Maryland
Energy Administration

# STRATEGIC ENERGY INVESTMENT FUND

## Activities for Fiscal Year 2025

## Volume 1

January 2026

**Table of Contents**

[1] Due to the number of SEIF award recipients in FY25, Appendixes B and C are located in Volume 2 of the FY25 SEIF report.

## A. Introduction

On behalf of the state, the Maryland Energy Administration (MEA) administers the Strategic Energy Investment Fund (SEIF), implements SEIF-funded programs that support Maryland's energy policies, and monitors SEIF-funded programs being implemented by other state agencies.

Programs funded by SEIF help reduce energy bills, minimize energy waste, create jobs, improve reliability and resiliency, address energy access and equity issues, help attract and retain businesses, and promote energy independence. Importantly, SEIF-funded programs also address global climate change concerns by decreasing carbon dioxide ($CO_2$) emissions.

Background

Pursuant to Section 9-20B-12 of the State Government Article, MEA is required to prepare an annual report to the Governor, General Assembly, and the SEIF board members. This report describes SEIF expenditures, grants awarded by MEA, and estimated energy savings as a result of these activities. The data in this report demonstrates achievements being made toward promoting affordable, cleaner, and reliable energy for the benefit of all Marylanders.

SEIF Expenditures and Commitments

Fiscal year 2025 (FY25) SEIF expenditures and commitments are depicted in Appendix A, Chart 6. In addition to grants awarded by MEA through programs, funding was also provided to the Maryland Department of the Environment (MDE), the Maryland Energy Innovation Fund at the University of Maryland, the Maryland Department of General Services (DGS), and the Maryland Department of Human Services (DHS), as well as several others.

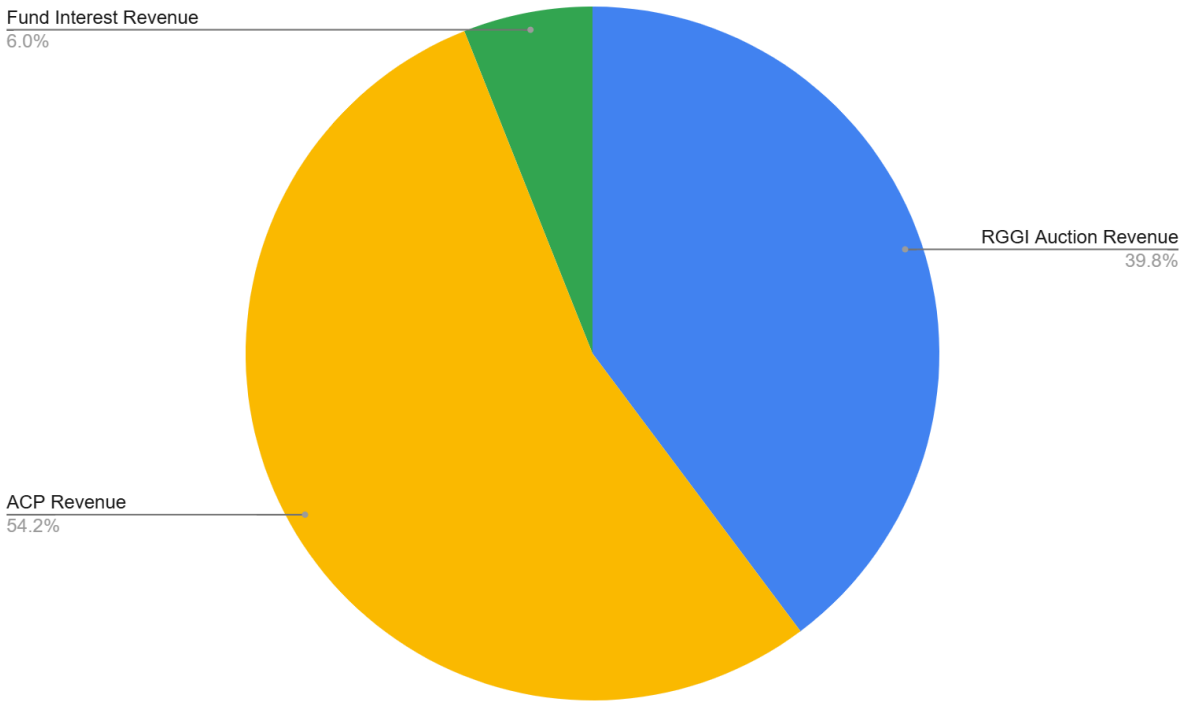
SEIF Proceeds

The continued health of annual SEIF proceeds in FY25 was a result of a continued influx of Tier 1, non-solar Alternative Compliance Payments (ACP) under Maryland's Renewable Portfolio Standard as well as robust Regional Greenhouse Gas Initiative (RGGI) auctions.

The main source of SEIF proceeds, on a percentage basis, has historically been from the RGGI auction proceeds. However, in FY 25 ACP represented 54% of SEIF proceeds with RGGI revenue representing 40%. The majority of the ACP-related proceeds came from payments made to comply with Tier 1 RPS compliance requirements; these payments are difficult to forecast as they involve a multi-state market.

As a result of a change in law, interest income is no longer deposited in the SEIF, rather it is now deposited into the state's General Fund.

**<u>Chart 1</u>: Composition of FY25 SEIF Proceeds by Funding Source on a Percentage Basis**




A summary of overall revenues into the SEIF for the last three years can be found in Appendix A, Chart 7. Appendix A also contains Chart 8 which provides information on each RGGI allowance auction, and includes the number of allowances sold, allowance price, and total RGGI revenue by allowance auction.

<u>Summary</u>
In FY25, over $60 million of SEIF funding was committed to programs or initiatives benefiting low- or moderate-income Maryland residents.

The Brighter Tomorrow Act of 2024, codified in §9-2016 of the State Government Article, was designed to streamline and bolster solar development in Maryland, including through expanded solar incentives to benefit low- and moderate-income residents. The Maryland Solar Access Program was established to help eligible Maryland residents install solar photovoltaic (PV) systems to power their homes with clean, affordable, and sustainable energy. In FY25, the Maryland Solar Access Program helped enable new solar projects in over 1,100 income-qualified Maryland households. As a result of those solar projects, benefitting residents can expect to save at least 25% on their electricity bills.[2]

MEA grant programs benefitting low- and moderate-income residents, including the Energy

[2] Participating contractors must comply with the FY25 Maryland Solar Access Consumer Protections Policy, including the required minimum benefits to the consumer of at least 25% electricity bill savings. For more information, see https://energy.maryland.gov/residential/SiteAssets/Pages/incentives/Maryland-Solar-Access-Program/Calculating%20Minimum%20Benefits%20to%20the%20Consumer%20%284.29.2025%29.pdf

Efficiency Equity Grant Program, the Community Solar Program, the Solar Energy Equity Grant Program, and the Maryland Solar Access Program are described in greater detail later in this report.

SEIF funds were also used to enable energy bill assistance implemented by the DHS, helping over 70,000 households keep their lights on and their homes heated.

Multiple state agencies implement climate and energy-related programs and initiatives funded through the SEIF. While MEA is the administrator of the SEIF, FY25 programs implemented by MEA total only 57% of Maryland's total FY25 SEIF expenditures and active commitments.

The number of SEIF-funded awards made by MEA decreased in FY25. MEA made more than 5,000 awards in FY25, in comparison to approximately 7,500 awards in FY24. SEIF awards made by MEA in FY25 are anticipated to help incentivize over 90 megawatts of new solar energy, which includes over 2,000 residential solar projects. As part of MEA's transportation portfolio, the FY25 SEIF is helping to incentivize more than 2,400 electric vehicle charging stations and 109 electric medium- or heavy-duty vehicles.

Details describing activities funded through the SEIF in FY25 are provided in the narratives and charts that follow. Appendix B in Volume 2 of this report provides a list of FY25 grantees receiving multiple SEIF-funded awards from MEA, while Appendix C contains the name of the FY25 SEIF award recipient by MEA program.

# SEIF-Funded Initiatives Implemented by MEA

## B. Energy Efficiency Equity Grant Program

*FY25 SEIF Expenditures and Encumbrances: $11.238 million*[3]

*Beneficiaries*

Nonprofit organizations and local governments can receive funding from this program to implement energy efficiency measures that benefit low- to moderate-income (LMI) Marylanders.

