

SENATE BILL 268

C5, M3

8lr0229
CF HB 368

By: **The President (By Request - Administration) and Senators Pinsky, Garagiola, Forehand, Frosh, King, Lenett, Madaleno, and Rosapepe**

Introduced and read first time: January 24, 2008

Rules suspended

Assigned to: Finance

Reassigned: Finance and Education, Health, and Environmental Affairs, January 28, 2008

Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: March 27, 2008

Returned to second reading: March 29, 2008

Senate action: Adopted with floor amendments

Read second time: March 29, 2008

CHAPTER _____

1 AN ACT concerning

2 **Regional Greenhouse Gas Initiative - Maryland Strategic Energy Investment**
3 **Program**

4 FOR the purpose of repealing the Maryland Renewable Energy Fund and establishing
5 the Maryland Strategic Energy Investment Program in the Maryland Energy
6 Administration; establishing the purpose of the Program; establishing the
7 duties of the Administration under the Program; establishing the Maryland
8 Strategic Energy Investment Fund; providing that the Fund is a special,
9 nonlapsing fund not subject to a certain law; requiring the Treasurer to hold the
10 Fund and the Comptroller to account for the Fund; providing for the funding of
11 the Fund; requiring the Administration to use the Fund for certain purposes;
12 specifying the allocation of the moneys received each year by the Fund; limiting
13 the use of funds from certain compliance fees to certain purposes; requiring the
14 Fund to be invested in a certain manner; requiring the investment earnings
15 from the Fund and the repayment of principal and interest on loans made from
16 the Fund to be paid to the Fund; requiring expenditures from the Fund to be
17 made by certain appropriations or budget amendments; requiring the
18 Administration to develop a certain plan; requiring the Administration to hold a
19 certain public hearing; establishing the Strategic Energy Investment Advisory

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Board; providing for the membership and charge of the Board; requiring the
 2 Administration to monitor and analyze the impact of certain programs, projects,
 3 activities, and investments; requiring the Administration to take certain
 4 measures based on certain findings; requiring the Administration to disclose
 5 certain information regarding certain contracts in a certain manner;
 6 authorizing the Administration to enter into certain contracts with certain
 7 parties for certain purposes; prohibiting a person from knowingly making or
 8 causing to be made certain false statements; establishing that a certain
 9 violation is a misdemeanor; establishing certain penalties; providing for the
 10 transfer of certain moneys from the Maryland Renewable Energy Fund to the
 11 Maryland Strategic Energy Investment Fund; defining certain terms; requiring
 12 the Administration to submit certain reports to the Governor and the General
 13 Assembly by certain dates; altering the circumstances under which certain
 14 money in the Maryland Clean Air Fund must be deposited to the General Fund;
 15 making certain provisions of this Act contingent on the taking effect of another
 16 Act; providing for the initial terms of members of the Strategic Energy
 17 Investment Advisory Board; and generally relating to the Maryland Strategic
 18 Energy Investment Program.

19 BY repealing and reenacting, without amendments,
 20 Article – Public Utility Companies
 21 Section 7-701(a) and 7-512.1(f)(2)
 22 Annotated Code of Maryland
 23 (1998 Volume and 2007 Supplement)

24 BY repealing and reenacting, with amendments,
 25 Article – Public Utility Companies
 26 Section ~~7-701(e)~~ 7-512.1(f)(3), 7-701(c), and 7-705(b)
 27 Annotated Code of Maryland
 28 (1998 Volume and 2007 Supplement)

29 BY repealing
 30 Article – Public Utility Companies
 31 Section 7-707
 32 Annotated Code of Maryland
 33 (1998 Volume and 2007 Supplement)

34 BY adding to
 35 Article – State Government
 36 Section 9-20B-01 through ~~9-20B-07~~ 9-20B-12 to be under the new subtitle
 37 “Subtitle 20B. Maryland Strategic Energy Investment Program”
 38 Annotated Code of Maryland
 39 (2004 Replacement Volume and 2007 Supplement)

40 BY repealing and reenacting, without amendments,
 41 Article – Environment
 42 Section 2-107(a)
 43 Annotated Code of Maryland

1 (2007 Replacement Volume and 2007 Supplement)

2 BY repealing and reenacting, with amendments,
 3 Article – Environment
 4 Section 2–107(b) and (c)(4)
 5 Annotated Code of Maryland
 6 (2007 Replacement Volume and 2007 Supplement)

7 BY repealing and reenacting, with amendments,
 8 Article – Environment
 9 Section 2–107(c)(4)
 10 Annotated Code of Maryland
 11 (2007 Replacement Volume and 2007 Supplement)
 12 (As enacted by Section 1 of this Act)

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

15 **Article – Public Utility Companies**

16 7–512.1.

