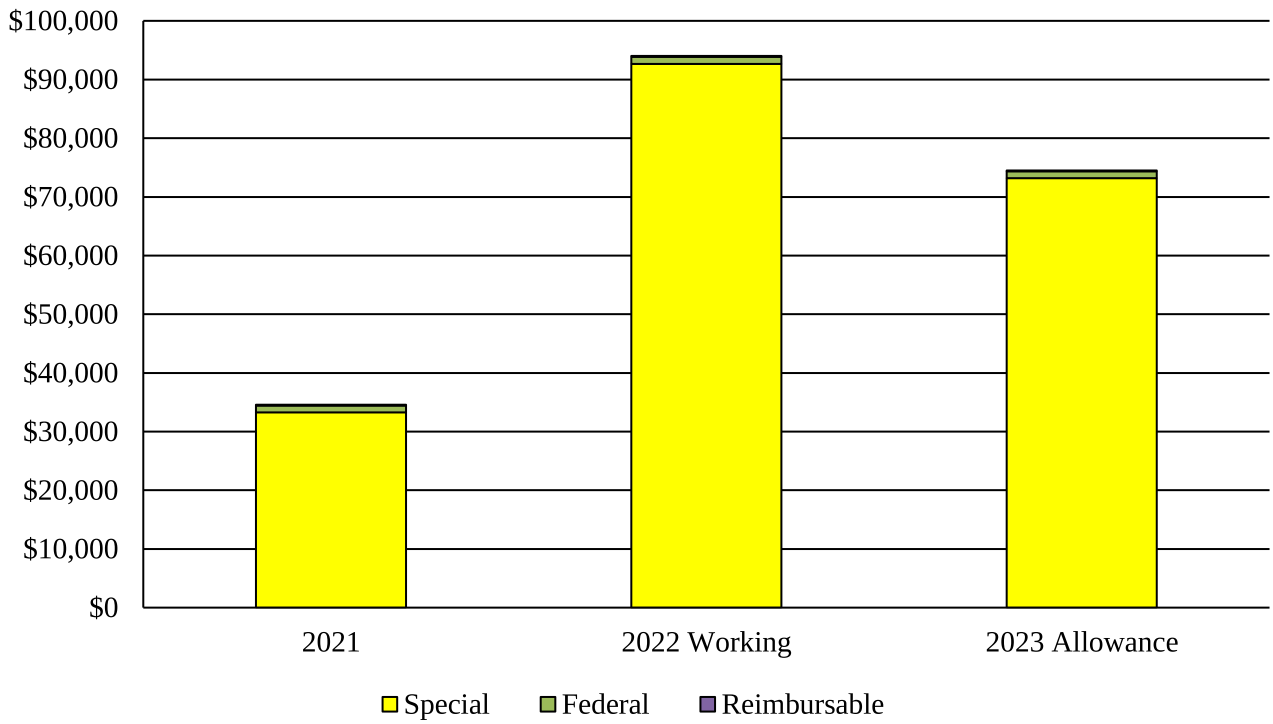
D13A13
Maryland Energy Administration

Executive Summary

The Maryland Energy Administration (MEA) is an independent unit of State government that conducts planning activities for a variety of energy sources, administers programs aimed at increasing energy efficiency and increasing the use of renewable and clean energy, and advises the Governor's office on energy policy.

Operating Budget Summary

Fiscal 2023 Budget Decreases $19.5 Million, or 20.7%, to $74.5 Million
($ in Thousands)



Note: The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

- The decrease in the fiscal 2023 allowance compared to the fiscal 2022 working appropriation occurs primarily due to increased fiscal 2022 spending added by budget amendment due to the

For further information contact: Samuel M. Quist Phone: (410) 946-5530

higher than expected special fund revenue from Regional Greenhouse Gas Initiative (RGGI) auctions and the Strategic Energy Investment Fund (SEIF) balance as well as due to a lower amount of available funds from the Maryland Gas Expansion Fund in fiscal 2023.

- $18.5 million is budgeted from the Maryland Gas Expansion Fund in fiscal 2023. In the fiscal 2022 Budget Bill, $18.82 million from this fund was restricted to be used for bill payment assistance and arrearage retirement for residential electric and natural gas customers in the Department of Human Services (DHS) Office of Home Energy Programs (OHEP) rather than the originally planned purposes. The restricted funds have not been transferred and, instead, nearly all of these funds are budgeted for use by MEA for the Maryland Energy Infrastructure Grant Program in fiscal 2023.

Key Observations

- ***RGGI Auction Revenues Increase:*** RGGI auction clearing prices have substantially increased in auctions held during the current fifth compliance period, which began in calendar 2021. In Auction 54, held in December 2021, the auction clearing price reached $13.00, and the total auction proceeds received by Maryland reached $44.2 million, the highest in the history of the RGGI program. As a result of increased growth in these revenues, spending and end of year SEIF balances are projected to increase in fiscal 2022 in most subaccounts, with the largest increase occurring in the Energy Assistance subaccount. Despite increases in fiscal 2023 spending, particularly for energy assistance, the total fund balance from the RGGI-sourced SEIF subaccounts at the end of the fiscal year is estimated to be $39.8 million.

- ***Federal Funding Projected to Be Allocated to Maryland from the Infrastructure Investment and Jobs Act (IIJA):*** The recently passed federal IIJA includes a projected allocation of $8.9 million in supplemental program funding from the State Energy Program (SEP) and $1.8 million from the Energy Efficiency Revolving Loan Fund Capitalization Program, which will be available to Maryland in federal fiscal 2022. The IIJA also included many other energy-related provisions; however, the exact allocation of other federal funding through the IIJA to Maryland and details on their incorporation into the State budget are not yet known.

Operating Budget Recommended Actions

1. Adopt committee narrative requesting information on the Strategic Energy Investment Fund revenue, spending, and fund balance.

2. Adopt committee narrative requesting an update on Maryland Gas Expansion Fund activities.

Operating Budget Analysis

Program Description

MEA is an independent unit of State government with a mission of promoting affordable, reliable, and cleaner energy for the wellbeing of all Marylanders. In support of this mission, MEA conducts planning activities for a variety of energy sources, administers the SEIF, administers programs aimed at increasing energy efficiency and the use of renewable and clean energy, and advises the Governor's office on energy policy. MEA programs affect local and State government, nonprofit organizations, residential consumers, businesses, and industrial consumers. The key goals of MEA are to:

- increase Maryland's energy efficiency and energy conservation;
- improve the energy efficiency of local governments, nonprofits, businesses, and State agencies;
- increase electric generation fuel diversity through the increased use of in-state renewable and clean energy; and
- diversify Maryland's transportation network by encouraging the utilization of alternative fuel and electric vehicles.

Performance Analysis: Managing for Results

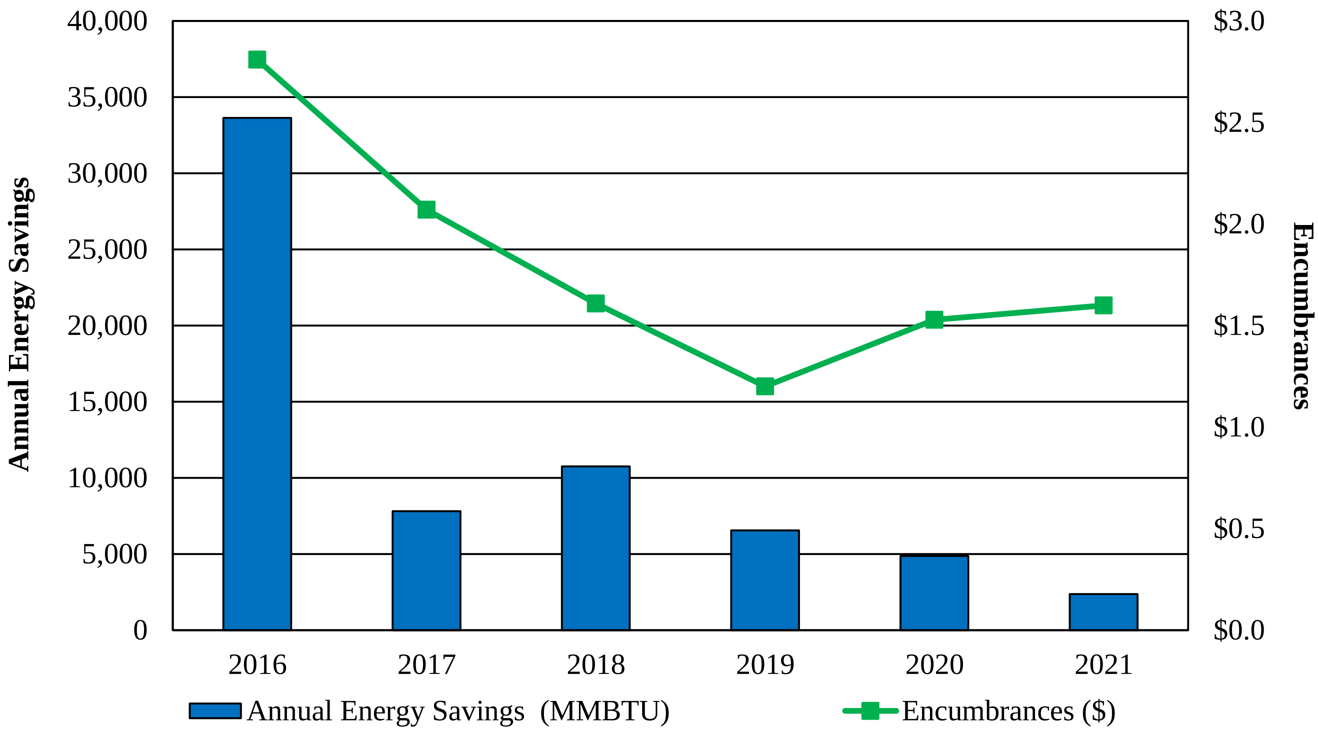
1. Energy Savings from Jane E. Lawton Conservation Loan Program

Prior to fiscal 2020, MEA operated two revolving loan fund programs to provide loans for energy efficiency projects. The Jane E. Lawton Conservation Loan Program (JELLP) provided loans at low interest rates to nonprofits, businesses, and local governments, while the State Agency Loan Program (SALP) provided loans at no interest, with a 1% administrative fee, to State agencies. Chapter 135 of 2019 expanded eligible borrowers in the JELLP to include State agencies, effectively combining the two programs. State agencies continue to be eligible to receive loans at no interest, while other borrowers are eligible for low-interest loans (1% in fiscal 2022).

