

SENATE BILL 726

C5, C8

~~EMERGENCY BILL~~
ENROLLED BILL

(6lr2099)

— Finance/Economic Matters —

Introduced by **Senators Mathias, Benson, Feldman, Guzzone, Klausmeier, Madaleno, Middleton, and Peters**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Maryland Clean Energy Center – ~~Clean Energy Technology Funding~~ Task Force**

3 FOR the purpose of ~~expanding certain findings of the General Assembly concerning the~~
4 ~~Maryland Clean Energy Center; expanding the purposes of the Center; altering the~~
5 ~~membership of the Board of Directors of the Center; requiring the Center to establish~~
6 ~~a Credit Investment Advisory Committee for certain purposes; providing that~~
7 ~~Committee members are subject to the Public Ethics Law for certain purposes;~~
8 ~~altering the authority of the Center to provide certain financing for clean energy~~
9 ~~technology based businesses; establishing a Clean Energy Technology Financing~~
10 ~~Fund in the Center for certain purposes; providing for the sources and~~
11 ~~administration of the Fund; providing for the purposes of the Fund; clarifying the~~
12 ~~application of certain provisions under the Maryland Clean Energy Technology~~
13 ~~Incubator Program; defining a certain term; altering certain definitions; providing~~
14 ~~for the application of this Act; providing for the transfer of certain funds from the~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

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

Italics indicate opposite chamber/conference committee amendments.



~~Maryland Strategic Energy Investment Fund to the Center in certain fiscal years for certain purposes; providing for the transfer of certain funds from the Maryland Strategic Energy Investment Fund to the Clean Energy Technology Financing Fund by a certain date for certain purposes; stating the intent of the General Assembly concerning certain funding; making this Act an emergency measure establishing the Task Force on the Maryland Clean Energy Center; providing for the composition, chair, and staffing of the Task Force; prohibiting a member of the Task Force from receiving certain compensation, but authorizing the reimbursement of certain expenses; specifying the charge of the Task Force; requiring the Task Force to assess certain programs, review certain State financing instrumentalities, identify certain resources, review certain cost-effective opportunities, and make certain determinations; requiring the Task Force to report its findings and recommendations to the General Assembly on or before a certain date; requiring the Office of Legislative Audits to conduct a certain performance audit; providing for the termination of this Act; and generally relating to the Maryland Clean Energy Center and project funding.~~

~~BY repealing and reenacting, with amendments,~~

~~Article — Economic Development~~

~~Section 10-801, 10-802, 10-806, 10-807, 10-810, 10-814, 10-820, 10-833,~~

~~10-834(a), 10-835, and 10-837~~

~~Annotated Code of Maryland~~

~~(2008 Volume and 2015 Supplement)~~

~~BY repealing and reenacting, without amendments,~~

~~Article — Economic Development~~

~~Section 10-816, 10-817, 10-821, 10-822, 10-825, and 10-826~~

~~Annotated Code of Maryland~~

~~(2008 Volume and 2015 Supplement)~~

~~BY adding to~~

~~Article — Economic Development~~

~~Section 10-817.1~~

~~Annotated Code of Maryland~~

~~(2008 Volume and 2015 Supplement)~~

~~BY repealing and reenacting, with amendments,~~

~~Article — State Government~~

~~Section 9-20B-05~~

~~Annotated Code of Maryland~~

~~(2014 Replacement Volume and 2015 Supplement)~~

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

(a) There is a Task Force on the Maryland Clean Energy Center.

1 (b) The Task Force consists of the following members:

2 (1) three members of the Senate of Maryland, appointed by the President
3 of the Senate;

4 (2) three members of the House of Delegates, appointed by the Speaker of
5 the House;

6 (3) the Secretary of the Department of Economic Competitiveness and
7 Commerce, or the Secretary's designee;

8 (4) the Director of the Maryland Energy Administration, or the Director's
9 designee;

10 (5) the Executive Director of the Maryland Economic Development
11 Corporation, or the Executive Director's designee;

12 (6) the Executive Director of the Maryland Technology Development
13 Corporation, or the Executive Director's designee;

14 (7) the Executive Director of the Maryland Clean Energy Center, or the
15 Executive Director's designee;

16 (8) the Executive Director of the Maryland Industrial Development
17 Finance Authority, or the Executive Director's designee; and

18 (9) the Executive Director of the Maryland Environmental Service, or the
19 Executive Director's designee.

20 (c) The presiding officers shall designate the cochairs of the Task Force from the
21 members of the General Assembly appointed by the presiding officers.

22 (d) The Department of Legislative Services, in consultation with the Department
23 of Economic Competitiveness and Commerce, shall provide staff for the Task Force.

24 (e) A member of the Task Force:

25 (1) may not receive compensation as a member of the Task Force; but

26 (2) is entitled to reimbursement for expenses under the Standard State
27 Travel Regulations, as provided in the State budget.

