

# SEIF Financials



Maryland  
Energy  
Administration

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# Strategic Energy Investment Fund (SEIF)

Fund comprised of revenue from multiple sources intended to decrease energy demand and increase energy supply

- Revenues from Regional Greenhouse Gas Initiative (RGGI) Auctions
- Renewable Portfolio Standard (RPS) Alternative Compliance Payments (ACP)
- Public Service Commission (PSC) orders

Each revenue source comes with specific usage directives

# Strategic Energy Investment Fund (SEIF)

Guiding statute: § 9-20B

SEIF statute directs the allocation of revenues from RGGI auctions to various sub-accounts

Annual appropriations direct expenditures from sub-accounts

Maryland Department of the Environment (MDE) provides management & oversight of the RGGI auction program of allowances

MEA administers the SEIF

# Strategic Energy Investment Fund (SEIF)

## MEA's 3 Prime Directives in Administering the SEIF per § 9-20B-05

- Ensure SEIF resources are utilized only to carry out the purposes of the Program
- Fund may not be used for the general obligations of government
- Fund expenditures only made by an appropriation or budget amendment

# RGGI Revenue Allocation to SEIF Sub-Accounts

DHS/EUSP	At Least	50%
EE L/M	At Least	10%
EE Other	At Least	10%
RE	At Least	20%
Admin	Up to	10%*
*Not to Exceed \$5M		

# Future Year Commitment of SEIF Funds

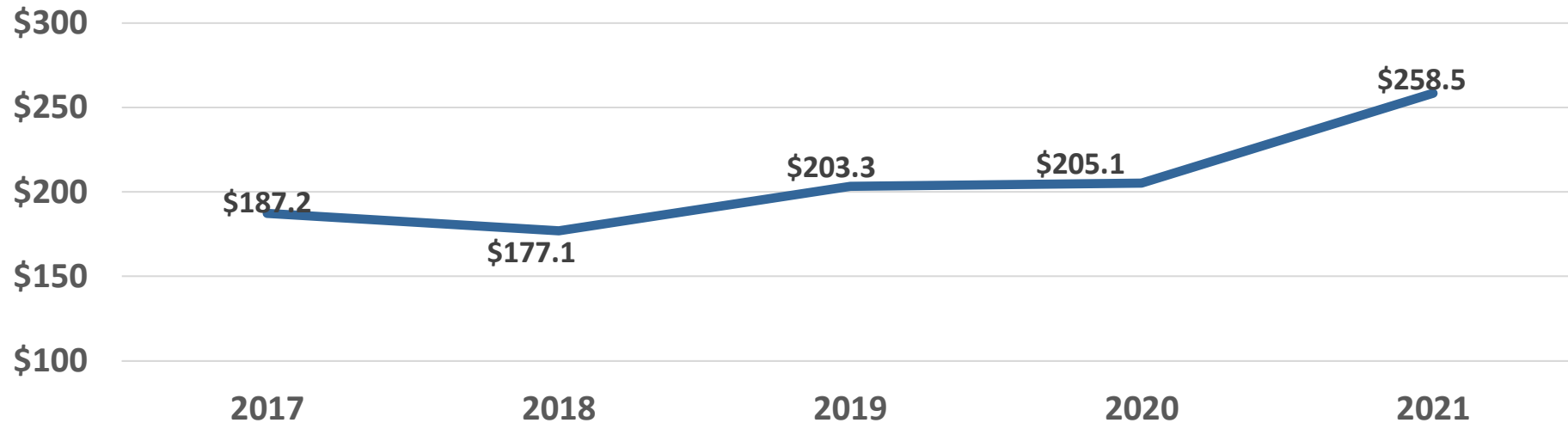
## 2019 Clean Jobs Act

- Mandates \$15M of SEIF Renewables funding be used for:
  - \$7M (spread over FY21 – FY28) to Md Dept of Commerce for Minority, Woman-Owned & Veteran-Owned businesses in the clean energy industry in Md.
  - \$1.5M (FY21 until spent) to MD Dept of Labor for a Pre-Apprenticeship Program
  - \$6.5M (FY21 until spent) to MD Dept of Labor for a Youth Apprenticeship Program
- Requires Alternative Compliance Payment (ACP) revenue be used only for energy programs that directly benefit low-income Marylanders.