17 (f) (2) There is an electric universal service program fund.

18 (3) (i) 1. The Comptroller shall collect the revenue collected by
 19 electric companies under subsection (b) of this section and place the revenue into the
 20 fund.

21 2. The General Assembly may appropriate funds
 22 supplemental to the funds collected under sub–subparagraph 1 of this subparagraph.

23 **3. THE FUND MAY RECEIVE FUNDS TRANSFERRED**
 24 **FROM THE MARYLAND STRATEGIC ENERGY INVESTMENT FUND ESTABLISHED**
 25 **UNDER § 9–20B–05 OF THE STATE GOVERNMENT ARTICLE.**

26 (ii) The fund is a continuing, nonlapsing fund that is not subject
 27 to § 7–302 of the State Finance and Procurement Article.

28 (iii) The purpose of the fund is to assist electric customers as
 29 provided in subsection (a)(1) of this section.

30 7–701.

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

1 (c) "Fund" means the [Maryland Renewable Energy Fund established under
2 § 7-707 of this subtitle] **MARYLAND STRATEGIC ENERGY INVESTMENT FUND**
3 **ESTABLISHED UNDER § 9-20B-05 OF THE STATE GOVERNMENT ARTICLE.**

4 7-705.

5 (b) If an electricity supplier fails to comply with the renewable energy
6 portfolio standard for the applicable year, the electricity supplier shall pay into the
7 [Maryland Renewable Energy Fund established under § 7-707 of this subtitle]
8 **MARYLAND STRATEGIC ENERGY INVESTMENT FUND ESTABLISHED UNDER §**
9 **9-20B-05 OF THE STATE GOVERNMENT ARTICLE:**

10 (1) except as provided in item (2) of this subsection, a compliance fee
11 of:

12 (i) 2 cents for each kilowatt-hour of shortfall from required
13 Tier 1 renewable sources other than the shortfall from the required Tier 1 renewable
14 sources that is to be derived from solar energy;

15 (ii) the following amounts for each kilowatt-hour of shortfall
16 from required Tier 1 renewable sources that is to be derived from solar energy:

- 17 1. 45 cents in 2008;
- 18 2. 40 cents in 2009 and 2010;
- 19 3. 35 cents in 2011 and 2012;
- 20 4. 30 cents in 2013 and 2014;
- 21 5. 25 cents in 2015 and 2016;
- 22 6. 20 cents in 2017 and 2018;
- 23 7. 15 cents in 2019 and 2020;
- 24 8. 10 cents in 2021 and 2022; and
- 25 9. 5 cents in 2023 and later; and

26 (iii) 1.5 cents for each kilowatt-hour of shortfall from required
27 Tier 2 renewable sources; or

28 (2) for industrial process load:

29 (i) for each kilowatt-hour of shortfall from required Tier 1
30 renewable sources, a compliance fee of:

- 1 1. 0.8 cents in 2006, 2007, and 2008;
- 2 2. 0.5 cents in 2009 and 2010;
- 3 3. 0.4 cents in 2011 and 2012;
- 4 4. 0.3 cents in 2013 and 2014;
- 5 5. 0.25 cents in 2015 and 2016; and
- 6 6. 0.2 cents in 2017 and later; and

7 (ii) nothing for any shortfall from required Tier 2 renewable
8 sources.

9 [7-707.

10 (a) There is a Maryland Renewable Energy Fund.

11 (b) The purpose of the Fund is to encourage the development of resources to
12 generate renewable energy in the State.

13 (c) Subject to oversight by the Commission, the Administration shall
14 administer the Fund.

15 (d) (1) The Fund is a special, nonlapsing fund that is not subject to §
16 7-302 of the State Finance and Procurement Article.

17 (2) The Treasurer shall hold the Fund separately and the Comptroller
18 shall account for the Fund.

19 (e) The Fund consists of:

20 (1) compliance fees paid under § 7-705 of this subtitle;

21 (2) payments received in repayment of a loan;

22 (3) investment earnings of the Fund; and

23 (4) any other money from any other source accepted for the benefit of
24 the Fund.

