

# SENATE BILL 1014

C5, P1, K3

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By: **Senator Pugh**

Introduced and read first time: February 15, 2016

Assigned to: Rules

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Clean Energy Jobs Act of 2016**

3 FOR the purpose of establishing the Clean Energy Workforce Account in the Maryland  
4 Employment Advancement Right Now Program; providing for the funding of the  
5 Clean Energy Workforce Account; specifying the purpose for which the Clean Energy  
6 Workforce Account may be used; specifying the priority for grants awarded from the  
7 Clean Energy Workforce Account; requiring the Department of Labor, Licensing, and  
8 Regulation to include certain information about the Clean Energy Workforce  
9 Account in a certain annual report; altering the renewable energy portfolio standard  
10 percentage derived from solar energy for certain years; altering the renewable  
11 energy portfolio standard percentage derived from Tier 1 renewable sources for  
12 certain years; altering the minimum required percentage of Tier 1 renewable energy  
13 that must be derived from solar energy in the State's renewable energy portfolio  
14 standard in certain years; altering the minimum required percentage of energy that  
15 must be derived from Tier 1 renewable sources in the State's renewable energy  
16 portfolio standard in certain years; requiring an electric company to contract for  
17 certain renewable energy credits and electricity generated from certain Tier 1  
18 renewable sources to meet a certain portion of the renewable energy portfolio  
19 standard for certain electricity suppliers beginning after a certain date; requiring an  
20 electric company to solicit bids for a certain contract from certain renewable energy  
21 facilities; requiring an electric company to use a competitive procurement process to  
22 award a certain contract; requiring that a term for a certain contract be for a certain  
23 minimum and maximum duration; authorizing an electric company to recover  
24 certain costs associated with this Act; altering the compliance fee for an electricity  
25 supplier that fails to comply with certain renewable energy portfolio standards for  
26 certain years; establishing certain compliance fees for an electricity supplier that  
27 fails to comply with certain renewable energy portfolio standards for certain years;  
28 altering the percentage of total annual electricity sales revenues based on which an  
29 electricity supplier may request a delay of certain solar energy requirements in the  
30 renewable energy portfolio standard; establishing the Clean Energy Business  
31 Development Account in the Small, Minority, and Women-Owned Businesses

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Account; providing for the funding of the Clean Energy Business Development  
2 Account; specifying the purpose for which the Clean Energy Business Development  
3 Account may be used; prohibiting funding from the Clean Energy Business  
4 Development Account from being limited to certain businesses; requiring the  
5 Maryland Energy Administration to use the Maryland Strategic Energy Investment  
6 Fund in a certain manner; requiring proceeds from a certain Public Service  
7 Commission order to be allocated in a certain manner; stating certain findings of the  
8 General Assembly; defining certain terms; providing for the application of this Act;  
9 making the provisions of this Act severable; and generally relating to clean energy  
10 jobs and the renewable energy portfolio standard.

11 BY adding to  
12 Article – Labor and Employment  
13 Section 11–708.1  
14 Annotated Code of Maryland  
15 (2008 Replacement Volume and 2015 Supplement)

16 BY repealing and reenacting, with amendments,  
17 Article – Labor and Employment  
18 Section 11–709  
19 Annotated Code of Maryland  
20 (2008 Replacement Volume and 2015 Supplement)

21 BY repealing and reenacting, with amendments,  
22 Article – Public Utilities  
23 Section 7–702, 7–703(b)(12), (13), (14), (15), (16), and (17), and 7–705(b) and (e)  
24 Annotated Code of Maryland  
25 (2010 Replacement Volume and 2015 Supplement)

26 BY adding to  
27 Article – Public Utilities  
28 Section 7–703.1  
29 Annotated Code of Maryland  
30 (2010 Replacement Volume and 2015 Supplement)

31 BY repealing and reenacting, with amendments,  
32 Article – State Government  
33 Section 9–1A–35, 9–20B–01, and 9–20B–05(f) and (i) through (l)  
34 Annotated Code of Maryland  
35 (2014 Replacement Volume and 2015 Supplement)