# SEIF Cash Fund Balance

(\$ millions)



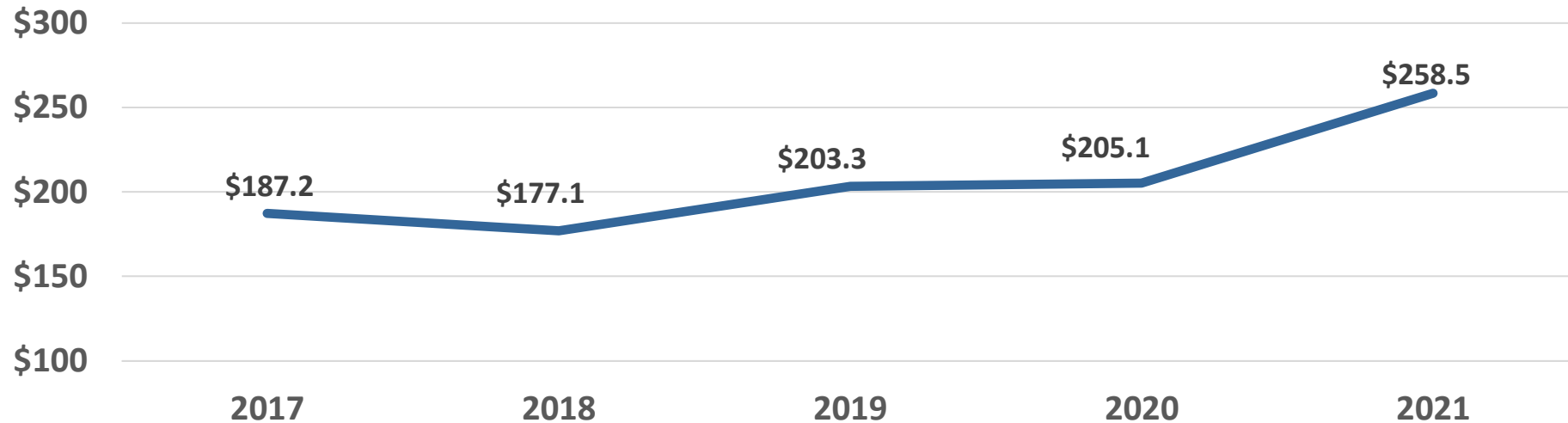
## Significant Factors for Increased FY2021 Cash Fund Balance:

- DHS EUSP Program has not drawn funds from FY2021 appropriation (+\$20M)
- FY2021 RGGI auction proceeds exceed budget (+\$21M)
- FY2021 SEIF Renewable Energy decreased expenditure per appropriation (+\$13M)
  - \$6,500,000 MD Energy Infrastructure Funds – funds appropriated but fenced
  - \$3,750,000 Offshore Wind Development Funds appropriated but only \$400k expended
  - \$2,250,000 State EV Fleet program appropriation but only \$1,075,232 expended



# SEIF Cash Fund Balance

(\$ millions)



## WARNING

**CASH BALANCES ARE NOT EQUAL TO FUNDS AVAILABLE**

**FUND ENCUMBERNACE, INTER-AGENCY COMMITMENTS AND  
LEGISLATIVE COMMITMENTS ALL IMPACT FUNDS AVAILABLE**

**MODEST FUND BALANCES SHOULD BE MAINTAINED TO PRESERVE  
PROGRAM CONTINUTIY WHEN RGGI AUCTION RESULTS DECLINE**

# SEIF FY22 Status of Funds

\$ Millions

Cash Balance as of 6/30/2021		258.5
Less Encumbrances (MEA)	-66.9*	
Less Commitments (Non MEA)	-47.3	
Available Fund Balance for FY2021		144.6
FY2022 Revenue Projection	56.7	
FY2022 Appropriations	-101.2	
FY 2022 EV Tax Credit	-10.1	
Projected Funds Available EOY		TBD**

\* Encumbrance value includes program related FY2021 accruals

\*\* MEA is exploring existing budget mechanisms to increase EE and RE program funding in FY2022

# SEIF Revenues

Revenues	<u>FY2021</u>	<u>FY2022</u>
RGGI Proceeds (floor price + excess from prior fiscal years)*	53.2	56.7
Cove Point Deposit	0.0	0.0
Exelon/Pepco MFN Deposit	0.0	0.0
AltaGas/WGL Merger Deposit	0.0	0.0
RPS ACP	0.1	0.1
Fund Interest	<u>0.8</u>	<u>1.0</u>
Total	54.1	57.8

\*Fiscal year auction results greater than the estimate auction floor price are available for appropriation in the second subsequent year