25 (f) (1) (i) Subject to subparagraph (ii) of this paragraph, the Fund
26 may be used only to make loans and grants to support the creation of new Tier 1
27 renewable sources in the State.

1 (ii) Compliance fees paid under § 7-705(b)(1)(ii) of this subtitle
2 shall be accounted for separately within the Fund and may be used only to make loans
3 and grants to support the creation of new solar energy sources in the State.

4 (2) By regulation the Commission shall adopt eligibility criteria for
5 projects supported by the Fund.

6 (3) (i) The Administration shall receive and review applications for
7 loans and grants for eligible projects.

8 (ii) The Administration shall approve or disapprove applications
9 for loans and grants from the Fund.

10 (4) (i) Subject to subparagraph (ii) of this paragraph, the
11 Commission may allow the use of money of the Fund for administrative expenses
12 related to the Fund and project review and oversight.

13 (ii) The Administration and the Commission may not spend
14 more than 10% of the funds placed in the Fund for administrative expenses.

15 (g) (1) The Treasurer shall invest the money of the Fund in the same
16 manner as other State money may be invested.

17 (2) Any investment earnings of the Fund shall be credited to the Fund.

18 (h) (1) On or before February 1 of each year, the Administration, in
19 consultation with the Commission, shall report to the Governor and, in accordance
20 with § 2-1246 of the State Government Article, the General Assembly, on the status of
21 the Fund.

22 (2) The report shall include:

23 (i) all amounts received by and disbursed from the Fund;

24 (ii) all amounts used by the Administration and the Commission
25 for administrative purposes;

26 (iii) the evaluation criteria used by the Administration in
27 making loans and grants from the Fund and in selecting recipients of those loans and
28 grants;

29 (iv) the number and amounts of loans and grants made in the
30 preceding calendar year;

31 (v) the status of loans pending as of the end of the preceding
32 calendar year;

1 (vi) the allocation of disbursements for development of new solar
2 and other Tier 1 renewable sources;

3 (vii) the projected receipts of the Fund in the current calendar
4 year; and

5 (viii) plans for the use of resources of the Fund in the current
6 calendar year.]

7 **Article – State Government**

8 **SUBTITLE 20B. MARYLAND STRATEGIC ENERGY INVESTMENT PROGRAM.**

9 **9-20B-01.**

10 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
11 INDICATED.

12 (B) “ADMINISTRATION” MEANS THE MARYLAND ENERGY
13 ADMINISTRATION.

14 (C) “ADVISORY BOARD” MEANS THE STRATEGIC ENERGY INVESTMENT
15 ADVISORY BOARD ESTABLISHED UNDER § 9-20B-07 OF THIS SUBTITLE.

16 (D) “FUND” MEANS THE MARYLAND STRATEGIC ENERGY INVESTMENT
17 FUND.

18 ~~(D)~~ (E) “PROGRAM” MEANS THE MARYLAND STRATEGIC ENERGY
19 INVESTMENT PROGRAM.

20 **9-20B-02.**

21 THERE IS A MARYLAND STRATEGIC ENERGY INVESTMENT PROGRAM IN
22 THE MARYLAND ENERGY ADMINISTRATION.

23 **9-20B-03.**

24 THE PURPOSE OF THE PROGRAM IS TO DECREASE ENERGY DEMAND AND
25 INCREASE ENERGY SUPPLY TO PROMOTE AFFORDABLE, RELIABLE, AND CLEAN
26 ENERGY TO FUEL MARYLAND’S FUTURE PROSPERITY.

27 **9-20B-04.**

28 THE ADMINISTRATION SHALL:

29 (1) MANAGE, SUPERVISE, AND ADMINISTER THE PROGRAM;

1 (2) **ADOPT REGULATIONS TO IMPLEMENT THE PROGRAM AND TO**
2 **ENSURE THAT FUND RESOURCES ARE UTILIZED ONLY TO CARRY OUT THE**
3 **PURPOSES OF THE PROGRAM;**

4 (3) **ATTACH SPECIFIC TERMS AND CONDITIONS TO ANY GRANT,**
5 **LOAN, OR OTHER FORM OF ASSISTANCE THAT ARE DETERMINED BY THE**
6 **ADMINISTRATION AS NECESSARY TO ENSURE THAT THE PURPOSES OF THE**
7 **PROGRAM ARE FULFILLED;**