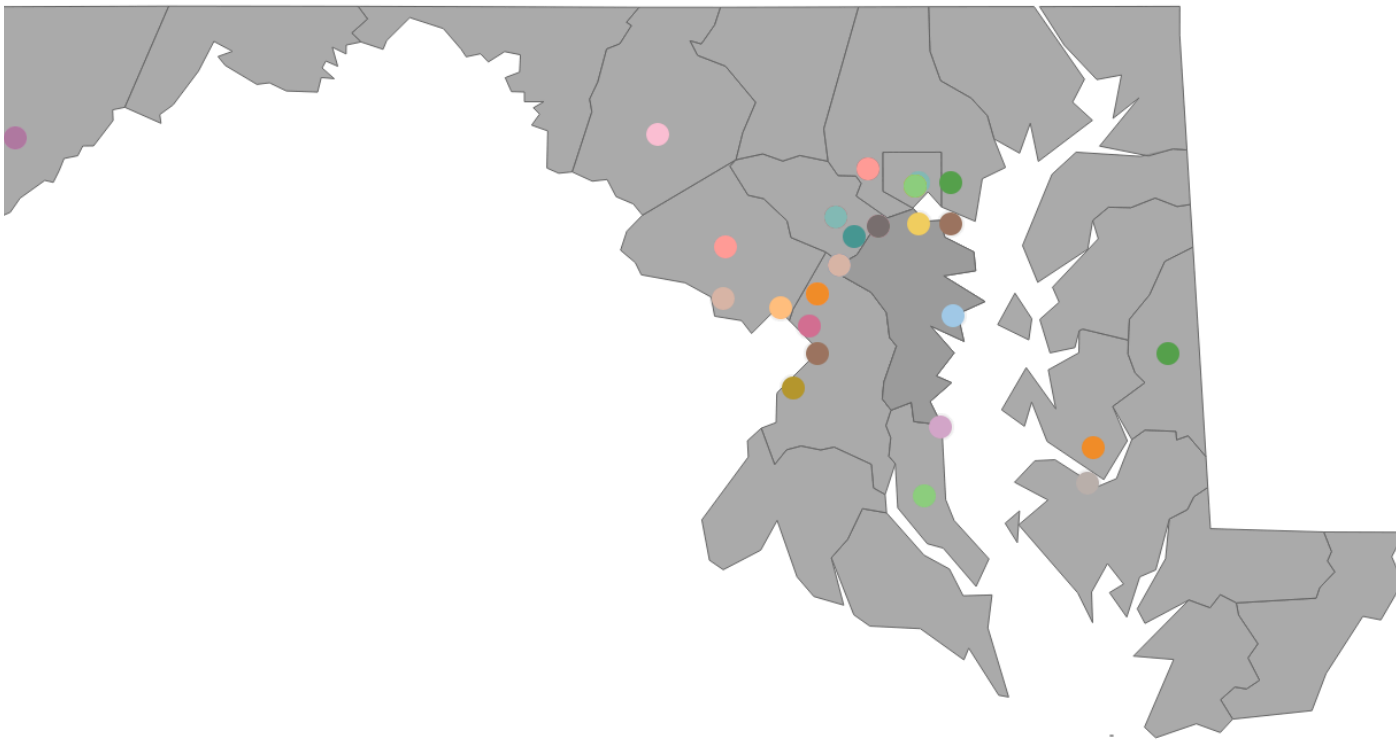
*Description*

Grants were awarded for energy efficiency projects that generate significant energy savings, with the benefits of the energy savings being passed on to Marylanders experiencing LMI. Priority was given to projects that maximize energy savings and the number of residents that benefit from the measures. MEA allocated grant funds by formula on a regional basis to prioritize a fair distribution of funds across the state, before then making awards competitively within each region.

Through the program, energy efficiency upgrades have been completed at community centers, as well as residential homes.

[3] This reflects the awards made in FY25 and does not include financial transactions for awards from prior fiscal years that impacted FY25 accounting.

**Map 1:** FY25 Energy Efficiency Equity Grant Program Awards




Several of the grantees listed in Map 1 are working in more than one geographical area of the state. Map 1 typically depicts the grantee's office location; however, the majority of grant awards

fund residential upgrades in multiple locations. As an example, while all of Safe Housing's awards are mapped to the location of the awardee's headquarters, the grantee will be completing residential energy efficiency upgrades in western, central, eastern, and southern Maryland.

Note that FY25 projects are still being installed. For this reason, the anticipated outcomes for FY25 are based on results from previous fiscal years. Some energy saving measure installations may leverage additional funding sources. Actual energy and environmental benefits will not accrue until the individual projects have been completed.

*Program Accomplishments*

| **Fiscal Year** | **FY25** |
|---|---|
| # of grants issued | 39 |
| Anticipated annual kWh savings | 3,539,000 |
| Anticipated annual fuel savings (MMBTU)[4,5] | 12,055 |
| Anticipated total energy cost savings | $787,954 |
| Anticipated CO2 avoided (metric tons CO2/year) | 1,734 |

[4] Million British Thermal Units.

[5] May include natural gas, propane, or #2 fuel oil.

## C. Maryland Smart Energy Communities

*SEIF Expenditures and Encumbrances: $2.063 million*

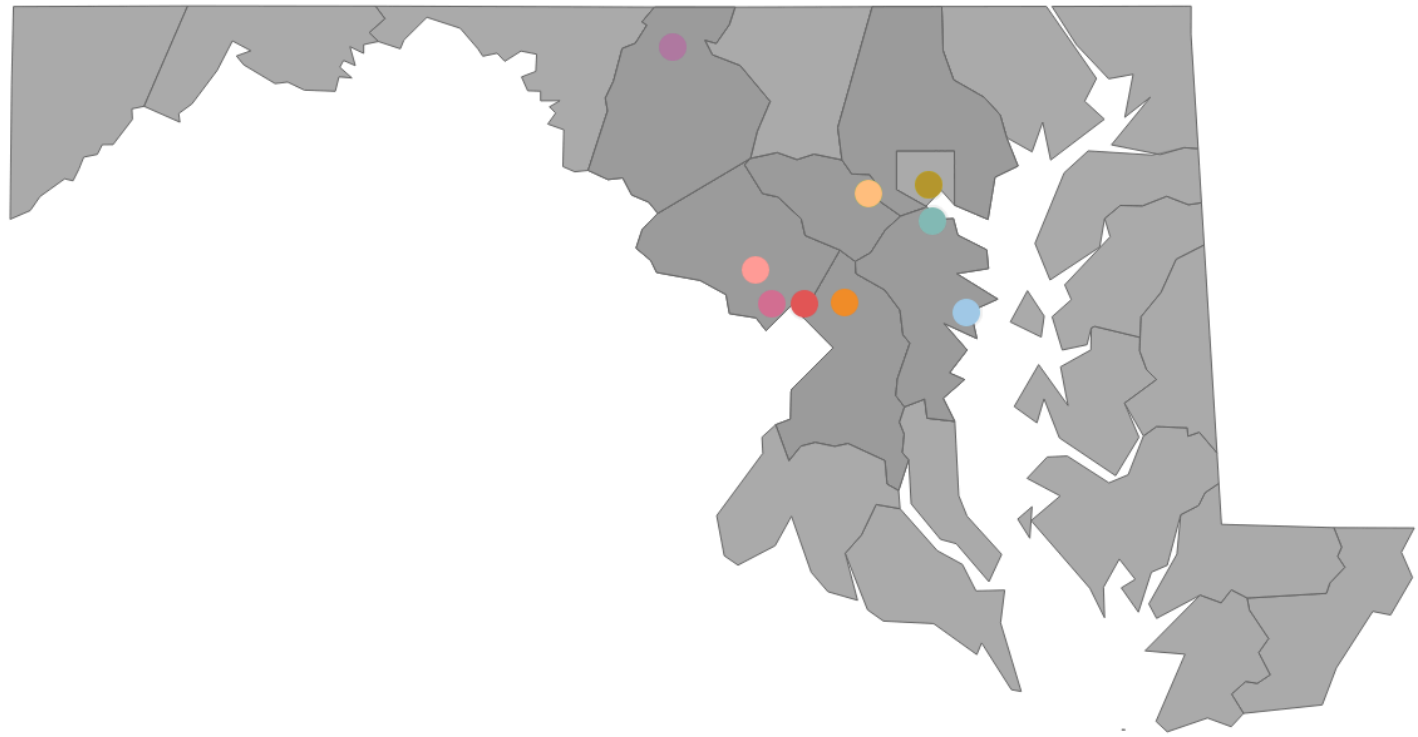
*Participants*

Since 2013, the Maryland Smart Energy Communities (MSEC) program has benefited local incorporated governments (i.e., towns, cities, and counties) in Maryland. In total, the MSEC program provided 16 awards to 6 awardees in FY25.

*Description*

The goal of the program is to support local communities as they adopt clean energy policies. Communities benefit from sustained reduction of energy usage, cost savings, and opportunities for renewable energy development. FY25 was the final year of the MSEC program, which was replaced in FY26 by the Local Government Energy Modernization (L-GEM) program.

**Map 2:** FY25 Maryland Smart Energy Communities Awardees




*Program Details*

Projects selected for MSEC funding in FY25 include HVAC replacements, envelope improvements, retrocommissioning, a solar canopy installation, and lighting upgrades.

Energy savings estimates shown below are based only on the FY25 awards to existing MSEC communities for energy projects identified in their respective grant agreements. Savings from other energy projects that contribute to the MSEC energy goals, but do not receive direct MSEC funding, are not included in the estimates below.

