

HOUSE BILL 992

M5, C5

3lr1660

By: **Delegates Boaf, Charkoudian, Ruth, and Vogel**

Introduced and read first time: February 10, 2023

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Strategic Energy Investment Fund – Compliance Fees for Solar**
3 **Energy Shortfalls – Uses**

4 FOR the purpose of altering the uses of the compliance fees for certain solar energy
5 shortfalls that are paid into the Maryland Strategic Energy Investment Fund; and
6 generally relating to the Maryland Strategic Energy Investment Fund.

7 BY repealing and reenacting, without amendments,
8 Article – State Government
9 Section 9–20B–01(a) and 9–20B–05(a) through (e)
10 Annotated Code of Maryland
11 (2021 Replacement Volume and 2022 Supplement)

12 BY adding to
13 Article – State Government
14 Section 9–20B–01(g)
15 Annotated Code of Maryland
16 (2021 Replacement Volume and 2022 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – State Government
19 Section 9–20B–05(i)
20 Annotated Code of Maryland
21 (2021 Replacement Volume and 2022 Supplement)

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

24 **Article – State Government**

25 9–20B–01.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

(G) “TIER 1 RENEWABLE SOURCE” HAS THE MEANING STATED IN § 7–701 OF THE PUBLIC UTILITIES ARTICLE.

9–20B–05.

(a) There is a Maryland Strategic Energy Investment Fund.

(b) The purpose of the Fund is to implement the Strategic Energy Investment Program.

(c) The Administration shall administer the Fund.

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

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

(e) The Fund consists of:

(1) all of the proceeds from the sale of allowances under § 2–1002(g) of the Environment Article;

(2) money appropriated in the State budget to the Program;

(3) repayments and prepayments of principal and interest on loans made from the Fund;

(4) interest and investment earnings on the Fund;

(5) compliance fees paid under § 7–705 of the Public Utilities Article;

(6) money received from any public or private source for the benefit of the Fund; and

(7) money transferred from the Public Service Commission under § 7–207.2(c)(3) of the Public Utilities Article.

(i) (1) **(I) In this subsection[, “low-income”] THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

(II) “AREA MEDIAN INCOME” HAS THE MEANING STATED IN § 4–1801 OF THE HOUSING AND COMMUNITY DEVELOPMENT ARTICLE.

(III) “COMMUNITY SOLAR ENERGY GENERATING SYSTEM” HAS THE MEANING STATED IN § 7-306.2 OF THE PUBLIC UTILITIES ARTICLE.

(IV) “LOW-INCOME” means having an annual household income that is at or below 175% of the federal poverty level.

(V) “MODERATE-INCOME” MEANS HAVING AN ANNUAL HOUSEHOLD INCOME THAT IS AT OR BELOW 120% OF THE AREA MEDIAN INCOME.

(2) Except as provided in paragraph (3) of this subsection, compliance fees paid under § 7-705(b) of the Public Utilities Article may be used only to make loans and grants to support the creation of new Tier 1 renewable [energy] sources in the State that are owned by or directly benefit low-income residents of the State.

(3) (I) [Compliance] SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, COMPLIANCE fees paid under § 7-705(b)(2)(i)2 of the Public Utilities Article shall be accounted for separately within the Fund and may be used only to [make loans and grants] PROVIDE FINANCIAL ASSISTANCE to support the creation of new solar energy [sources] SYSTEMS in the State that are owned by or directly benefit low-income AND MODERATE-INCOME residents of the State, INCLUDING THROUGH:

1. THE INSTALLATION OF SOLAR PHOTOVOLTAIC SYSTEMS, WHETHER PURCHASED OR LEASED, AT RESIDENTIAL PROPERTIES;

2. RETROFITS OR IMPROVEMENTS NECESSARY TO PREPARE RESIDENTIAL PROPERTIES FOR THE INSTALLATION OF SOLAR PHOTOVOLTAIC SYSTEMS; AND

3. SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH, THE DEVELOPMENT OF QUALIFYING COMMUNITY SOLAR ENERGY GENERATING SYSTEMS.

(II) AT LEAST 60% OF THE COMPLIANCE FEES SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE USED FOR PROJECTS THAT DIRECTLY BENEFIT LOW-INCOME HOUSEHOLDS.

(III) 1. FINANCIAL ASSISTANCE MAY BE PROVIDED UNDER THIS PARAGRAPH FOR A PROJECT TO DEVELOP A COMMUNITY SOLAR ENERGY GENERATING SYSTEM IF:

A. THE COMMUNITY SOLAR ENERGY GENERATING SYSTEM WILL PROVIDE AT LEAST 50% OF THE ENERGY GENERATED TO LOW-INCOME AND MODERATE-INCOME CUSTOMERS AT A COST THAT IS AT LEAST 20% LESS THAN

1 THE AMOUNT CHARGED BY THE ELECTRIC COMPANY THAT SERVES THE AREA
2 WHERE THE COMMUNITY SOLAR ENERGY GENERATING SYSTEM WILL BE LOCATED;

3 B. THE COMMUNITY SOLAR ENERGY GENERATING
4 SYSTEM WILL BE LOCATED AT A PREFERRED LOCATION, INCLUDING ON A ROOFTOP,
5 A PARKING CANOPY, A BROWNFIELDS SITE, OR AN INDUSTRIAL SITE; AND

6 C. THE PROJECT DEVELOPER PROVIDES TO THE
7 ADMINISTRATION, IN A FORM DETERMINED BY THE ADMINISTRATION,
8 INFORMATION REGARDING THE QUANTITY AND QUALITY OF TREE COVER AT THE
9 PROJECT SITE.

10 2. THE INFORMATION PROVIDED UNDER
11 SUBSUBPARAGRAPH 1C OF THIS SUBPARAGRAPH SHALL BE USED TO PRIORITIZE
12 FUNDING FOR PROJECTS THAT WILL BE DEVELOPED IN A MANNER THAT CONSERVES
13 FORESTS.

14 (IV) FINANCIAL ASSISTANCE PROVIDED UNDER THIS
15 PARAGRAPH MAY BE IN THE FORM OF GRANTS, LOANS, REBATES, OR THE
16 REDUCTION OF ANY TAX LIABILITY OFFSET BY FEDERAL PROGRAMS.

17 (V) LOANS PROVIDED UNDER THIS PARAGRAPH MAY BE
18 ADMINISTERED THROUGH A STATE OR LOCAL GREEN BANK.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 October 1, 2023.