# SEIF Uses of Funds (\$ Millions)

	2020 <u>Actual</u>	2021 <u>Approp</u>	2022 <u>Approp</u>
Dept of General Services (DGS)	0.5	0.5	0.5
Dept of Housing & Community Development (DHCD)	0.6	0	0
Dept of Human Services (DHS)	19.9	19.9	31.9
Dept of Natural Resources (DNR)		0.5	0
MD Dept of Agriculture (MDA)	1.4	0	0
MD Dept of Environment (MDE)	6.3		
Includes RGGI Inc. Dues		3.1	3.1
MD Dept of Health (MDH)	2.0	2	2
MD Dept of Labor (MDL)	0.5	0.5	1.0
MD Energy Administration (MEA)	30.9	42.7	58.8
MD General Fund EV Purchase Reimb	2.4	2.3	2.3
EV Excise Tax Rebate	6.0		10.1
MD Energy Innovation Institute (MEII)	1.5	1.5	1.5
MD Dept of Commerce		0.2	0.5
Total	72.0	73.2	111.7



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# FY22 Programs Update

to the  
Strategic Energy Investment  
Fund Advisory Board

September 2, 2021

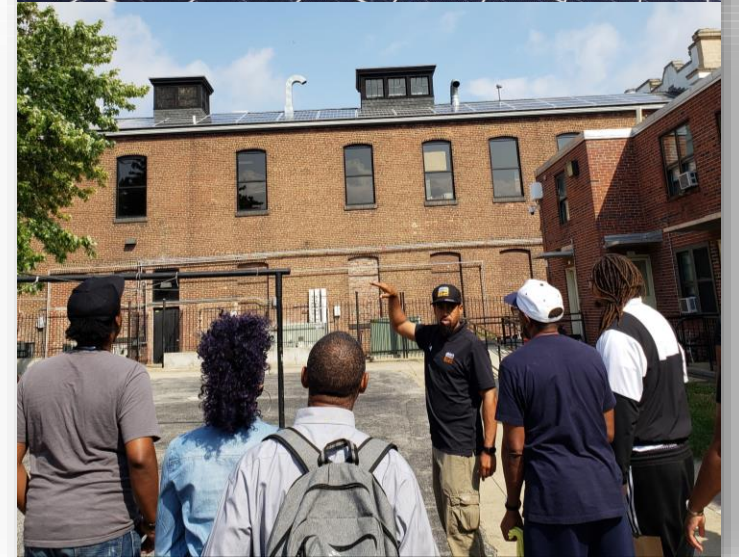


# One Agency - Many Priorities

Clean Energy, Reliability, Affordability

+

- GHG Reductions
- Resiliency
- Equity
- Clean Energy Economy and Workforce
- Innovation
- Market Transformation
- Strategic Energy Management



# FY22 Program Status

## Clean Energy and Resiliency

- **NEW FOR FY22** Low Income Solar (Launch Imminent)
- LMI Community Solar (Open)
- Residential and Commercial Clean Energy Grants (Open)
- Resilient Maryland (Open)
- Solar Resiliency Hubs (Open)
- Public Facility Solar Grants and Technical Assistance (Open)
- Solar Canopy (Open)
- Combined Heat and Power (Open)
- Energy Storage Tax Credit (Open)

## Energy Efficiency and Fuels

- Commercial, Industrial and Agriculture (CI&A) (Open)
- Data Center Energy Efficiency (Open)
- Jane Lawton EE Loans (Open)
- Municipal Streetlight T/A (Open)
- NextGen EE Partnership RMI(Open)
- Low to Moderate Income EE (Launch Imminent)
- Maryland Energy Infrastructure (Coming Soon)

## Partnerships and Transportation

- Commercial, Industrial and Agriculture (CI&A) (Open)
- Electric Vehicle Supply and Equipment Program (Open)
- State Fleet Electric Vehicles (Open)
- Clean Fuels Incentive Program (Launch Imminent)
- Clean Fuels T/A (Under Dev. for FY22)

## Offshore Wind (SEIF +)

- OSW Capex (Coming Soon)
- OSW Workforce (Coming Soon)



# Clean Energy and Resiliency

## *Solar Canopies*

Dual use applications of parking lots and garages to generate clean energy while expanding electric vehicle charging

- Examples:
  - IKEA Baltimore (complete)
  - TTV Wicomico (FY21 Award, Baltimore City)
  - SPH Solutions/Our Lady of Good Counsel High School (FY21 Award, Montgomery County)
  - Smart Energy Depot (FY21 Award, Montgomery County)



Note: Montgomery Brookville Smart Energy Depot Awarded Under Public Facility Solar Program  
Photo Credit : IKEA Baltimore