Some projects have longer lead times and therefore are still being installed. The FY25 annual savings estimates shown below reflect the initial projections.

| **MSEC Program** | **FY25** |
|---|---|
| # of MSEC awards to municipal governments | 7 |
| # of MSEC awards to county governments (or county equivalent) | 9 |
| # of new MSEC communities | 0 |
| Estimated annual reductions (in kWh) anticipated from projects for existing MSEC communities | 2,225,105 |
| Estimated annual avoided gasoline (gallons) | 0 |
| Estimated annual avoided natural gas use (MMBTU) | 2,641 |
| Anticipated annual CO2 avoided (metric tons CO2/year) | 800 |
| Anticipated annual energy cost savings | $429,387 |

## D. Commercial, Industrial, and Agriculture Grant Program

*SEIF Expenditures and Encumbrances: $1.257 million*

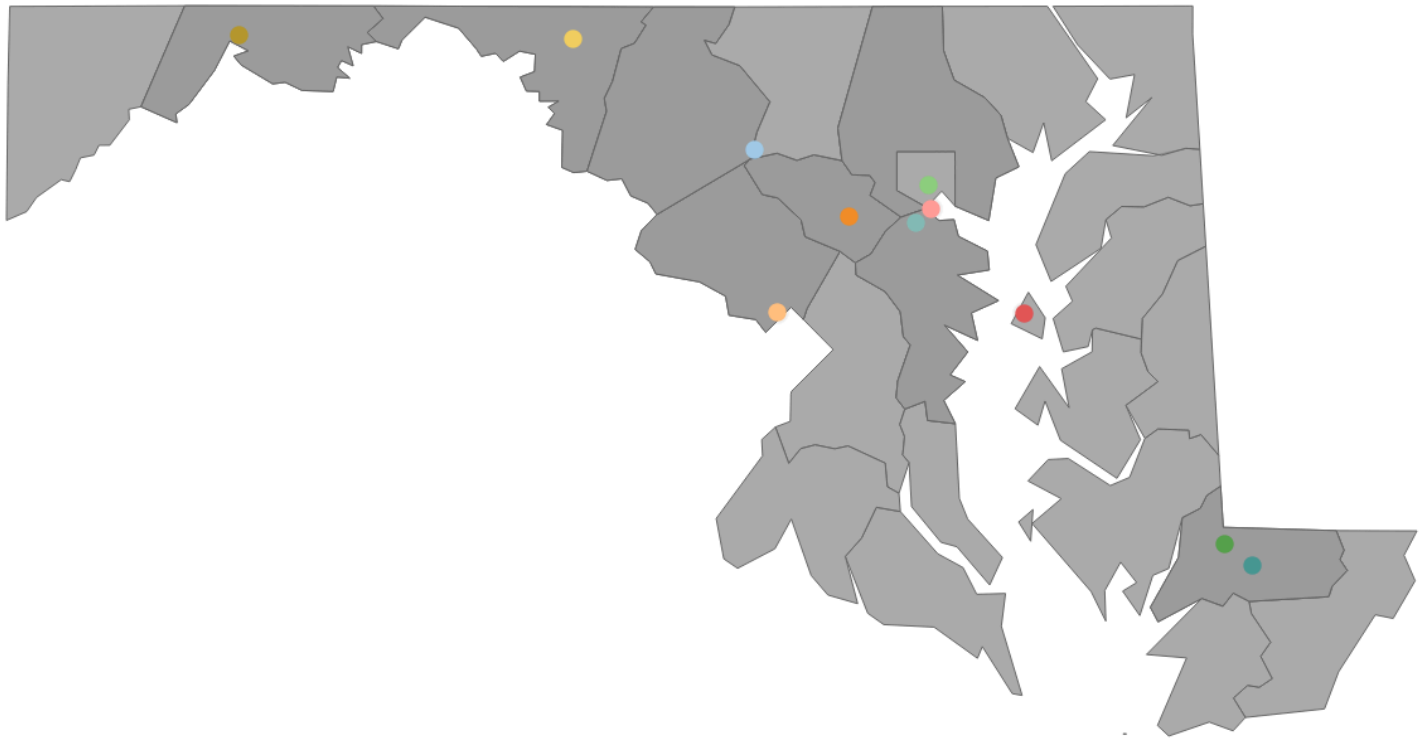
*Beneficiaries*

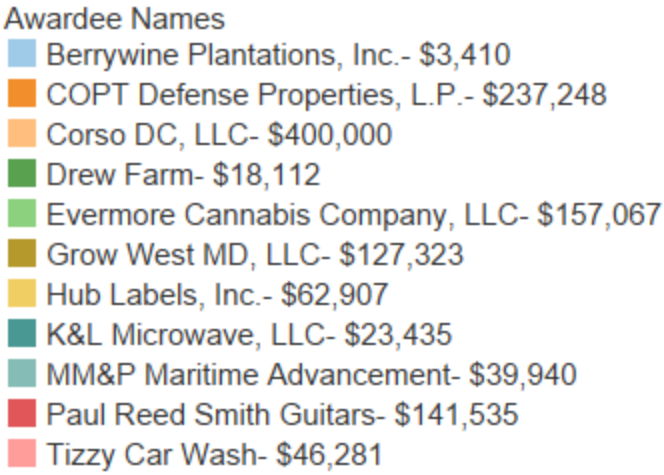
The Commercial, Industrial, and Agriculture (CI&A) Grant Program offers financial incentives to Maryland's commercial, industrial, and agricultural sectors.

*Description*

In FY25, the CI&A grant program provided eleven grants under SEIF funding to increase the energy efficiency of electric and non-electric fuel consumption of existing facilities, either in whole or in part, and in new construction. Eligible energy efficiency measures included building envelope and insulation improvements, lighting and controls, motors and variable frequency drives (VFDs), and heating, ventilation, and air conditioning (HVAC) upgrades.

**Map 3:** FY25 Commercial, Industrial, and Agriculture Grant Program awards






*Program Accomplishments*

Many projects have long lead times and therefore are still being installed. FY25 annual savings estimates below reflect the initial projections of the energy reductions that are anticipated to accrue from program-funded projects, but are subject to change. The summary report below shows anticipated total project savings, including energy savings from any measures that may be benefitting from other funding sources, including utility incentives and financing through a Jane E. Lawton Conservation loan.

| **Fiscal Year** | **FY25** |
|---|---|
| # of grant awards | 11 |
| Annual electricity savings (kWh) | 13,016,376 |
| Annual natural gas savings (therms) | 131,163 |
| Annual propane savings (gallons) | 0 |
| Anticipated annual CO2 avoided (metric tons CO2/year) | 3,520 |
| Anticipated annual energy cost savings | $1,333,826 |

## E. Decarbonizing Public Schools Program

*SEIF Expenditures and Encumbrances: $17.377 million*

*Beneficiaries*

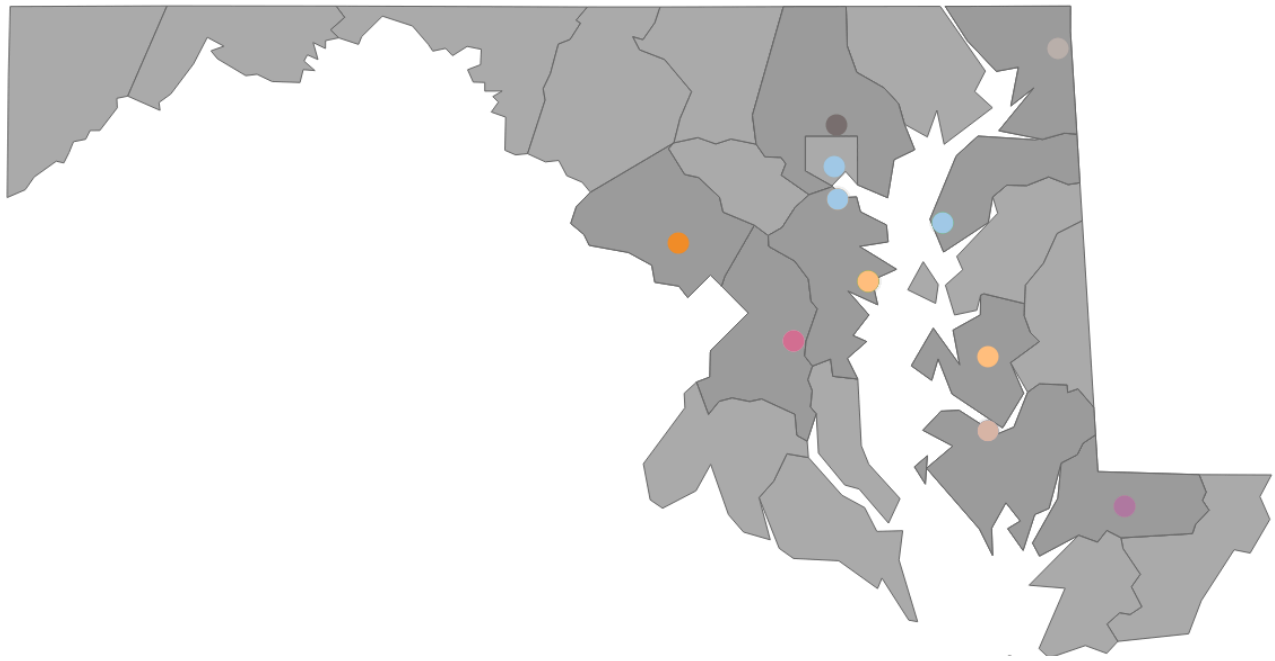
Maryland local education agencies[6] (LEAs) are eligible to participate.

