Code of Maryland~~

~~(2008 Replacement Volume and 2015 Supplement)~~

BY repealing and reenacting, without amendments,

Article – Public Utilities

Section 7-702

Annotated Code of Maryland

(2010 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Public Utilities

Section ~~7-702, 7-703(b)(12)~~ 7-703(a)(2)(iii), (b)(12), (13), (14), (15), (16), and (17),  
and 7-705(b) and (e)

Annotated Code of Maryland

(2010 Replacement Volume and 2015 Supplement)

~~BY adding to~~

~~Article – Public Utilities~~

~~Section 7-703.1~~

~~Annotated Code of Maryland~~

~~(2010 Replacement Volume and 2015 Supplement)~~

BY repealing and reenacting, with amendments,

Article – State Government

Section ~~9-1A-35, and 9-20B-01, and 9-20B-05(f) and (i) through (l)~~

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,

Article – State Government  
Section 9–20B–05(f)  
Annotated Code of Maryland  
(2014 Replacement Volume and 2015 Supplement)

BY adding to

Article – State Government  
Section ~~9–20B–05(i)~~ 9–20B–05(f–1)  
Annotated Code of Maryland  
(2014 Replacement Volume and 2015 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That the Laws of Maryland read as follows:

~~Article – Labor and Employment~~

~~11–708.1.~~

~~(A) THERE IS A CLEAN ENERGY WORKFORCE ACCOUNT.~~

~~(B) THE ACCOUNT SHALL BE FUNDED IN ACCORDANCE WITH § 9–20B–05(i) OF THE STATE GOVERNMENT ARTICLE.~~

~~(C) (1) MONEY IN THE ACCOUNT SHALL BE USED TO PROVIDE GRANTS ON A COMPETITIVE BASIS FOR STRATEGIC INDUSTRY PARTNERSHIPS THAT:~~

~~(i) 1. PROVIDE PRE-APPRENTICESHIP JOB TRAINING FOR CAREERS IN THE CLEAN ENERGY INDUSTRY; OR~~

~~2. PROVIDE CAREER PATHS FOR WORKERS FROM WITHIN THE CLEAN ENERGY INDUSTRY OR ASSOCIATED INDUSTRIES TO ADVANCE THEIR CAREERS WITHIN THE CLEAN ENERGY INDUSTRY; AND~~

~~(ii) COMPLY WITH THIS SUBTITLE.~~

~~(2) MONEY IN THE ACCOUNT SHALL BE SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF THE ANNUAL APPROPRIATIONS TO THE MARYLAND EARN PROGRAM.~~

~~(D) GRANTS SHALL BE AWARDED FROM THE ACCOUNT WITH PRIORITY GIVEN TO STRATEGIC INDUSTRY PARTNERSHIPS THAT:~~

~~(1) SEEK TO ADVANCE EMPLOYMENT OPPORTUNITIES AND PROVIDE JOB READINESS TRAINING FOR INDIVIDUALS FROM ECONOMICALLY DISTRESSED AREAS WITH HIGH RATES OF UNEMPLOYMENT OR HIGH PERCENTAGES OF HOUSEHOLDS THAT EARN LESS THAN 80% OF THE AREA MEDIAN INCOME;~~

~~(2) SEEK TO ADVANCE EMPLOYMENT OPPORTUNITIES AND PROVIDE JOB READINESS TRAINING FOR DISADVANTAGED WORKERS THAT HAVE BARRIERS TO ENTRY INTO THE LABOR FORCE, INCLUDING:~~

~~(I) HOMELESSNESS;~~

~~(II) PRIOR CRIMINAL RECORDS;~~

~~(III) RECEIPT OF PUBLIC ASSISTANCE;~~

~~(IV) UNEMPLOYMENT WITH NO HIGH SCHOOL EDUCATION;~~

~~(V) VETERANS OF THE ARMED FORCES OF THE UNITED STATES;~~

~~AND~~

~~(VI) FORMER FOSTER CARE YOUTH; OR~~

~~(3) SEEK TO BUILD LOCAL WORKFORCE CAPACITY THROUGH COOPERATION WITH COMMUNITY COLLEGES OR OTHER LOCAL GOVERNMENT ORGANIZATIONS.~~

~~11-700.~~

~~(a) On or before December 31 of each year, the Department shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, to the Senate Finance Committee and the House Economic Matters Committee on the Maryland EARN Program.~~