# Clean Energy and Resiliency

## *Public Facility Solar*

Leadership by example, solar on public facilities through incentives and technical support

- Examples:

- T/A to Maryland State Parks and City of Rockville
- Town of Berlin - 48.95 kW (FY21)
- Howard County Courthouse, Detention Center, East Columbia Library, Gateway and Scaggsville Public Safety Complex – 900 kW total (FY21)
- Baltimore County Government Building, Randallstown Community Center -1.295 MW (FY21)



*Photo credit: Montgomery County*

# Clean Energy and Resiliency

## *Combined Heat and Power*

Efficient use of natural gas and renewable natural gas (RNG) to lower costs and bolster resiliency, lower emissions and mitigate operating costs

### Examples:

- Becton- Dickinson Company (FY21, Baltimore County)
- University of Maryland Medical Center (FY21, Baltimore City)
- Itlity RNG CHP Project (FY21, Somerset County)
- Jessup Bioenergy Project (FY18, Howard County)
- Housing Authority of Baltimore (FY21, Baltimore City)
- Federal coordination on CHP eCatalog to streamline purchasing



Photo Credit : Montgomery County correctional facility *photo credit: Montgomery County*

# Clean Energy and Resiliency

## *Resilient Maryland and Resiliency Hubs*

Enhancing the resiliency of Maryland critical infrastructure, communities with vulnerabilities and economy through distributed energy

### Examples:

- 20+ Resilient Maryland Feasibility and Planning Grants
- University of Frostburg and Frostburg City Resilient Maryland Grants (FY21 and FY22)
- Fairmont Heights Microgrid (FY21 Resilient Maryland and FY21 Innovation Award, Prince Georges County)
- St. Jude's Regional Catholic School Hub (Montgomery County, Complete)
- Empowerment Temple Hub (FY21, Baltimore City)
- Miracle City Church Hub (FY21, Baltimore City)
- City of Refuge Hub (FY21, Baltimore City)



Photo Credit : St. Jude Regional Catholic School photo credit Google Earth

# Energy Efficiency

## *Low-to-Moderate Income Energy Efficiency*

*Reducing the energy costs of Marylanders for whom energy costs are a disproportionate portion of income.*

- \$6.5 million in FY21 awards to 26 community and local government grants
- Grants span Maryland from west to east
- Over \$41 million in investment since FY16
  - 9,671 homes & buildings retrofitted
  - Saving \$3.4 million per year
  - Estimated 360,000 job hours or over 100 jobs\*



# Energy Efficiency

## Commercial, Industrial and Agricultural Grants, Data Center Grants and Lawton Loans

Reducing energy and cost consumption through energy savings

### Examples Efforts:

- Commercial, Industrial and Agricultural Program
- Data Center Energy Efficiency Program
- Jane E. Lawton Loan Program
- Municipal Streetlights (Technical Assistance)
- Regional Manufacturing Institute of Maryland focusing on EE and Air Quality



# Clean Fuels and Transportation

## *Clean Fuels Incentives and EVSE*

Clean fuel vehicles and infrastructure to reduce emissions, foster energy independence, and promote air and environmental quality

- Electric Vehicle Equipment and Supply Program (EVSE)
- Clean Fuels Technical Assistance to 5 local governments
- Highland Electric Montgomery County Public School Electric Buses (Montgomery County)
- Peapod Digital Labs first Electric Step Fans
- EVgo and EVI for DC fast charging



# Maryland Smart Energy Communities

*Partnering with Maryland Local Governments to foster policies that promote clean energy, energy efficiency and petroleum reduction*

## *Examples:*

- 20+ grants in FY21
- Energy Efficiency (Anne Arundel County, Baltimore City, Charles County, Carroll County, Rockville, Gaithersburg, Salisbury, Frostburg, Hagerstown and Poolesville)
- Renewable Energy (Baltimore City, Frostburg)
- EVs and Transportation (Capitol Heights, Cottage City, Gaithersburg, Howard County, Thurmont)



Photo Credits – Frostburg Police Department and Frederick County



# Emerging and Other Efforts

- School Energy Management and Net Zero
  - Energy policy and reporting support
  - Net zero public school program options
- Southeast and Mid-Atlantic Regional Transformative Partnership for Offshore Wind (SMART-POWER)
- Maryland Energy Infrastructure Program returns for FY22
- State Liquid Fuel Plan Update underway
- Clean Energy Employment – Maryland Report (Coming Soon)





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# Questions and Feedback?

## Contact Information

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