

**D13A13**  
**Maryland Energy Administration**

***Operating Budget Data***

(\$ in Thousands)

	<u>FY 09</u> <u>Actual</u>	<u>FY 10</u> <u>Working</u>	<u>FY 11</u> <u>Allowance</u>	<u>FY 10-11</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$756	\$0	\$0	\$0	
<b>Adjusted General Fund</b>	<b>\$756</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
Special Fund	19,987	42,328	28,004	-14,324	-33.8%
Contingent & Back of Bill Reductions	0	0	-326	-326	
<b>Adjusted Special Fund</b>	<b>\$19,987</b>	<b>\$42,328</b>	<b>\$27,679</b>	<b>-\$14,649</b>	<b>-34.6%</b>
Federal Fund	1,483	39,455	20,075	-19,379	-49.1%
Contingent & Back of Bill Reductions	0	0	-34	-34	
<b>Adjusted Federal Fund</b>	<b>\$1,483</b>	<b>\$39,455</b>	<b>\$20,041</b>	<b>-\$19,414</b>	<b>-49.2%</b>
Reimbursable Fund	122	124	126	3	2.3%
Contingent & Back of Bill Reductions	0	0	-4	-4	
<b>Adjusted Reimbursable Fund</b>	<b>\$122</b>	<b>\$124</b>	<b>\$122</b>	<b>-\$1</b>	<b>-0.9%</b>
<b>Adjusted Grand Total</b>	<b>\$22,348</b>	<b>\$81,906</b>	<b>\$47,842</b>	<b>-\$34,064</b>	<b>-41.6%</b>

Note: For purposes of illustration, the Department of Legislative Services has estimated the distribution of selected across-the-board reductions. The actual allocations are to be developed by the Administration.

- The fiscal 2011 allowance for the Maryland Energy Administration (MEA) decreases by approximately \$34.1 million, or 41.6%, compared to the fiscal 2010 working appropriation after accounting for contingent and Back of the Bill reductions. Federal funds decrease nearly 50.0% compared to the fiscal 2010 working appropriation, a decrease of approximately \$19.4 million. Special funds decrease by more than one-third, approximately \$14.6 million.
- The fiscal 2011 budget bill as introduced provides language to reduce the special fund appropriation in the renewable and clean energy program by \$279,000 contingent on the enactment of legislation authorizing a vehicle excise tax credit for electric and plug-in electric hybrid vehicles.

Note: Numbers may not sum to total due to rounding.

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***Personnel Data***

	<b><u>FY 09 Actual</u></b>	<b><u>FY 10 Working</u></b>	<b><u>FY 11 Allowance</u></b>	<b><u>FY 10-11 Change</u></b>
Regular Positions	25.00	28.00	28.00	0.00
Contractual FTEs	<u>0.00</u>	<u>0.00</u>	<u>6.00</u>	<u>6.00</u>
<b>Total Personnel</b>	<b>25.00</b>	<b>28.00</b>	<b>34.00</b>	<b>6.00</b>

***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	0.84	3.00%
Positions and Percentage Vacant as of 12/31/09	3.00	10.71%

- The fiscal 2011 allowance adds 6 temporary contractual full-time equivalent positions in MEA. Four of these new contractual positions are funded through the State Energy Program allocation provided through the American Recovery and Reinvestment Act (ARRA). The other 2 new contractual positions are to be funded through a federal grant for energy reliability and security, referred to as energy assurance, available as a result of the ARRA. MEA indicates these positions will be used to help administer these federal programs.
- The turnover expectancy decreases from 4.85 to 3.0% in the fiscal 2011 allowance. To meet the 3.0% turnover expectancy, MEA needs to have 0.84 positions vacant during fiscal 2011. As of December 31, 2009, MEA has a vacancy rate of 10.71% representing 3.0 positions.

## ***Analysis in Brief***

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### **Major Trends**

***MEA Anticipates Progress in Meeting EmPower Maryland Goals:*** The State made modest progress in meeting the EmPower Maryland reduction goals for per capita peak energy demand and energy consumption in fiscal 2009 with reductions of 1.0% and 0.1%, respectively. MEA anticipates that the State will make substantial progress to meet the goals for fiscal 2010 and 2011 and achieve a 5.0% reduction in each measure in fiscal 2011.

***State Increases Renewable Energy in Service:*** Between fiscal 2008 and 2009, the kilowatts (KW) of renewable energy in service increased by 47.6%. MEA expects that additional growth will occur in fiscal 2010 and 2011 and by fiscal 2011 will more than double the KW of commercial scale and residential and small commercial scale renewable energy in service compared to fiscal 2009.

### **Issues**

***Energy Programs Affected by Federal Restrictions, Uncertain Special Funds:*** In fiscal 2009 and 2010, MEA created and expanded energy programs as a result of anticipated funding available from the Strategic Energy Investment Fund (SEIF) and the ARRA. However, revenue received into SEIF has been lower than anticipated as a result of the lower than expected price per allowance from the Regional Greenhouse Gas Initiative (RGGI) carbon dioxide emission allowance auctions. In addition, MEA has experienced difficulties in spending funding available from the ARRA in fiscal 2010 due to conditions and restrictions placed on the funding. These issues will have an as yet undefined impact on the overall spending plan for energy programs in fiscal 2010. The availability of SEIF and the ARRA are also expected to impact the energy programs of MEA in fiscal 2011.

***Strategic Energy Investment Fund Revenue in Other Agency Budgets:*** The decrease in the price per allowance at RGGI auctions that is expected to reduce funding levels of MEA programs also impacts other agencies and programs receiving SEIF in fiscal 2010 and 2011. The reduction is most prominent among the Electric Universal Service Program and electricity assistance portion of the SEIF allocation that receive up to 50% of the revenue for auctions held between March 1, 2009, and June 30, 2011. Despite the decline in revenue, the SEIF available for energy assistance will help the Office of Home Energy Programs meet the demand in fiscal 2010 and 2011.

***Regional Greenhouse Gas Initiative and Federal Climate Change Legislation:*** RGGI has held six auctions of carbon dioxide emission allowances beginning in September 2008. Through December 2009, the auctions have provided Maryland with approximately \$96.3 million of revenue for use on a variety of activities including energy assistance and residential rate relief. The U.S. House of Representatives passed legislation in June 2009 that among other changes would develop a federal cap and trade system and preempt state cap and trade systems. The U.S. Senate is considering similar legislation.

**Recommended Actions**

	<u><b>Funds</b></u>
1. Delete funding for out-of-state travel.	\$ 20,000
2. Adopt committee narrative requesting information on program funding allocation.	
<b>Total Reductions</b>	<b>\$ 20,000</b>

**Updates**

***Maryland Energy Outlook:*** In January 2010, MEA released the Maryland Energy Outlook, which reviewed options to further the State’s progress on its energy goals. The outlook recommended several options, some of which have been translated into legislation in the 2010 session, including a motor vehicle excise tax credit and acceleration of the solar requirements in the renewable portfolio standard.

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**Maryland Energy Administration**

***Operating Budget Analysis***

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**Program Description**

The Maryland Energy Administration (MEA) is an independent unit of State government with a mission of promoting and ensuring the availability of affordable, reliable, and clean energy to fuel the future prosperity of the State. In order to reach this mission, MEA conducts activities including planning for a variety of energy sources, administers the Strategic Energy Investment Fund (SEIF), administers programs aimed at increasing energy efficiency and use of renewable and clean energy, and advises the Governor's Office on energy policy and managing energy emergencies and disruptions. MEA's programs affect local and State government, nonprofit organizations, residential consumers, and commercial and industrial consumers.