36 BY adding to  
37 Article – State Government  
38 Section 9–20B–05(i)  
39 Annotated Code of Maryland  
40 (2014 Replacement Volume and 2015 Supplement)

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

3 **Article – Labor and Employment**

4 **11-708.1.**

5 **(A) THERE IS A CLEAN ENERGY WORKFORCE ACCOUNT.**

6 **(B) THE ACCOUNT SHALL BE FUNDED IN ACCORDANCE WITH § 9-20B-05(I)**  
7 **OF THE STATE GOVERNMENT ARTICLE.**

8 **(C) (1) MONEY IN THE ACCOUNT SHALL BE USED TO PROVIDE GRANTS ON**  
9 **A COMPETITIVE BASIS FOR STRATEGIC INDUSTRY PARTNERSHIPS THAT:**

10 **(I) 1. PROVIDE PRE-APPRENTICESHIP JOB TRAINING FOR**  
11 **CAREERS IN THE CLEAN ENERGY INDUSTRY; OR**

12 **2. PROVIDE CAREER PATHS FOR WORKERS FROM**  
13 **WITHIN THE CLEAN ENERGY INDUSTRY OR ASSOCIATED INDUSTRIES TO ADVANCE**  
14 **THEIR CAREERS WITHIN THE CLEAN ENERGY INDUSTRY; AND**

15 **(II) COMPLY WITH THIS SUBTITLE.**

16 **(2) MONEY IN THE ACCOUNT SHALL BE SUPPLEMENTAL TO AND IS**  
17 **NOT INTENDED TO TAKE THE PLACE OF THE ANNUAL APPROPRIATIONS TO THE**  
18 **MARYLAND EARN PROGRAM.**

19 **(D) GRANTS SHALL BE AWARDED FROM THE ACCOUNT WITH PRIORITY**  
20 **GIVEN TO STRATEGIC INDUSTRY PARTNERSHIPS THAT:**

21 **(1) SEEK TO ADVANCE EMPLOYMENT OPPORTUNITIES AND PROVIDE**  
22 **JOB READINESS TRAINING FOR INDIVIDUALS FROM ECONOMICALLY DISTRESSED**  
23 **AREAS WITH HIGH RATES OF UNEMPLOYMENT OR HIGH PERCENTAGES OF**  
24 **HOUSEHOLDS THAT EARN LESS THAN 80% OF THE AREA MEDIAN INCOME;**

25 **(2) SEEK TO ADVANCE EMPLOYMENT OPPORTUNITIES AND PROVIDE**  
26 **JOB READINESS TRAINING FOR DISADVANTAGED WORKERS THAT HAVE BARRIERS**  
27 **TO ENTRY INTO THE LABOR FORCE, INCLUDING:**

28 **(I) HOMELESSNESS;**

29 **(II) PRIOR CRIMINAL RECORDS;**



1 3. a title promotion; or

2 4. a wage promotion; [and]

3 (5) an assessment of whether and to what extent the approved strategic  
4 industry partnerships utilized existing data concerning:

5 (i) training needs in the State identified in previous studies; and

6 (ii) applicable skills needs identified in existing workforce studies,  
7 plans, or research; AND

8 **(6) INFORMATION ON THE SUCCESS OF FUNDING STRATEGIC**  
9 **INDUSTRY PARTNERSHIPS THAT ACHIEVE THE PRIORITIES UNDER § 11-708.1 OF**  
10 **THIS SUBTITLE.**

11 **Article – Public Utilities**

12 7-702.

13 (a) It is the intent of the General Assembly to:

14 (1) recognize the economic, environmental, fuel diversity, and security  
15 benefits of renewable energy resources;

16 (2) establish a market for electricity from these resources in Maryland; and

17 (3) lower the cost to consumers of electricity produced from these resources.