Throughout the history of the JELLP, prior to its combination with the SALP in fiscal 2020, MEA had difficulty encumbering funds to the level of its appropriation. For example, between fiscal 2009 and 2020, JELLP encumbrances exceeded 50% of the program appropriation in only two years. No loans were provided to non-State entities under the JELLP in fiscal 2019, and only four loans totaling $328,000 (38.6% of available JELLP funding prior to combination with the SALP) were provided in fiscal 2020. However, following the combination of the loan programs, encumbrances increased due to program changes. Due to the historically higher demand from State agencies for loans than compared to demand from nonprofits, businesses, and local governments, the current structure of the JELLP initially sets aside a larger portion of funds for State agencies during the first half of the fiscal year. Funds are also reserved for nonprofits for the first three months of the fiscal year, but if demand is low, these funds are then made available to State agencies during the second half of the year if demand among State agencies exceeds the initial six month set aside. This structure ensures that funding is efficiently utilized, by ensuring funding is initially reserved for nonprofits, businesses, and local governments to ensure access by those entities, but also making additional funding available to State agencies if funds are available and demand is high. In fiscal 2022, of the $2.2 million in available funds, $1.2 million is reserved for State agencies for the first six months of the fiscal year. $220,000 of the total available funds are set aside for qualifying nonprofit organizations during the first three months of the fiscal year. Applications for JELLP loan funds are accepted on a rolling basis until available funding is exhausted.

While the programs were not combined until fiscal 2020, for the purposes of **Exhibit 1**, the encumbrances (representing loan activity) and annual energy savings have been combined historically. Historically, the trend of annual energy savings typically follows the trend of encumbrances; however, outliers in some years have occurred due to energy savings from a particular project or several projects being unusually high. In fiscal 2021, three projects received loans through the JELLP, with encumbrances totaling $1.6 million (78% of available funding). This level of encumbrances was just under 5% higher than fiscal 2020. However, annual energy savings decreased by over 50% during the fiscal year, due to high relative energy savings achieved in fiscal 2020 from the Department of General Services (DGS) Annapolis Complex lighting project. The fiscal 2023 allowance for the JELLP is $1.75 million, a decrease of $450,000 from the $2.2 million appropriation for the program in fiscal 2022. The fiscal 2023 allowance for this program is reflective of the actual encumbrance levels in fiscal 2020 and 2021, which were lower than budgeted.

Exhibit 1
Annual Energy Efficiency Loan Program Savings versus Encumbrances
Fiscal 2016-2021
($ in Millions)



MMBTU: million British Thermal Units

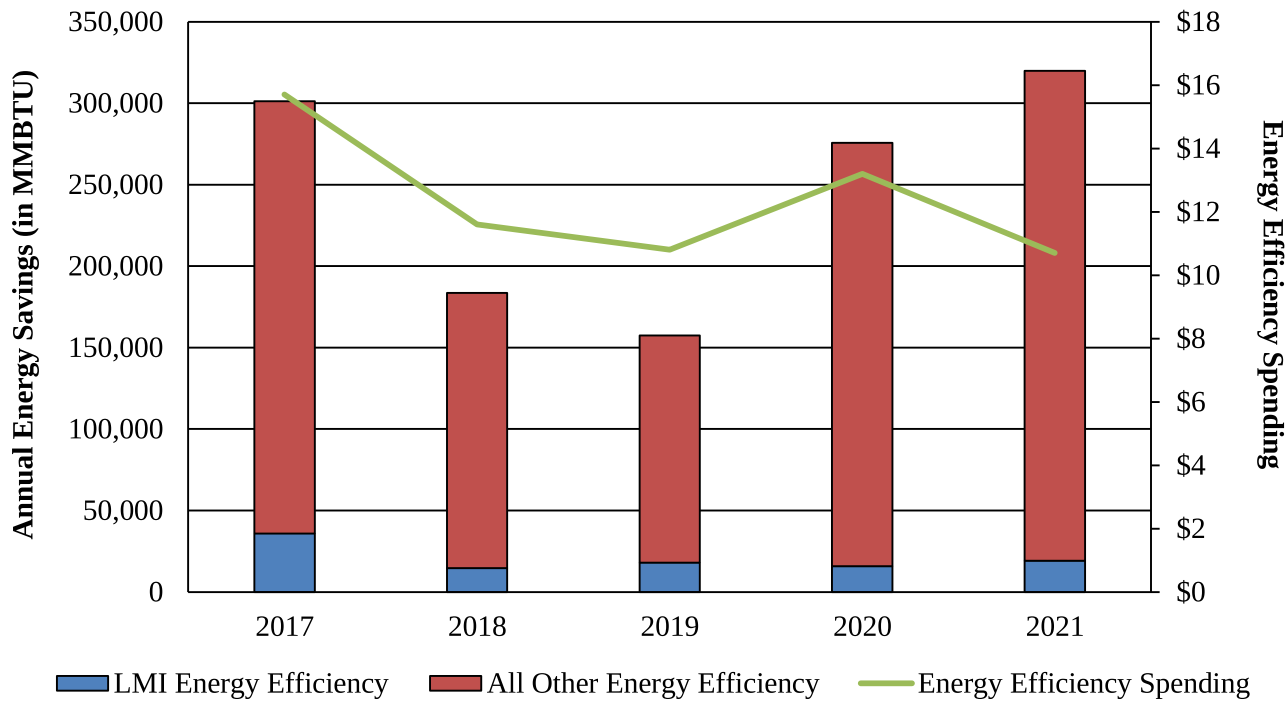
Source: Department of Budget and Management; Maryland Energy Administration

2. Energy Savings from Energy Efficiency Programs Projected to Increase

In its annual Managing for Results (MFR) submission, MEA includes data on annual energy savings achieved through its energy efficiency programs. In general, due to the timing of the completion of projects funded in a given year, actual energy savings are not generally known for the most recent year. As a result, MEA provides an estimate for energy savings for the most recent completed fiscal year. As shown in **Exhibit 2**, MEA anticipates an increase in energy savings in fiscal 2021 from projects funded that year, driven by several large projects funded through the Combined Heat and Power Grant Program, despite a decrease in overall spending. Increases occur for energy efficiency programs that benefit both low- and moderate-income (LMI) residents and energy efficiency programs in other sectors. In fiscal 2021, energy savings from LMI energy efficiency projects increased by

21.8%, and energy savings from energy efficiency projects in all other sectors increased by 15.7%. In total, 26 grants were issued in fiscal 2021 to nonprofit organizations, community action agencies, housing authorities, and county and local governments under LMI energy efficiency grant program for programs benefiting LMI residents. Additional energy efficiency grants awarded through programs outside of the LMI sector in fiscal 2021 include 16 to local jurisdictions under the Maryland Smart Energy Communities Program and additional grants under the Commercial and Industrial Grant Program, the Data Center Energy Efficiency Grant Program, and the Combined Heat and Power Grant Program, among other programs.