8 (4) **DEVELOP PROCEDURES FOR MONITORING ~~PROJECTS~~**
9 **PROGRAMS, PROJECTS, ACTIVITIES, AND INVESTMENTS TO VERIFY THAT FUND**
10 **RESOURCES ARE BEING USED TO MEET THE PURPOSES OF THE PROGRAM; AND**

11 (5) **PROVIDE MONEYS ANNUALLY OR AS NEEDED TO THE CLEAN**
12 **AIR FUND MANAGED BY THE DEPARTMENT OF THE ENVIRONMENT TO FUND**
13 **THE COSTS OF THE DEPARTMENT'S PROGRAMS TO REDUCE OR MITIGATE THE**
14 **EFFECTS OF CLIMATE CHANGE.**

15 **9-20B-05.**

16 (A) **THERE IS A MARYLAND STRATEGIC ENERGY INVESTMENT FUND.**

17 (B) **THE PURPOSE OF THE FUND IS TO IMPLEMENT THE STRATEGIC**
18 **ENERGY INVESTMENT PROGRAM.**

19 (C) **THE ADMINISTRATION SHALL ADMINISTER THE FUND.**

20 (D) (1) **THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**
21 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

22 (2) **THE TREASURER SHALL HOLD THE FUND SEPARATELY AND**
23 **THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

24 (E) **THE FUND CONSISTS OF:**

25 (1) **ALL OF THE PROCEEDS FROM THE SALE OF ALLOWANCES**
26 **UNDER § 2-1002(G) OF THE ENVIRONMENT ARTICLE;**

27 (2) **MONEY APPROPRIATED IN THE STATE BUDGET TO THE**
28 **PROGRAM;**

29 (3) **REPAYMENTS AND PREPAYMENTS OF PRINCIPAL AND**
30 **INTEREST ON LOANS MADE FROM THE FUND;**

1 (4) INTEREST AND INVESTMENT EARNINGS ON THE FUND;

2 (5) COMPLIANCE FEES PAID UNDER § 7-705 OF THE PUBLIC
3 UTILITY COMPANIES ARTICLE; AND

4 (6) MONEY RECEIVED FROM ANY PUBLIC OR PRIVATE SOURCE
5 FOR THE BENEFIT OF THE FUND.

6 (F) THE ADMINISTRATION SHALL USE THE FUND:

7 (1) TO INVEST IN THE PROMOTION, DEVELOPMENT, AND
8 IMPLEMENTATION OF:

9 (I) COST-EFFECTIVE ENERGY EFFICIENCY AND
10 CONSERVATION PROGRAMS, PROJECTS, OR ACTIVITIES, INCLUDING
11 MEASUREMENT AND VERIFICATION OF ENERGY SAVINGS;

12 (II) RENEWABLE AND CLEAN ENERGY RESOURCES; ~~AND~~

13 (III) CLIMATE CHANGE ~~RESEARCH AND OTHER~~ PROGRAMS
14 DIRECTLY RELATED TO REDUCING OR MITIGATING THE EFFECTS OF CLIMATE
15 CHANGE; AND

16 (IV) DEMAND RESPONSE PROGRAMS THAT ARE DESIGNED TO
17 PROMOTE CHANGES IN ELECTRIC USAGE BY CUSTOMERS IN RESPONSE TO:

18 1. CHANGES IN THE PRICE OF ELECTRICITY OVER
19 TIME; OR

20 2. INCENTIVES DESIGNED TO INDUCE LOWER
21 ELECTRICITY USE AT TIMES OF HIGH WHOLESALE MARKET PRICES OR WHEN
22 SYSTEM RELIABILITY IS JEOPARDIZED;

23 (2) TO PROVIDE TARGETED PROGRAMS, PROJECTS, ACTIVITIES,
24 AND INVESTMENTS TO REDUCE ELECTRICITY CONSUMPTION BY CUSTOMERS IN
25 THE LOW-INCOME AND MODERATE-INCOME RESIDENTIAL SECTOR;

26 (3) TO PROVIDE SUPPLEMENTAL FUNDS FOR LOW-INCOME
27 ENERGY ASSISTANCE TO THE ELECTRIC UNIVERSAL SERVICE PROGRAM FUND
28 UNDER THE ELECTRIC UNIVERSAL SERVICE PROGRAM ESTABLISHED UNDER §
29 7-512.1 OF THE PUBLIC UTILITIES COMPANIES UTILITY COMPANIES ARTICLE;