28 (f) The Task Force is charged with determining how best to make the Center
29 self-sustaining without deviating from the Center's mission and charge to:

30 (1) encourage the development of the clean energy industry and
31 deployment of clean energy technologies in the State;

- 1 ~~(a) In this subtitle the following words have the meanings indicated.~~
- 2 ~~(b) "Administration" means the Maryland Energy Administration.~~
- 3 ~~(c) "Board" means the Board of Directors of the Center.~~
- 4 ~~(d) (1) "Bond" means a bond issued by the Center under this subtitle.~~
- 5 ~~(2) "Bond" includes a revenue bond, a revenue refunding bond, a note, and~~
6 ~~any other obligation, whether a general or limited obligation of the Center.~~
- 7 ~~(e) "Center" means the Maryland Clean Energy Center.~~
- 8 ~~(f) "Clean energy" includes:~~
- 9 ~~(1) solar photovoltaic technology;~~
- 10 ~~(2) solar heating;~~
- 11 ~~(3) geothermal;~~
- 12 ~~(4) wind;~~
- 13 ~~(5) biofuels;~~
- 14 ~~(6) ethanol;~~
- 15 ~~(7) other qualifying biomass as defined in § 7-701 of the Public Utilities~~
16 ~~Article;~~
- 17 ~~(8) ocean, including energy from waves, tides, currents, and thermal~~
18 ~~differences;~~
- 19 ~~(9) a fuel cell that produces energy from biofuels, ethanol, or other~~
20 ~~qualifying biomass;~~
- 21 ~~(10) energy efficiency and conservation;~~
- 22 ~~(11) any other technology or service that the Center determines will~~
23 ~~contribute directly or indirectly to the production of energy from renewable or sustainable~~
24 ~~sources, or to the improvement of efficiency in the use of energy; and~~
- 25 ~~(12) deployment of any of the technologies or services listed in items (1)~~
26 ~~through (11) of this subsection.~~
- 27 ~~(g) "Cost", with respect to a project financed under this subtitle, includes:~~

- 1 ~~(1) the purchase price of a project;~~
- 2 ~~(2) the cost to acquire any right, title, or interest in a project;~~
- 3 ~~(3) the cost of any improvement;~~
- 4 ~~(4) the cost of any property, right, easement, and franchise;~~
- 5 ~~(5) the cost of demolition, removal, or relocation of structures;~~
- 6 ~~(6) the cost of acquiring land to which the structures may be moved;~~
- 7 ~~(7) the cost of equipment;~~
- 8 ~~(8) financing charges;~~
- 9 ~~(9) interest before and during construction and, if the Center determines,~~
 10 ~~for a limited period after the completion of construction;~~
- 11 ~~(10) reserves for principal and interest and for improvements;~~
- 12 ~~(11) the cost of revenue and cost estimates, architectural, engineering,~~
 13 ~~financial, and legal services, plans, specifications, studies, surveys, and other expenses~~
 14 ~~necessary or incident to determining the feasibility of improving a project; and~~
- 15 ~~(12) other expenses as necessary or incident to:~~
- 16 ~~(i) financing a project;~~
- 17 ~~(ii) acquiring and improving a project; and~~
- 18 ~~(iii) placing a project in operation.~~
- 19 ~~(h) "Director" means the Director of the Administration.~~
- 20 ~~(i) "Executive Director" means the Executive Director of the Maryland Clean~~
 21 ~~Energy Center.~~
- 22 ~~(j) **(1) "FINANCE" MEANS TO PROVIDE FOR A PROJECT:**~~
- 23 ~~(I) A LOAN;~~
- 24 ~~(II) A GRANT;~~
- 25 ~~(III) AN INVESTMENT;~~

- 1 ~~(IV) A LOAN GUARANTEE;~~
 2 ~~(V) DEBT SECURITIZATION; OR~~
 3 ~~(VI) ANY OTHER FORM OF FINANCIAL SUPPORT OR RISK~~
 4 ~~MANAGEMENT.~~

5 ~~(2) "Finance" includes refinance.~~

6 ~~(K) "FUND" MEANS THE CLEAN ENERGY TECHNOLOGY FINANCING FUND~~
 7 ~~ESTABLISHED UNDER § 10-817.1 OF THIS SUBTITLE.~~

8 ~~[(k)] (L) "Governmental unit" means:~~

9 ~~(1) a county;~~

10 ~~(2) a municipal corporation;~~

11 ~~(3) a State unit;~~

12 ~~(4) a local unit; or~~

13 ~~(5) any other public body or unit established in accordance with a State or~~
 14 ~~local law, ordinance, or resolution.~~

15 ~~[(l)] (M) "Improve" means to add, alter, construct, equip, expand, extend,~~
 16 ~~improve, install, reconstruct, rehabilitate, remodel, or repair.~~

