



TO: Members, Senate Education, Health, and Environmental Affairs Committee
FROM: Mary Beth Tung – Director, MEA
SUBJECT: SB 390 - State Government - Quasi-Governmental Units - Oversight and Governance
DATE: March 3, 2022

MEA POSITION: FAV

The Maryland Energy Administration (MEA) supports this legislation that will add transparency and accountability to the operations of several state entities, including the Maryland Clean Energy Center (MCEC), which has received and continues to receive significant state funding.

MCEC was originally intended to be a self-sufficient quasi-governmental organization. **However, MCEC has not been able to achieve self-sufficiency over its lifetime.** Rather, MCEC has often testified in support of legislation to increase financial support for the entity.

From FY09-15, MCEC received loans from MEA totaling \$1.3 million. Those loans were not repaid, but rather expunged in FY18 per statute. From FY16-20, MEA has provided additional grants and statutory transfers to MCEC of more than \$3 million. Following the scheduled FY22 transfer, MCEC will have received \$10 million or more in transfers from MEA; funds that would otherwise support MEA's bevy of clean and renewable energy programs, emissions reductions efforts, and support for low-to-moderate income energy efficiency and bill payment assistance.

Under HB 419 (2021), MCEC is now guaranteed a continuous, permanent stream of state funding via MEA, and it is appropriate to require additional transparency and accountability measures due to this fact. The requirements provided for in this bill will help ensure that this permanent investment is being utilized responsibly and effectively, with regular oversight provided by the General Assembly.

MEA kindly asks the committee to issue a **favorable report**.