*Description*

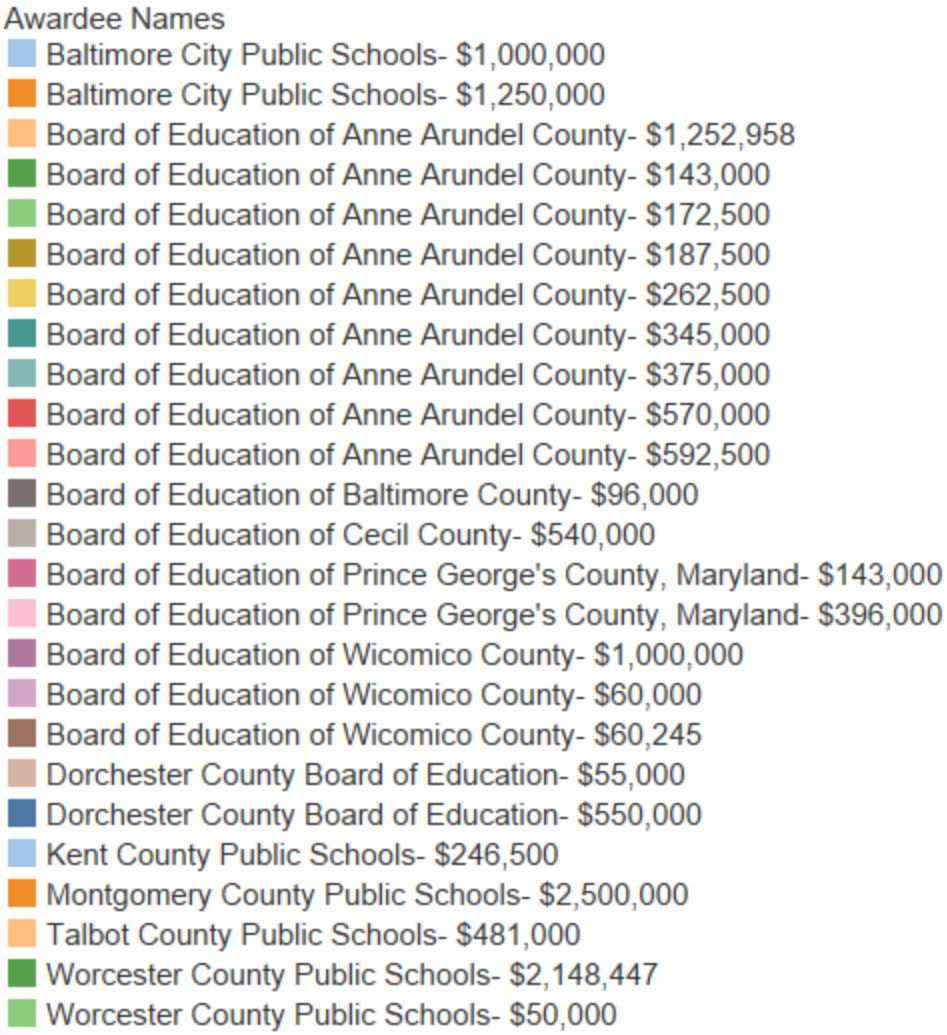
The Decarbonizing Public Schools Program makes grants available to expand the capacity of LEAs to manage energy data, reduce operating costs, and incorporate energy performance criteria into capital improvement planning.

Applicants may receive funding to support one or multiple Areas of Interest (AOIs), for either their entire school district, for a significantly sized multi-facility subset or for individual school facilities.[7] AOI 1 is for "Feasibility and Planning" for capacity building and data management purposes as LEAs plan for net zero energy construction. AOI 2 is for "Energy Efficiency Capital" for energy efficiency upgrades and repairs to school buildings. AOI 3 is entitled "Solar on Schools" for installation and planning of solar arrays on existing school roofs and infrastructure. AOI 4 focuses on "Net Zero Energy Schools", enabling design, construction and post-occupancy commissioning of the next generation of net zero energy (NZE) schools in Maryland.

**Map 4:** FY25 Decarbonizing Public Schools Program awards



[6] In Maryland, local education agencies correspond with the county, or county-equivalent, public school system.
[7] An applicant selected to receive an award under multiple Areas of Interest, or from multiple funding sources (e.g., energy efficiency, renewable energy/climate change), will receive multiple awards.




*Program Accomplishments*

| **Fiscal Year** | **FY25** |
|---|---|
| # of grant awards | 31 |
| # of LEAs receiving an award to help defray the cost of energy management and ENERGY STAR Portfolio Manager deployment | 4 |
| # of LEAs receiving an award to cover the cost of incorporating net zero energy design principles into LEA facility development portfolios | 0 |
| Estimated GHG Savings (MTCO2e) | 2,461 |
| Anticipated Energy Savings (kWh) | 7,761,878 |

## F. Resilient Maryland

*SEIF Expenditures and Encumbrances: $4.173 million*[8]

*Beneficiaries*

Potential applicants include businesses, critical infrastructure facilities, local and state governments (including public universities, community colleges, and schools), nonprofit organizations, healthcare facilities, multifamily housing, regional planning organizations, agriculture, food production and supply chain, hotels, utilities, cooperatives, and municipal utilities implementing microgrids to improve community resilience. Downstream beneficiaries include low- to moderate-income Maryland residents.

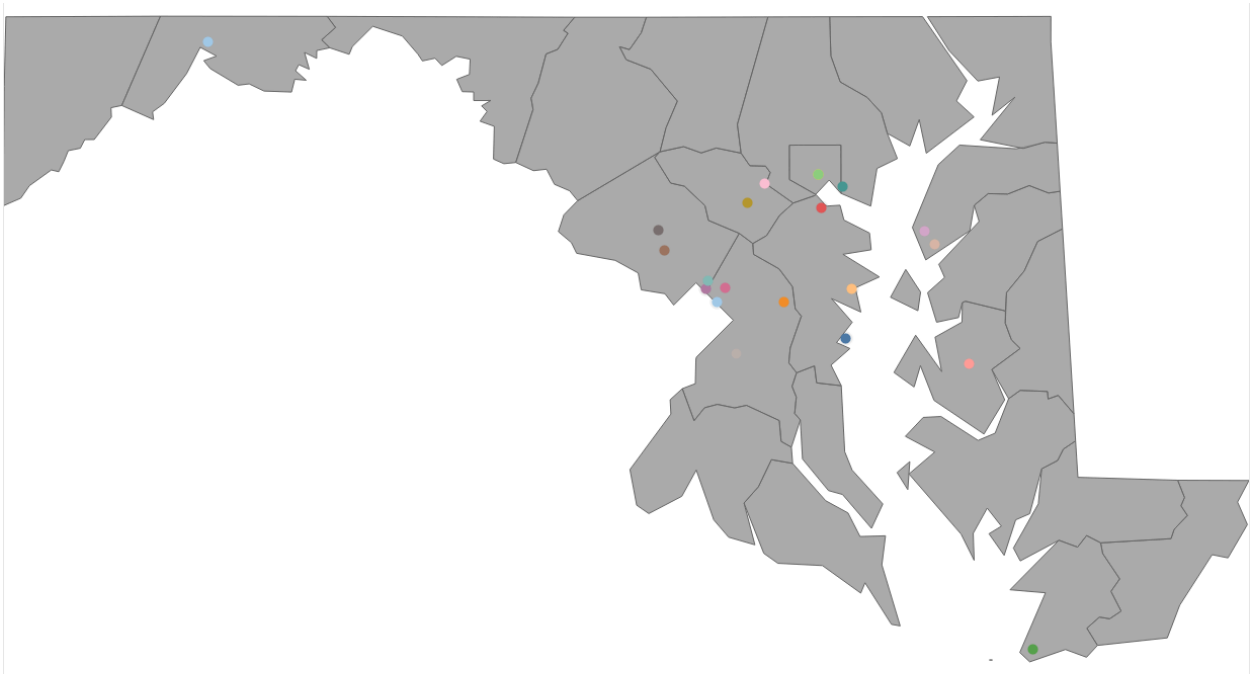
*Description*

Resilient Maryland is aimed at driving growth in the adoption of microgrids and other distributed energy resource (DER) systems that enhance a facility's resiliency, sustainability, and efficiency. Solar photovoltaics, resilient combined heat and power for critical purposes, energy storage systems, grid-interactive energy efficiency technologies, and many other DERs can be strategically combined to provide long-term affordable energy and resilient power solutions that bolster essential infrastructure, vulnerable communities, and businesses and organizations sensitive to energy disruption. The FY25 program covered three different AOIs in FY25:

- AOI 1 focuses on feasibility analyses, planning, preliminary designs, financial analyses, greenhouse gas reduction projections, analyses on barriers to system implementation, and other pre-construction activities for community and campus-scale microgrids and other innovative configurations. The program provides competitive grants that help offset the costs of equipment and installation of DERs and the associated wiring and communication infrastructure comprising the microgrid.
- AOI 2 focuses on similar activities as AOI I, but for a single facility.
- AOI 3 incentivizes the design of "resiliency hubs", which are community locations fitted with a solar photovoltaic and battery storage system for community members to safely congregate, sized to power essential loads during an electricity grid outage. AOI 3 also incentivizes capital construction. Funding is provided to partially compensate solar microgrid developers for costs incurred in the development and construction of eligible combined solar and energy storage systems. When the electric grid is operational, the solar plus storage system may be used to provide solar energy and peak shaving to the facility where the hub is located.

[8] This reflects the awards made in FY25 and does not include financial transactions for awards from prior fiscal years that impacted FY25 accounting.