Exhibit 2
Annual Energy Savings from Energy Efficiency Grant Programs versus Spending
Fiscal 2017-2021
($ in Millions)



LMI: low- and moderate-income
MMBTU: million British Thermal Units

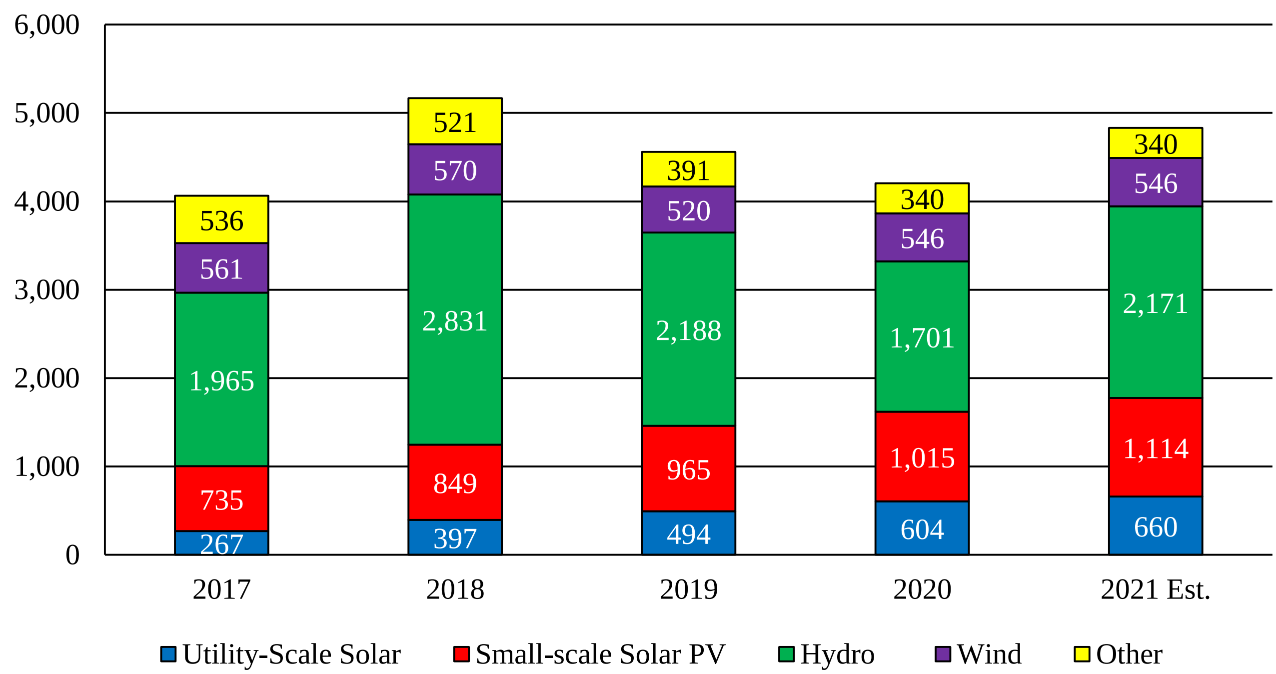
Source: Maryland Energy Administration; Department of Budget and Management

In fiscal 2022, MEA significantly increased spending for projects in both programs as the result of additional available SEIF balance. As a result, energy savings are projected to continue to increase in future fiscal years due to increased funding.

3. In-state Renewable Energy Generation Projected to Increase in 2021

For the fiscal 2023 MFR submission, MEA revised the metric that it included related to overall renewable energy generated in-state to separate by source rather than residential and commercial scale. In this new reporting, MEA provided information on in-state renewable energy generation in Maryland based on information compiled by the U.S. Energy Information Administration. As shown in **Exhibit 3**, a total of 4,206 megawatt hours (MWh) of in-state renewable energy was generated from a variety of renewable energy sources during calendar 2020. Although in-state renewable energy has generally been growing, overall in-state generation was lower in calendar 2019 and 2020 compared to calendar 2018 due to high levels of hydropower production during that year. It is estimated that in-state renewable energy generation will increase in calendar 2021 to over 4,800 MWh, with hydroelectric and solar power remaining the largest sources of renewable energy in the State.

Exhibit 3
In-state Renewable Energy Generation by Source
Calendar 2017-2021 Estimate
(In Megawatt Hours)



PV: photovoltaic

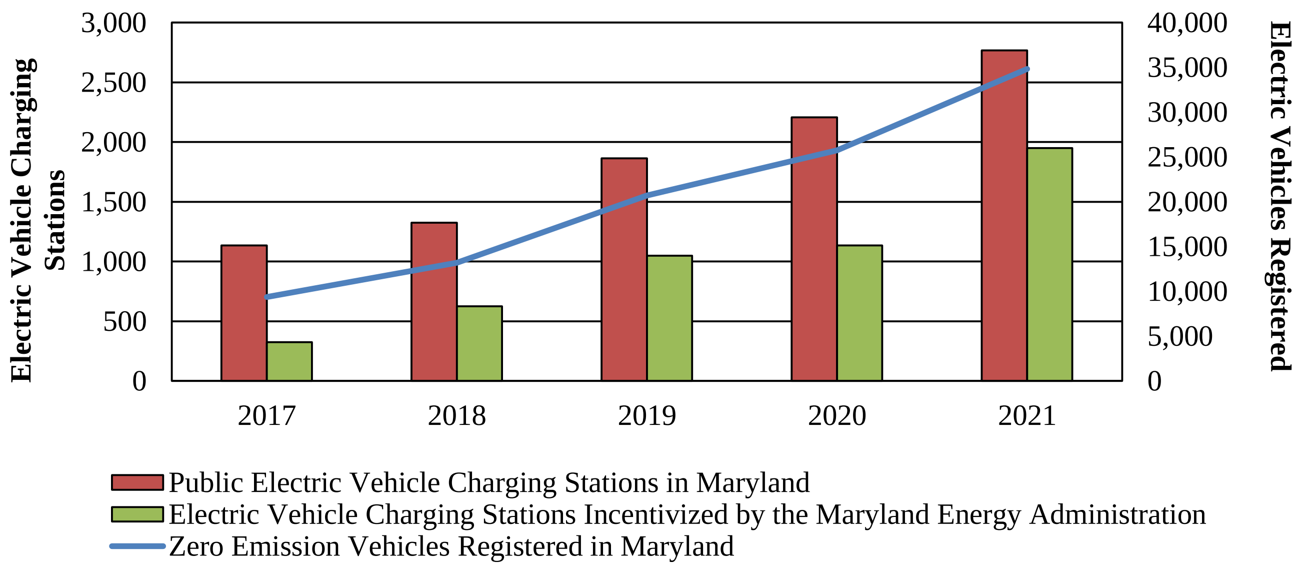
Source: Department of Budget and Management; Maryland Energy Administration

In fiscal 2021, MEA awarded 2,831 grants to Maryland residents, businesses, and local governments to incentivize in-state renewable energy generation. Projects were funding through various renewable and clean energy programs offered through MEA, including the Clean Energy Rebate Program (for residential and commercial customers), the Clean Burning Wood Stove Program, the Solar Canopy, Community Solar and other solar energy programs, and other initiatives. MEA indicates that photovoltaic solar continues to be the most popular renewable energy technology incentivized by its renewable and clean energy programs, based on total number of awards.

4. Electric Vehicles

MEA has a goal of assisting the State in achieving 300,000 zero-emission vehicle (ZEV) registrations by fiscal 2025 through incentives, marketing, and education. Between fiscal 2011 through 2020, the State provided incentives to promote electric vehicle deployment through the Electric Vehicle Excise Tax Credit; credits were no longer authorized for new vehicles purchased and titled after July 1, 2020, and as a result, the program is no longer active. MEA, however, continues to operate the Electric Vehicle Recharging Equipment Rebate Program in order to incentivize the adoption of electric vehicle supply equipment (EVSE) by individuals, businesses, and units of State and local governments. As shown in **Exhibit 4**, the total number of ZEVs registered in Maryland has steadily increased over the past five fiscal years, along with the number of publicly available electric vehicle charging stations. In fiscal 2021, there were a total of 34,841 ZEVs registered in Maryland and 2,769 public electric vehicle charging stations, of which 1,949 have been incentivized through MEA.

Exhibit 4
Electric Vehicle Registrations and Public Chargers
Fiscal 2017-2021



Source: Maryland Energy Administration

The Electric Vehicle Recharging Equipment Program was established in fiscal 2014 and subsequently modified in fiscal 2017 and 2021. Generally, the program provides incentives of up to 40% of total costs, and up to $700 for individuals, $4,000 for business entities and units of State and local government, and up to $5,000 for a retail service station dealer. In fiscal 2021, a total of 1,683 EVSE awards were funded, which provided rebates for a total of 1,878 ZEV chargers. Eight-four percent of these awards were provided to residents, while the remaining 16% were to commercial entities.

The 2021 *Joint Chairmen's Report* (JCR) included committee narrative asking MEA to provide data on the program, specifically focusing on EVSE installed in multi-unit developments. MEA reports that between fiscal 2017 and 2021, 158 chargers were installed in multi-unit developments in nine counties and Baltimore City. These installations yielded a total of 197 individual charging ports, using $370,604 in rebates, and leveraging over $1 million in private investments in EVSE. Demand for this program has seen significant growth, with over 55% of total programing activity in this area occurring in fiscal 2021.

In addition to incentives provided by MEA through its programming, the Public Service Commission (PSC) has also incentivized the investment in electric vehicle charging infrastructure through a pilot program for the investor-owned utilities. As of the end of fiscal 2021, 207 publicly accessible "smart" Level 2 chargers or direct current fast chargers have been installed under the terms of the program by investor-owned utilities across the State. A total of 909 chargers are allowed to be installed by utilities under the terms of the pilot program. Finally, the inclusion of over $7 billion in the recently passed federal IIJA supporting the development of nationwide electric vehicle charging infrastructure throughout major transportation corridors will ensure the continued promotion of the purchase and use of ZEVs in future years.