18 (b) The General Assembly finds that:

19 (1) the benefits of electricity from renewable energy resources, including  
20 long-term decreased emissions, a healthier environment, increased energy security, and  
21 decreased reliance on and vulnerability from imported energy sources, accrue to the public  
22 at large; [and]

23 (2) electricity suppliers and consumers share an obligation to develop a  
24 minimum level of these resources in the electricity supply portfolio of the State;

25 **(3) THE RENEWABLE ENERGY PORTFOLIO STANDARD IS AN**  
26 **ESSENTIAL CARBON-REDUCING PROGRAM FOR THE STATE, AS IDENTIFIED IN THE**  
27 **STATE’S GREENHOUSE GAS REDUCTION PLAN DEVELOPED UNDER § 2-1205 OF THE**  
28 **ENVIRONMENT ARTICLE; AND**

1           **(4) ACHIEVING A RENEWABLE PORTFOLIO STANDARD OF 25% FROM**  
 2 **TIER 1 RENEWABLE SOURCES BY 2020 WOULD, IF CONTINUED INTO THE FUTURE AT**  
 3 **THE SAME RATE OF GROWTH, PUT THE STATE ON A TRAJECTORY TOWARDS**  
 4 **CONSUMING AT LEAST 40% OF ITS ELECTRICITY FROM RENEWABLE ENERGY**  
 5 **SOURCES BY 2025, KEEPING THE STATE'S EFFORTS CONSISTENT WITH**  
 6 **INTERNATIONAL EFFORTS TO REACH CARBON REDUCTIONS IN ACCORDANCE WITH**  
 7 **SCIENTIFIC DATA.**

8 7-703.

9           (b) The renewable energy portfolio standard shall be as follows:

10           (12) in 2017:

11           (i) 13.1% from Tier 1 renewable sources, including:

12           1. at least [0.95%] **1.15%** derived from solar energy; and

13           2. an amount set by the Commission under § 7-704.2(a) of  
 14 this subtitle, not to exceed 2.5%, derived from offshore wind energy; and

15           (ii) 2.5% from Tier 2 renewable sources;

16           (13) in 2018:

17           (i) 15.8% from Tier 1 renewable sources, including:

18           1. at least [1.4%] **1.5%** derived from solar energy; and

19           2. an amount set by the Commission under § 7-704.2(a) of  
 20 this subtitle, not to exceed 2.5%, derived from offshore wind energy; and

21           (ii) 2.5% from Tier 2 renewable sources;

22           (14) in 2019, [17.4%] **20.4%** from Tier 1 renewable sources, including:

23           (i) at least [1.75%] **1.95%** derived from solar energy; and

24           (ii) an amount set by the Commission under § 7-704.2(a) of this  
 25 subtitle, not to exceed 2.5%, derived from offshore wind energy; **AND**

26           (15) in 2020[, 18%] **AND LATER, 25%** from Tier 1 renewable sources,  
 27 including:

28           (i) at least [2.0%] **2.5%** derived from solar energy; and

1 (ii) an amount set by the Commission under § 7–704.2(a) of this  
2 subtitle, not to exceed 2.5%, derived from offshore wind energy[;

3 (16) in 2021, 18.7% from Tier 1 renewable sources, including:

4 (i) at least 2.0% derived from solar energy; and

5 (ii) an amount set by the Commission under § 7–704.2(a) of this  
6 subtitle, not to exceed 2.5%, derived from offshore wind energy; and

7 (17) in 2022 and later, 20% from Tier 1 renewable sources, including:

8 (i) at least 2% derived from solar energy; and

9 (ii) an amount set by the Commission under § 7–704.2(a) of this  
10 subtitle, not to exceed 2.5%, derived from offshore wind energy].

11 **7–703.1.**

12 (A) NOTWITHSTANDING § 7–510 OF THIS TITLE OR ANY REGULATION OR  
13 ORDER UNDER THIS TITLE, BEGINNING IN 2017, AN ELECTRIC COMPANY SHALL  
14 CONTRACT FOR RENEWABLE ENERGY CREDITS AND ELECTRICITY GENERATED  
15 FROM EMISSIONS–FREE NONSOLAR TIER 1 RENEWABLE SOURCES TO MEET A  
16 PORTION OF AN ELECTRICITY SUPPLIER’S RENEWABLE ENERGY PORTFOLIO  
17 STANDARD IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION.