**Map 5:** FY25 Projects funded through Resilient Maryland[9]



Awardee Names
- Allegany Museum, Inc.- $50,000
- Alphastruxure Mullikin Llc- $0
- City Of Annapolis- $12,000
- Crisfield City- $125,000
- Enterprise Community Development, Inc- $120,000
- Enterprise Community Development, Inc. (Allendale)- $142,170
- Enterprise Community Development, Inc. (Ashland)- $164,430
- Enterprise Community Development, Inc. (Cove Point)- $245,760
- Enterprise Community Development, Inc. (Ednore)- $409,590
- Enterprise Community Development, Inc. (Park View)- $491,520
- For All Seasons, Inc.- $125,000
- Groundswell, Inc.- $56,340
- Groundswell, Inc.- $120,000
- Housing Authority Of The City Of College Park- $50,000
- Howard County Government- $1,500,000
- Manor Circle Condominium, Inc.- $204,500
- Meals On Wheels Of Central Maryland, Inc.- $50,000
- Montgomery County- $120,000
- Pepco- $125,000
- Shady Side Community Center Inc.- $50,000
- World Arts Focus (Joe's Movement Emporium)- $12,000

*Program Accomplishments*

| Fiscal Year | FY25 |
|---|---|
| # of projects receiving an award | 21 |
| Solar Capacity Installed through Resilient Maryland (MW) | 1.68 |

[9] Awards with zero dollars associated are known cancellations.

## G. Residential Clean Energy Rebate Program

*SEIF Expenditures and Encumbrances*: $1.221 million

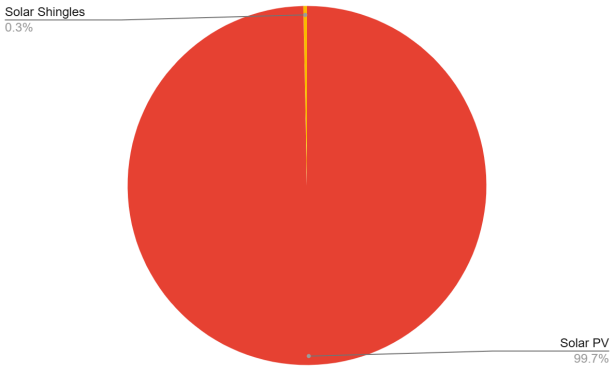
*Beneficiaries*

Beneficiaries include homeowners that install eligible renewable energy systems.

*Description*

The Clean Energy Rebate Program (CERP) was designed to support renewable energy installations across the state, and offers incentives for both residential and commercial projects. In FY25, Residential CERP provided incentives for solar photovoltaic (PV), and wood and pellet stoves. The solar photovoltaic category also includes solar shingles, where the solar PVtechnology is installed as part of a building's roof. As shown in Chart 2 below, solar PV is the most popular technology by far, representing over 500 awards and approximately 99% of FY25 residential CERP applications.

**Chart 2**: FY25 Residential Clean Energy Rebate Program Awards by Technology




In FY25, residential CERP applications far exceeded commercial applications in both the number of awards made and total dollar amount of awards issued. Residential CERP incentive levels are set at a prescribed amount per technology installation (e.g., $1,000 per solar photovoltaic award.) By offering incentives for multiple technologies, potential program participants have options to help suit their cost and/or geographical requirements. The Clean Energy Rebate Program was phased out in FY25 and replaced by the Maryland Solar Access Program.

*Program Accomplishments*

| Fiscal Year | FY25 |
|---|---|
| Total # of awards | 1,221 |
| Estimated new electricity generated or avoided incentivized by CERP (kWh/year) | 11,202,112 |
| Estimated MMBTU/year avoided due to projects receiving CERP incentives | 38,223 |
| Overall Solar PV Capacity[10] (kW) | 13,179 |
| Solar Thermal (sq. ft.) | 0 |
| # of wood and pellet stove installations | 0 |
| Anticipated annual CO2 avoided (metric tons CO2/year) | 11,202 |

[10] Includes residential solar photovoltaic shingles.

## H. Commercial Clean Energy Rebate Program

*SEIF Expenditures and Encumbrances*: $0.040 million

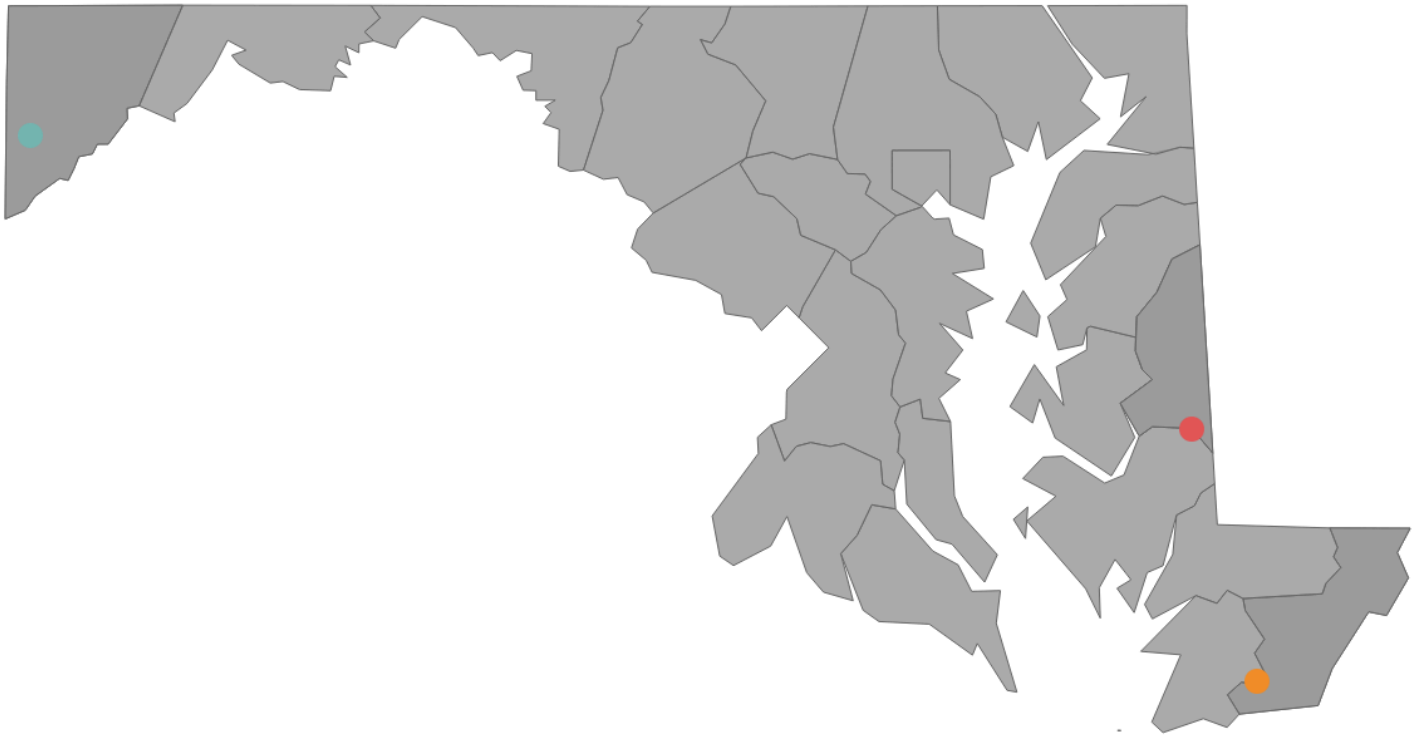
*Beneficiaries*

Beneficiaries can include businesses, nonprofit organizations, and state and local government entities that install eligible renewable energy systems.

*Description*

The Commercial Clean Energy Rebate Program (CERP) was discontinued in FY2025. The program provided incentives for solar and geothermal systems. There were a total of 3 commercial CERP projects in FY25, all of which involved solar technology. In FY25, commercial projects occurred in three of Maryland's counties. The expenditures for this program in FY25 were very minimal because the program has been discontinued. Commercial solar projects are now funded through the Commercial Solar Grant Program (See page 40).

**Map 6**: FY25 Commercial CERP Project Locations[11]



*Program Accomplishments*

| Fiscal Year | FY25 |
|---|---|
| Total # of awards | 3 |
| Estimated new electricity generated or avoided incentivized by CERP (kWh/year) | 234,005 |
| Estimated MMBTU/year avoided due to projects receiving CERP incentives | 798 |
| Overall Solar PV (kW) | 275 |
| Solar Thermal (sq. ft.) | 0 |
| Capacity of new Geothermal installed (Ton) | 0 |
| Anticipated annual CO2 avoided (metric tons CO2/year) | 234 |

[11] A list of awardees can be found in Appendix C.