MEA's key goals are:

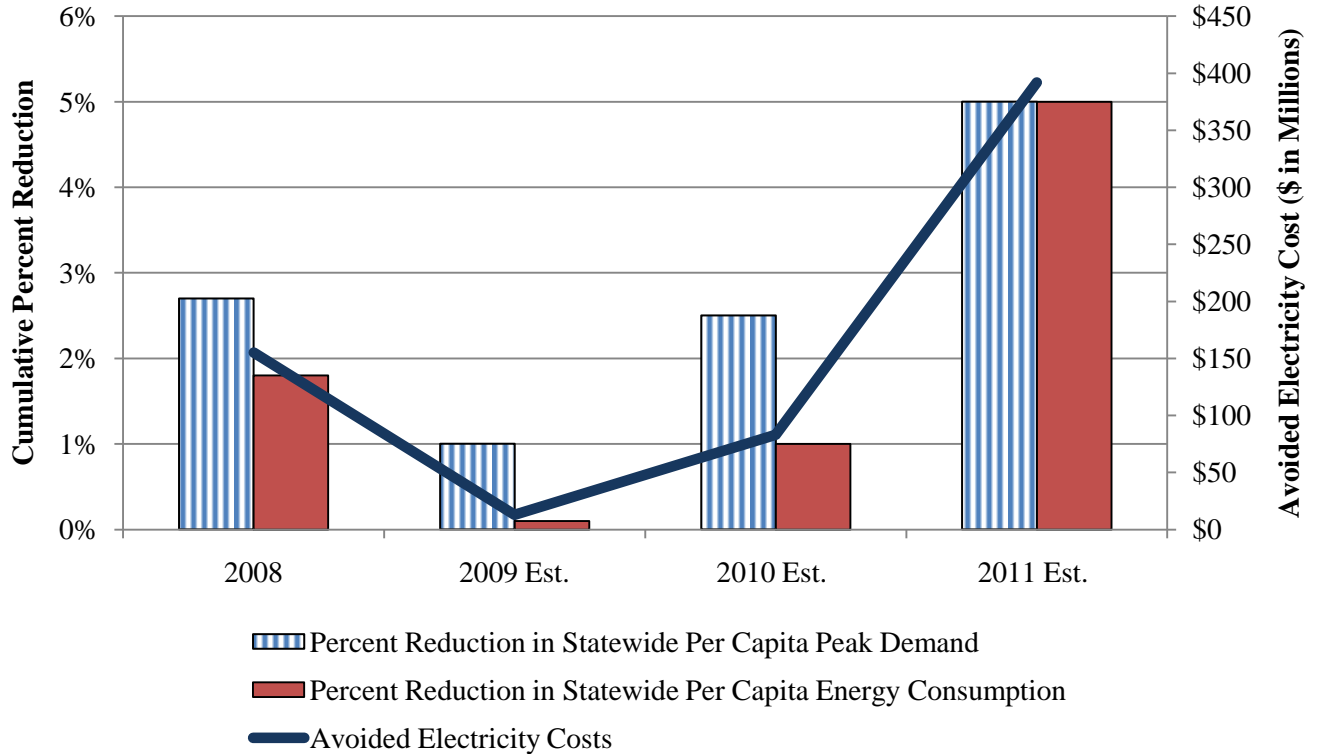
- to increase Maryland's energy efficiency and energy conservation;
- to reduce State agency energy consumption;
- to improve the energy efficiency of local governments, nonprofits, and businesses;
- to increase electricity generation fuel diversity, improve air quality, and reduce greenhouse gas emissions through the use of renewable energy; and
- to reduce the State's consumption of petroleum fuels through increased use of alternative fuels and advanced transportation technologies.

**Performance Analysis: Managing for Results**

Chapter 131 of 2008 (EmPower Maryland Energy Efficiency Act) established goals of reducing per-capita peak demand and electricity consumption 15% by 2015. MEA's Managing for Results submission contains measures that show the progress of the State in meeting these goals. These measures reflect activity in the State generally, not only changes relating to MEA's programs.

As shown in **Exhibit 1**, the State made more progress toward meeting the goal of reducing per capita peak demand in fiscal 2009 than the goal to reduce per capita energy consumption. MEA advises that fiscal 2008 actual data presented in this table reflect external factors rather than the programs of MEA and the utilities and that results from fiscal 2009 and onward reflect impacts of programs. However, MEA estimates that by fiscal 2011 the State will have achieved a 5% reduction in each per capita peak demand and energy consumption. Another measure of progress, although not

**Exhibit 1  
EmPower Maryland Goals  
Fiscal 2008-2011**

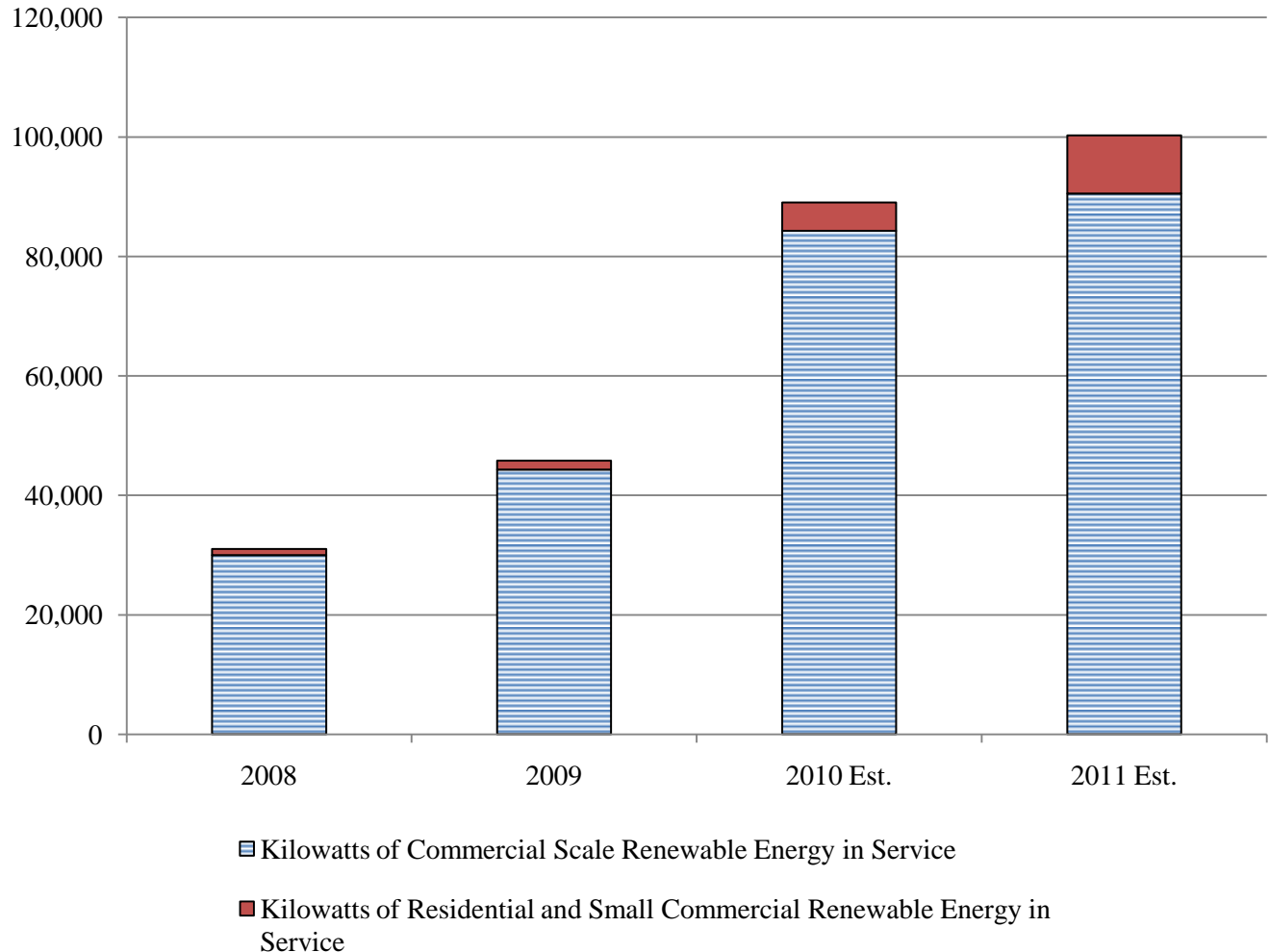


Source: Maryland Energy Administration; Governor’s Budget Books

an explicit goal of EmPower Maryland, is the avoided electricity costs. MEA estimates that, based on the kilowatt (KW) hour reduction in peak demand and energy conservation, in fiscal 2009, Maryland consumers will have avoided \$12.5 million in electricity costs. By fiscal 2011, MEA estimates that Maryland consumers will have avoided \$392.0 million in electricity costs. **MEA should comment on the impact of the continuing recession on fiscal 2009 actual and fiscal 2010 estimated performance.**