18 (B) (1) AN ELECTRIC COMPANY SHALL:

19 (I) SOLICIT BIDS FOR A CONTRACT UNDER SUBSECTION (A) OF  
20 THIS SECTION FROM RENEWABLE ENERGY FACILITIES THAT WILL BE PLACED INTO  
21 SERVICE WITHIN 3 YEARS AFTER THE DATE OF THE SOLICITATION; AND

22 (II) USE A COMPETITIVE PROCUREMENT PROCESS TO AWARD  
23 THE CONTRACT.

24 (2) THE TERM OF A CONTRACT UNDER SUBSECTION (A) OF THIS  
25 SECTION SHALL BE FOR AT LEAST 10 AND NOT MORE THAN 20 YEARS.

26 (C) BEGINNING IN 2017, THE RENEWABLE ENERGY CREDITS AND  
27 ELECTRICITY CONTRACTED FOR UNDER SUBSECTION (A) OF THIS SECTION SHALL  
28 BE USED TO MEET AT LEAST 20% OF THAT YEAR’S RENEWABLE PORTFOLIO  
29 STANDARD FOR ALL ELECTRICITY SUPPLIERS THAT SELL ELECTRIC SUPPLY  
30 SERVICE TO THE ELECTRIC COMPANY’S DISTRIBUTION SERVICE CUSTOMERS THAT

1 THE RENEWABLE PORTFOLIO STANDARD APPLIES TO, INCLUDING CUSTOMERS OF  
2 THE ELECTRIC COMPANY'S STANDARD OFFER SERVICE.

3 (D) AN ELECTRIC COMPANY MAY RECOVER COSTS ASSOCIATED WITH THIS  
4 SECTION, INCLUDING LOST REVENUE, IN ITS DISTRIBUTION RATES IN A BASE RATE  
5 CASE.

6 7-705.

7 (b) (1) This subsection does not apply to a shortfall from the required Tier 1  
8 renewable sources that is to be derived from offshore wind energy.

9 (2) If an electricity supplier fails to comply with the renewable energy  
10 portfolio standard for the applicable year, the electricity supplier shall pay into the  
11 Maryland Strategic Energy Investment Fund established under § 9-20B-05 of the State  
12 Government Article:

13 (i) except as provided in item (ii) of this paragraph, a compliance fee  
14 of:

15 1. [4 cents] THE FOLLOWING AMOUNTS for each  
16 kilowatt-hour of shortfall from required Tier 1 renewable sources other than the shortfall  
17 from the required Tier 1 renewable sources that is to be derived from solar energy:

18 A. 4 CENTS THROUGH 2016; AND

19 B. 3.75 CENTS IN 2017 AND LATER;

20 2. the following amounts for each kilowatt-hour of shortfall  
21 from required Tier 1 renewable sources that is to be derived from solar energy:

22 A. 45 cents in 2008;

23 B. 40 cents in 2009 through 2014;

24 C. 35 cents in 2015 and 2016;

25 D. [20] 19.5 cents in 2017 [and 2018];

26 E. [15 cents in 2019 and 2020] 17.5 CENTS IN 2018;

27 F. [10 cents in 2021 and 2022] 15 CENTS IN 2019; [and]

28 G. [5 cents in 2023 and later] 12.5 CENTS IN 2020; [and]



1                                   **H.    10 CENTS IN 2021;**

2                                   **I.    7.5 CENTS IN 2022;**

3                                   **J.    6 CENTS IN 2023;**

4                                   **K.    5 CENTS IN 2024;**

5                                   **L.    4 CENTS IN 2025;**

6                                   **M.    3.5 CENTS IN 2026;**

7                                   **N.    3 CENTS IN 2027; AND**

8                                   **O.    2.5 CENTS IN 2028 AND LATER; AND**

9                                   3.    1.5 cents for each kilowatt–hour of shortfall from required  
10 Tier 2 renewable sources; or

11                                 (ii)   for industrial process load:

12                                   1.    for each kilowatt–hour of shortfall from required Tier 1  
13 renewable sources, a compliance fee of:

14                                   A.    0.8 cents in 2006, 2007, and 2008;

15                                   B.    0.5 cents in 2009 and 2010;

16                                   C.    0.4 cents in 2011 and 2012;

17                                   D.    0.3 cents in 2013 and 2014;

18                                   E.    0.25 cents in 2015 and 2016; and

19                                   F.    except as provided in paragraph (3) of this subsection, 0.2  
20 cents in 2017 and later; and

21                                   2.    nothing for any shortfall from required Tier 2 renewable  
22 sources.