17 ~~[(m)] (N) "Improvement" means addition, alteration, construction, equipping,~~
 18 ~~expansion, extension, improvement, installation, reconstruction, rehabilitation,~~
 19 ~~remodeling, or repair.~~

20 ~~[(n)] (O) (1) "Project" means any property, the acquisition or improvement of~~
 21 ~~which the Board, in its sole discretion, determines by resolution will accomplish at least~~
 22 ~~one of the purposes listed in § 10-802(b) of this subtitle, whether or not the property:~~

23 ~~(i) is or will be used or operated for profit or not for profit;~~

24 ~~(ii) is or will be located on a single site or multiple sites; or~~

25 ~~(iii) may be financed by bonds, the interest on which is exempt from~~
 26 ~~income taxation under federal law.~~

27 ~~(2) "Project" includes:~~

28 ~~(i) land or an interest in land;~~

1 (ii) ~~structures, equipment, furnishings, rail or motor vehicles,~~
2 ~~barges, and boats;~~

3 (iii) ~~property and rights related to property, appurtenances,~~
4 ~~rights of way, franchises, and easements;~~

5 (iv) ~~property that is functionally related and subordinate to a project;~~
6 ~~[and]~~

7 (v) ~~patents, licenses, and other rights necessary or useful in the~~
8 ~~improvement or operation of a project; AND~~

9 (VI) ~~INVESTMENT IN A CLEAN ENERGY TECHNOLOGY OR A~~
10 ~~CLEAN ENERGY BUSINESS.~~

11 ~~[(o)] (P) (1) "Revenues" means the income, revenue, and other money the~~
12 ~~Center receives from or in connection with a project, and all other income of the Center.~~

13 ~~(2) "Revenues" includes grants, rentals, rates, fees, and charges for the use~~
14 ~~of the services furnished or available.~~

15 ~~[(p)] (Q) (1) "Trust agreement" means an agreement entered into by the~~
16 ~~Center to secure a bond.~~

17 ~~(2) "Trust agreement" may include a bond contract, bond resolution, or~~
18 ~~other contract with or for the benefit of a bondholder.~~

19 ~~10-802.~~

20 (a) ~~The General Assembly finds that:~~

21 ~~(1) the United States as a whole, and the State in particular, are facing~~
22 ~~increased energy costs based on many factors, including rising fuel costs, limited~~
23 ~~investment in generation and transmission facilities, and a complex combination of~~
24 ~~market-based and other regulatory mechanisms that balance environmental, economic,~~
25 ~~health, and welfare interests;~~

26 ~~(2) continued exclusive reliance on traditional forms of electricity supply~~
27 ~~entrenches the State's dependence on fossil fuels, working against the State's policy of~~
28 ~~decreasing greenhouse gas production, as evidenced by the State's accession to the Regional~~
29 ~~Greenhouse Gas Initiative;~~

30 ~~(3) "clean energy", a broad term that includes a wide and varied mixture of~~
31 ~~strategies and techniques to produce useful energy from renewable and sustainable sources~~
32 ~~in a manner that minimizes fossil fuel use and harmful emissions, and to increase the~~

~~efficient use of energy derived from all sources, offers many different opportunities for residents of the State to succeed in entrepreneurial and other commercial activity, to the overall economic and environmental benefit of the entire State, as measured in improved air and water quality, moderated energy expenditures, and increased State and local tax receipts;~~

~~(4) many individuals and businesses in the State possess talents and interest in the clean energy technology sector, which may form the basis for encouraging development and deployment of sustainable and renewable energy technologies in the State, the nation, and the world;~~

~~(5) the State will benefit from a targeted effort to establish and incubate clean energy industries in the State, including financial assistance, information sharing, and technical support for entrepreneurs in the manufacture and installation of clean energy technology; [and]~~

~~(6) THE STATE BENEFITS FROM A STATEWIDE FINANCING ENTITY THAT IS FOCUSED ON:~~

~~(I) PROVIDING EFFICIENT, LOW-COST CAPITAL FINANCING AT SCALE AND WITH SUBSTANTIAL PRIVATE-SECTOR PARTICIPATION FOR QUALIFYING PROJECTS;~~

~~(II) FACILITATING PRIVATE INVESTMENT IN CLEAN ENERGY PROJECTS AND TECHNOLOGIES TO PROVIDE SIGNIFICANT LEVERAGING OF PRIVATE CAPITAL; AND~~

~~(III) INCREASING PRIVATE INVESTMENT IN CLEAN ENERGY PROJECTS THAT ARE NOT CURRENTLY ABLE TO OBTAIN FINANCING IN TRADITIONAL CAPITAL MARKETS AT A REASONABLE COST BY PROVIDING A VARIETY OF FINANCIAL TOOLS TO STIMULATE PRIVATE INVESTMENT; AND~~