Fiscal 2021

Two budget amendments increased the fiscal 2021 appropriation by a total of $500,000 for two energy-related studies:

- $300,000 in special funds from the SEIF to fund completion of a geothermal energy study mandated by Chapter 164 of 2021; and

- $200,000 in reimbursable funds from the Department of Natural Resources Power Plant Research Program to fund completion of a study on approaches to further increase the efficiency of the Maryland energy system.

Fiscal 2022

A budget amendment was processed to appropriate an additional $31,565,000 of SEIF revenues in fiscal 2022 due to higher than anticipated RGGI auction revenues. Issue 1 of this analysis provides additional discussion of SEIF revenues. As a result of this appropriation, the fiscal 2022 special fund working appropriation for MEA increased by $28.6 million, and the special fund working appropriation for DGS increased by $3.0 million. Funds transferred to DGS will support energy efficient lighting upgrades at several State facilities. Funds transferred to MEA include the following programmatic increases to support additional projects and grants:

- an additional $8.05 million for LMI energy efficiency and conservation programs;
- an additional $4.3 million for energy efficiency and conservation programs in all other sectors (non-LMI); and
- an additional $16.2 million for renewable and clean energy programs and initiatives.

IIJA

The recently passed federal IIJA contains several far-reaching energy-related provisions supporting a variety of programs and initiatives at the federal, State, and local level. One of the largest areas of energy-related spending in the IIJA is for several programs that focus on electric grid infrastructure and resiliency upgrades and investments. These programs are discussed in further detail in the PSC – C90G00 analysis. Due to the regulatory authority of PSC over electric utilities in the State, it is anticipated that PSC will play the main role in determining the usage and allocation of these funds or other funds received by utilities.

The IIJA also includes a one-time supplemental increase of $500 million for the existing SEP, as well as $250 million for the new Energy Efficiency Revolving Loan Fund Capitalization Program, which will be allocated under SEP to fund and operate revolving loan funds. Funding will be available through federal fiscal 2026. Federal funds from SEP, which provides funding and technical assistance for State-led energy initiatives, are received and budgeted annually through MEA. Supplemental funding under SEP in the IIJA expands the existing program to also support transmission and distribution planning efforts related to the electric grid. It is estimated that $8.9 million in supplemental program funding from SEP and $1.8 million from the Energy Efficiency Revolving Loan Fund Capitalization Program will be available to Maryland in federal fiscal 2022.

In addition, the IIJA provides $550 million for the Energy Efficiency and Conservation Block Grant, which is available through federal fiscal 2026, for grants supporting the development of clean energy programs and supporting job creation in the clean energy sector. MEA previously received funding totaling approximately $38.3 million in fiscal 2010 from this program through the American Recovery and Reinvestment Act of 2009. As noted earlier, $7.5 billion in new grant funding, available between federal fiscal 2022 and 2026, will be available to fund various projects supporting the development of a national electric vehicle charging network of 500,000 electric vehicle chargers along highway corridors, which may be available to a combination of the Maryland Department of Transportation and MEA.

Other notable areas of the IIJA of which states are eligible recipients include:

- six new competitive grant programs that fund initiatives related to supply chains for clean energy technologies;

- three new competitive grant programs related to fuel and technology infrastructure investments, including carbon capture and other renewable energy technologies; and

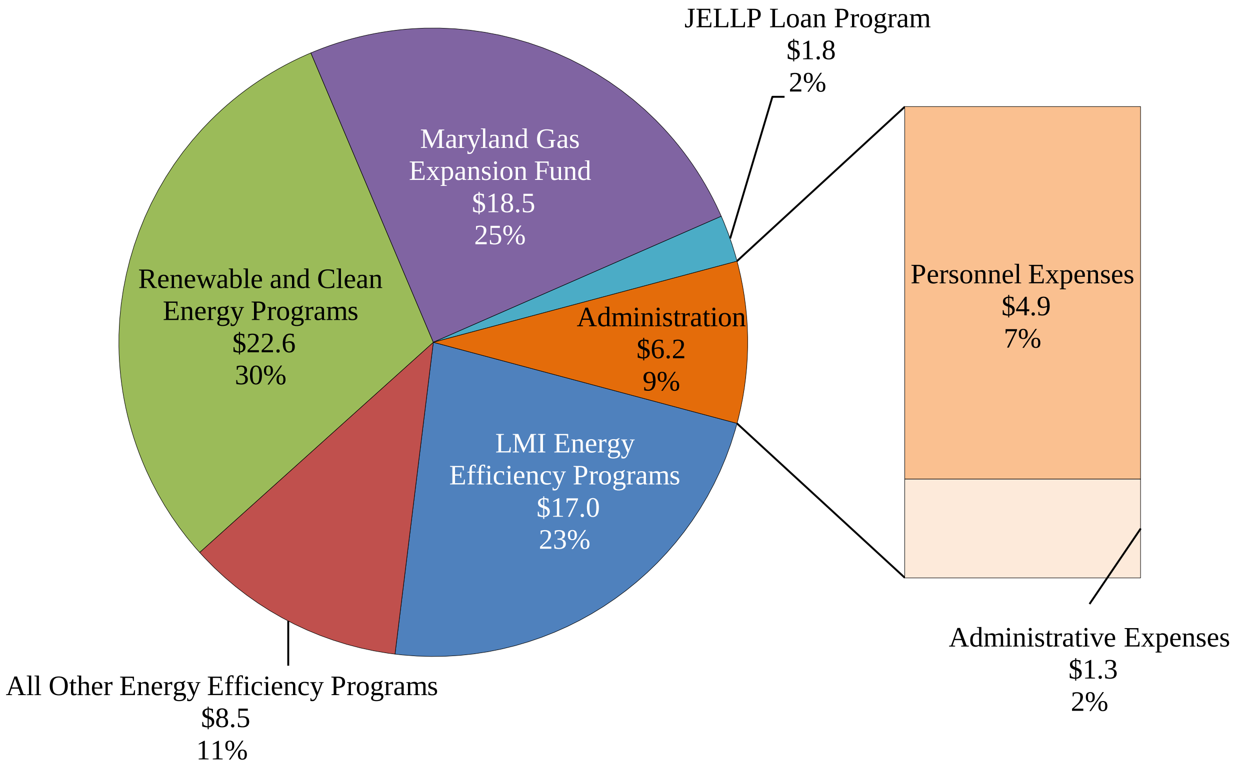
- supplemental funding for seven existing competitive grant programs funded through the Energy Act of 2020, including research and development, demonstration, and other activities for a variety of renewable energy sources.

Outside of supplemental SEP funds, the exact allocation of other federal funding through most energy-related provisions of the IIJA to Maryland and details on their incorporation into the State budget are not yet known. **MEA should comment on how it is preparing to use or oversee federal funds available to it or other entities in the State through the supplemental appropriation to SEP or through other energy-related provisions of the IIJA.**

Fiscal 2023 Overview of Agency Spending

The fiscal 2023 allowance for MEA totals $74.5 million. As shown in **Exhibit 5**, renewable and clean energy programs and initiatives, including programing funded through the Maryland Gas Expansion Fund, make up the largest share of MEA spending, at 55%, or $41.1 million. The third and fourth largest categories of spending include LMI energy efficiency ($17 million) and energy efficiency in all other sectors ($8.5 million). Funding for these two programs comes entirely from RGGI-sourced SEIF in the fiscal 2023 allowance.

Exhibit 5
Overview of Agency Spending
Fiscal 2023 Allowance
($ in Millions)



JELLP: Jane E. Lawton Conservation Loan Program
LMI: low- and moderate-income

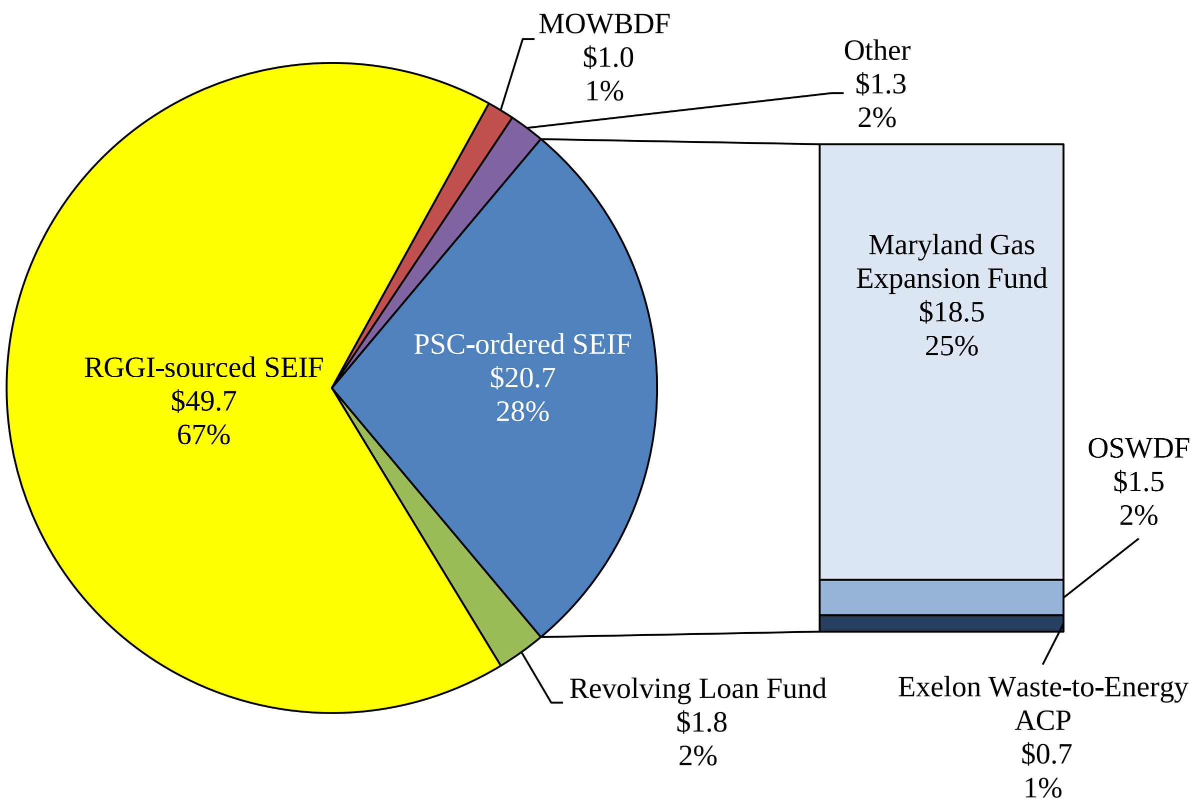
Note: The fiscal 2023 allowance does not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