## I. Solar Canopy and Dual Use Technology Program

*SEIF Expenditures and Encumbrances: $3.954 million*

*Beneficiaries*

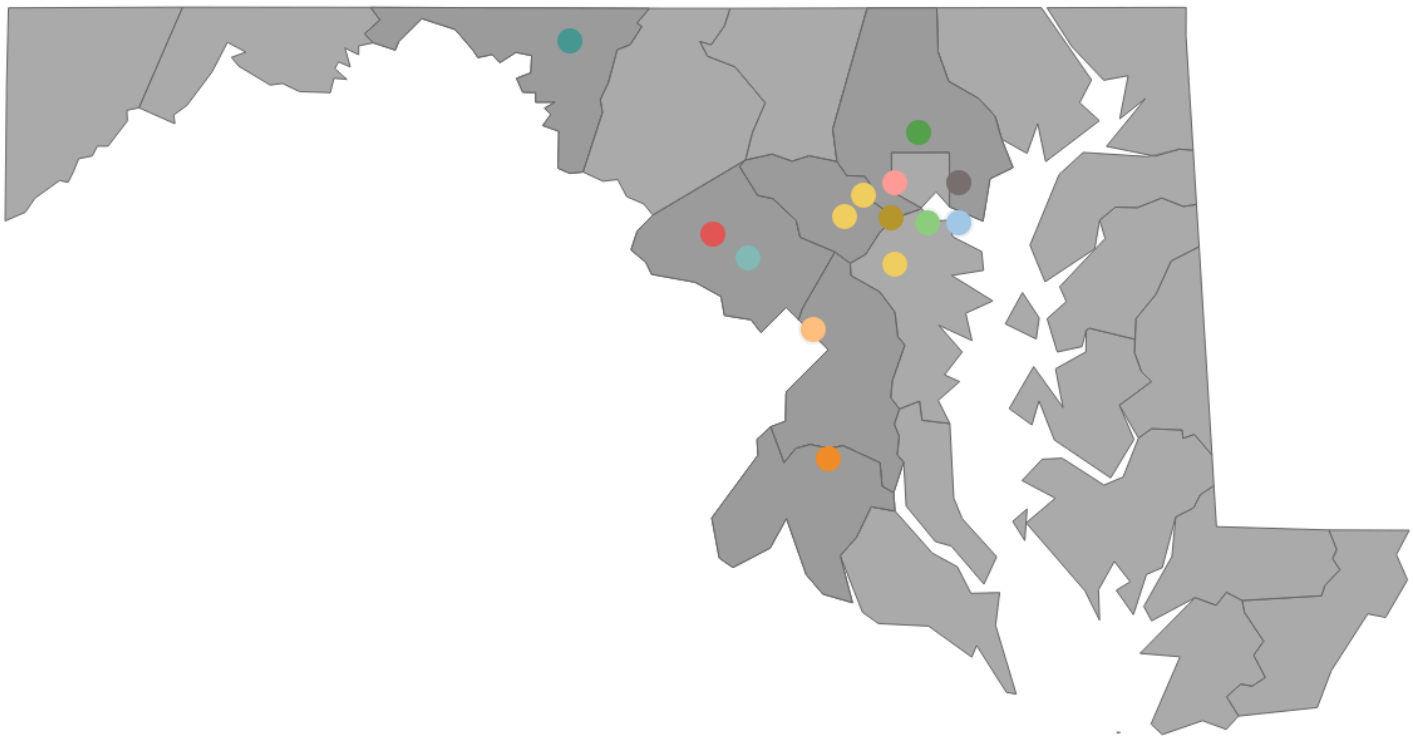
Potential applicants include businesses, state and local governments, and nonprofit organizations.

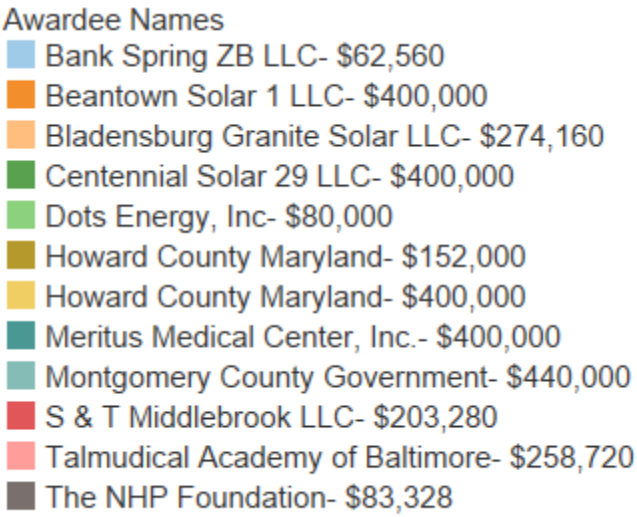
*Description*

This competitive program, previously called the Parking Lot Solar Canopy with Electric Vehicle Charger program, has been offered by MEA since 2014. Eligible projects must consist of at least 75 kW of solar photovoltaic panels mounted on a canopy-type structure over a parking lot or parking garage roof, and at least four Level 2 or Level 3 EV charging stations must be installed in conjunction with the canopy system. Participating parking lot properties can help support the state's electric vehicle adoption, Renewable Portfolio Standard, and greenhouse gas reduction goals all while performing the facility's primary function of providing parking access. As ancillary benefits of these projects, vehicles parked underneath the canopies are protected during inclement weather and kept shaded, and thus cooler, during the summer months.

In addition to solar canopies over parking lots, waterborne solar installations are eligible and other dual use opportunities may be proposed for consideration. The Solar Canopy and Dual Use Technology Program was consolidated into the Commercial Solar Program for FY26.

**Map 7:** FY25 Solar Canopy Program Awards






Many of the parking lot solar canopy projects are in fairly visible locations, helping to increase the visibility of solar to the public at large. As examples, this year's solar canopy projects will be installed at Blandair Park, Troy Park, and Elkridge Fire Station.

FY25 projects are still being developed and are not yet installed. Anticipated system capacity estimates for these projects are included below, but are subject to change.

*Program Accomplishments*

| **Fiscal Year** | **FY25** |
|---|---|
| # of projects receiving an award | 14 |
| Solar capacity (kW) resulting from the parking lot canopy projects | 8,733 |
| Electric vehicle charging stations | 46 |
| Anticipated annual generation (kWh) | 13,714,902 |
| Anticipated annual CO2 avoided (metric tons CO2/year) | 4,205 |

