



TO: Members, House Economic Matters Committee
FROM: Mary Beth Tung – Director, MEA
SUBJECT: HB1426
DATE: March 9, 2020

MEA POSITION: Letter of Information

This bill will reduce available funds for MEA programs year over year by \$2,100,000 compared to the FY21 Budget as introduced by the Governor by diverting limited Strategic Energy Investment Fund (SEIF) resources for other, perhaps less effective, programs. Furthermore, the required expenditure continues in perpetuity.

Expenditures will be lower for MEA energy programs, as well as energy programs operated by other state agencies, due to reductions in the remaining funding available for distribution under the current statutory formula.

For FY21 and FY22:

- \$300K less will be available for the Department of Human Services energy bill assistance program;
- \$120K less will be available for energy efficiency programs, of which at least \$60K is for low-to-moderate income energy efficiency;
- \$120K less will be available for renewable and clean energy programs.

For FY22 and beyond:

- \$1.05 million less per year will be available for the Department of Human Services energy bill assistance program;
- \$420K less will be available for energy efficiency programs, of which at least \$210K is for low-to-moderate income energy efficiency;
- \$420K less will be available for renewable and clean energy programs.

We ask the Members to consider the information provided above while deliberating the merits of House Bill 1426.