23                                 (3)   For industrial process load, the compliance fee for each kilowatt–hour  
24 of shortfall from required Tier 1 renewable sources is:

25                                   (i)   0.1 cents in any year during which suppliers are required to  
26 purchase ORECs under § 7–704.2 of this subtitle; and

1 (ii) nothing for the year following any year during which, after final  
2 calculations, the net rate impact per megawatt-hour from qualified offshore wind projects  
3 exceeded \$1.65 in 2012 dollars.

4 (e) (1) Notwithstanding the requirements of § 7-703(b) of this subtitle, if the  
5 actual or projected dollar-for-dollar cost incurred or to be incurred by an electricity  
6 supplier solely for the purchase of Tier 1 renewable energy credits derived from solar energy  
7 in any 1 year is greater than or equal to, or is anticipated to be greater than or equal to,  
8 **[1%] 2.5%** of the electricity supplier's total annual electricity sales revenues in Maryland,  
9 the electricity supplier may request that the Commission:

10 (i) delay by 1 year each of the scheduled percentages for solar energy  
11 under § 7-703(b) of this subtitle that would apply to the electricity supplier; and

12 (ii) allow the renewable energy portfolio standard for solar energy  
13 for that year to continue to apply to the electricity supplier for the following year.

14 (2) In making its determination under paragraph (1) of this subsection, the  
15 Commission shall consider the actual or projected dollar-for-dollar compliance costs of  
16 other electricity suppliers.

17 (3) If an electricity supplier makes a request under paragraph (1) of this  
18 subsection based on projected costs, the electricity supplier shall provide verifiable evidence  
19 of the projections to the Commission at the time of the request.

20 (4) If the Commission allows a delay under paragraph (1) of this  
21 subsection:

22 (i) the renewable energy portfolio standard for solar energy  
23 applicable to the electricity supplier under the delay continues for each subsequent  
24 consecutive year that the actual or projected dollar-for-dollar costs incurred, or to be  
25 incurred, by the electricity supplier solely for the purchase of solar renewable energy credits  
26 is greater than or equal to, or is anticipated to be greater than or equal to, **[1%] 2.5%** of the  
27 electricity supplier's total annual retail electricity sales revenues in Maryland; and

28 (ii) the renewable energy portfolio standard for solar energy  
29 applicable to the electricity supplier under the delay is increased to the next scheduled  
30 percentage increase under § 7-703(b) of this subtitle for each year in which the actual or  
31 projected dollar-for-dollar costs incurred, or to be incurred, by the electricity supplier  
32 solely for the purchase of solar renewable energy credits is less than, or is anticipated to be  
33 less than, **[1%] 2.5%** of the electricity supplier's total annual retail electricity sales  
34 revenues in Maryland.

## 35 Article – State Government

36 9-1A-35.

1           (a)   **(1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**  
2 **INDICATED.**

3                   **(2) “ACCOUNT” MEANS THE SMALL, MINORITY, AND**  
4 **WOMEN-OWNED BUSINESSES ACCOUNT ESTABLISHED UNDER THIS SECTION.**

5                   **(3) “CLEAN ENERGY ACCOUNT” MEANS THE CLEAN ENERGY**  
6 **BUSINESS DEVELOPMENT ACCOUNT ESTABLISHED UNDER SUBSECTION (E) OF THIS**  
7 **SECTION.**

8                   **(4) “CLEAN ENERGY INDUSTRY” HAS THE MEANING STATED IN §**  
9 **9-20B-01 OF THIS TITLE.**

10                   **(5) “ELIGIBLE FUND MANAGER” MEANS AN ENTITY THAT HAS**  
11 **SIGNIFICANT FINANCIAL OR INVESTMENT EXPERIENCE, UNDER CRITERIA**  
12 **DEVELOPED BY THE BOARD OF PUBLIC WORKS.**

13           **(B)** There is a Small, Minority, and Women-Owned Businesses Account under the  
14 authority of the Board of Public Works.