30 (4) TO PROVIDE RATE RELIEF BY OFFSETTING ELECTRICITY
31 RATES OF RESIDENTIAL CUSTOMERS, INCLUDING AN OFFSET OF SURCHARGES

1 IMPOSED ON RATEPAYERS UNDER § 7-211 OF THE PUBLIC UTILITY COMPANIES
 2 ARTICLE;

3 ~~(3)~~ (5) TO PROVIDE GRANTS, LOANS, AND OTHER ASSISTANCE
 4 AND INVESTMENT AS NECESSARY AND APPROPRIATE TO IMPLEMENT THE
 5 PURPOSES OF THE PROGRAM AS SET FORTH IN § 9-20B-03 OF THIS SUBTITLE;

6 (6) TO IMPLEMENT ENERGY-RELATED PUBLIC EDUCATION AND
 7 OUTREACH INITIATIVES REGARDING REDUCING ENERGY CONSUMPTION AND
 8 GREENHOUSE GAS EMISSIONS; AND

9 ~~(4)~~ (7) TO PAY THE EXPENSES OF THE PROGRAM.

10 (G) (1) FOR FISCAL YEARS 2009 THROUGH 2011, MONEYS RECEIVED
 11 EACH YEAR BY THE FUND SHALL BE ALLOCATED EACH YEAR AS FOLLOWS:

12 (I) ~~THE GREATER OF 7% OR \$10,000,000~~ 17% SHALL BE
 13 TRANSFERRED TO THE ELECTRIC UNIVERSAL SERVICE PROGRAM FUND; AND

14 ~~(H) THE BALANCE OF THE FUND SHALL BE ALLOCATED AS~~
 15 FOLLOWS:

16 ~~1.~~ (II) ~~35%~~ 23% TO PROVIDE RATE RELIEF BY
 17 OFFSETTING ELECTRICITY RATES OF RESIDENTIAL CUSTOMERS, INCLUDING AN
 18 OFFSET OF SURCHARGES IMPOSED ON RATEPAYERS UNDER § 7-211 OF THE
 19 PUBLIC UTILITY COMPANIES ARTICLE, ON A PER CUSTOMER BASIS AND IN A
 20 MANNER PRESCRIBED BY THE PUBLIC SERVICE COMMISSION;

21 ~~2.~~ (III) AT LEAST ~~50%~~ 46% FOR ENERGY EFFICIENCY
 22 AND CONSERVATION PROGRAMS, PROJECTS, OR ACTIVITIES AND DEMAND
 23 RESPONSE PROGRAMS, OF WHICH AT LEAST ONE-HALF SHALL BE TARGETED TO:

24 ~~A.~~ 1. THE LOW-INCOME RESIDENTIAL SECTOR WITH NO
 25 COST TO THE PARTICIPANTS OF THE PROGRAMS, PROJECTS, OR ACTIVITIES;
 26 AND

27 ~~B.~~ 2. THE MODERATE INCOME RESIDENTIAL SECTOR
 28 WITH MINIMAL COST TO THE PARTICIPANTS OF THE PROGRAMS, PROJECTS, OR
 29 ACTIVITIES;

30 ~~3.~~ (IV) UP TO ~~11%~~ 10.5% FOR:

31 ~~A.~~ 1. SUBJECT TO SUBSECTION (H) OF THIS SECTION,
 32 RENEWABLE AND CLEAN ENERGY PROGRAMS AND INITIATIVES;

B. 2. CLIMATE CHANGE PROGRAMS; AND**C. 3. ENERGY-RELATED PUBLIC EDUCATION AND
OUTREACH; AND**

4. (V) UP TO ~~4%~~ 3.5%, BUT NOT MORE THAN \$5,000,000, FOR COSTS RELATED TO THE ADMINISTRATION OF THE FUND, INCLUDING THE REVIEW OF ELECTRIC COMPANY PLANS FOR ACHIEVING ELECTRICITY SAVINGS AND DEMAND REDUCTIONS THAT THE ELECTRIC COMPANIES ARE REQUIRED UNDER LAW TO SUBMIT TO THE ADMINISTRATION.

(2) FOR FISCAL YEARS AFTER 2011, IF THE GENERAL ASSEMBLY DOES NOT TAKE FURTHER ACTION SPECIFYING THE ALLOCATION OF THE FUNDS TO BE USED UNDER THIS SUBTITLE, MONEYS RECEIVED ANNUALLY BY THE FUND SHALL BE ALLOCATED EACH YEAR AS INDICATED IN PARAGRAPH (1) OF THIS SUBSECTION.