~~[(6)] (7) it is in the public interest to establish a public corporation to undertake the tasks of promoting clean energy industries in the State, developing incubators for those industries, providing financial assistance, and also providing information sharing and technical assistance.~~

~~(b) The purposes of this subtitle are to:~~

~~(1) encourage the development of clean energy industries in the State;~~

~~(2) encourage the deployment of clean energy technologies in the State;~~

~~(3) help retain and attract business activity and commerce in the clean energy technology industry sector in the State;~~

1 ~~(4) promote economic development; [and]~~

2 ~~(5) PROMOTE PRIVATE CAPITAL INVESTMENT IN PROJECTS; AND~~

3 ~~[(5)](6) promote the health, safety, and welfare of residents of the State.~~

4 ~~(e) The General Assembly intends that:~~

5 ~~(1) the Center operate and exercise its corporate powers in all areas of the~~
6 ~~State;~~

7 ~~(2) without limiting its authority to otherwise exercise its corporate~~
8 ~~powers, the Center exercise its corporate powers to assist governmental units and State~~
9 ~~and local economic development agencies to contribute to the expansion, modernization,~~
10 ~~and retention of existing enterprises in the State as well as the attraction of new business~~
11 ~~to the State;~~

12 ~~(3) the Center cooperate with private industries and local governments in~~
13 ~~maximizing new economic opportunities for residents of the State; and~~

14 ~~(4) the Center accomplish at least one of the purposes listed in subsection~~
15 ~~(b) of this section and complement existing State marketing and financial assistance~~
16 ~~programs by:~~

17 ~~(i) owning projects;~~

18 ~~(ii) leasing projects to other persons; or~~

19 ~~(iii) lending the proceeds of bonds to other persons to finance the costs~~
20 ~~of acquiring or improving projects that the persons own or will own.~~

21 ~~10-806.~~

22 ~~(a) There is a Maryland Clean Energy Center.~~

23 ~~(b) The Center is a body politic and corporate and is an instrumentality of the~~
24 ~~State.~~

25 ~~(c) The exercise by the Center of the powers conferred by this subtitle is the~~
26 ~~performance of an essential governmental function.~~

27 ~~(d) The purposes of the Center are to:~~

28 ~~(1) promote economic development and jobs in the clean energy industry~~
29 ~~sector in the State;~~

1 ~~(2) promote the deployment of clean energy technology in the State;~~

2 ~~(3) serve as an incubator for the development of clean energy industry in~~
 3 ~~the State;~~

4 ~~(4) collect, analyze, and disseminate industry data; [and]~~

5 ~~(5) provide outreach and technical support to further the clean energy~~
 6 ~~industry in the State; AND~~

7 ~~(6) LEVERAGE PRIVATE CAPITAL INVESTMENTS WITH PUBLIC FUNDS~~
 8 ~~TO FINANCE THE COSTS OF ACQUIRING OR IMPROVING PROJECTS.~~

9 ~~(e) The Center shall coordinate with the Maryland Energy Administration and~~
 10 ~~may not duplicate the programs or activities of the Administration without consent of the~~
 11 ~~Administration.~~

12 ~~10-807.~~

13 ~~(a) A Board of Directors shall manage the Center and exercise its corporate~~
 14 ~~powers.~~

15 ~~(b) The Board consists of the following [nine] 11 members:~~

16 ~~(1) the Director, or the Director's designee; [and]~~

17 ~~(2) THE STATE TREASURER, OR THE TREASURER'S DESIGNEE;~~

18 ~~(3) THE SECRETARY, OR THE SECRETARY'S DESIGNEE; AND~~

19 ~~[(2)] (4) eight members appointed by the Governor with the advice and~~
 20 ~~consent of the Senate:~~

21 ~~(i) two representing the not-for-profit clean energy research sector~~
 22 ~~of the State;~~

23 ~~(ii) two with expertise in venture capital financing;~~

24 ~~(iii) two representing clean energy industries in the State; and~~

25 ~~(iv) two members of the general public.~~

26 ~~(e) A member of the Board shall reside in the State.~~

27 ~~(d) In making appointments to the Board, the Governor shall consider:~~

1 ~~(1) diversity; and~~

2 ~~(2) all geographic regions of the State.~~

3 ~~(c) A member of the Board:~~

4 ~~(1) may not receive compensation as a member of the Board; but~~

5 ~~(2) is entitled to reimbursement for expenses under the Standard State~~
6 ~~Travel Regulations, as provided in the State budget.~~

7 ~~(f) (1) The term of an appointed member is 4 years and begins on July 1.~~

8 ~~(2) The terms of the appointed members are staggered as required by the~~
9 ~~terms provided for members on October 1, 2008.~~