MEA has a goal of increasing the generation of clean, renewable energy by 120,000 kilowatts by 2012 through grants, tax credits, and education outreach. **Exhibit 2** provides information on the KW of renewable energy in service for both commercial scale and residential and small commercial projects. In fiscal 2008, there were a total of 31,015 KW of renewable energy in service, when combining residential and commercial renewable energy. The number of KW of renewable energy in service in fiscal 2009 increased by 47.6%, compared to fiscal 2008. MEA anticipates the trend of increasing renewable energy in service will continue so that by fiscal 2011 there would be 100,217 KW combined of residential and commercial renewable energy in service.

**Exhibit 2  
Renewable Energy in Service  
Fiscal 2008-2011**



Source: Maryland Energy Administration; Governor’s Budget Books

MEA has considerably more resources available in fiscal 2010 than its actual expenditures in fiscal 2009 as a result of funding available through SEIF and the American Recovery and Reinvestment Act of 2009 (ARRA). In fiscal 2011, as a result of changes in the estimated available revenue from SEIF and a decrease in the available funding from the ARRA, total funding decreases by \$34.1 million. **MEA should comment on how the changing availability of funding both through SEIF and ARRA in fiscal 2010 and 2011 will impact the ability of the agency to help the State achieve the anticipated level of performance in each of these areas and meet the overall energy goals.**

An additional measure of performance of MEA is the work it does to advance the policy goals of the State by examining the status of the progress toward energy goals and making recommendations that could be undertaken to make additional progress toward these goals. In January 2010, MEA released its Maryland Energy Outlook that completed this type of review. Some of these recommendations have been translated into legislation introduced on behalf of the Administration including bills to improve the renewable portfolio standard, provide a vehicle excise tax credit for electric and plug-in hybrid electric vehicles for a limited time, clarify requirements for the approval of transmission lines from off-shore wind generation facilities, and extend the renewable energy production tax credit. The recommendations of this report and planned implementation of these recommendations are more fully described in Update 1.

## **Fiscal 2010 Actions**

### **Impact of Cost Containment**

MEA's fiscal 2010 special fund appropriation has decreased by \$42,047 as a result of savings associated with the furlough plan included in cost containment actions approved by the Board of Public Works on August 26, 2009. While the special fund appropriation has been reduced to reflect the savings associated with the furlough plan, the federal fund appropriation has not yet been reduced. These reductions are likely to occur in the closeout process.

### **Federal Stimulus Fund**

MEA has available in the fiscal 2010 working appropriation, excluding the capital programs, approximately \$38.3 million from the ARRA. These funds are primarily from the State Energy Program (SEP), approximately \$28.7 million. However, \$9.6 million is also available from the Energy Efficiency and Conservation Block Grant (EECBG) primarily for distribution to county and municipal governments that did not receive funds directly from the Department of Energy (DOE).

The ARRA funding provided through SEP is currently allocated to a variety of programs:

- grants for renewable energy to communities, residential consumers, commercial, and government (\$8.4 million);
- multi-family housing retrofits for low and moderate income families (\$7.5 million);
- economic development (approximately \$5.9 million);
- EmPowering Financing Initiative (\$4.0 million);
- building code and workforce training (approximately \$1.3 million);

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- energy efficiency programs for the industrial and commercial sector (\$1.0 million); and
- alternative fuel programs (\$600,000).

MEA has advised that it has experienced difficulties in spending this funding due to various requirements which are expected to alter the fiscal 2010 allocation of the ARRA funding. This issue is discussed more fully in Issue 1.

## **Proposed Budget**

As shown in **Exhibit 3**, the fiscal 2011 allowance decreases by approximately \$34.1 million, or 41.6%, compared to the fiscal 2010 working appropriation after accounting for contingent and Back of the Bill reductions. The federal fund appropriation decreases by approximately \$19.4 million, or 49.2%. The special fund appropriation decreases by approximately \$14.6 million, or 34.6%.

The substantial decrease in the fiscal 2011 allowance results from a reduction in the amount of funding expected to be available for use in that year from the ARRA and decreases in the anticipated revenue in SEIF as a result of recent Regional Greenhouse Gas Initiative (RGGI) carbon dioxide emission allowance auction prices.

## **Impact of Cost Containment**

The fiscal 2011 budget reflects several across-the-board actions to be allocated by the Administration. This includes a combination of employee furloughs and government shut-down days similar to the plan adopted in fiscal 2010; a reduction in overtime based on accident leave management; streamlining of State operations; hiring freeze and attrition savings; a change in the injured workers' settlement policy and administrative costs; and a savings in health insurance to reflect a balance in that account. For purposes of illustration, the Department of Legislative Services (DLS) has estimated the distribution of selected actions relating to employee furloughs and health insurance.

**Exhibit 3**  
**Proposed Budget**  
**Maryland Energy Administration**  
**(\$ in Thousands)**

<b>How Much It Grows:</b>	<b><u>General Fund</u></b>	<b><u>Special Fund</u></b>	<b><u>Federal Fund</u></b>	<b><u>Reimb. Fund</u></b>	<b><u>Total</u></b>
2010 Working Appropriation		\$42,328	\$39,455	\$124	\$81,906
2011 Allowance		<u>28,004</u>	<u>20,075</u>	<u>126</u>	<u>48,206</u>
Amount Change		-\$14,324	-\$19,379	\$3	-\$33,700
Percent Change		-33.8%	-49.1%	2.3%	-41.1%
Contingent Reduction	\$0	-\$326	-\$34	-\$4	-\$364
Adjusted Change	\$0	-\$14,649	-\$19,414	-\$1	-\$34,064
Adjusted Percent Change		-34.6%	-49.2%	-0.9%	-41.6%

**Where It Goes:**

**Personnel Expenses**

Employee retirement .....	\$55
Regular earnings due to fiscal 2010 reclassifications and cost containment partially offset by estimated Section 18 furlough reductions .....	48
Decrease in turnover expectancy from 4.85 to 3.0% .....	30
Social Security contributions.....	15
Unemployment .....	4
Employee and retiree health insurance including Section 19 reductions .....	-74

**Programs**

New appliance rebate program primarily due to the ARRA funding for this purpose .....	3,753
Alternative fuel programs primarily due to Maryland Hybrid Truck Goods Movement Initiative .....	1,451
Reduction in SEIF in the Renewable and Clean Energy Program contingent on the enactment of legislation authorizing a motor vehicle excise tax exemption for electric and plug-in electric hybrid vehicles .....	-279
Energy efficiency programs for farm energy technology including technical assistance, rebates, and energy assessments .....	-300
Existing home retrofits for all consumers.....	-350