(H) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, COMPLIANCE FEES PAID UNDER § 7-705(B) OF THE PUBLIC UTILITY COMPANIES 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)(1)(II) OF THE PUBLIC UTILITY COMPANIES 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.

~~(H)~~ (I) (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 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.

~~(H)~~ (J) EXPENDITURES FROM THE FUND SHALL BE MADE BY:

1 (1) AN APPROPRIATION IN THE ANNUAL STATE BUDGET; OR

2 (2) A BUDGET AMENDMENT IN ACCORDANCE WITH § 7-209 OF
3 THE STATE FINANCE AND PROCUREMENT ARTICLE.

4 (K) AN EXPENDITURE BY BUDGET AMENDMENT MAY BE MADE UNDER
5 SUBSECTION (J) OF THIS SECTION ONLY AFTER:

6 (1) THE ADMINISTRATION HAS SUBMITTED THE PROPOSED
7 BUDGET AMENDMENT AND SUPPORTING DOCUMENTATION TO THE SENATE
8 BUDGET AND TAXATION COMMITTEE, SENATE FINANCE COMMITTEE, HOUSE
9 APPROPRIATIONS COMMITTEE, AND ~~HOME~~ HOUSE ECONOMIC MATTERS
10 COMMITTEE; AND

11 (2) THE COMMITTEES HAVE HAD 45 DAYS FOR REVIEW AND
12 COMMENT.

13 **9-20B-06.**

14 (A) ON OR BEFORE DECEMBER 15, 2008, THE ADMINISTRATION SHALL
15 DEVELOP A PLAN FOR EXPENDITURES FROM THE FUND FOR FISCAL YEAR 2009
16 AND FISCAL YEAR 2010.

17 (B) ON OR BEFORE SEPTEMBER 1, 2009, AND EVERY 3 YEARS
18 THEREAFTER, THE ADMINISTRATION SHALL DEVELOP A PLAN FOR
19 EXPENDITURES COVERING THE NEXT 3 FISCAL YEARS.

20 (C) THE ADMINISTRATION SHALL:

21 (1) HOLD A PUBLIC MEETING IN CONJUNCTION WITH THE
22 DEVELOPMENT OF A PLAN; AND

23 (2) SUBMIT THE PLAN TO THE ADVISORY BOARD FOR REVIEW.

24 **9-20B-07.**

25 (A) THERE IS A STRATEGIC ENERGY INVESTMENT ADVISORY BOARD.

26 (B) (1) THE ADVISORY BOARD SHALL REVIEW THE PROGRAM AND
27 THE ADMINISTRATION'S PROPOSED USES OF AND EXPENDITURES FROM THE
28 FUND AND MAKE RECOMMENDATIONS TO THE ADMINISTRATION CONCERNING
29 ANY PROPOSED USE OR EXPENDITURE.

1 **(2) THE ADMINISTRATION SHALL CONSIDER THE ADVISORY**
2 **BOARD'S RECOMMENDATIONS WHEN MAKING DECISIONS ABOUT USES AND**
3 **EXPENDITURES FROM THE FUND.**