## J. Community Solar Program

*SEIF Expenditures and Encumbrances: $32.628 million*

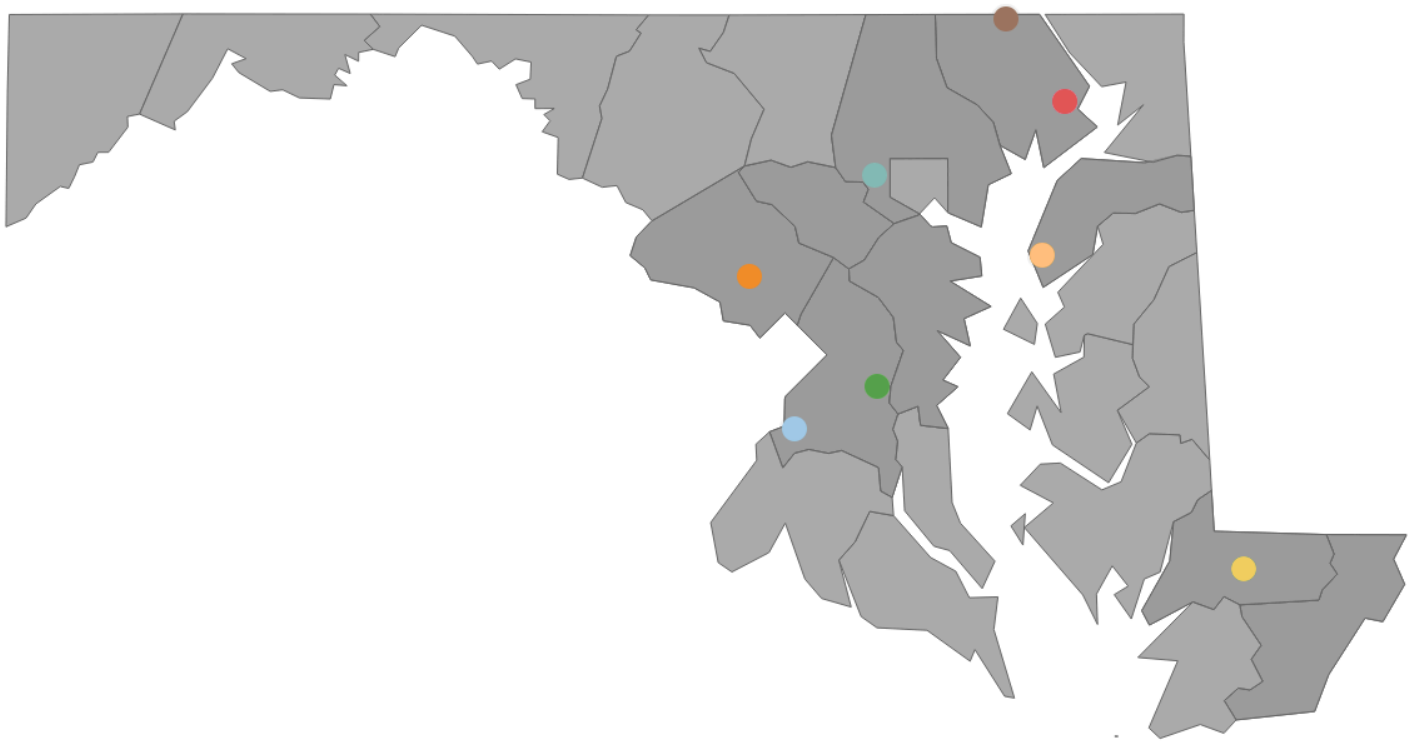
*Beneficiaries*

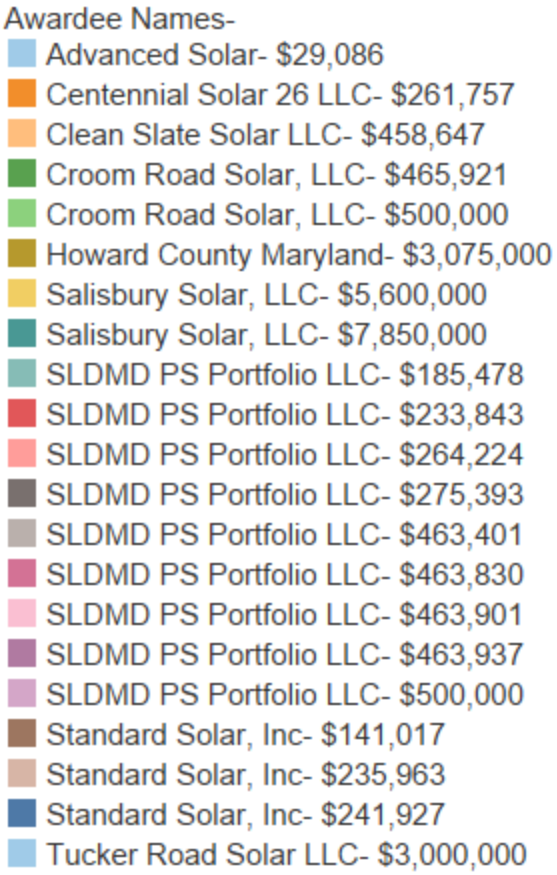
This program provides funding to Community Solar Subscriber Organizations to offset costs associated with energy subscriptions enabling clean energy to be offered to LMI households at lower cost. The ultimate beneficiaries of MEA's Community Solar program are low-income residents who are now able to participate in a community solar project. Community solar helps improve energy equity by expanding the pool of Maryland residents who can participate in solar projects, opening up solar to rental households and households who may not have the financial resources (e.g., upfront capital, credit history) to otherwise access solar technologies.

*Description*

Community solar allows Maryland residents to purchase subscriptions for electricity produced from local community solar arrays, thereby gaining some of the same economic advantages as having solar modules directly on a residence, while avoiding possible obstacles to participation in solar that may exist (e.g., roof age, property ownership, roof orientation, or shading).

**Map 8**: FY25 Community Solar Array Locations






The community solar arrays incentivized in FY25 are subscription agreement projects, in which subscribers agree to purchase the electricity produced by the community solar project, rather than purchase a portion of the community solar array itself. In FY25, incentives for subscriber organizations enable terms and conditions to be offered in the community solar subscription agreement that will increase cost savings, and provide more flexible subscription contract terms for LMI residents.

FY25 projects are still being developed and are not yet installed. Generation and capacity estimates for these future installations are included below, but are subject to change.

*Program Accomplishments*

| **Fiscal Year** | **FY25** |
|---|---|
| Total # of grant awards | 26 |
| Estimated total new electricity generation of all community solar projects receiving LMI incentives (kWh-ac/year) from MEA | 79,405,002 |
| Overall total capacity of community solar PV (kW) projects receiving LMI incentives from MEA | 57,369 |

| | |
|---|---|
| Estimated amount of new electricity generation from the incentivized community solar projects directed specifically to the LMI community (kWh-ac/year)[12] | 46,926,131 |
| Capacity of the incentivized community solar projects that is directed specifically to the LMI community (kW) | 33,470 |
| Anticipated annual CO2 avoided from the LMI portions of the incentivized Community Solar projects (metric tons CO2/year) | 14,876 |
| Anticipated number of low-and-moderate households that will be able to subscribe to once the projects have been completed[13] | 4,184 |

[12] The generation capacity and corresponding electricity generation directed specifically to LMI participants is a subset of each participating community solar project.

[13] Assuming the average subscription is for 7.5 kW.

## K. Solar Energy Equity Grant Program

*SEIF Expenditures and Encumbrances: $10.00 million*

*Beneficiaries*

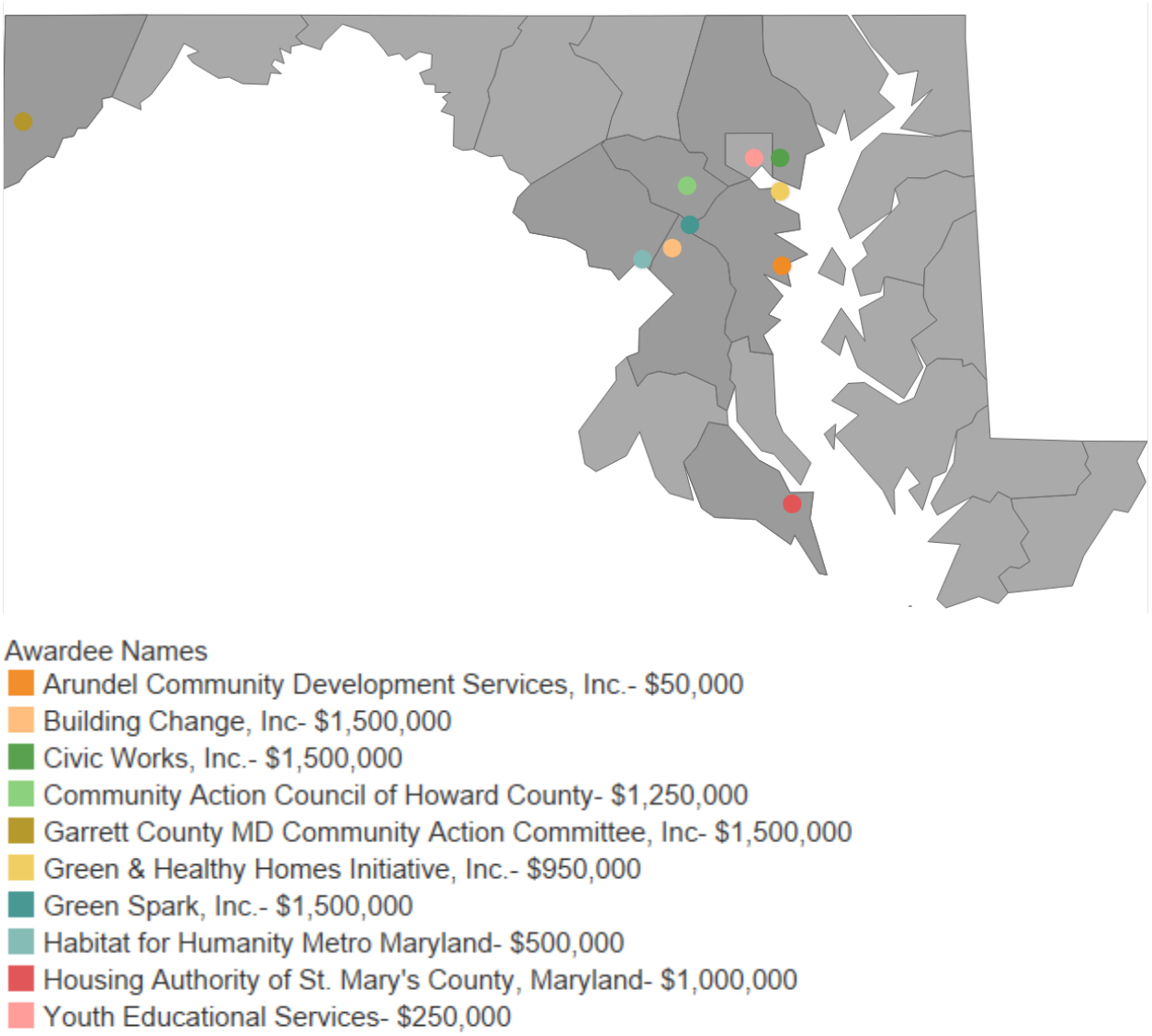
Non-profit organizations and local governments.

*Description*

This program provides grant funding for the design and installation of solar PV energy-generating systems on the homes of Marylanders that experience low- to moderate-income, or are in overburdened or underserved communities, as defined by § 1-701 of the Environmental Article, Annotated Code of Maryland. Each home must have had energy efficiency and weatherization-type upgrades completed through a recent fiscal year[14] under either MEA's Energy Efficiency Equity Grant Program ("EEE Program"), formerly known as the Low- to Moderate-Income Energy Efficiency Grant Program in previous Program offerings, or through one or both of the Maryland Department of Housing and Community Development's ("DHCD") Weatherization Assistance Program or DHCD EmPOWER Maryland Limited Income Energy Efficiency Program. The Program funds up to 100% of the solar PV system design and installation cost, up to $25,000 per home.

[14] To be eligible, the upgrade had to occur under a fiscal year 2019 through fiscal year 2025 project.

**Map 9:** FY25 Solar Energy Equity Grant Program Awardees




Map 9 depicts the grantee's location, rather than the location of the participating homes.