~~(b) The report required under subsection (a) of this section shall include:~~

~~(1) an identification of training needs statewide, including industries in urgent need of qualified workers;~~

~~(2) information on measures being used to track the success and accountability of the Maryland EARN Program, including use of the StateStat accountability process under § 3-1003(b) of the State Finance and Procurement Article;~~

~~(3) (i) a description of each strategic industry partnership receiving grant funding and the status of the partnership; and~~

~~(ii) the jurisdiction of the State in which each strategic industry partnership is located;~~

~~(4) the number of individuals:~~

~~(i) by sex, race, national origin, income, county of residence, and educational attainment, participating in each component of the Maryland EARN Program; and~~

~~(ii) participating in the Maryland EARN Program who, as a result of the Program, have obtained:~~

~~1. a credential or an identifiable skill;~~

~~2. a new employment position;~~

~~3. a title promotion; or~~

~~4. a wage promotion; [and]~~

~~(5) an assessment of whether and to what extent the approved strategic industry partnerships utilized existing data concerning:~~

~~(i) training needs in the State identified in previous studies; and~~

~~(ii) applicable skills needs identified in existing workforce studies, plans, or research; AND~~

~~**(6) INFORMATION ON THE SUCCESS OF FUNDING STRATEGIC INDUSTRY PARTNERSHIPS THAT ACHIEVE THE PRIORITIES UNDER § 11-708.1 OF THIS SUBTITLE.**~~

**Article – Public Utilities**

7-702.

(a) It is the intent of the General Assembly to:

(1) recognize the economic, environmental, fuel diversity, and security benefits of renewable energy resources;

(2) establish a market for electricity from these resources in Maryland; and

(3) lower the cost to consumers of electricity produced from these resources.

(b) The General Assembly finds that:

(1) the benefits of electricity from renewable energy resources, including long-term decreased emissions, a healthier environment, increased energy security, and decreased reliance on and vulnerability from imported energy sources, accrue to the public at large; ~~and~~

(2) electricity suppliers and consumers share an obligation to develop a minimum level of these resources in the electricity supply portfolio of the State; ~~AND~~

~~(3) THE RENEWABLE ENERGY PORTFOLIO STANDARD IS AN ESSENTIAL CARBON REDUCING PROGRAM FOR THE STATE, AS IDENTIFIED IN THE STATE'S GREENHOUSE GAS REDUCTION PLAN DEVELOPED UNDER § 2-1205 OF THE ENVIRONMENT ARTICLE; AND~~

~~(4) ACHIEVING A RENEWABLE PORTFOLIO STANDARD OF 25% FROM TIER 1 RENEWABLE SOURCES BY 2020 WOULD, IF CONTINUED AT THE SAME RATE OF GROWTH, PUT THE STATE ON A TRAJECTORY TOWARDS CONSUMING AT LEAST 40% OF ITS ELECTRICITY FROM RENEWABLE ENERGY SOURCES BY 2025, KEEPING THE STATE'S EFFORTS CONSISTENT WITH INTERNATIONAL EFFORTS TO REACH CARBON REDUCTIONS IN ACCORDANCE WITH SCIENTIFIC DATA.~~

7-703.

(a) (2) A renewable energy portfolio standard may not apply to electricity sales at retail by any electricity supplier:

(iii) to a customer served by an electric cooperative under an electricity supplier purchase agreement that existed on October 1, 2004, until the expiration of the agreement, AS THE AGREEMENT MAY BE RENEWED OR AMENDED.

(b) The renewable energy portfolio standard shall be as follows:

(12) in 2017:

(i) 13.1% from Tier 1 renewable sources, including:

1. at least ~~[0.95%]~~ **1.15%** derived from solar energy; and
2. an amount set by the Commission under § 7-704.2(a) of this subtitle, not to exceed 2.5%, derived from offshore wind energy; and

(ii) 2.5% from Tier 2 renewable sources;

(13) in 2018:

(i) 15.8% from Tier 1 renewable sources, including:

1. at least [1.4%] **1.5%** derived from solar energy; and
2. an amount set by the Commission under § 7-704.2(a) of this subtitle, not to exceed 2.5%, derived from offshore wind energy; and

(ii) 2.5% from Tier 2 renewable sources;

(14) in 2019, [17.4%] **20.4%** from Tier 1 renewable sources, including:

(i) at least [1.75%] **1.95%** derived from solar energy; and

(ii) an amount set by the Commission under § 7-704.2(a) of this subtitle, not to exceed 2.5%, derived from offshore wind energy; **AND**

(15) in 2020 **AND LATER**, [18%] **25%** from Tier 1 renewable sources, including:

(i) at least [2.0%] **2.5%** derived from solar energy; and

(ii) an amount set by the Commission under § 7-704.2(a) of this subtitle, not to exceed 2.5%, derived from offshore wind energy[;

(16) in 2021, 18.7% from Tier 1 renewable sources, including:

(i) at least 2.0% derived from solar energy; and

(ii) an amount set by the Commission under § 7-704.2(a) of this subtitle, not to exceed 2.5%, derived from offshore wind energy; and

(17) in 2022 and later, 20% from Tier 1 renewable sources, including:

(i) at least 2% derived from solar energy; and

(ii) an amount set by the Commission under § 7-704.2(a) of this subtitle, not to exceed 2.5%, derived from offshore wind energy].

~~7-703.1.~~

~~(A) NOTWITHSTANDING § 7-510 OF THIS ARTICLE OR ANY REGULATION OR ORDER UNDER THIS TITLE, BEGINNING IN 2017, AN ELECTRIC COMPANY SHALL CONTRACT FOR RENEWABLE ENERGY CREDITS AND ELECTRICITY GENERATED~~

~~FROM EMISSIONS FREE NONSOLAR TIER 1 RENEWABLE SOURCES TO MEET A PORTION OF AN ELECTRICITY SUPPLIER'S RENEWABLE ENERGY PORTFOLIO STANDARD IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION.~~

~~(B) (1) AN ELECTRIC COMPANY SHALL:~~

~~(I) SOLICIT BIDS FOR A CONTRACT UNDER SUBSECTION (A) OF THIS SECTION FROM RENEWABLE ENERGY FACILITIES THAT WILL BE PLACED INTO SERVICE WITHIN 3 YEARS AFTER THE DATE OF THE SOLICITATION; AND~~

~~(II) USE A COMPETITIVE PROCUREMENT PROCESS TO AWARD THE CONTRACT.~~

~~(2) THE TERM OF A CONTRACT UNDER SUBSECTION (A) OF THIS SECTION SHALL BE FOR AT LEAST 10 YEARS AND NOT MORE THAN 20 YEARS.~~

~~(C) BEGINNING IN 2017, THE RENEWABLE ENERGY CREDITS AND ELECTRICITY CONTRACTED FOR UNDER SUBSECTION (A) OF THIS SECTION SHALL BE USED TO MEET AT LEAST 20% OF THAT YEAR'S RENEWABLE PORTFOLIO STANDARD FOR ALL ELECTRICITY SUPPLIERS THAT SELL ELECTRIC SUPPLY SERVICE TO THE ELECTRIC COMPANY'S DISTRIBUTION SERVICE CUSTOMERS THAT THE RENEWABLE PORTFOLIO STANDARD APPLIES TO, INCLUDING CUSTOMERS OF THE ELECTRIC COMPANY'S STANDARD OFFER SERVICE.~~

~~(D) AN ELECTRIC COMPANY MAY RECOVER COSTS ASSOCIATED WITH THIS SECTION, INCLUDING LOST REVENUE, IN ITS DISTRIBUTION RATES IN A BASE RATE CASE.~~

7-705.

(b) (1) This subsection does not apply to a shortfall from the required Tier 1 renewable sources that is to be derived from offshore wind energy.

(2) If an electricity supplier fails to comply with the renewable energy portfolio standard for the applicable year, the electricity supplier shall pay into the Maryland Strategic Energy Investment Fund established under § 9-20B-05 of the State Government Article:

(i) except as provided in item (ii) of this paragraph, a compliance fee of:

1. [4 cents] THE FOLLOWING AMOUNTS for each kilowatt-hour of shortfall from required Tier 1 renewable sources other than the shortfall from the required Tier 1 renewable sources that is to be derived from solar energy:



**A. 4 CENTS THROUGH 2016; AND**

**B. 3.75 CENTS IN 2017 AND LATER;**

2. the following amounts for each kilowatt-hour of shortfall from required Tier 1 renewable sources that is to be derived from solar energy:

A. 45 cents in 2008;

B. 40 cents in 2009 through 2014;

C. 35 cents in 2015 and 2016;

D. [20] **19.5** cents in 2017 [and 2018];

E. [15 cents in 2019 and 2020] **17.5 CENTS IN 2018;**

F. [10 cents in 2021 and 2022] **15 CENTS IN 2019;** [and]

G. [5 cents in 2023 and later] **12.5 CENTS IN 2020;** [and]

**H. 10 CENTS IN 2021;**

**I. 7.5 CENTS IN 2022;**

**J. 6 CENTS IN 2023;**

**K. 5 CENTS IN 2024 AND LATER; AND**

3. 1.5 cents for each kilowatt-hour of shortfall from required Tier 2 renewable sources; or

(ii) for industrial process load:

1. for each kilowatt-hour of shortfall from required Tier 1 renewable sources, a compliance fee of:

A. 0.8 cents in 2006, 2007, and 2008;

B. 0.5 cents in 2009 and 2010;

C. 0.4 cents in 2011 and 2012;

D. 0.3 cents in 2013 and 2014;

- E. 0.25 cents in 2015 and 2016; and
  - F. except as provided in paragraph (3) of this subsection, 0.2 cents in 2017 and later; and
2. nothing for any shortfall from required Tier 2 renewable sources.

(3) For industrial process load, the compliance fee for each kilowatt-hour of shortfall from required Tier 1 renewable sources is:

- (i) 0.1 cents in any year during which suppliers are required to purchase ORECs under § 7-704.2 of this subtitle; and
- (ii) nothing for the year following any year during which, after final calculations, the net rate impact per megawatt-hour from qualified offshore wind projects exceeded \$1.65 in 2012 dollars.

(e) (1) Notwithstanding the requirements of § 7-703(b) of this subtitle, if the actual or projected dollar-for-dollar cost incurred or to be incurred by an electricity supplier solely for the purchase of Tier 1 renewable energy credits derived from solar energy in any 1 year is greater than or equal to, or is anticipated to be greater than or equal to, [1%] **2.5%** of the electricity supplier's total annual electricity sales revenues in Maryland, the electricity supplier may request that the Commission:

- (i) delay by 1 year each of the scheduled percentages for solar energy under § 7-703(b) of this subtitle that would apply to the electricity supplier; and
- (ii) allow the renewable energy portfolio standard for solar energy for that year to continue to apply to the electricity supplier for the following year.

(2) In making its determination under paragraph (1) of this subsection, the Commission shall consider the actual or projected dollar-for-dollar compliance costs of other electricity suppliers.

(3) If an electricity supplier makes a request under paragraph (1) of this subsection based on projected costs, the electricity supplier shall provide verifiable evidence of the projections to the Commission at the time of the request.

(4) If the Commission allows a delay under paragraph (1) of this subsection:

- (i) the renewable energy portfolio standard for solar energy applicable to the electricity supplier under the delay continues for each subsequent consecutive year that the actual or projected dollar-for-dollar costs incurred, or to be

incurred, by the electricity supplier solely for the purchase of solar renewable energy credits is greater than or equal to, or is anticipated to be greater than or equal to, [1%] **2.5%** of the electricity supplier's total annual retail electricity sales revenues in Maryland; and

(ii) the renewable energy portfolio standard for solar energy applicable to the electricity supplier under the delay is increased to the next scheduled percentage increase under § 7-703(b) of this subtitle for each year in which the actual or projected dollar-for-dollar costs incurred, or to be incurred, by the electricity supplier solely for the purchase of solar renewable energy credits is less than, or is anticipated to be less than, [1%] **2.5%** of the electricity supplier's total annual retail electricity sales revenues in Maryland.

### Article – State Government

9-1A-35.

~~(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(2) “ACCOUNT” MEANS THE SMALL, MINORITY, AND WOMEN OWNED BUSINESSES ACCOUNT ESTABLISHED UNDER THIS SECTION.~~

~~(3) “CLEAN ENERGY ACCOUNT” MEANS THE CLEAN ENERGY BUSINESS DEVELOPMENT ACCOUNT ESTABLISHED UNDER SUBSECTION (E) OF THIS SECTION.~~

~~(4) “CLEAN ENERGY INDUSTRY” HAS THE MEANING STATED IN § 9-20B-01 OF THIS TITLE.~~

~~(5) “ELIGIBLE FUND MANAGER” MEANS AN ENTITY THAT HAS SIGNIFICANT FINANCIAL OR INVESTMENT EXPERIENCE UNDER CRITERIA THAT THE BOARD OF PUBLIC WORKS DEVELOPS.~~

~~(a) (B)~~ There is a Small, Minority, and Women-Owned Businesses Account under the authority of the Board of Public Works.