10 ~~(3) At the end of a term, an appointed member continues to serve until a~~
11 ~~successor is appointed and qualifies.~~

12 ~~(4) A member who is appointed after a term has begun serves only for the~~
13 ~~rest of the term and until a successor is appointed and qualifies.~~

14 ~~(g) The Governor may remove an appointed member for incompetence,~~
15 ~~misconduct, or failure to perform the duties of the position.~~

16 ~~10-810.~~

17 ~~(a) (1) The Board shall establish an Advisory Committee.~~

18 ~~(2) The Advisory Committee consists of individuals that the Board~~
19 ~~considers will assist the Center in studying and developing policies to further the purposes~~
20 ~~of this subtitle.~~

21 ~~(b) (1) THE CENTER SHALL ESTABLISH A CREDIT INVESTMENT~~
22 ~~ADVISORY COMMITTEE.~~

23 ~~(2) THE CREDIT INVESTMENT ADVISORY COMMITTEE CONSISTS OF~~
24 ~~INDIVIDUALS WITH KNOWLEDGE AND EXPERTISE IN FINANCING MATTERS~~
25 ~~RELEVANT TO BORROWER ELIGIBILITY, TERMS AND CONDITIONS OF SUPPORT, AND~~
26 ~~OTHER FINANCING EVALUATION CRITERIA OF THE CENTER.~~

27 ~~(3) BEFORE THE CENTER PROVIDES FINANCING FOR A PROJECT~~
28 ~~FROM THE FUND, THE CREDIT INVESTMENT ADVISORY COMMITTEE SHALL REVIEW~~
29 ~~AND MAKE RECOMMENDATIONS TO THE BOARD FOR QUALIFYING PROJECT~~
30 ~~APPLICANTS.~~

1 ~~(C) The Board may establish other committees as appropriate.~~

2 ~~[(c)] (D) (1) The membership of a committee may include individuals who are~~
3 ~~not Board members.~~

4 ~~(2) The Board may establish the term and manner of selection of the~~
5 ~~membership of a committee.~~

6 ~~10-814.~~

7 ~~(a) Except as provided in subsections (b), (c), and (e) of this section, the Center is~~
8 ~~exempt from:~~

9 ~~(1) Title 10 and Division II of the State Finance and Procurement Article;~~
10 ~~and~~

11 ~~(2) §§ 3-301 and 3-303 of the General Provisions Article.~~

12 ~~(b) The Center is subject to the Public Information Act.~~

13 ~~(e) (1) The Board and the officers and employees of the Center are subject to~~
14 ~~the Public Ethics Law.~~

15 ~~(2) THE MEMBERS OF THE CREDIT INVESTMENT ADVISORY~~
16 ~~COMMITTEE ARE SUBJECT TO THE PUBLIC ETHICS LAW ONLY WITH RESPECT TO~~
17 ~~ACTIVITIES AS MEMBERS OF THE COMMITTEE.~~

18 ~~(d) The officers and employees of the Center are not subject to the provisions of~~
19 ~~Division I of the State Personnel and Pensions Article that govern the State Personnel~~
20 ~~Management System.~~

21 ~~(e) The Center, its Board, and employees are subject to Title 12, Subtitle 4 and~~
22 ~~Title 14, Subtitle 3 of the State Finance and Procurement Article.~~

23 ~~(f) The Center is a public body under Title 5, Subtitle 4 of this article, the~~
24 ~~Maryland Industrial Development Financing Authority Act, for purposes of applying for,~~
25 ~~receiving, and making agreements in connection with:~~

26 ~~(1) a loan;~~

27 ~~(2) a grant;~~

28 ~~(3) insurance; or~~

29 ~~(4) any other form of financial assistance.~~

1 ~~10-816.~~

2 (a) ~~The Center shall establish a system of financial accounting, controls, audits,~~
3 ~~and reports.~~

4 (b) ~~The fiscal year of the Center begins on July 1 and ends on the following June~~
5 ~~30.~~

6 ~~10-817.~~

7 (a) ~~The Center may create and administer the accounts that it requires.~~

8 (b) ~~The Center shall deposit its money into a State or national bank or a federally~~
9 ~~insured savings and loan association that has a total paid-in capital of at least \$1,000,000.~~

10 (c) ~~The Center may designate the trust department of a State bank, national~~
11 ~~bank, or savings and loan association as a depository to receive securities that the Center~~
12 ~~owns or acquires.~~

13 (d) ~~Unless an agreement or covenant between the Center and the holders of its~~
14 ~~obligations limits classes of investments, the Center may invest its money in bonds or other~~
15 ~~obligations of, or guaranteed as to principal and interest by, the United States, the State,~~
16 ~~or a governmental unit.~~