Source: Governor's Fiscal 2023 Budget Books

Agency Spending by Source

RGGI-sourced SEIF is the largest source of funding in the fiscal 2023 allowance, totaling 67% of the budget. While RGGI-sourced SEIF is the primary ongoing source of MEA programmatic and administrative expenses in recent years, it has not always been the largest source of funding. PSC orders in utility mergers or other large proceedings have included conditions for approval that require contributions to MEA, or other entities for certain types of activities, which have increased funding available to the agency in recent years. As shown in **Exhibit 6**, in the fiscal 2023 allowance, these PSC order-sourced funds account for approximately 28% of MEA's budget, a decrease from approximately 40% in fiscal 2022, due to a decline in funds budgeted from the Maryland Gas Expansion Fund and the Exelon Animal Waste-to-Energy Alternative Compliance Payments (ACP).

Exhibit 6
Spending by Source
Fiscal 2023 Allowance
($ in Millions)



ACP: Alternative Compliance Payments
MOWBDF: Maryland Offshore Wind Business Development Fund
OSWDF: Offshore Wind Development Fund
PSC: Public Service Commission
RGGI: Regional Greenhouse Gas Initiative
SEIF: Strategic Energy Investment Fund

Note: The fiscal 2023 allowance does not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

Source: Governor's Fiscal 2023 Budget Books; Maryland Energy Administration

The non-RGGI-sourced revenue must be used as directed in statute or the PSC order creating the source:

- ***Exelon Animal Waste-to-Energy ACP:*** Liquidated damages totaling $44 million from a State-chosen option of a menu of possible requirements are related to the development of new animal waste-to-energy generation from the Exelon and Constellation merger. These funds are required to be used to support the creation of Tier 1 renewables consistent with the required use of ACP under the Renewable Portfolio Standard (RPS) (payments in lieu of purchasing renewable energy credits). The fiscal 2023 allowance includes $704,846 from this subaccount to support community solar programs.

- ***Maryland Gas Expansion Fund (AltaGas/WGL Settlement):*** A contribution of $30.3 million for use by MEA to promote the expansion of natural gas infrastructure to serve businesses, residents, industrial enterprises, and utility generation facilities from the AltaGas Ltd. and WGL Holdings, Inc. merger. PSC required that the majority of the funds be used within the Washington Gas service territory and at least $4.6 million be used within Calvert, Charles, Frederick, and St. Mary's counties. The fiscal 2023 allowance includes $18.5 million from this fund to support the Maryland Energy Infrastructure Program.

- ***Offshore Wind Development Fund (OWDF):*** A contribution of $30 million for offshore wind development activities (such as studies or consortium memberships) from the Exelon and Constellation merger. The fiscal 2023 allowance includes $1.5 million from this fund.

- ***Maryland Offshore Wind Business Development Fund (MOWBDF):*** Created through the Offshore Wind Energy Act of 2013 (Chapter 3), the fund has been composed of the seed funds from the OWDF and required contributions ($2 million a year for three years) by approved applicants of Offshore Wind Renewable Energy Credits (OREC). The fiscal 2023 allowance includes $1 million from this fund.

An additional source (PEPCO Most Favored Nation Settlement Provision) is available as a result of a condition included in the merger of Exelon and Pepco Holdings, Inc. requiring an increase in the value of benefits in Maryland if benefits in another jurisdiction were higher than those included in Maryland's final order. These funds ($9.2 million) were allocated to MEA for use for an industrial energy efficiency program and the Combined Heat and Power program. No funds are budgeted from these funds in the fiscal 2023 allowance, despite $4.4 million being available. MEA indicates that canceled encumbrances in this subaccount have resulted in unanticipated fund balance, and for planning purposes, additional spending is not anticipated until fiscal 2024. **MEA should comment on its planned use of these funds in future fiscal years.**

As shown in **Exhibit 7**, non-RGGI-sourced SEIF end-of-year subaccount balances are estimated to decrease by over 46% between the end of fiscal 2021 and 2023, as funds are spent from these subaccounts. As a result, RGGI-sourced funds make up a larger share of overall MEA spending in fiscal 2023 and future fiscal years. The largest decrease in non-RGGI-sourced SEIF is due to the projected exhaustion of funds from the Maryland Gas Expansion Fund following fiscal 2023. Only the

MOWBDF and RPS ACP will potentially add additional fund balance in future fiscal years to the extent suppliers make ACP rather than purchasing renewable energy credits and the recent awarding of OREC by PSC. Under State law, successful OREC applicants are required to make deposits into the fund. Other subaccounts resulting from PSC orders will be fully depleted once funds resulting from those orders are expended.

Exhibit 7
Non-RGGI-sourced Ending Fund Balances in MEA
Fiscal 2021-2023 Est.
($ in Millions)

	2021	2022 Est.	2023 Est.
Exelon Animal Waste-to-Energy ACP	$22.0	$15.6	$14.9
Maryland Gas Expansion Fund	26.3	18.8	0.3
Pepco/Exelon Merger Most Favored Nation Provision	5.9	4.4	4.4
Renewable Portfolio Standard ACP	0.1	0.1	0.1
Offshore Wind Development Fund	5.6	4.1	2.6
Strategic Energy Investment Fund Account Total	***$59.9***	***$43.0***	***$22.3***
Maryland Offshore Wind Business Development Fund	$11.2	$12.1	$15.1
Total	**$71.1**	**$55.1**	**$37.4**

ACP: Alternative Compliance Payments
MEA: Maryland Energy Administration

Source: Governor's Fiscal 2023 Budget Books; Maryland Energy Administration

Proposed Budget Change

As shown in **Exhibit 8**, the fiscal 2023 allowance for MEA decreases by $19.5 million, or 20.7%, compared to the fiscal 2022 working appropriation. This decrease is primarily due to a $17.8 million decrease in renewable and clean energy programs and initiatives, which includes a $7.8 million decrease in funds from the Maryland Gas Expansion Fund. Energy efficiency and conservation programs in non-LMI sectors also decrease, by $3.3 million. However, funding for LMI energy efficiency and conservation programs increases by $2.25 million. Most of the decreases to programming funded through RGGI-sourced SEIF fund revenues in fiscal 2023 correspond to increased spending for those programs in fiscal 2022 provided through the budget amendment due to higher than anticipated RGGI-sourced SEIF revenue.

In general, fiscal 2023 funding generally continues programs from prior years. The fiscal 2023 allowance includes funding for a new program, school decarbonization grants. Limited information is available on this program. **MEA should describe how these grants will be used to support school decarbonization efforts.**

Exhibit 8
Proposed Budget
Maryland Energy Administration
($ in Thousands)

How Much It Grows:	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2021 Actual	$33,285	$1,126	$154	$34,566
Fiscal 2022 Working Appropriation	92,683	1,156	164	94,003
Fiscal 2023 Allowance	73,178	1,180	166	74,524
Fiscal 2022-2023 Amount Change	-$19,504	$24	$2	-$19,478
Fiscal 2022-2023 Percent Change	-21.0%	2.1%	1.3%	-20.7%

Where It Goes:	Change
Personnel Expenses	
Turnover expectancy decreases from 4.24% to 0.01% to reflect current vacancy level	$151
Regular earnings	102
Employee and retiree health insurance premiums	54
Employee retirement contributions	27
Social Security and unemployment insurance contributions	10
Programming Changes	
LMI Community Grant Program and technical assistance	2,250
Critical facility and resiliency hub planning	1,000
School decarbonization grants	700
Data Center Energy Efficiency Grant Program	600
U.S. Energy and Employment Report Workforce Study	500
Transportation programs	-100
Animal-Waste-to-Energy Program	-100
Customer Investment Fund Net Zero Schools Program	-150
Maryland Smart Energy Communities Program	-250
Other technical studies, planning, and assistance	-375
Commercial and residential renewable energy grant programs	-400
Jane E. Lawton Conservation Loan Program	-450
Regional Manufacturing Institute grants for HVAC audits	-600
Municipal LED Streetlight Program to facilitate conversion of streetlights to LED technology	-1,200