~~(b) (C)~~ (1) (I) The Account shall receive money:

~~(H)~~ as required under § 9-1A-27 of this subtitle; ~~AND~~

~~(H) FROM THE CLEAN ENERGY ACCOUNT ESTABLISHED UNDER SUBSECTION (E) OF THIS SECTION.~~

**(II) THE ACCOUNT MAY RECEIVE MONEY FROM THE STRATEGIC ENERGY INVESTMENT FUND UNDER § 9-20B-05 OF THIS TITLE.**

(2) Money in the Account shall be invested and reinvested by the Treasurer and interest and earnings shall accrue to the Account.

(3) The Comptroller shall:

(i) account for the Account; and

(ii) on a properly approved transmittal prepared by the Board of Public Works, issue a warrant to pay out money from the Account in the manner provided under this section.

(4) The Account is a special, nonlapsing fund that is not subject to § 7-302 of the State Finance and Procurement Article.

(5) Expenditures from the Account shall only be made on a properly approved transmittal prepared by the Board of Public Works as provided under subsection ~~[(c)] (D)~~ of this section.

~~[(c)] (D)~~ (1) ~~[(i)]~~ In this subsection, “eligible fund manager” means an entity that has significant financial or investment experience, under criteria developed by the Board of Public Works.

~~[(2)]~~ Subject to ~~[(the provisions of)]~~ paragraph ~~[(3)] (2)~~ of this subsection, the Board of Public Works shall make grants to eligible fund managers to provide investment capital and loans to small, minority, and women-owned businesses in the State.

~~[(3)] (2)~~ The Board of Public Works shall ensure that eligible fund managers allocate at least 50% of the funds from this Account to small, minority, and women-owned businesses in the jurisdictions and communities surrounding a video lottery facility.

~~(E) (1) THERE IS A CLEAN ENERGY BUSINESS DEVELOPMENT ACCOUNT AS A SUBACCOUNT IN THE ACCOUNT.~~

~~(2) THE CLEAN ENERGY ACCOUNT SHALL RECEIVE MONEY IN ACCORDANCE WITH § 9-20B-05(I) OF THE STATE GOVERNMENT ARTICLE.~~

~~(3) MONEY IN THE CLEAN ENERGY ACCOUNT SHALL BE AVAILABLE TO:~~

~~(I) MAKE GRANTS TO ELIGIBLE FUND MANAGERS TO PROVIDE INVESTMENT CAPITAL AND LOANS TO SMALL, MINORITY, AND WOMEN OWNED BUSINESSES IN THE CLEAN ENERGY INDUSTRY IN THE STATE; AND~~

~~(H) PROVIDE A MANAGEMENT FEE TO COMPENSATE A FUND MANAGER FOR ADMINISTRATIVE EXPENSES.~~

~~(4) FUNDING FROM THE CLEAN ENERGY ACCOUNT MAY NOT BE LIMITED TO SMALL, MINORITY, AND WOMEN OWNED BUSINESSES IN THE CLEAN ENERGY INDUSTRY IN THE JURISDICTIONS AND COMMUNITIES SURROUNDING A VIDEO LOTTERY FACILITY.~~

~~(5) A FUND MANAGER THAT PROVIDES INVESTMENT CAPITAL AND LOANS UNDER THIS SUBSECTION SHALL BE COMPENSATED FOR MARKETING AND OPERATION ON A MANAGEMENT FEE BASIS.~~

(D) ANY MONEY RECEIVED FROM THE STRATEGIC ENERGY INVESTMENT FUND SHALL BE USED TO BENEFIT SMALL, MINORITY, AND WOMEN-OWNED BUSINESSES IN THE CLEAN ENERGY INDUSTRY IN THE STATE.

[(d)] ~~(F)~~ (E) Fund managers receiving grants under this section shall:

- (1) keep proper records of funds and accounts;
- (2) provide an annual report to the Governor and, in accordance with § 2-1246 of this article, the General Assembly on investment capital and loans made pursuant to subsection [(c)] ~~(D)~~ of this section; and
- (3) be subject to audit by the Office of Legislative Audits of the Department of Legislative Services.