17 ~~10-817.1.~~

18 (A) ~~THERE IS A CLEAN ENERGY TECHNOLOGY FINANCING FUND IN THE~~
19 ~~CENTER.~~

20 (B) ~~THE PURPOSES OF THE FUND ARE TO:~~

21 (1) ~~EVALUATE AND COORDINATE FINANCING FOR QUALIFIED~~
22 ~~PROJECTS AND CLEAN ENERGY TECHNOLOGIES;~~

23 (2) ~~PROVIDE FINANCING FOR QUALIFIED PROJECTS;~~

24 (3) ~~FACILITATE:~~

25 (I) ~~EFFICIENT TAX EQUITY MARKETS FOR QUALIFIED ENERGY~~
26 ~~PROJECTS; AND~~

27 (II) ~~FINANCING OF LONG TERM CLEAN ENERGY PURCHASING~~
28 ~~BY GOVERNMENTAL AND NONGOVERNMENTAL NOT-FOR-PROFIT ENTITIES; AND~~

29 (4) ~~SECURE PRIVATE INVESTMENT CAPITAL FOR PROJECT~~
30 ~~FINANCING.~~

1 ~~(C) THE CENTER SHALL ADMINISTER THE FUND.~~

2 ~~(D) THE FUND CONSISTS OF:~~

3 ~~(1) MONEY TRANSFERRED FROM THE MARYLAND STRATEGIC~~
4 ~~ENERGY INVESTMENT FUND UNDER § 9-20B-05 OF THE STATE GOVERNMENT~~
5 ~~ARTICLE;~~

6 ~~(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;~~

7 ~~(3) MONEY MADE AVAILABLE TO THE FUND THROUGH FEDERAL~~
8 ~~PROGRAMS, GRANTS, OR PRIVATE CONTRIBUTIONS;~~

9 ~~(4) PROCEEDS FROM THE SALE, DISPOSITION, LEASE, OR RENTAL OF~~
10 ~~COLLATERAL RELATED TO A FINANCING MADE FROM THE FUND;~~

11 ~~(5) REPAYMENT OF FINANCING MADE FROM THE FUND;~~

12 ~~(6) RETURNS FROM OR RECOVERY OF ANY FINANCING MADE FROM~~
13 ~~THE FUND;~~

14 ~~(7) PROCEEDS FROM THE SALE OF ANY FINANCING MADE, OR ASSET~~
15 ~~ACQUIRED WITH PROCEEDS, FROM THE FUND;~~

16 ~~(8) INTEREST EARNINGS ON MONEY IN THE FUND; AND~~

17 ~~(9) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR~~
18 ~~THE BENEFIT OF THE FUND.~~

19 ~~(E) THE FUND MAY BE USED ONLY TO:~~

20 ~~(1) EVALUATE AND COORDINATE FINANCING FOR QUALIFIED~~
21 ~~PROJECTS AND CLEAN ENERGY TECHNOLOGIES;~~

22 ~~(2) PROVIDE FINANCING FOR QUALIFIED PROJECTS;~~

23 ~~(3) FACILITATE:~~

24 ~~(I) EFFICIENT TAX EQUITY MARKETS FOR QUALIFIED ENERGY~~
25 ~~PROJECTS; AND~~

26 ~~(II) FINANCING OF LONG TERM CLEAN ENERGY PURCHASING~~
27 ~~BY GOVERNMENTAL AND NONGOVERNMENTAL NOT-FOR-PROFIT ENTITIES;~~

1 ~~(4) SECURE PRIVATE INVESTMENT CAPITAL FOR PROJECT~~
2 ~~FINANCING; AND~~

3 ~~(5) ADMINISTER THE FUND AND ACTIVITIES OF THE CENTER IN~~
4 ~~CARRYING OUT THIS SUBTITLE.~~

5 ~~(F) EXPENDITURES FROM THE FUND MAY BE MADE ONLY WITH THE~~
6 ~~APPROVAL OF THE BOARD.~~

7 ~~10-820.~~

8 ~~The Center may [make grants to or provide equity investment] PROVIDE financing~~
9 ~~for clean energy technology-based businesses.~~

10 ~~10-821.~~

11 ~~The Center may:~~

12 ~~(1) acquire, develop, improve, manage, market, license, sublicense,~~
13 ~~maintain, lease as lessor or lessee, or operate a project in the State to carry out its purposes;~~

14 ~~(2) acquire, directly or indirectly, from a person or governmental unit, by~~
15 ~~purchase, gift, or devise any property, rights of way, franchises, easements, or other~~
16 ~~interests in land, including submerged land and riparian rights;~~

17 ~~(i) as necessary or convenient to improve or operate a project to~~
18 ~~carry out its purposes; and~~

19 ~~(ii) on the terms and at the prices that it considers reasonable; and~~

20 ~~(3) enter into a project with a manufacturer to carry out its purposes.~~

21 ~~10-822.~~

22 ~~The Center may:~~

23 ~~(1) borrow money and issue bonds to finance any part of the cost of a project~~
24 ~~or for any other corporate purpose of the Center;~~