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**Where It Goes:**

Funding to support the implementation of Chapters 171 and 172 of 2009, the Greenhouse Gas Emissions Reduction Act of 2009, to be provided to MDE .....	-558
Educational outreach efforts related to energy efficiency, clean energy, and programs of MEA.....	-650
Grants for local governments and nonprofits for low and moderate income energy efficiency activities .....	-800
Building code, energy efficiency and renewable energy workforce training partially offset by workforce training to low and moderate income individuals.....	-1,515
Energy efficiency programs for the industrial sector .....	-2,153
Renewable energy grants for residential, commercial, and government sectors.....	-2,982
EmPowering Financing Initiative.....	-4,000
Clean Energy Economic Development Initiative partnership with DBED and the Maryland Clean Energy Center.....	-4,297
Grants and technical assistance to local governments and nonprofits for energy efficiency.....	-7,156
Multi-family housing retrofits .....	-7,222
Residential rate relief.....	-9,150

**Administrative Expenses**

Efficiency Measurement and Verification.....	1,564
Six new contractual FTE positions funded through two ARRA grants.....	432
Statewide cost allocation .....	124
Rent to reflect new location.....	66
Electricity costs that are now included in rent.....	-12
Other.....	-110

**Total** **-\$34,064**

ARRA: American Recovery and Reinvestment Act of 2009  
 DBED: Department of Business and Economic Development  
 FTE: full-time equivalent  
 MDE: Maryland Department of the Environment  
 MEA: Maryland Energy Administration

Note: Numbers may not sum to total due to rounding.

**Contingent Reduction**

The fiscal 2011 budget bill as introduced contains language to reduce the special fund appropriation of the Renewable and Clean Energy Program of MEA by \$279,000 contingent on the enactment of legislation authorizing a motor vehicle excise tax credit for electric and plug-in electric hybrid vehicles.

As provided in Section 3 of Senate Bill 281 and House Bill 469, \$279,000 would be transferred from SEIF to the Transportation Trust Fund to replace lost revenue from the motor vehicle excise tax credit. Under Section 4 of SB 281 and HB 469, in fiscal 2012 and 2013, the Governor would be required to include in the annual budget bill a transfer from SEIF to the Transportation Trust Fund in the amount estimated to be needed to offset the reduction in revenue from this tax credit.

### **Program Funding Changes**

In fiscal 2011, funding for nearly all programs of MEA decreases as a result of changes in the availability of funding from SEIF and the ARRA. As will be discussed in Issue 1, the fiscal 2010 appropriation of SEIF was based on a higher price per allowance from RGGI auctions than has been experienced in recent auctions. This will impact the actual spending level of programs funded with SEIF. In addition, delays in spending federal funding provided through the ARRA due to various requirements is expected to reduce the fiscal 2010 spending plan of federal funds received through the ARRA. MEA has explained that it is in the process of revising its spending plan to reflect these decreased funding likely to be spent in fiscal 2010. However, because these changes have not yet been recognized in the appropriation through budget amendments or cancellations, the year-to-year funding level changes for some programs may be distorted.

The fiscal 2011 allowance contains one new program, the appliance rebate program. This program is primarily funded through the ARRA, approximately \$3.4 million of \$3.8 million in total funds. Under this program, a rebate will be provided for the purchase of new Energy Star qualified home appliances. MEA expects to coordinate this activity with the utilities operating in the State. MEA's program is expected to focus on electric heat pump water heaters, washing machines, and refrigerators.

An increase of approximately \$1.5 million occurs among alternative fuel programs for the transportation sector. In fiscal 2010, approximately \$1.5 million is available for a program to provide grants to local governments and businesses for activities associated with building alternative fuel stations, consumer behavior programs, and programs related to electric hybrid vehicles. In the fiscal 2011 allowance, only \$500,000 is available for this grant program. However, approximately \$2.5 million is available through the ARRA for the Maryland Hybrid Truck Goods Movement Initiative. This program will provide financial and technical assistance to various companies to help certain companies purchase hybrid electric vehicles.

The fiscal 2011 allowance eliminates two programs funded in fiscal 2010. A decrease of \$4.0 million eliminates the EmPowering Financing Initiative. In fiscal 2010, this initiative was to fund the development of a program for local governments to offer a financing mechanism for clean energy loans to citizens, such as creating a lien on the property. Funds were available only in fiscal 2010 through the ARRA.

A decrease of \$400,000 is the result of the elimination of the renewable energy community grants. However, approximately \$6.9 million is available for other types of renewable energy grants, including approximately \$4.5 million for residential grants. The funds supporting this program in fiscal 2010 were available through the ARRA.

The funding available for residential rate relief decreases by approximately \$9.2 million. The program for residential rate relief receives 23% of the SEIF allocation and is provided to utilities by MEA to give utility customers a flat rate credit on each month's utility bill at an amount determined by the Public Service Commission. The amount of rate relief is determined by the amount of revenue generated at each RGGI auction and the number of residential utility customers. The residential rate relief was first provided in June 2009. Since that time, the amount of these monthly credits have ranged between \$2.75 and \$0.42 per month.

### **Federal Stimulus Fund**

The fiscal 2011 allowance of MEA includes approximately \$19.6 million from the ARRA, excluding funding available in the capital programs. The ARRA funds are primarily available from the allocation of SEP (approximately \$10.8 million). Other ARRA funding sources available in the fiscal 2011 allowance are for the energy efficient appliance rebate program (approximately \$3.4 million), Clean Cities program (approximately \$2.5 million), EECGB (approximately \$2.4 million), energy security and assurance (\$300,000), and Save Energy Now (\$197,500).

The majority of this funding is expected to be used for energy efficiency and renewable and clean energy programs including:

- renewable energy grants (approximately \$4.3 million);
- appliance rebate program (approximately \$3.4 million);
- alternative fuel programs for transportation (approximately \$3.0 million);
- energy efficiency programs and technical assistance for local governments and nonprofit organizations (approximately \$2.4 million);
- clean energy economic development initiative (approximately \$1.6 million);
- multi-family housing retrofits (\$1.6 million);
- energy efficiency in the industrial sector (197,500); and
- renewable energy workforce training (\$120,000).

Other funding available through the ARRA will support 6 new contractual positions, including 2 from the energy assurance grant.

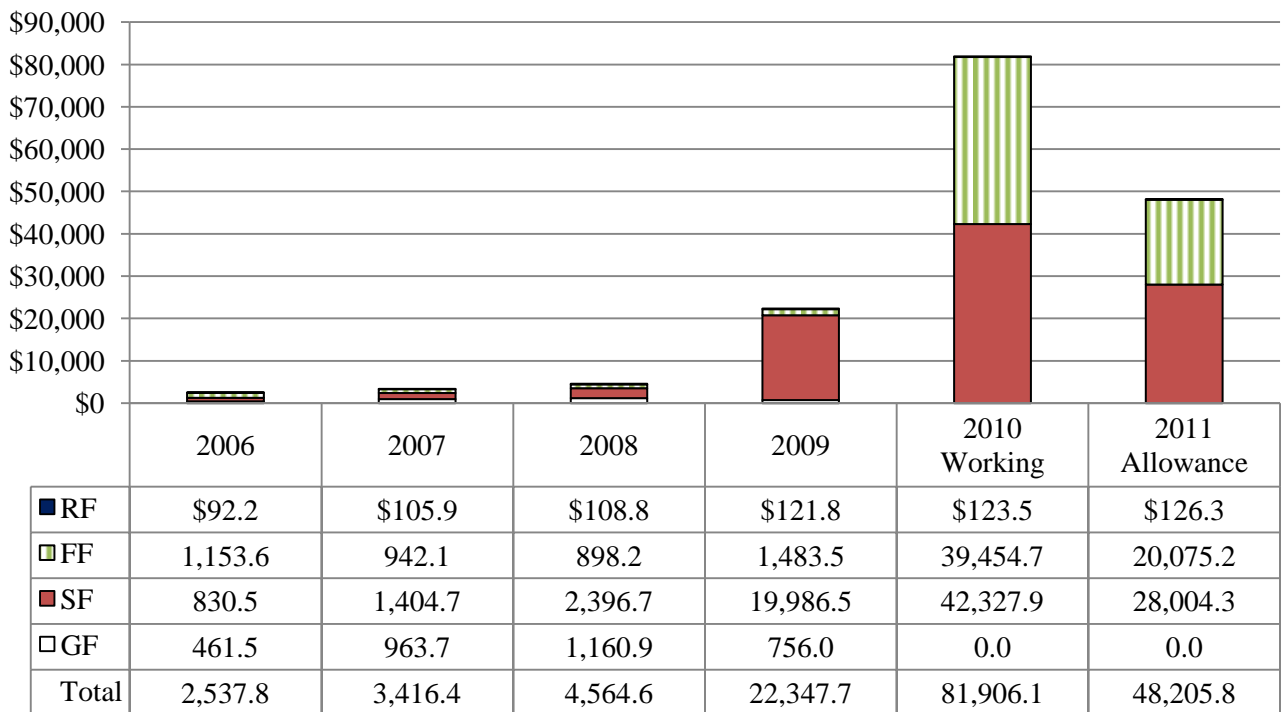
MEA has advised that it has experienced delays in spending the ARRA funding in fiscal 2010 which might result in additional funding to be available for some programs in fiscal 2011.