15           **[(b)] (C)**   (1) The Account shall receive money:

16                           **(I)** as required under § 9-1A-27 of this subtitle; AND

17                           **(II) FROM THE CLEAN ENERGY BUSINESS DEVELOPMENT**  
18 **ACCOUNT ESTABLISHED UNDER SUBSECTION (E) OF THIS SECTION.**

19                   (2) Money in the Account shall be invested and reinvested by the Treasurer  
20 and interest and earnings shall accrue to the Account.

21                   (3) The Comptroller shall:

22                           (i) account for the Account; and

23                           (ii) on a properly approved transmittal prepared by the Board of  
24 Public Works, issue a warrant to pay out money from the Account in the manner provided  
25 under this section.

26                   (4) The Account is a special, nonlapsing fund that is not subject to § 7-302  
27 of the State Finance and Procurement Article.

28                   (5) Expenditures from the Account shall only be made on a properly  
29 approved transmittal prepared by the Board of Public Works as provided under subsection  
30 (c) of this section.

1            **[(c)] (D)**        (1)     [In this subsection, “eligible fund manager” means an entity that  
2 has significant financial or investment experience, under criteria developed by the Board  
3 of Public Works.

4            **(2)]**        Subject to the provisions of paragraph (3) of this subsection, the Board  
5 of Public Works shall make grants to eligible fund managers to provide investment capital  
6 and loans to small, minority, and women–owned businesses in the State.

7            **[(3)] (2)**        The Board of Public Works shall ensure that eligible fund  
8 managers allocate at least 50% of the funds from this Account to small, minority, and  
9 women–owned businesses in the jurisdictions and communities surrounding a video lottery  
10 facility.

11           **(E) (1)    THERE IS A CLEAN ENERGY BUSINESS DEVELOPMENT ACCOUNT**  
12 **AS A SUBACCOUNT IN THE ACCOUNT.**

13           **(2)    THE CLEAN ENERGY BUSINESS DEVELOPMENT ACCOUNT SHALL**  
14 **RECEIVE MONEY IN ACCORDANCE WITH § 9–20B–05(I) OF THIS TITLE.**

15           **(3)    MONEY IN THE CLEAN ENERGY BUSINESS DEVELOPMENT**  
16 **ACCOUNT SHALL BE AVAILABLE TO:**

17                        **(I)    MAKE GRANTS TO ELIGIBLE FUND MANAGERS TO PROVIDE**  
18 **INVESTMENT CAPITAL AND LOANS TO SMALL, MINORITY, AND WOMEN–OWNED**  
19 **BUSINESSES IN THE CLEAN ENERGY INDUSTRY IN THE STATE; AND**

20                        **(II)    PROVIDE A MANAGEMENT FEE TO COMPENSATE A FUND**  
21 **MANAGER FOR ADMINISTRATIVE EXPENSES.**

22           **(4)    FUNDING FROM THE CLEAN ENERGY BUSINESS DEVELOPMENT**  
23 **ACCOUNT MAY NOT BE LIMITED TO SMALL, MINORITY, AND WOMEN–OWNED**  
24 **BUSINESSES IN THE CLEAN ENERGY INDUSTRY IN THE JURISDICTIONS AND**  
25 **COMMUNITIES SURROUNDING A VIDEO LOTTERY FACILITY.**

26           **(5)    A FUND MANAGER THAT PROVIDES INVESTMENT CAPITAL AND**  
27 **LOANS UNDER THIS SUBSECTION SHALL BE COMPENSATED FOR MARKETING AND**  
28 **OPERATION ON A MANAGEMENT FEE BASIS.**

29           **[(d)] (F)**        Fund managers receiving grants under this section shall:

30                        (1)     keep proper records of funds and accounts;

31                        (2)     provide an annual report to the Governor and, in accordance with §  
32 2–1246 of this article, the General Assembly on investment capital and loans made  
33 pursuant to subsection (c) of this section; and

1 (3) be subject to audit by the Office of Legislative Audits of the Department  
2 of Legislative Services.