4 **(C) THE ADVISORY BOARD SHALL CONSIST OF THE FOLLOWING**
5 **MEMBERS:**

6 **(1) ONE MEMBER OF THE SENATE, APPOINTED BY THE**
7 **PRESIDENT OF THE SENATE;**

8 **(2) ONE MEMBER OF THE HOUSE OF DELEGATES, APPOINTED BY**
9 **THE SPEAKER OF THE HOUSE OF DELEGATES;**

10 **(3) THE FOLLOWING MEMBERS APPOINTED BY THE GOVERNOR:**

11 **(I) A REPRESENTATIVE OF MARYLAND RESIDENTIAL**
12 **CUSTOMERS;**

13 **(II) A REPRESENTATIVE OF MARYLAND COMMERCIAL**
14 **CUSTOMERS;**

15 **(III) A REPRESENTATIVE OF LARGE ELECTRICITY USERS IN**
16 **THE STATE;**

17 **(IV) A REPRESENTATIVE OF AN ELECTRIC COMPANY;**

18 **(V) A REPRESENTATIVE OF ELECTRICITY SUPPLIERS;**

19 **(VI) A REPRESENTATIVE OF A MARYLAND ENVIRONMENTAL**
20 **GROUP; AND**

21 **(VII) A REPRESENTATIVE OF A RENEWABLE ELECTRICITY**
22 **INDUSTRY; AND**

23 **(4) THE FOLLOWING NONVOTING EX OFFICIO MEMBERS:**

24 **(I) THE CHAIRMAN OF THE PUBLIC SERVICE COMMISSION**
25 **OR THE CHAIRMAN'S DESIGNEE;**

26 **(II) THE PEOPLE'S COUNSEL OR THE DESIGNEE OF THE**
27 **OFFICE OF PEOPLE'S COUNSEL;**

28 **(III) THE SECRETARY OF THE ENVIRONMENT OR THE**
29 **SECRETARY'S DESIGNEE; AND**

1 (IV) THE DIRECTOR OF THE ADMINISTRATION OR THE
2 DIRECTOR'S DESIGNEE.

3 (D) IF A REGULATED LOBBYIST IS APPOINTED TO SERVE AS A MEMBER
4 OF THE ADVISORY BOARD, THE LOBBYIST:

5 (1) IS NOT SUBJECT TO § 15-504(D) OF THE STATE GOVERNMENT
6 ARTICLE WITH RESPECT TO THAT SERVICE; AND

7 (2) IS NOT SUBJECT TO § 15-703(F)(3) OF THE STATE
8 GOVERNMENT ARTICLE AS A RESULT OF THAT SERVICE.

9 (E) (1) THE TERMS OF A MEMBER APPOINTED BY THE GOVERNOR IS
10 3 YEARS.

11 (2) THE TERMS OF THE MEMBERS APPOINTED BY THE GOVERNOR
12 ARE STAGGERED AS REQUIRED BY THE TERMS PROVIDED FOR MEMBERS OF THE
13 ADVISORY BOARD ON JUNE 1, 2008.

14 (3) THE ADVISORY BOARD SHALL MEET AT LEAST 2 TIMES EACH
15 YEAR.

16 (4) A MEMBER OF THE ADVISORY BOARD:

17 (I) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF
18 THE ADVISORY BOARD; BUT

19 (II) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES
20 UNDER THE ~~STATE~~ STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN
21 THE STATE BUDGET.

22 (F) THE ADMINISTRATION SHALL PROVIDE STAFF SUPPORT FOR THE
23 ADVISORY BOARD.

24 9-20B-08.

25 (A) THE ADMINISTRATION REGULARLY SHALL DISCLOSE SUMMARY
26 INFORMATION REGARDING ANY CONTRACT ENTERED INTO BY THE
27 ADMINISTRATION THAT ENCUMBERS \$100,000 OR MORE FROM THE FUND.

28 (B) FOR EACH OF THE CONTRACTS SPECIFIED UNDER SUBSECTION (A)
29 OF THIS SECTION, THE FOLLOWING INFORMATION SHALL BE POSTED ON THE
30 ADMINISTRATION'S WEBSITE ON A QUARTERLY BASIS:

1 **(1) THE NAME AND BUSINESS ADDRESS OF THE PARTIES OF THE**
2 **CONTRACT;**

3 **(2) A SUMMARY OF THE GOODS AND SERVICES TO BE PROVIDED**
4 **UNDER THE CONTRACT; AND**

5 **(3) THE MAXIMUM AMOUNT OF MONEYS FROM THE FUND THAT**
6 **MAY BE OBLIGATED BY THE CONTRACT.**

7 **9-20B-09.**

8 **(A) THE ADMINISTRATION SHALL MONITOR AND ANALYZE THE IMPACT**
9 **OF EACH PROGRAM, PROJECT, ACTIVITY, AND INVESTMENT TO ENSURE THAT**
10 **THE OUTCOME OF EACH PROGRAM, PROJECT, ACTIVITY, OR INVESTMENT**
11 **PROVIDES THE BEST POSSIBLE RESULTS.**

12 **(B) IN MONITORING AND ANALYZING THE IMPACT OF A PROGRAM,**
13 **PROJECT, ACTIVITY, OR INVESTMENT UNDER SUBSECTION (A) OF THIS SECTION,**
14 **IF THE ADMINISTRATION FINDS THAT THE OUTCOME OF THE PROGRAM,**
15 **PROJECT, ACTIVITY, OR INVESTMENT MAY NOT BE PROVIDING THE BEST**
16 **POSSIBLE RESULTS, THE ADMINISTRATION SHALL TAKE SPECIFIC MEASURES**
17 **TO ADDRESS THE FINDINGS.**