Where It Goes:	**Change**
Combined Heat and Power Program	-1,450
Commercial and Industrial Grant Program	-1,800
Offshore wind business development and workforce training initiatives	-2,100
Resilient Maryland Program	-3,250
Solar programs, including community and LMI, resiliency hubs and PV in parking lots and large public institutions	-4,896
Maryland Gas Expansion Fund (Maryland Energy Infrastructure Grant Program)	-7,820
Administrative Expense Changes	
Contracts for evaluation, measurement, and verification support for grants and loans	475
Contractual personnel expenses	100
Cost allocations	88
Software licensing and upgrade costs for program and loan management systems	-168
Contracts for technical support provided to energy regulatory entities	-280
Other	-145
Total	**-$19,477**

LED: light emitting diode
LMI: low- and moderate-income
PV: photovoltaic

Note: Numbers may not sum to total due to rounding. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

Maryland Gas Expansion Fund

Available for the first time in fiscal 2020, funds from the Maryland Gas Expansion Fund support the Maryland Energy Infrastructure Grant Program, which promotes natural gas expansion by making it available to new customers, reconnecting previous natural gas customers, or expanding its usage by current customers. In fiscal 2022, a total of $7.5 million in grants are available to applicants from two Areas of Interest:

- ***Maryland Anchor Customers:*** includes commercial, industrial, State agencies, local governments, and nonprofits ($2.5 million of total funding); and

- ***Local Distribution Companies (LDC):*** businesses that presently hold or have filed an application for a tariff or other licenses for natural gas distribution with PSC or the U.S. Federal Energy Regulatory Commission ($5 million of total funding).

MEA reports that 18 applications were received for available fiscal 2022 program funding and that it plans to announce grant awards in early calendar 2022.

The $7.5 million in available funding for these grants in fiscal 2022 represents the unrestricted portion of the fiscal 2022 allowance from the Maryland Gas Expansion Fund. The original fiscal 2022 allowance was $26.32 million for this purpose; however, language in the fiscal 2022 Budget Bill restricted $18.82 million of these funds to be used for bill payment assistance and arrearage retirement for residential electric and natural gas customers in the DHS OHEP. The restricted funds have not been transferred, and $18.5 million are instead budgeted for use by MEA for the same purpose in fiscal 2023. **MEA should comment on why these funds will not be used for the purpose for which the General Assembly restricted them.**

Personnel Data

	FY 21 Actual	FY 22 Working	FY 23 Allowance	FY 22-23 Change
Regular Positions	30.00	30.00	31.00	1.00
Contractual FTEs	11.00	11.00	10.00	-1.00
Total Personnel	**41.00**	**41.00**	**41.00**	**0.00**

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	0.00	0.01%	
Positions and Percentage Vacant as of 12/31/21	n/a	n/a	
Vacancies Above (Below) Turnover	n/a	n/a	

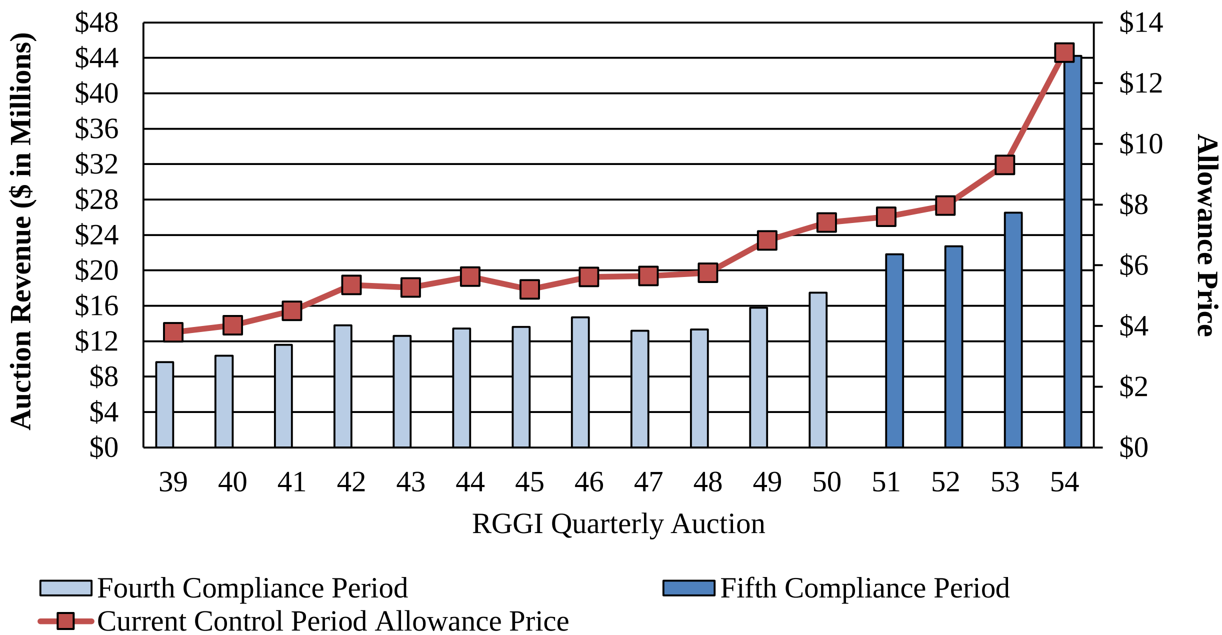
- The fiscal 2023 allowance includes an additional regular position, an accounting specialist. One contractual full-time equivalent (FTE), also an accounting specialist position, is eliminated. Although the added regular positions and eliminated contractual FTE are similar in nature, MEA indicates that this is not a contractual conversion.

Issues

1. RGGI Auction Revenue Sees Strong Growth

As shown in **Exhibit 9**, auction clearing prices have substantially increased in recent auctions during the current fifth compliance period, which began with Auction 51 in March 2021. In Auction 54, held in December 2021, the auction clearing price reached $13.00, and the total auction proceeds received by Maryland reached $44.2 million, the highest in the history of the RGGI program. The total number of allowances sold across all 11 participating states also increased in this auction due to the sale of additional cost containment reserve (CCR) allowances. CCR is a fixed supply of additional allowances that are made available if an auction's interim clearing price exceeds a certain clearing price ($13.00 in 2021). A total of 3.9 million CCR allowances were sold, along with the initial offering, 23.1 million allowances, for a total of 27 million allowances sold program-wide in Auction 54. Demand for allowances has also been heightened in recent RGGI auctions following the readmission to RGGI of New Jersey in 2020, the admission of Virginia in 2021, and amid speculation over the potential future admission of Pennsylvania.

Exhibit 9
RGGI Quarterly Auction Results for Maryland
Auction 39 (March 2018) to Auction 54 (December 2021)



RGGI: Regional Greenhouse Gas Initiative

Source: RGGI, Inc.; Department of Legislative Services

Despite the relatively steady growth in RGGI auction revenues in the most recent auctions, in prior years, there has been more variation in revenues as allowance prices fluctuated. Since the first auction, RGGI auction clearing prices have ranged from $1.86 to $13.00 per allowance. Due to the historical unpredictability of auction clearing prices, the revenue assumed in the budget for many years did not generally align well with actual auction revenue. These variations in some years led to a buildup of fund balance but resulted in mid-year program reductions in other years. To stabilize the program funding, MEA began estimating revenue for the budget using the minimum clearing price prices with actual overattainment of revenue compared to that minimum used in the following year (for example, fiscal 2021 overattainment is available for fiscal 2023). While this conservative method of projecting revenues helped to avoid mid-year contraction or elimination of programming, this method of budgeting has resulted in large fund balances accruing in the SEIF while awaiting allocation in the next budget cycle.

Beginning with the revenue estimates used in developing the fiscal 2023 budget, MEA has altered its revenue projection method by raising the estimated clearing price amount used for these projections to be based on a rolling average of the clearing prices of the two most recent fiscal year RGGI auctions. Using this methodology, an estimated clearing price of $6.50 per allowance is utilized for forecasting future auction revenues in the fiscal 2023 budget cycle rather than using the minimum clearing price as had been done in prior fiscal years (the minimum clearing price for auctions held during calendar 2022 is $2.44). This increase reflects the increased auction prices of allowances in recent auctions and allows for auction revenue projections to more closely align with recent actual results but still results in a conservative estimate of total auction revenues. Using the fiscal 2023 budget estimates as an example, actual auction prices have exceeded $6.50 in each auction since Auction 49 in September 2020. This new method of forecasting ensures that less overattainment of revenue is delayed until future budget cycles but still purposely understates likely actual revenues to some degree.

RGGI Allocation and Fund Balance

Chapters 127 and 128 of 2008 established the SEIF primarily to receive revenue from the RGGI carbon dioxide emission allowance auctions. The chapters also established an allocation of revenue from the sale of allowances to be distributed among various categories of spending. The allocations were subsequently changed several times with the current allocation set as part of the Budget Reconciliation and Financing Act of 2014. Other revenues held in the SEIF available from different fund sources (such as ACP and funds available from PSC orders) are not subject to the statutory allocation of revenue but follow other statutory requirements or requirements from the PSC orders that resulted in that source). The current allocation of revenue as required by statute is shown in **Exhibit 10**. The administration subaccount is limited by statute to a maximum distribution of up to 10%, or no more than $5 million. The cap on the administration subaccount results in additional revenues available to be distributed to the other subaccounts if 10% of total fund revenues that would otherwise be distributed to the administration subaccount exceed the $5 million dollar cap.