[(e)] ~~(G)~~ (F) (1) Subject to paragraph (2) of this subsection, ~~EXCEPT FOR AN ELIGIBLE FUND MANAGER MANAGING A GRANT UNDER SUBSECTION (E) OF THIS SECTION,~~ an eligible fund manager may use money from grants received under this section to pay expenses for administrative, actuarial, legal, and technical services.

(2) The Board of Public Works shall set the maximum amount of grant money that each eligible fund manager may use under paragraph (1) of this subsection.

[(f)] ~~(H)~~ (G) Each fiscal year the Legislative Auditor shall audit and evaluate the utilization of the funds that are allocated to small, minority, and women-owned businesses by eligible fund managers under subsection [(c)(3)] ~~(D)(2)~~ of this section.

(a) In this subtitle the following words have the meanings indicated.

(b) “Administration” means the Maryland Energy Administration.

(c) “Board” means the Strategic Energy Investment Advisory Board established under § 9–20B–07 of this subtitle.

**(D) “CLEAN ENERGY INDUSTRY” MEANS A GROUP OF EMPLOYERS THAT ARE ASSOCIATED BY THEIR PROMOTION OF:**

**(1) PRODUCTS AND SERVICES THAT IMPROVE ENERGY EFFICIENCY AND CONSERVATION, INCLUDING PRODUCTS AND SERVICES PROVIDED BY:**

**(I) ELECTRICIANS;**

**(II) HEATING, VENTILATION, AND AIR–CONDITIONING INSTALLERS;**

**(III) PLUMBERS; AND**

**(IV) ENERGY AUDITORS; AND**

**(2) RENEWABLE AND CLEAN ENERGY RESOURCES ~~THAT REDUCE GREENHOUSE GAS EMISSIONS; AND~~**

**~~(3) TECHNOLOGY THAT ADVANCES EMISSIONS FREE ENERGY SYSTEMS.~~**

**[(d)] (E)** “Fund” means the Maryland Strategic Energy Investment Fund.

**[(e)] (F)** “Program” means the Maryland Strategic Energy Investment Program.

9–20B–05.

(f) The Administration shall use the Fund:

(1) to invest in the promotion, development, and implementation of:

(i) cost–effective energy efficiency and conservation programs, projects, or activities, including measurement and verification of energy savings;

(ii) renewable and clean energy resources;

(iii) climate change programs directly related to reducing or mitigating the effects of climate change; 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;

(2) to provide targeted programs, projects, activities, and investments to reduce electricity consumption by customers in the low-income and moderate-income residential sectors;

(3) to provide supplemental funds for low-income energy assistance through the Electric Universal Service Program established under § 7-512.1 of the Public Utilities Article and other electric assistance programs in the Department of Human Resources;

(4) to provide rate relief by offsetting electricity rates of residential customers, including an offset of surcharges imposed on ratepayers under § 7-211 of the Public Utilities Article;

(5) to provide grants, loans, and other assistance and investment as necessary and appropriate to implement the purposes of the Program as set forth in § 9-20B-03 of this subtitle;

(6) to implement energy-related public education and outreach initiatives regarding reducing energy consumption and greenhouse gas emissions;

(7) to provide rebates under the Electric Vehicle Recharging Equipment Rebate Program established under § 9-2009 of this title;

(8) to provide grants to encourage combined heat and power projects at industrial facilities; ~~and~~

~~(9) TO INVEST IN PRE-APPRENTICESHIP, APPRENTICESHIP, AND OTHER WORKFORCE DEVELOPMENT PROGRAMS TO ESTABLISH CAREER PATHS IN THE CLEAN ENERGY INDUSTRY UNDER § 11-708.1 OF THE LABOR AND EMPLOYMENT ARTICLE;~~

~~(10) TO PROVIDE ACCESS TO CAPITAL FOR SMALL, MINORITY, AND WOMEN-OWNED BUSINESSES IN THE CLEAN ENERGY INDUSTRY UNDER § 9-1A-35 OF THIS TITLE; AND~~

~~{(9)}~~ ~~{(11)}~~ to pay the expenses of the Program.