## Issues

### 1. Energy Programs Affected by Federal Restrictions, Uncertain Special Funds

As shown in **Exhibit 4**, beginning in fiscal 2009, MEA has experienced a dramatic increase in its appropriation. In fiscal 2006, MEA spent approximately \$2.5 million including administrative expenses. In fiscal 2010, MEA’s total working appropriation is approximately \$81.9 million, excluding capital programs. The increased funding results from two changes: (1) the introduction of SEIF funding available from RGGI carbon dioxide emission allowance auction; and (2) the availability of funding from the ARRA.

**Exhibit 4**  
**Maryland Energy Administration Funding History**  
**Fiscal 2006-2011**  
**(\$ in Thousands)**



FF: federal fund  
 GF: general fund  
 RF: reimbursable fund  
 SF: special fund

Source: Governor’s Budget Books

As articulated in the *Fiscal 2010 Clean Energy Program Book*, and reiterated in its response to a 2009 *Joint Chairmen's Report* request, MEA developed a strategy to promote affordable, reliable, and clean energy, with the funding available in fiscal 2010 that focuses on four types of activities:

- expanding energy efficiency;
- promoting renewable generation;
- financing clean energy innovation; and
- providing energy information to consumers.

The particular programs relating to each of these four types of activities generally fall under the allocation categories of SEIF: low and moderate income energy efficiency, other sectors energy efficiency, and renewable energy. However, some programs described are also part of ongoing activities of MEA, such as the capital programs.

### **SEIF Revenues Short of Expectations**

The fiscal 2010 allocation of the various energy efficiency and renewable and clean energy programs of MEA, and other activities receiving funding through SEIF, was based on an anticipated price per allowance of \$3.38. Accounting for the temporary change in the allocation as a result of the Budget Reconciliation and Financing Act (BRFA) of 2009 (Chapter 487), the fiscal 2010 appropriation of MEA, excluding the capital programs and residential rate relief, is approximately \$17.1 million. The fiscal 2010 allocation also assumes the availability of the ARRA funding for these programs of approximately \$38.3 million.

However, the allowance price in the two most recent auctions has been well below this level, as shown in **Exhibit 5**. The lower than anticipated allowance price is expected to significantly reduce SEIF revenue available for use in fiscal 2010. MEA indicates that all programs it originally planned are still expected to receive funding, but some will receive funding at a reduced level. The level of reduction and planned allocations based on the lower revenue are not available from MEA at this time.

**Exhibit 5**  
**RGGI Auction Results Summary for Maryland**  
**Auctions 1-6**

<u>Auction</u>	<u>Current Year Allowances Sold</u>	<u>Current Year Auction Price</u>	<u>Current Year Revenue</u>	<u>Future Allowances Sold</u>	<u>Future Year Auction Price</u>	<u>Future Year Revenue</u>	<u>Total Revenue</u>
1. September 25, 2008	5,331,781	\$3.07	\$16,368,568				\$16,368,568
2. December 17, 2008	5,331,781	3.38	18,021,420				18,021,420
3. March 18, 2009	5,331,783	3.51	18,714,558	399,884	\$3.05	\$1,219,646	19,934,205
4. June 17, 2009	5,331,782	3.23	17,221,656	399,884	2.06	823,761	18,045,417
5. September 9, 2009	5,331,782	2.19	11,676,603	399,884	1.87	747,783	12,424,386
6. December 2, 2009	5,331,782	2.05	10,930,153	294,317	1.86	547,430	11,477,583
<b>Total</b>	<b>31,990,691</b>		<b>\$92,932,957</b>	<b>1,493,969</b>		<b>\$3,338,620</b>	<b>\$96,271,577</b>

RGGI: Regional Greenhouse Gas Initiative

Notes: Information about the Regional Greenhouse Gas Initiative CO2 Auctions including the allowance, auction price, and revenue figures provided can be found at [www.rggi.org](http://www.rggi.org).

Source: Regional Greenhouse Gas Initiative, Auction Results

**ARRA Restrictions Limit Spending Activity**

MEA has advised throughout the course of fiscal 2010 that conditions placed on the ARRA funding have made it difficult to spend these funds to date. Some of the specific issues raised by MEA were concerns over Buy American provisions, requirements for State Historical Trust Fund reviews of certain projects, National Environmental Policy Act (NEPA) reviews, and the ability of contractors to comply with the Davis-Bacon (wage) requirements. For example, MEA explained that without a categorical exemption for low risk energy efficiency and renewable energy projects, environmental compliance forms would need to be filed by local governments for each project that would then need to be provided to DOE for review and approval.

Similar concerns have arisen in other states. These concerns ultimately led to a letter sent by the National Governors Association, National Conference of State Legislatures (NCSL), National League of Cities, National Association of Counties, Council of State Governments, and the International City/County Management Association to the Secretary of DOE to request a meeting to discuss the concerns of the group. This letter specifically addressed delays in providing guidance for NEPA, Davis-Bacon, and Buy American requirements that have led to project delays. The letter noted delays in the provision of other types of guidance as well.

MEA advises that some of the conditions preventing it from moving forward with the Clean Energy Economic Development Initiative have been removed, which will allow MEA to move forward with this initiative. However, restrictions are still limiting the ability to spend funding on other projects. As a result, MEA expects to need to realign its ARRA funding, which will impact the funding level of programs in fiscal 2010. In addition, MEA does not expect it will be able to fully spend the amounts on activities described in the *Fiscal 2010 Clean Energy Program Book*.

The declining revenue in SEIF from RGGI auctions and delays in spending of the ARRA funding are likely to substantially reduce energy program spending in fiscal 2010.

### **Outlook for Fiscal 2011**

The allocation of funding in the fiscal 2011 allowance for specific programs takes into account the decline in anticipated revenue in SEIF from RGGI auctions to a certain extent. The fiscal 2011 allowance assumes only a price per allowance of \$2.19. However, as shown in Exhibit 5, the most recent auction, held in December 2009, produced a price per allowance less than \$2.19. MEA's allocation of SEIF in the fiscal 2011 allowance totals approximately \$11.6 million, excluding funding for rate relief.