3 **[(e)] (G)** (1) Subject to paragraph (2) of this subsection, **EXCEPT FOR AN**  
4 **ELIGIBLE FUND MANAGER MANAGING A GRANT UNDER SUBSECTION (E) OF THIS**  
5 **SECTION**, an eligible fund manager may use money from grants received under this section  
6 to pay expenses for administrative, actuarial, legal, and technical services.

7 (2) The Board of Public Works shall set the maximum amount of grant  
8 money that each eligible fund manager may use under paragraph (1) of this subsection.

9 **[(f)] (H)** Each fiscal year the Legislative Auditor shall audit and evaluate the  
10 utilization of the funds that are allocated to small, minority, and women-owned businesses  
11 by eligible fund managers under subsection **[(c)(3)] (D)(2)** of this section.

12 9–20B–01.

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

14 (b) “Administration” means the Maryland Energy Administration.

15 (c) “Board” means the Strategic Energy Investment Advisory Board established  
16 under § 9–20B–07 of this subtitle.

17 (d) **“CLEAN ENERGY INDUSTRY” MEANS A GROUP OF EMPLOYERS THAT ARE**  
18 **ASSOCIATED BY THEIR PROMOTION OF:**

19 **(1) PRODUCTS AND SERVICES THAT IMPROVE ENERGY EFFICIENCY**  
20 **AND CONSERVATION, INCLUDING PRODUCTS AND SERVICES PROVIDED BY:**

21 **(I) ELECTRICIANS;**

22 **(II) HEATING, VENTILATION, AND AIR-CONDITIONING**  
23 **INSTALLERS;**

24 **(III) PLUMBERS; AND**

25 **(IV) ENERGY AUDITORS;**

26 **(2) RENEWABLE AND CLEAN ENERGY RESOURCES THAT REDUCE**  
27 **GREENHOUSE GAS EMISSIONS; AND**

28 **(3) TECHNOLOGY THAT ADVANCES EMISSIONS-FREE ENERGY**  
29 **SYSTEMS.**

1 (E) “Fund” means the Maryland Strategic Energy Investment Fund.

2 [(e)] (F) “Program” means the Maryland Strategic Energy Investment Program.

3 9–20B–05.

4 (f) The Administration shall use the Fund:

5 (1) to invest in the promotion, development, and implementation of:

6 (i) cost-effective energy efficiency and conservation programs,  
7 projects, or activities, including measurement and verification of energy savings;

8 (ii) renewable and clean energy resources;

9 (iii) climate change programs directly related to reducing or  
10 mitigating the effects of climate change; and

11 (iv) demand response programs that are designed to promote  
12 changes in electric usage by customers in response to:

13 1. changes in the price of electricity over time; or

14 2. incentives designed to induce lower electricity use at times  
15 of high wholesale market prices or when system reliability is jeopardized;

16 (2) to provide targeted programs, projects, activities, and investments to  
17 reduce electricity consumption by customers in the low-income and moderate-income  
18 residential sectors;

19 (3) to provide supplemental funds for low-income energy assistance  
20 through the Electric Universal Service Program established under § 7–512.1 of the Public  
21 Utilities Article and other electric assistance programs in the Department of Human  
22 Resources;

23 (4) to provide rate relief by offsetting electricity rates of residential  
24 customers, including an offset of surcharges imposed on ratepayers under § 7–211 of the  
25 Public Utilities Article;

26 (5) to provide grants, loans, and other assistance and investment as  
27 necessary and appropriate to implement the purposes of the Program as set forth in §  
28 9–20B–03 of this subtitle;

29 (6) to implement energy-related public education and outreach initiatives  
30 regarding reducing energy consumption and greenhouse gas emissions;