~~(I) MONEY THAT THE FUND RECEIVES UNDER PUBLIC SERVICE COMMISSION ORDER NUMBER 86372 SHALL BE ALLOCATED AS FOLLOWS:~~

~~(1) \$10,000,000 TO A CLEAN ENERGY WORKFORCE ACCOUNT ESTABLISHED IN THE MARYLAND EMPLOYMENT ADVANCEMENT RIGHT NOW PROGRAM UNDER § 11-708.1 OF THE LABOR AND EMPLOYMENT ARTICLE; AND~~

~~(2) \$30,000,000 TO A CLEAN ENERGY BUSINESS DEVELOPMENT ACCOUNT ESTABLISHED IN THE SMALL, MINORITY, AND WOMEN OWNED BUSINESSES ACCOUNT UNDER § 9-1A-35 OF THIS TITLE.~~

(F-1) THE ADMINISTRATION MAY USE THE FUND, INCLUDING MONEY THAT THE FUND RECEIVES UNDER PUBLIC SERVICE COMMISSION ORDER NUMBER 86372, TO PROVIDE FUNDING FOR ACCESS TO CAPITAL FOR SMALL, MINORITY, AND WOMEN-OWNED BUSINESSES IN THE CLEAN ENERGY INDUSTRY UNDER § 9-1A-35 OF THIS TITLE.

~~{(i)}~~ ~~{(J)}~~ (1) ~~Except as provided in paragraph (2) of this subsection, compliance fees paid under § 7-705(b) of the Public Utilities Article may be used only to make loans and grants to support the creation of new Tier 1 renewable energy sources in the State.~~

~~(2) Compliance fees paid under § 7-705(b)(2)(i)2 of the Public Utilities Article shall be accounted for separately within the Fund and may be used only to make loans and grants to support the creation of new solar energy sources in the State.~~

~~{(j)}~~ ~~{(K)}~~ (1) ~~The Treasurer shall invest the money of the Fund in the same manner as other State money may be invested.~~

~~(2) Any investment earnings of the Fund shall be paid into an administrative expense account within the Fund.~~

~~(3) Any repayment of principal and interest on loans made from the Fund shall be paid into the Fund.~~

~~(4) Balances in the Fund shall be held for the benefit of the Program, shall be expended solely for the purposes of the Program, and may not be used for the general obligations of government.~~

~~{(k)}~~ ~~{(L)}~~ Expenditures from the Fund shall be made by:



~~(1) an appropriation in the annual State budget; or~~

~~(2) a budget amendment in accordance with § 7-209 of the State Finance and Procurement Article.~~

~~[(1)] (M) An expenditure by budget amendment may be made under subsection [(k)] (L) 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.~~

SECTION 2. AND BE IT FURTHER ENACTED, That the Department of Labor, Licensing, and Regulation shall:

(1) study the workforce development training needs for the clean energy industry in the State;

(2) in conducting the study required under item (1) of this section, seek input from:

(i) State agencies, including the Department of Budget and Management, the Department of Commerce, the Governor's Office of Minority Affairs, the Maryland Energy Administration, and the Maryland Clean Energy Center;

(ii) clean energy industry stakeholders; and

(iii) any other persons that the Department determines appropriate;

(3) identify:

(i) existing programs that could help address the clean energy industry workforce needs;

(ii) any new program that could be developed to provide workforce development training for the clean energy workforce;

(iii) ways to advance clean energy job training and employment opportunities for:

1. individuals from economically distressed areas; and

2. disadvantaged workers who have barriers to entry into the labor force, including homelessness, prior criminal records, receipt of public assistance, unemployment with no high school education, veterans of the armed forces of the United States, and former foster care youth;

(iv) barriers to entry for small, minority, and women-owned businesses in the clean energy industry;

(v) funding ways that may be used to provide incentives for the development of clean energy workforce development training programs, including through tax credits, grants, or other forms; and

(vi) options for funding sources, including the Strategic Energy Investment Fund, money directed by Public Service Commission orders, and other sources; and

(4) on or before July 1, 2017, report, in accordance with § 2-1246 of the State Government Article, to the General Assembly its findings and any recommendations.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any contract existing before the effective date of this Act.

SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That, if any provision of this Act or the application thereof to any person or circumstance is held invalid for any reason in a court of competent jurisdiction, the invalidity does not affect other provisions or any other application of this Act that can be given effect without the invalid provision or application, and for this purpose the provisions of this Act are declared severable.

SECTION ~~4~~ 5. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

**Gubernatorial Veto Override, February 7, 2017.**