25 ~~(2) secure the payment of any portion of the borrowing by pledge of or~~
26 ~~mortgage or deed of trust on property or revenues of the Center;~~

27 ~~(3) combine projects for financing, make agreements with or for the benefit~~
28 ~~of the bondholders or with others in connection with the issuance or future issuance of~~
29 ~~bonds, as the Center considers advisable; and~~

1 ~~(4) otherwise provide for the security of bonds and the rights of~~
2 ~~bondholders.~~

3 ~~10-825.~~

4 ~~The books and records of the Center are subject to audit:~~

5 ~~(1) at any time by the State; and~~

6 ~~(2) each year by an independent auditor that the Office of Legislative~~
7 ~~Audits approves.~~

8 ~~10-826.~~

9 ~~(a) On or before October 1 of each year, the Center shall report to the Governor,~~
10 ~~the Administration, and, in accordance with § 2-1246 of the State Government Article, the~~
11 ~~General Assembly.~~

12 ~~(b) The report shall include a complete operating and financial statement~~
13 ~~covering the Center's operations and a summary of the Center's activities during the~~
14 ~~preceding fiscal year.~~

15 ~~10-833.~~

16 ~~The Center may award financial assistance UNDER THIS PART using money~~
17 ~~provided by the federal government, the State, a governmental unit, or any person.~~

18 ~~10-834.~~

19 ~~(a) After consulting with the Director, the Center shall adopt standards to award~~
20 ~~financial assistance UNDER THIS PART.~~

21 ~~10-835.~~

22 ~~The Center may award financial assistance UNDER THIS PART to:~~

23 ~~(1) a local government;~~

24 ~~(2) an agency, instrumentality, or not-for-profit corporation that the local~~
25 ~~government designates;~~

26 ~~(3) a public or private college or university;~~

27 ~~(4) the Maryland Economic Development Corporation; or~~

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

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

4 ~~(ii) renewable and clean energy resources;~~

5 ~~(iii) climate change programs directly related to reducing or~~
6 ~~mitigating the effects of climate change; and~~

7 ~~(iv) demand response programs that are designed to promote~~
8 ~~changes in electric usage by customers in response to:~~

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

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

12 ~~(2) to provide targeted programs, projects, activities, and investments to~~
13 ~~reduce electricity consumption by customers in the low-income and moderate-income~~
14 ~~residential sectors;~~

15 ~~(3) to provide supplemental funds for low-income energy assistance~~
16 ~~through the Electric Universal Service Program established under § 7-512.1 of the Public~~
17 ~~Utilities Article and other electric assistance programs in the Department of Human~~
18 ~~Resources;~~

19 ~~(4) to provide rate relief by offsetting electricity rates of residential~~
20 ~~customers, including an offset of surcharges imposed on ratepayers under § 7-211 of the~~
21 ~~Public Utilities Article;~~

22 ~~(5) to provide grants, loans, and other assistance and investment as~~
23 ~~necessary and appropriate to implement the purposes of the Program as set forth in §~~
24 ~~9-20B-03 of this subtitle;~~

25 ~~(6) TO PROVIDE GRANTS TO THE MARYLAND CLEAN ENERGY~~
26 ~~CENTER UNDER TITLE 10, SUBTITLE 8 OF THE ECONOMIC DEVELOPMENT~~
27 ~~ARTICLE, FOR THE ANNUAL OPERATING SUPPORT AND ASSISTANCE OF THE~~
28 ~~CENTER, AS FOLLOWS:~~

29 ~~(I) FOR FISCAL YEAR 2016, \$3,400,000;~~

30 ~~(II) FOR FISCAL YEAR 2017, \$2,300,000;~~

31 ~~(III) FOR FISCAL YEAR 2018, \$2,000,000;~~

1 ~~(IV) FOR FISCAL YEAR 2019, \$1,300,000; AND~~

2 ~~(V) FOR FISCAL YEAR 2020, \$1,000,000;~~

3 ~~[(6)](7) to implement energy-related public education and outreach~~
4 ~~initiatives regarding reducing energy consumption and greenhouse gas emissions;~~

5 ~~[(7)](8) to provide rebates under the Electric Vehicle Recharging~~
6 ~~Equipment Rebate Program established under § 9-2009 of this title;~~

7 ~~[(8)](9) to provide grants to encourage combined heat and power projects~~
8 ~~at industrial facilities; and~~

9 ~~[(9)](10) to pay the expenses of the Program.~~

10 ~~(g) Proceeds received by the Fund from the sale of allowances under § 2-1002(g)~~
11 ~~of the Environment Article shall be allocated as follows:~~