The funding included in the fiscal 2011 allowance for the ARRA recognizes additional awards not currently appropriated in fiscal 2010 and a substantial decrease in the availability of ARRA funding provided through the State Energy Program, the primary source of MEA ARRA funding. The total ARRA funding included in the fiscal 2011 allowance for MEA, excluding the Jane E. Lawton Conservation Loan Program and State Agency Loan Program, is approximately \$19.6 million. However, MEA advises that it plans to spend any funding that remains from fiscal 2010 in 2011, which could increase the amount of funding available for various programs in fiscal 2011. Until MEA is able to resolve issues surrounding the use of and conditions placed on the ARRA funding, the ability to spend these funds in fiscal 2011 is uncertain.

**As a result of the uncertainty in actual fiscal 2010 and 2011 expenditures, DLS recommends that MEA submits a revised program allocation plan for fiscal 2011, the fiscal 2010 actual expenditures, and fiscal 2012 planned allocation.**

## **2. Strategic Energy Investment Fund Revenue in Other Agency Budgets**

The reduction of the price per allowance from RGGI auctions impacting MEA is also expected to impact other programs receiving funding from SEIF including the Department of Housing and Community Development; Maryland Department of the Environment (MDE); residential rate relief; Department of General Services; and the Department of Human Resources, Office of Home Energy Programs (OHEP).

DLS estimates, based on actual results through December 2009 and assuming the same price per allowance in the March 2010 auction, that the available SEIF in fiscal 2010 will be \$26.9 million less than the appropriated levels. This shortfall will have the most significant impact on OHEP, which as a result of the BRFA of 2009 is to receive up to 50% of the SEIF revenue allocation.

During the 2009 session, OHEP was expected to receive an additional approximately \$35.6 million from SEIF to support energy assistance programs. However, the proposed fiscal 2010 deficiency appropriation that recognizes these additional funds only proposes to increase the appropriation by approximately \$24.1 million from SEIF. This reduction from the expected appropriation of approximately \$11.4 million represents approximately 42.5% of DLS' estimate of the reduced SEIF availability in fiscal 2010.

The additional SEIF available for OHEP eliminated the need for general fund support in this program in fiscal 2010. A similar impact, even at a lower price per allowance, is expected in fiscal 2011. The fiscal 2011 allowance provides \$42.7 million of SEIF to OHEP, approximately 50% of revenue expected from five RGGI auctions.

OHEP anticipates serving more households in fiscal 2011 than in fiscal 2010. Given recent trends in this program of increasing households applying for and receiving assistance, it may be expected that more households will apply for and receive assistance in fiscal 2012 compared to fiscal 2011. A reduction of SEIF will likely result in a need for significant general funds. Conversely, MEA advises that it has until April 2012 to spend its funding from the ARRA. Due to delays in spending in fiscal 2010 that are not yet resolved, MEA may be expected to have some ARRA funding available in fiscal 2012 to continue the energy programs. **DLS recommends an amendment to the BRFA of 2010 to extend the current allocation of SEIF through 2012.**

### **3. Regional Greenhouse Gas Initiative and Federal Climate Change Legislation**

The American Clean Energy and Security Act of 2009 (H.R. 2454) passed the U.S. House of Representatives on June 25, 2009. The Clean Energy Jobs and American Power Act (S. 1733) containing a similar focus is still under consideration in the U.S. Senate after being introduced in September 2009. The Senate bill is expected to be reviewed by several other committees but was passed out of the Environment and Public Works Committee in November 2009. The Senate discussion of climate change legislation is in the early stages, and the final legislation may be combined with a bill passed earlier. While each of these pieces of legislation has various components, the key aspects, as it relates to the Maryland's efforts to fund programs through SEIF, are those provisions related to a federal cap and trade program.

According to published reports, these two bills each seek to limit emissions of seven particular greenhouse gases from certain sources. As noted by the Pew Center on Global Climate Change and the Environmental Protection Agency, each bill proposes to reduce greenhouse gas emissions from certain sources from the 2005 level by 3% in 2012, 42% in 2030, and 83% in 2050 but differ with the

2020 reduction (the Senate proposes to reduce emissions by 20% while the House version reduced the emissions by 17%).

## **Impact of Legislation on RGGI**

As explained by the Pew Center on Global Climate Change and Congressional Budget Office documents and by MDE and NCSL in presentations to the Joint Committee on Federal Relations, these bills generally do not preempt the state's ability to have stronger standards than those contained in the legislation; however, these bills do prohibit states from operating a cap and trade system from 2012-2017. This would prohibit the continuation of the RGGI auctions in these years. As shown in Exhibit 5, the six RGGI auctions held through December 2009 have provided \$96.3 million to Maryland for a variety of activities including energy assistance, rate relief, energy efficiency, and renewable energy programs.

While the prohibition on RGGI auctions would eliminate additional revenue for Maryland through this program, funds may be available to states through an allowance distribution from the federal program. As described in NCSL's presentation to the Joint Committee on Federal Relations, the House bill contains a program to provide funding to states for energy efficiency and renewable energy programs through the State Energy and Environment Development (SEED) Accounts. The SEED accounts, under this bill, would be provided to states through an allocation of one-third of allowances provided to states equally, one-third of the allowances provided based on the population of the state, and one-third of the allowances provided based on the consumption in the state. However, MDE explained in its presentation that only 10% of allowances are provided for SEED accounts in the early years, and the amount later declines to 5%. As described in the Pew Center on Global Climate change summary and the NCSL presentation, the funding from the SEED accounts could be used for programs similar to SEIF, in that it could be used for energy efficiency and renewable energy.

MDE in this presentation also expressed concern about whether the SEED funding would fully replace the revenue RGGI would have brought in to Maryland. MDE advocated various amendments that would provide some relief to Maryland and other RGGI states for lost revenue. **MEA should comment on the status of the federal legislation and the impact this legislation, if signed into law, would have on the programs of MEA.**

## ***Recommended Actions***

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- |   | <b><u>Amount<br/>Reduction</u></b> |
|---|------------------------------------|
| 1. Delete funding for out-of-state travel. The fiscal 2011 allowance reduces out-of-state travel by \$14,276. This action would eliminate the remaining funds for out-of-state travel to contain costs. | \$ 20,000 FF                       |

2. Adopt the following narrative:

**Program Funding Allocation:** In fiscal 2010, the appropriation for the Maryland Energy Administration (MEA) was based on a certain projection of revenue available from the Strategic Energy Investment Fund (SEIF) that has not been achieved in recent auctions. In addition, MEA has experienced delays in spending funds available through the American Recovery and Reinvestment Act of 2009 (ARRA). These changes are expected to impact the actual allocation of funding to specific program activities by an as yet unknown amount. The fiscal 2011 allowance of MEA is based on a particular level of revenue anticipated to be available from SEIF and a certain level of funding available from the ARRA. It is uncertain whether more or fewer funds will be available from these sources as a result of similar conditions as fiscal 2010. As a result, the committees request MEA submit the actual fiscal 2010 program activity expenditures, a revised fiscal 2011 program allocation, and a fiscal 2012 program allocation concurrent with the submission of the fiscal 2012 allowance to provide the committees a clearer picture of the year-to-year funding changes and changes in program priority for specific programs of MEA.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Program funding allocation for fiscal 2010 actual expenditures and 2011 revised spending plan	MEA	August 15, 2010
Program funding allocation for fiscal 2012 and updated spending plan for fiscal 2011		Concurrent with the submission of the fiscal 2012 allowance

<b>Total Federal Fund Reductions</b>	<b>\$ 20,000</b>
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## ***Updates***

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### **1. Maryland Energy Outlook**

In January 2010, MEA released the Maryland Energy Outlook (MEO), which provides information on the status of Maryland's progress on reaching energy goals as well as examining options to continue to make progress to meet these energy goals. This report explicitly did not examine options and activities under consideration by other State agencies, such as transmission and new base load generation issues.