18 **9-20B-10.**

19 **THE ADMINISTRATION MAY ENTER INTO CONTRACTS WITH THIRD**
20 **PARTIES TO ASSIST IN THE DEVELOPMENT AND IMPLEMENTATION OF**
21 **PROGRAMS AND PROJECTS THAT WILL ADVANCE THE PURPOSES OF THE**
22 **PROGRAM OR TO ADMINISTER THE PROGRAM, INCLUDING CONTRACTS WITH**
23 **THIRD PARTIES TO MAKE, SERVICE, OR SETTLE LOANS AND OTHER ASSISTANCE**
24 **OR INVESTMENTS MADE THROUGH THE PROGRAM.**

25 **~~9-20B-07.~~ 9-20B-11.**

26 **(A) A PERSON MAY NOT KNOWINGLY MAKE OR CAUSE TO BE MADE ANY**
27 **FALSE STATEMENT OR REPORT IN ANY DOCUMENT REQUIRED TO BE FURNISHED**
28 **TO THE ADMINISTRATION BY ANY AGREEMENT RELATING TO A GRANT, LOAN,**
29 **OR OTHER FINANCIAL ASSISTANCE.**

30 **(B) A PERSON APPLYING FOR A GRANT, LOAN, OR OTHER FINANCIAL**
31 **ASSISTANCE THROUGH THE PROGRAM MAY NOT KNOWINGLY MAKE OR CAUSE**
32 **TO BE MADE ANY FALSE STATEMENTS FOR THE PURPOSE OF INFLUENCING ANY**
33 **ACTION OF THE ADMINISTRATION ON AN APPLICATION OR FOR THE PURPOSE**
34 **OF INFLUENCING ANY ACTION OF THE ADMINISTRATION AFFECTING ANY**
35 **GRANT, LOAN, OR OTHER FINANCIAL ASSISTANCE ALREADY PROVIDED.**

1 (C) A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A
2 MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING
3 \$50,000 OR IMPRISONMENT NOT EXCEEDING 1 YEAR OR BOTH.

4 9-20B-12.

5 (A) ON OR BEFORE JANUARY 1 OF EACH YEAR, THE ADMINISTRATION
6 SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF
7 THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY ON THE USES
8 AND EXPENDITURES OF THE FUND FROM THE PRIOR FISCAL YEAR.

9 (B) THE REPORT SHALL INCLUDE:

10 (1) A DETAILED ACCOUNTING OF ALL AMOUNTS RECEIVED BY
11 AND DISBURSED FROM THE FUND;

12 (2) ALL AMOUNTS USED BY THE ADMINISTRATION FOR
13 ADMINISTRATIVE PURPOSES;

14 (3) THE STATUS OF PROGRAMS, PROJECTS, ACTIVITIES, AND
15 INVESTMENTS IMPLEMENTED WITH FUNDS FROM THE FUND, INCLUDING AN
16 EVALUATION OF THE IMPACT OF THE PROGRAMS, PROJECTS, ACTIVITIES, AND
17 INVESTMENTS THAT ARE DIRECTED TO LOW-INCOME OR MODERATE-INCOME
18 RESIDENTIAL SECTORS OR TO OTHER PARTICULAR CLASSES OF RATEPAYERS;

19 (4) AN ESTIMATE OF ELECTRICITY SAVINGS FROM THE
20 PROGRAMS, PROJECTS, ACTIVITIES, AND INVESTMENTS;

21 (5) THE NUMBER OF ALLOWANCES SOLD IN EACH AUCTION;

22 (6) THE AVERAGE ALLOWANCE PRICE FROM EACH AUCTION;

23 (7) AN ESTIMATE OF REVENUE FROM FUTURE AUCTIONS; AND

24 (8) RECOMMENDATIONS FOR CHANGES TO THE ALLOCATION OF
25 FUNDS UNDER § 9-20B-05(G) OF THIS SUBTITLE.

26 Article - Environment

27 2-107.

28 (a) There is a Maryland Clean Air Fund.

1 Acts of the General Assembly of 2008, and if Chapter _____ does not become effective,
2 Section 2 of this Act shall be null and void without the necessity of further action by
3 the General Assembly.

4 SECTION ~~3~~ 6. AND BE IT FURTHER ENACTED, That this Act shall take
5 effect July 1, 2008.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.