12 ~~(1) at least 50% shall be credited to an energy assistance account to be used~~
13 ~~for the Electric Universal Service Program and other electricity assistance programs in the~~
14 ~~Department of Human Resources;~~

15 ~~(2) at least 20% shall be credited to a low and moderate income efficiency~~
16 ~~and conservation programs account and to a general efficiency and conservation programs~~
17 ~~account for energy efficiency and conservation programs, projects, or activities and demand~~
18 ~~response programs, of which at least one-half shall be targeted to the low and moderate~~
19 ~~income efficiency and conservation programs account for:~~

20 ~~(i) the low income residential sector at no cost to the participants~~
21 ~~of the programs, projects, or activities; and~~

22 ~~(ii) the moderate income residential sector;~~

23 ~~(3) at least 20% shall be credited to a renewable and clean energy programs~~
24 ~~account for:~~

25 ~~(i) renewable and clean energy programs and initiatives;~~

26 ~~(ii) energy-related public education and outreach; and~~

27 ~~(iii) climate change and resiliency programs; and~~

28 ~~(4) up to 10%, but not more than \$5,000,000, shall be credited to an~~
29 ~~administrative expense account for costs related to the administration of the Fund,~~
30 ~~including the review of electric company plans for achieving electricity savings and demand~~

1 ~~reductions that the electric companies are required under law to submit to the~~
2 ~~Administration.~~

3 ~~(h) (1) Energy efficiency and conservation programs under subsection (g)(2) of~~
4 ~~this section include:~~

5 ~~(i) low-income energy efficiency programs;~~

6 ~~(ii) residential and small business energy efficiency programs;~~

7 ~~(iii) commercial and industrial energy efficiency programs;~~

8 ~~(iv) State and local energy efficiency programs;~~

9 ~~(v) demand response programs;~~

10 ~~(vi) loan programs and alternative financing mechanisms; and~~

11 ~~(vii) grants to training funds and other organizations supporting job~~
12 ~~training for deployment of energy efficiency and energy conservation technology and~~
13 ~~equipment.~~

14 ~~(2) Energy related public education and outreach and renewable and clean~~
15 ~~energy programs and initiatives under subsection (g)(3)(i) and (ii) of this section include:~~

16 ~~(i) production incentives for specified renewable energy sources;~~

17 ~~(ii) expansion of existing grant programs for solar, geothermal, and~~
18 ~~wind programs;~~

19 ~~(iii) loan programs and alternative financing mechanisms; and~~

20 ~~(iv) consumer education and outreach programs that are designed to~~
21 ~~reach low-income communities.~~

22 ~~(i) (1) Except as provided in paragraph (2) of this subsection, compliance fees~~
23 ~~paid under § 7-705(b) of the Public Utilities Article may be used only to make loans and~~
24 ~~grants to support the creation of new Tier 1 renewable energy sources in 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) (1) The Treasurer shall invest the money of the Fund in the same manner~~
29 ~~as other State money may be invested.~~

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

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

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

~~(k) Expenditures from the Fund shall be made by:~~

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

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

~~(l) An expenditure by budget amendment may be made under subsection (k) of this section only after:~~

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

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

~~SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, on or before July 1, 2016, the State Treasurer shall transfer \$30,000,000 from the unappropriated fund balance within the Maryland Strategic Energy Investment Fund under § 9-20B-05 of the State Government Article, as enacted by Section 1 of this Act, to the Maryland Clean Energy Center for deposit in and credit to the Clean Energy Technology Financing Fund established under § 10-817.1 of the Economic Development Article, as enacted by Section 1 of this Act.~~

~~SECTION 3. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that:~~

~~(1) State annual grant funding for operating assistance for the Maryland Clean Energy Center, in accordance with § 9-20B-05(f)(6) of the State Government Article, as enacted by Section 1 of this Act, should be provided from the unappropriated balance of the Maryland Strategic Energy Investment Fund; and~~

~~(2) the Maryland Clean Energy Center shall conduct its financial affairs so that, by fiscal year 2020, it is self-sufficient and in no further need of operating support from the Maryland Strategic Energy Investment Fund or any other State money.~~

1 ~~SECTION 4. AND BE IT FURTHER ENACTED, That this Act is an emergency~~
2 ~~measure, is necessary for the immediate preservation of the public health or safety, has~~
3 ~~been passed by a yea and nay vote supported by three fifths of all the members elected to~~
4 ~~each of the two Houses of the General Assembly, and shall take effect from the date it is~~
5 ~~enacted.~~

6 ~~SECTION 2. AND BE IT FURTHER ENACTED, That the Office of Legislative~~
7 ~~Audits shall conduct a performance audit of the Maryland Clean Energy Center.~~

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 June 1, 2016. It shall remain effective for a period of 1 year and 1 month and, at the end of
10 June 30, 2017, with no further action required by the General Assembly, this Act shall be
11 abrogated and of no further force and effect.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.