The energy goals focused on in this report were to:

- reduce energy consumption, as provided in Chapter 131 of 2008 (the EmPower Maryland Energy Efficiency Act of 2008);
- improve the market for renewable energy, as provided in the Renewable Portfolio Standard as amended in Chapters 125 and 126 of 2008;
- reduce greenhouse gas emission, as provided in Chapters 171 and 172 of 2009 (the Greenhouse Gas Emissions Reduction Act of 2009);
- develop a green economy including the green workforce, with a goal to create 100,000 green jobs by 2015, set by Governor Martin O'Malley in February 2009; and
- promote energy independence through alternative transportation policies and use of alternative fuels.

The policy options discussed in the report were compared to the ways that those policies would help meet the State's energy goals. The report also described the experience of other states with the policy options discussed and the advantages and disadvantages of the policy options.

### **Current Status of Energy and Energy Goals in Maryland**

The MEO report describes the current state of energy use in Maryland. This report highlighted that nearly half, 46.0%, of energy used in Maryland is used for electricity as compared to transportation or direct use fuels (*e.g.*, propane and heating oil). More than half (59.4%) of the electric generation in Maryland is from coal-fired plants, with only approximately 4.5% from renewable resources or hydroelectric power. The report also explains that the State has the ninth highest residential electric price and twelfth highest residential natural gas price in the country.

The report also describes the current status of meeting the energy goals of the State. According to the MEO report, State utilities are expected to surpass the 15% per capita peak demand reduction target; however, progress on reaching the per capita consumption goal is slower. The report notes that the State is not yet halfway to the goal of 15% per capita consumption reduction.

### *D13A13 – Maryland Energy Administration*

The MEO report also explained that progress so far on reaching the renewable portfolio standard goal has been limited, with little generation occurring in Maryland and a high use of alternative compliance payments. However, legislation enacted in 2008 altered the rules for the renewable portfolio standard which is expected to lead to additional progress, but these changes do not go into effect in 2011. In addition, the MEO highlights other work of the State in increasing renewable energy use, such as the Clean Energy Production Tax Credit, the recently awarded long-term power purchase agreements with four developers, and the technical study and Request for Expressions of Information and Interest related to off-shore wind development undertaken in calendar 2009.

Limited information was provided on the progress of the State in meeting the greenhouse gas emission reduction and green jobs goals. Both goals were only defined during 2009. The report instead describes activities in these areas including:

- the *Climate Change Action Plan*;
- RGGI auctions;
- the development of the Maryland Clean Energy Center; and
- the Clean Energy Economic Development Initiative, as positive steps toward those goals.

In addition, the report provided an estimate of 250,000 green jobs in Maryland developed by the Governor's Workforce Investment Board.

The report did not specifically highlight a goal for alternative fuel use but did provide examples of State programs that support this goal, such as the requirements for the purchase of alternative fuel vehicles for some of the State fleet and the commuter connections program.

The report also highlighted a variety of State programs, tax credits, policies, proceedings of the Public Service Commission, and utility company activities that may serve to help meet the energy goals of the State.

### **Recommendations for New Policies**

After weighing policy options in each area, the MEO report recommends certain policies or actions for implementation to improve the State's performance on each energy goals.

To reduce energy demand, MEA in the MEO recommended:

- requiring a disclosure of the prior year energy consumption at the time of sales listing for residential and commercial buildings, modeled on the recently implemented requirement of Montgomery County;

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- a tax credit for zero energy and zero energy ready buildings, which according to the report are buildings with significantly reduced energy need as a result of energy efficiency and the rest of the energy needs provided through renewable resources;
- working with other State agencies to improve the economic viability of combined heat and power technology; and
- implement energy efficiency standards for televisions modeled on California's standards.

To increase the use of renewable energy resources, MEA in the MEO recommended:

- to both accelerate the phase-in of the solar requirements included in the renewable portfolio standard and to increase the alternative compliance payment;
- working with the Maryland Department of the Environment and other agencies to evaluate the potential for waste to energy technology to meet the renewable portfolio standard, the environmental impacts, and the effectiveness of the renewable portfolio standard's renewable energy credits to encourage development of large hydroelectric facilities or waste to energy facilities;
- work to remove barriers to offshore wind and consider various environmental studies, economic studies, and wind measurement studies; and
- extend the renewable energy production tax credit to coincide with the renewable portfolio standard, establish a minimum size of projects, and examine the reasons that the program has been underutilized.

In order to meet the State's green energy workforce goals, MEA recommended developing a comprehensive economic development strategy focusing on the most appropriate industries and facilities for the State and including some type of financial incentives.

To meet the goal of increased transportation energy independence, MEA recommended:

- to increase the use of higher level ethanol blends (E85 primarily) and availability of fueling stations for E85 through assistance in building infrastructure, price assistance, and a consumer education campaign;
- to require the use of a low-level biodiesel blend (up to 5%) to help meet the federal renewable fuel standard;
- to encourage the purchase of electric drive vehicles when these vehicles are available in the market through incentives, including tax benefits, use of high occupancy vehicle lane use, and benefits in parking;

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- to improve the State fleet by ensuring the appropriate class size of vehicle is purchased, to ensure that alternative fuel vehicle purchases are used when possible, and to have pilots to include plug-in hybrids or battery electric vehicles in the State's fleet; and
- to consider increasing the funding appropriated for the commuter connections program.

### **Implementation of Recommendations**

Legislation has been introduced on behalf of the Administration to implement some of the recommendations of the Maryland Energy Outlook. This legislation would:

- accelerate the solar energy portion of the renewable portfolio standard in calendar 2011 to 2020 and increase the alternative compliance payments between calendar 2011 and 2026 (SB 277 and HB 471);
- provide a vehicle excise tax credit up to \$2,000 subject to some limitations for electric and plug-in hybrid electric vehicles purchased between October 1, 2010, and July 1, 2013 (SB 281 and HB 469);
- clarify requirements for the approval of transmission lines from off-shore wind energy generation facilities (SB 282 and HB 468) which serves to remove some barriers; and
- extend the renewable energy production tax credit through December 31, 2015 (SB 287 and HB 464).

Additional legislation may enable the implementation of other recommendations of the MEO report.

The only specific impact of the implementation of the MEO recommendations in the fiscal 2011 allowance would result from the enactment of SB 281 and HB 469. As noted, earlier funding in the MEA budget would be reduced by \$279,000 upon enactment of this legislation, and it is the understanding of DLS that these funds would be transferred to the Transportation Trust Fund to replace the lost revenue from the vehicle excise tax. At this time, MEA does not have plans to implement the remaining recommendations; however, some programs already funded by MEA support the recommendations (*e.g.*, the alternative fuel grant program and the economic development initiative).

## *Current and Prior Year Budgets*

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### Current and Prior Year Budgets Maryland Energy Administration (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
<b>Fiscal 2009</b>					
Legislative Appropriation	\$1,340	\$1,419	\$1,281	\$122	\$4,162
Deficiency Appropriation	0	243	1,500	0	1,743
Budget Amendments	9	20,117	0	0	20,126
Cost Containment	-593	-8	-5	0	-606
Reversions and Cancellations	0	-1,784	-1,293	0	-3,078
<b>Actual Expenditures</b>	<b>\$756</b>	<b>\$19,987</b>	<b>\$1,483</b>	<b>\$122</b>	<b>\$22,348</b>
<b>Fiscal 2010</b>					
Legislative Appropriation	\$0	\$42,370	\$1,168	\$124	\$43,662
Cost Containment	0	-42	0	0	-42
Budget Amendments	0	0	38,286	0	38,286
<b>Working Appropriation</b>	<b>\$0</b>	<b>\$42,328</b>	<b>\$39,455</b>	<b>\$124</b>	<b>\$81,906</b>

Note: Numbers may not sum to total due to rounding.