Exhibit 10
RGGI Revenue Distribution to SEIF Subaccounts as Determined by Statute

	Revenue Distribution as Determined by Statute
Energy Assistance	At least 50%
LMI Energy Efficiency and Conservation Programs	At least 10%
Energy Efficiency and Conservation Programs in All Sectors	At least 10%
Renewable and Clean Energy Programs and Initiatives	At least 20%
Administration	Up to 10%, but no more than $5 million

LMI: low- and moderate-income
RGGI: Regional Greenhouse Gas Initiative
SEIF: Strategic Energy Investment Fund

Source: State Government Article §9-20B-05

Statutorily Required Distributions

The statutory allocation of RGGI revenues to the SEIF subaccounts occurs after the distribution of transfers required under statute and accounting for the payment of annual dues to RGGI, Inc. These statutorily required distributions are illustrated in **Exhibit 11**. In fiscal 2023, these transfers include the following:

- $300,000 is transferred for RGGI, Inc. annual dues; and

- $2.1 million is transferred to the Maryland Energy Innovation Fund (MEIF). Chapters 13 and 24 of the 2021 special session increased the amount required to be annually transferred to the MEIF from $1.5 million to $2.1 million, effective in fiscal 2022. MEIF funds support the administrative costs of the Maryland Energy Innovation Institute (MEII) at the University of Maryland College Park Campus, and the Maryland Clean Energy Center (MCEC). Chapters 13 and 24 specify that out of the annual $2.1 million transfer to the MEIF, at least $0.9 million must be apportioned to MEII and at least $1.2 million must be apportioned to MCEC each year.

In fiscal 2022 $8.2 million was transferred to the Transportation Trust Fund related to tax credits under the Zero Emission Vehicle Excise Tax Credit Program as directed by Chapter 670 of 2021; however, no transfers are budgeted or required by statute for this purpose in fiscal 2023. This results in a total decrease of $8.3 million of statutorily required transfers prior to distribution of RGGI auction revenue to the SEIF fund subaccounts in fiscal 2023, resulting in a corresponding increase of the same amount available for distribution to the other subaccounts.

Exhibit 11
Statutorily Required Tax Credits, Dues, and Transfers
Fiscal 2021-2023 Est.
($ in Millions)

	2021	Working 2022	Allowance 2023	Change 2022-2023
RGGI, Inc. Dues	$0.2	$0.4	$0.3	-$0.1
Zero Emission Vehicle Excise Tax Credits	0.0	8.2	0.0	-8.2
Maryland Energy Innovation Fund	1.5	2.1	2.1	0.0
Total	**$1.7**	**$10.7**	**$2.4**	**-$8.3**

RGGI: Regional Greenhouse Gas Initiative

Source: Governor's Fiscal 2023 Budget Books

Other statutorily required allocations required in Chapter 757 of 2019 (the Clean Energy Jobs Act) occur out of the renewable and clean energy subaccount within the statutory distribution to that subaccount:

- a total of $7 million between fiscal 2021 and 2028 ($500,000 in fiscal 2023) to the Small, Minority, and Women-Owned Businesses Account (SMWOBA) within the Maryland Department of Commerce (Commerce), with set amounts per year. Further discussion of this transfer may be found in the Commerce – T00 analysis; and

- a total of $8 million over multiple years beginning in fiscal 2021 ($1 million in fiscal 2023) to a Clean Energy Workforce Account in the Maryland Employment Advancement Right Now (EARN) program within the Maryland Department of Labor.

The requirement to transfer funds for EARN and SMWOBA from the renewable and clean energy subaccount rather than through a diversion of revenue prior to distribution, as in the other statutorily required transfers, prevents the diversion of revenue for these purposes from other subaccounts.

Fiscal 2023 Allowance Comparison

As shown in **Exhibit 12**, the fiscal 2023 allowance includes $143.8 million in RGGI-supported spending, an increase of $50.2 million from the fiscal 2022 working appropriation. The primary driver of this is the distribution for energy assistance, which increases by $50.9 million, based on use of fund balance in addition to the higher forecasted revenue. Spending on MEA programs decreases by $45,576 due to an increase of $2.3 million to the LMI energy efficiency subaccount, which is offset by decreases of $325,000 to the energy efficiency in all sectors and $2.0 million to the renewable and clean energy subaccounts. Outside of MEA and DHS, transfers to the DGS Office of Energy and

Sustainability increase by $350,000, and transfers to the Maryland Department of Health for energy performance contracts decrease by approximately $950,000.

Exhibit 12
Comparison of RGGI-related Appropriations
Fiscal 2021-2023 Est.
($ in Millions)

	2021	Working 2022	Allowance 2023	Change
Energy Assistance	**$19.9**	**$31.9**	**$82.8**	**$50.9**
Department of Human Services	19.9	31.9	82.8	50.9
Low- and Moderate-income Energy Efficiency and Conservation Programs[1]	**$6.7**	**$14.8**	**$17.0**	**$2.3**
Maryland Energy Administration	6.7	14.8	17.0	2.3
Department of Housing and Community Development	0.0	0.0	0.0	0.0
Energy Efficiency and Conservation Programs in All Sectors	**$6.5**	**$14.3**	**$13.4**	**-$0.9**
Maryland Energy Administration	3.9	8.8	8.5	-0.3
Department of General Services	0.5	3.5	3.9	0.4
Maryland Department of Health	2.0	2.0	1.1	-1.0
Renewable and Clean Energy Programs and Initiatives	**$10.3**	**$27.7**	**$25.7**	**-$2.0**
Maryland Energy Administration	5.5	21.4	19.4	-2.0
Maryland Department of the Environment	2.6	2.6	2.6	0.0
Maryland Department of Commerce (SMWOBA)	0.2	0.5	0.5	0.0
Maryland Department of Labor (EARN)	0.5	1.0	1.0	0.0
State Fleet Electric Vehicle Program[2]	1.1	2.3	2.3	0.0
Maryland Department of Natural Resources	0.5	0.0	0.0	0.0
Administration	**$4.2**	**$4.8**	**$4.8**	**$0.0**
Maryland Energy Administration	4.2	4.8	4.8	0.0
Total	**$47.5**	**$93.6**	**$143.8**	**$50.2**

EARN: Employment Advancement Right Now
RGGI: Regional Greenhouse Gas Initiative
SMWOBA: Small, Minority, and Women-Owned Businesses Account

[1]A total of $16,040 was spent by the Department of Housing and Community Development in fiscal 2021 from this subaccount.
[2]In fiscal 2021, the State Fleet Electric Vehicle Program was budgeted within the Maryland Energy Administration. In fiscal 2022 the funding is budgeted in the Department of Budget and Management (DBM). In fiscal 2023, the funding is split between the Department of General Services and DBM.

Source: Governor's Fiscal 2023 Budget Books; Maryland Energy Administration

SEIF Balance

As shown in **Exhibit 13** at the close of fiscal 2021, the balance from RGGI-sourced subaccounts in the SEIF totaled $108.2 million, the largest share of which ($44.7 million) occurred in the energy assistance subaccount. The balances are estimated to increase in fiscal 2022, reflecting growth in RGGI auction revenues and the change in method of estimating revenue from future auctions, before decreasing in fiscal 2023 due to the anticipated use of fund balance and the intentional understating of anticipated revenue in the revenue forecast. When the additional revenue amounts are known for the final two auctions, it is likely that the fiscal 2023 closing balance will be closer to, or even exceed the fiscal 2022 level.

Exhibit 13
Strategic Energy Investment Fund Balance, RGGI-sourced Subaccounts
Fiscal 2021-2023 Est.
($ in Millions)

	2021	2022 Est.	2023 Est.
Energy Assistance	$44.7	$66.9	$17.7
Energy Efficiency and Conservation Programs, Low- and Moderate-income Residential Sector	5.4	11.8	4.3
Energy Efficiency and Conservation Programs, All Other Sectors	7.9	12.1	7.8
Renewable and Clean Energy Programs and Initiatives	13.5	13.9	0.5
Administration	36.7	8.3	9.5
Total	**$108.2**	**$113.0**	**$39.8**

RGGI: Regional Greenhouse Gas Initiative

Source: Governor's Fiscal 2023 Budget Books; Maryland Energy Administration

Of note, the fund balances within the various subaccounts are increased in fiscal 2022 and 2023 due to the realignment of interest and fund balance from the administration subaccount, as well as through the redistribution of revenues that exceed the $5 million cap on revenue distribution to this subaccount. At the end of fiscal 2021, the administration subaccount had a fund balance of $36.7 million, the second largest fund balance of all subaccounts. In fiscal 2022, $29.6 million of this fund balance, including interest accrued during fiscal 2021 and 2022 was redistributed to the other subaccounts:

- $4.5 million distributed to the energy assistance subaccount;

- $9.3 million distributed to the LMI energy efficiency subaccount;

- $6.6 million distributed to the energy efficiency in other sectors subaccount; and

- $9.2 million distributed to the renewable and clean energy subaccount.