1 (7) to provide rebates under the Electric Vehicle Recharging Equipment  
2 Rebate Program established under § 9–2009 of this title;

3 (8) to provide grants to encourage combined heat and power projects at  
4 industrial facilities; [and]

5 **(9) TO INVEST IN PRE-APPRENTICESHIP, APPRENTICESHIP, AND  
6 OTHER WORKFORCE DEVELOPMENT PROGRAMS TO ESTABLISH CAREER PATHS IN  
7 THE CLEAN ENERGY INDUSTRY UNDER § 11–708.1 OF THE LABOR AND  
8 EMPLOYMENT ARTICLE;**

9 **(10) TO PROVIDE ACCESS TO CAPITAL FOR SMALL, MINORITY, AND  
10 WOMEN-OWNED BUSINESSES IN THE CLEAN ENERGY INDUSTRY UNDER § 9–1A–35  
11 OF THIS TITLE; AND**

12 **[(9)] (11)** to pay the expenses of the Program.

13 **(I) MONEY THAT THE FUND RECEIVES UNDER PUBLIC SERVICE  
14 COMMISSION ORDER NUMBER 86372 SHALL BE ALLOCATED AS FOLLOWS:**

15 **(1) \$10,000,000 TO A CLEAN ENERGY WORKFORCE ACCOUNT  
16 ESTABLISHED IN THE MARYLAND EMPLOYMENT ADVANCEMENT RIGHT NOW  
17 PROGRAM UNDER § 11–708.1 OF THE LABOR AND EMPLOYMENT ARTICLE; AND**

18 **(2) \$30,000,000 TO A CLEAN ENERGY BUSINESS DEVELOPMENT  
19 ACCOUNT ESTABLISHED IN THE SMALL, MINORITY, AND WOMEN-OWNED  
20 BUSINESSES ACCOUNT UNDER § 9–1A–35 OF THIS TITLE.**

21 **[(i)] (J)** (1) Except as provided in paragraph (2) of this subsection,  
22 compliance fees paid under § 7–705(b) of the Public Utilities Article may be used only to  
23 make loans and grants to support the creation of new Tier 1 renewable energy sources in  
24 the State.

25 (2) Compliance fees paid under § 7–705(b)(2)(i)2 of the Public Utilities  
26 Article shall be accounted for separately within the Fund and may be used only to make  
27 loans and grants to support the creation of new solar energy sources in the State.

28 **[(j)] (K)** (1) The Treasurer shall invest the money of the Fund in the same  
29 manner as other State money may be invested.

30 (2) Any investment earnings of the Fund shall be paid into an  
31 administrative expense account within the Fund.

32 (3) Any repayment of principal and interest on loans made from the Fund  
33 shall be paid into the Fund.

1           (4) Balances in the Fund shall be held for the benefit of the Program, shall  
2 be expended solely for the purposes of the Program, and may not be used for the general  
3 obligations of government.

4           ~~[(k)]~~ (L) Expenditures from the Fund shall be made by:

5           (1) an appropriation in the annual State budget; or

6           (2) a budget amendment in accordance with § 7–209 of the State Finance  
7 and Procurement Article.

8           ~~[(l)]~~ (M) An expenditure by budget amendment may be made under subsection  
9 ~~[(k)]~~ (L) of this section only after:

10           (1) the Administration has submitted the proposed budget amendment and  
11 supporting documentation to the Senate Budget and Taxation Committee, Senate Finance  
12 Committee, House Appropriations Committee, and House Economic Matters Committee;  
13 and

14           (2) the committees have had 45 days for review and comment.

15           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to  
16 apply only prospectively and may not be applied or interpreted to have any effect on or  
17 application to any contract existing before the effective date of this Act.

18           SECTION 3. AND BE IT FURTHER ENACTED, That, if any provision of this Act or  
19 the application thereof to any person or circumstance is held invalid for any reason in a  
20 court of competent jurisdiction, the invalidity does not affect other provisions or any other  
21 application of this Act that can be given effect without the invalid provision or application,  
22 and for this purpose the provisions of this Act are declared severable.

23           SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect  
24 October 1, 2016.