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## **Fiscal 2009**

During fiscal 2009, the general fund appropriation of MEA decreased by \$584,221. An increase of \$9,107 associated with employee cost-of-living adjustments was more than offset by cost containment actions totaling \$593,328. The cost containment actions are primarily associated with reductions in general funds used to support salaries and wages and rent that were replaced with special funds from SEIF (\$556,435). The remaining cost containment actions include furlough savings and other salary and wages adjustments.

MEA's fiscal 2009 special fund appropriation increased by approximately \$20.3 million through budget amendments partially offset by cost containment actions. The increase is primarily the result of special funds from SEIF available due to the revenue from the first two RGGI carbon dioxide emission allowance auctions (\$19.7 million) to be used for activities including:

- rate relief (approximately \$7.5 million);
- community grants (\$4.5 million);
- energy performance contracts (approximately \$3.4 million);
- grants for renewable energy (approximately \$1.4 million);
- administrative expenses (\$820,558);
- energy education (\$750,000);
- existing home retrofits (\$500,000);
- alternative fuel vehicles and renewable energy grants (\$250,000);
- commercial and industrial energy assessments (\$200,000);
- farm audits (\$200,000); and
- energy workforce training (\$200,000).

An increase of \$368,951 was available from the Energy Overcharge Restitution Fund and Environmental Trust Fund for consultant services to examine energy efficiency proposals submitted by utility companies in response to Chapter 131 of 2008 (the EmPower Maryland Energy Efficiency Act), for consultant services to complete the comprehensive energy outlook, and public education and outreach. The remaining increase (\$5,174) was due to employee cost-of-living adjustments. These increases were partially offset by a decrease of \$8,385 due to cost containment actions. MEA cancelled approximately \$1.8 million of the special fund appropriation, including SEIF for rate relief for which MEA was not invoiced by the utility companies, lower than anticipated administrative expenditures (approximately \$623,902), and funding from SEIF for the energy efficiency (approximately \$86,903) and renewable energy (approximately \$102,223) programs.

### *D13A13 – Maryland Energy Administration*

A fiscal 2009 federal fund deficiency appropriation increased the appropriation of MEA by \$1.5 million due to funding available from the ARRA. This increase was partially offset by a reduction of \$4,653 in cost containment actions. MEA cancelled approximately \$1.3 million of the federal fund appropriation primarily because the ARRA funding was not received until after the close of fiscal 2009 and funding from special projects which will be expended in fiscal 2010. MEA also cancelled \$73 of the reimbursable fund appropriation.

## **Fiscal 2010**

The fiscal 2010 special fund appropriation of MEA has decreased by \$42,047 from furlough savings as part of cost containment actions.

During fiscal 2010, the federal fund appropriation of MEA has increased by approximately \$38.3 million as a result of SEP and EECBG funding available through the ARRA. In particular, these funds are being used for:

- energy efficiency block grant funding the majority of which will be used for funding to 13 counties that did not receive funding directly from DOE (approximately \$9.6 million);
- multi-family housing retrofits (\$7.5 million);
- grants to attract and grow clean energy manufacturers and generators (approximately \$5.9 million)
- residential renewable energy grants (\$4.5 million);
- EmPowering Financing Initiative (\$4.0 million);
- grants for renewable energy installations for State buildings (\$2.0 million);
- grants to promote mid-size renewable energy installation (\$1.5 million);
- commercial/industrial leading edge grant program (\$1.0 million);
- energy workforce training (\$750,000);
- alternative fuel vehicles (\$600, 000);
- building code training (\$500,000); and
- renewable community grants (\$400,000).

**Object/Fund Difference Report  
Maryland Energy Administration**

<u>Object/Fund</u>	<u>FY09 Actual</u>	<u>FY10 Working Appropriation</u>	<u>FY11 Allowance</u>	<u>FY10 - FY11 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	25.00	28.00	28.00	0	0%
02 Contractual	0	0	6.00	6.00	N/A
<b>Total Positions</b>	<b>25.00</b>	<b>28.00</b>	<b>34.00</b>	<b>6.00</b>	<b>21.4%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 1,878,978	\$ 2,492,270	\$ 2,654,758	\$ 162,488	6.5%
02 Technical and Spec. Fees	0	0	431,720	431,720	N/A
03 Communication	23,579	35,686	47,534	11,848	33.2%
04 Travel	38,424	62,846	79,936	17,090	27.2%
06 Fuel and Utilities	3,383,943	11,795	0	-11,795	-100.0%
07 Motor Vehicles	1,509	2,990	3,020	30	1.0%
08 Contractual Services	3,523,587	19,446,921	15,896,661	-3,550,260	-18.3%
09 Supplies and Materials	13,537	19,400	22,000	2,600	13.4%
10 Equipment – Replacement	9,213	20,901	14,660	-6,241	-29.9%
11 Equipment – Additional	73,407	28,308	10,988	-17,320	-61.2%
12 Grants, Subsidies, and Contributions	13,264,681	59,564,212	28,758,048	-30,806,164	-51.7%
13 Fixed Charges	136,878	220,784	286,480	65,696	29.8%
<b>Total Objects</b>	<b>\$ 22,347,736</b>	<b>\$ 81,906,113</b>	<b>\$ 48,205,805</b>	<b>-\$ 33,700,308</b>	<b>-41.1%</b>
<b>Funds</b>					
01 General Fund	\$ 755,958	\$ 0	\$ 0	\$ 0	0.0%
03 Special Fund	19,986,504	42,327,925	28,004,263	-14,323,662	-33.8%
05 Federal Fund	1,483,465	39,454,686	20,075,214	-19,379,472	-49.1%
09 Reimbursable Fund	121,809	123,502	126,328	2,826	2.3%
<b>Total Funds</b>	<b>\$ 22,347,736</b>	<b>\$ 81,906,113</b>	<b>\$ 48,205,805</b>	<b>-\$ 33,700,308</b>	<b>-41.1%</b>

Note: The fiscal 2010 appropriation does not include deficiencies.

**Fiscal Summary  
Maryland Energy Administration**

<u>Program/Unit</u>	<u>FY09 Actual</u>	<u>FY10 Wrk Approp</u>	<u>FY11 Allowance</u>	<u>Change</u>	<u>FY10 - FY11 % Change</u>
01 General Administration	\$ 4,585,610	\$ 4,126,109	\$ 4,784,946	\$ 658,837	16.0%
05 Rate Relief through the Public Service Commission	6,558,069	24,731,603	15,581,602	-9,150,001	-37.0%
06 Efficiency and Conservation – L&M Sector	3,500,000	14,303,343	6,527,784	-7,775,559	-54.4%
07 Efficiency and Conservation – Other Sectors	5,386,280	14,596,500	8,653,282	-5,943,218	-40.7%
08 Renewable and Clean Energy Initiatives	2,317,777	24,148,558	12,658,191	-11,490,367	-47.6%
<b>Total Expenditures</b>	<b>\$ 22,347,736</b>	<b>\$ 81,906,113</b>	<b>\$ 48,205,805</b>	<b>-\$ 33,700,308</b>	<b>-41.1%</b>
General Fund	\$ 755,958	\$ 0	\$ 0	\$ 0	0.0%
Special Fund	19,986,504	42,327,925	28,004,263	-14,323,662	-33.8%
Federal Fund	1,483,465	39,454,686	20,075,214	-19,379,472	-49.1%
<b>Total Appropriations</b>	<b>\$ 22,225,927</b>	<b>\$ 81,782,611</b>	<b>\$ 48,079,477</b>	<b>-\$ 33,703,134</b>	<b>-41.2%</b>
Reimbursable Fund	\$ 121,809	\$ 123,502	\$ 126,328	\$ 2,826	2.3%
<b>Total Funds</b>	<b>\$ 22,347,736</b>	<b>\$ 81,906,113</b>	<b>\$ 48,205,805</b>	<b>-\$ 33,700,308</b>	<b>-41.1%</b>

Note: The fiscal 2010 appropriation does not include deficiencies.