Additional realignment of revenues exceeding the $5 million cap on revenue distribution to the administration subaccount are projected by MEA for fiscal 2022 and 2023. MEA estimates approximately $2.1 million in fiscal 2022 and $1.3 million in fiscal 2023 will be available for redistribution to the other three subaccounts in addition to their statutory distributions from RGGI auction revenue as a result of increased projected overall revenue growth. These realignments are not required to be distributed under any particular formula. Of the revenue above the administration cap, MEA indicates that it will distribute 50% of these revenues to the energy assistance subaccount, and equal shares (16.7%) to the other three subaccounts.

For the fiscal 2022 revenue assumption, subsequent to the initial realignment, for the remaining two auctions, MEA anticipates distributing 50% of the revenue to energy assistance and distributing the other 50% in the same manner as the initial reallocation of excess administrative funds (16.7% to each of the other subaccounts). Under this methodology, MEA is not just reallocating the amount over the administrative cap but reallocating all of the revenue received from the final two auctions using its alternate allocation method. The Department of Legislative Services (DLS) notes that this method of allocating the other 50% does not follow statutory requirements, as the renewable and clean energy account is required to receive at least 20% of proceeds from the sale of allowances. In addition to not meeting the statutory requirement, energy assistance receives limited benefit from the administration cap redistribution. For fiscal 2023, MEA anticipates not meeting the administration cap until the final auction, which eliminates the statutory concern temporarily. **MEA should comment on how this method for redistribution of these funds was chosen, since it does not meet the statutory distribution requirements for renewable and clean energy and does not allow all subaccounts to share in the additional revenue from the administration cap.**

Operating Budget Recommended Actions

1. Adopt the following narrative:

Strategic Energy Investment Fund (SEIF) Revenue, Spending, and Fund Balance: The committees are interested in ensuring transparency in Regional Greenhouse Gas Initiative (RGGI) revenue assumptions and spending included in the budget as well as available fund balance. The committees request that the Department of Budget and Management (DBM) provide an annual report on the revenue from the RGGI carbon dioxide emission allowance auctions, set-aside allowances, and interest income in conjunction with the submission of the fiscal 2024 budget as an appendix to the Governor's Fiscal 2024 Budget Books. The report shall include information on the actual fiscal 2022 budget, the fiscal 2023 working appropriation, and the fiscal 2024 allowance. The report shall detail:

- revenue assumptions used to calculate the available SEIF from RGGI auctions for each fiscal year, including the number of auctions, the number of allowances sold, the allowance price in each auction, and the anticipated revenue from set-aside allowances;
- interest income received on the SEIF;
- amount of the SEIF from RGGI auction revenue available to each agency that receives funding through each required statutory allocation, dues owed to RGGI, Inc., and transfers or diversions of revenue made to other funds; and
- fund balance for each SEIF subaccount for the fiscal 2022 actual, the fiscal 2023 working appropriation, and the fiscal 2024 allowance.

Information Request	Author	Due Date
Report on revenue assumptions and use of RGGI auction revenue	DBM	With the submission of the Governor's Fiscal 2024 Budget Books

2. Adopt the following narrative:

Maryland Gas Expansion Fund Activities: The fiscal 2023 allowance includes $18.5 million of funds from the Maryland Gas Expansion Fund. This amount represents the vast majority of the unspent funds remaining in the fund that were restricted by the General Assembly in the fiscal 2022 Budget Bill for transfer to the Department of Human Services Office of Home Energy Programs for the purpose of bill payment assistance and arrearage retirement but were not released for that purpose. Fiscal 2022 spending from this fund is budgeted at $7.5 million. Given the substantial increase in funding available to be distributed in fiscal 2023, the committees request that the Maryland Energy Administration (MEA) submit a report providing information on the status of the application process, including applications received, evaluation criteria, and awards made. Data should include final end of year data for fiscal 2022, as well as year-to-date information for fiscal 2023. If awards have not been made as of the submission of the report, it should instead include information about the planned timeline for determining awards.

Information Request	**Author**	**Due Date**
Maryland Gas Expansion Fund update	MEA	December 31, 2022

Appendix 1
2021 *Joint Chairmen's Report* Responses from Agency

The 2021 JCR requested that MEA prepare two reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Report on Maryland Gas Expansion Fund Activities:*** A report was submitted that provided an update on the application process for fiscal 2022 funding awards from the Maryland Gas Expansion Fund Maryland Energy Infrastructure Investment Program. MEA is currently evaluating applications and plans to announce grants awarded under the program in early calendar 2022. MEA indicates that it received 18 applications for funding for the fiscal 2022 funding. Program funding is available to Maryland Anchor Customers and Maryland LDC that invest in assets to assist customers in converting to natural gas-powered operations, reconnecting previous natural gas customers, or assisting current customers in expanding their usage of natural gas. Further discussion of this data can be found in the budget discussion section of this analysis.

- ***Report on Electric Vehicle Recharging Equipment Rebate Program use in Multi-unit Dwelling Developments:*** A report was submitted that provided updated data on the use of the Electric Vehicle Recharging Equipment Program, which provides financial incentives to promote the adoption of EVSE. The report states that from fiscal 2017 through 2021, 158 chargers were installed in multi-unit developments under the program. The report also contains data on each charger installed through the history of the program, including location by zip code, total cost, rebates provided, and the number of charging ports contained. Further discussion of this data can be found in the Performance Analysis 3 section of this analysis.

Appendix 2
Object/Fund Difference Report
Maryland Energy Administration

Object/Fund	FY 21 Actual	FY 22 Working Appropriation	FY 23 Allowance	FY 22 - FY 23 Amount Change	Percent Change
Positions					
01 Regular	30.00	30.00	31.00	1.00	3.3%
02 Contractual	11.00	11.00	10.00	-1.00	-9.1%
Total Positions	**41.00**	**41.00**	**41.00**	**0.00**	**0%**
Objects					
01 Salaries and Wages	$ 3,953,653	$ 3,829,445	$ 4,173,139	$ 343,694	9.0%
02 Technical and Special Fees	551,642	593,135	693,298	100,163	16.9%
03 Communication	28,629	46,900	31,900	-15,000	-32.0%
04 Travel	8,337	116,426	106,370	-10,056	-8.6%
07 Motor Vehicles	477	1,880	1,880	0	0%
08 Contractual Services	1,522,501	5,977,755	7,406,289	1,428,534	23.9%
09 Supplies and Materials	2,710	5,000	5,000	0	0%
10 Equipment – Replacement	19,104	30,555	28,750	-1,805	-5.9%
11 Equipment – Additional	3,956	8,500	7,000	-1,500	-17.6%
12 Grants, Subsidies, and Contributions	26,598,314	80,866,132	59,974,846	-20,891,286	-25.8%
13 Fixed Charges	276,679	327,068	345,914	18,846	5.8%
14 Land and Structures	1,600,000	2,200,000	1,750,000	-450,000	-20.5%
Total Objects	**$ 34,566,002**	**$ 94,002,796**	**$ 74,524,386**	**-$ 19,478,410**	**-20.7%**
Funds					
03 Special Fund	$ 33,285,184	$ 92,682,740	$ 73,178,296	-$ 19,504,444	-21.0%
05 Federal Fund	1,126,470	1,156,177	1,180,051	23,874	2.1%
09 Reimbursable Fund	154,348	163,879	166,039	2,160	1.3%
Total Funds	**$ 34,566,002**	**$ 94,002,796**	**$ 74,524,386**	**-$ 19,478,410**	**-20.7%**

Note: The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

Appendix 3
Fiscal Summary
Maryland Energy Administration

Program/Unit	FY 21 Actual	FY 22 Wrk Approp	FY 23 Allowance	Change	FY 22 - FY 23 % Change
01 General Administration	$ 5,658,655	$ 6,356,664	$ 6,194,540	-$ 162,124	-2.6%
02 The Jane E. Lawton Conservation Loan Program – Capital Appropriation	1,600,000	2,200,000	1,750,000	-450,000	-20.5%
06 Energy Efficiency and Conservation Programs, Low and Moderate Income Residential Sector	6,699,988	14,750,000	17,000,000	2,250,000	15.3%
07 Energy Efficiency and Conservation Programs, All Other Sectors	4,017,527	11,800,000	8,475,000	-3,325,000	-28.2%
08 Renewable and Clean Energy Programs and Initiatives	16,589,832	58,896,132	41,104,846	-17,791,286	-30.2%
Total Expenditures	**$ 34,566,002**	**$ 94,002,796**	**$ 74,524,386**	**-$ 19,478,410**	**-20.7%**
Special Fund	$ 33,285,184	$ 92,682,740	$ 73,178,296	-$ 19,504,444	-21.0%
Federal Fund	1,126,470	1,156,177	1,180,051	23,874	2.1%
Total Appropriations	**$ 34,411,654**	**$ 93,838,917**	**$ 74,358,347**	**-$ 19,480,570**	**-20.8%**
Reimbursable Fund	$ 154,348	$ 163,879	$ 166,039	$ 2,160	1.3%
Total Funds	**$ 34,566,002**	**$ 94,002,796**	**$ 74,524,386**	**-$ 19,478,410**	**-20.7%**

Note: The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.