*Program Accomplishments*

| Fiscal Year | FY25 |
|---|---|
| # of projects receiving an award | 10 |
| # of low income solar households anticipated to participate | 400 |
| Estimated Solar capacity (in kW(DC)) | 2,160 |
| Anticipated annual solar generation (kWh/year) | 2,365,200 |
| Anticipated annual CO2 avoided (metric tons CO2/year) | 5,983 |

## L. Offshore Wind Programs

SEIF Expenditures and Encumbrances: *$5.548 million*

*Description*

The Offshore Wind program includes both the Offshore Wind Development Fund (OSWDF) within the SEIF and the Offshore Wind Business Development Fund (OSWBDF) outside of the SEIF. Respectively, these funds are used for research efforts associated with offshore wind projects and the creation of a business supply chain in Maryland.

The Offshore Wind Development Fund has historically been used for research initiatives including environmental surveys and wind resource characterization campaigns.

While the Offshore Wind Business Development Fund was included in the SEIF report in the past for transparency, it is not technically part of the SEIF. For this reason, the awards are not being included in this report.

*Program Accomplishments*

In fiscal year 2025, examples of activities funded through the Offshore Wind Development Fund include membership in the National Offshore Wind Research & Development Consortium and participation in a multistate MOU regarding fisheries compensation.

## M. Electric Vehicle Supply Equipment Rebate Program

*SEIF Expenditures and Encumbrances*: $2.496 million

*Beneficiaries*

Electric Vehicle Supply Equipment (EVSE) Rebate Program participants can include homeowners, businesses, nonprofit organizations, and state and local government entities that install eligible electric vehicle charging equipment. Entities purchasing and installing EVSE for non-exclusive individual use in a multi-unit dwelling development (e.g., apartments, condominiums, homeowners associations, etc.) may also participate.

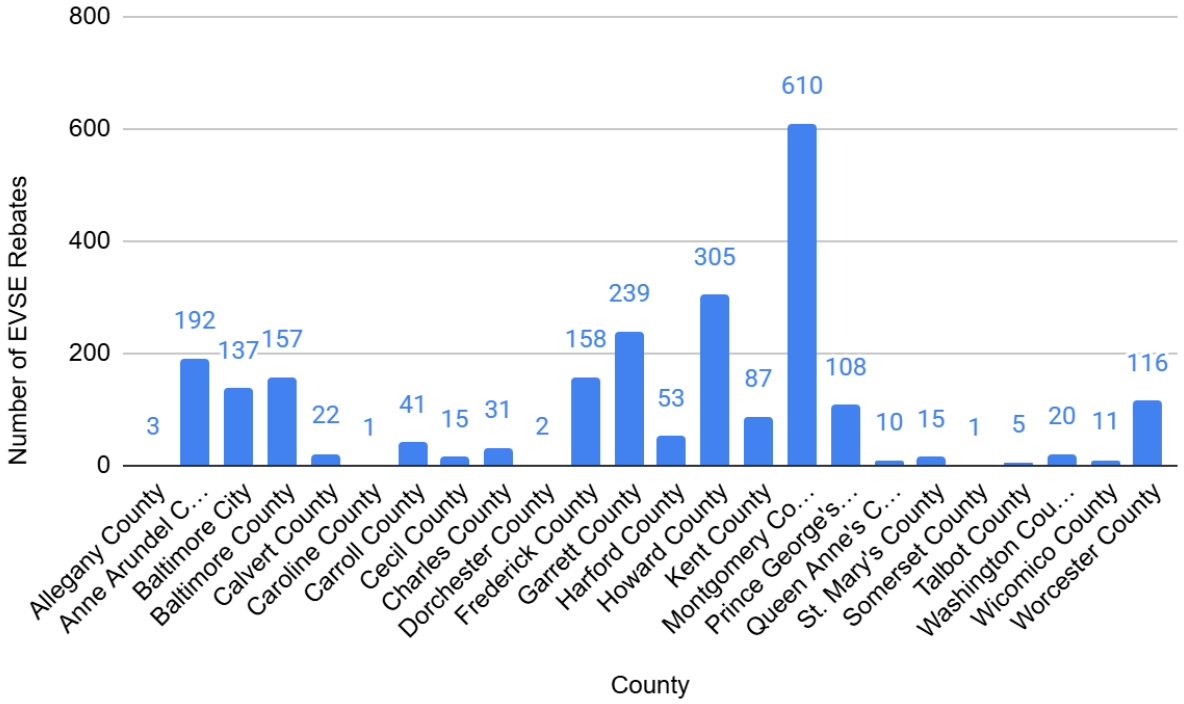
*Description*

The EVSE Program aims to reduce the financial burden of acquiring and installing electric vehicle charging stations, in order to increase electric vehicle (EV) adoption in support of Maryland's EV deployment and greenhouse gas (GHG) reduction goals. Over 2,000 EVSE rebates were funded through SEIF in FY25, including both residential and commercial EVSE installations. While each residential EVSE award typically corresponds to one charger, the commercial EVSE program allows for rebates for multiple chargers to be included on the same award application and therefore can result in larger award amounts.[15]

In FY25, approximately 97% of rebate funds went to Maryland residents, with the remaining rebate funds going to eligible commercial entities.

[15] The SEIF report provides a list of participants at the awardee, rather than individual rebate, level. With this in mind, a commercial EVSE participant receiving multiple rebates as part of the same application is listed as one award.

**Chart 3**: FY25 EVSE Awards by County[16]




In FY25, the highest number of rebates were incentivizing chargers installed along the Interstate I-95 corridor, as well as in Montgomery and Garrett counties (Chart 3). In addition to numerous Maryland residents, FY25 EVSE commercial program participants include apartment complexes and businesses. Commercial awards in FY25 have also gone to entities, such as the Electric Vehicle Institute, working to build out the public EV charging network in the state.

*Program Accomplishments*

| Fiscal Year | FY25 |
|---|---|
| # of total EVSE rebate awards made | 2,402 |

[16] This is the county where the charger was installed, which may be different from the mailing address of the rebate applicant.

## N. Medium-Duty and Heavy-Duty Zero-Emission Vehicle Grant Program

*SEIF Expenditures and Encumbrances: $6.44 million*

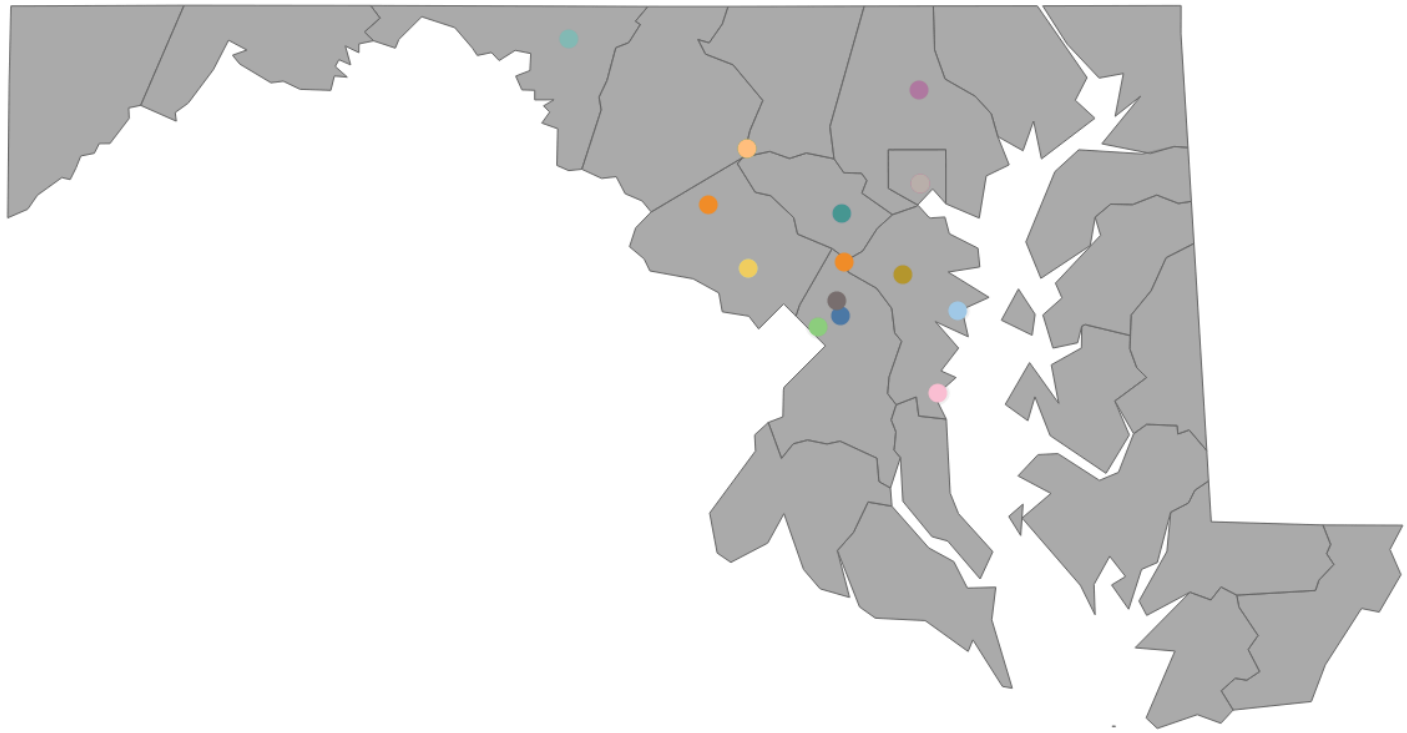
*Beneficiaries*

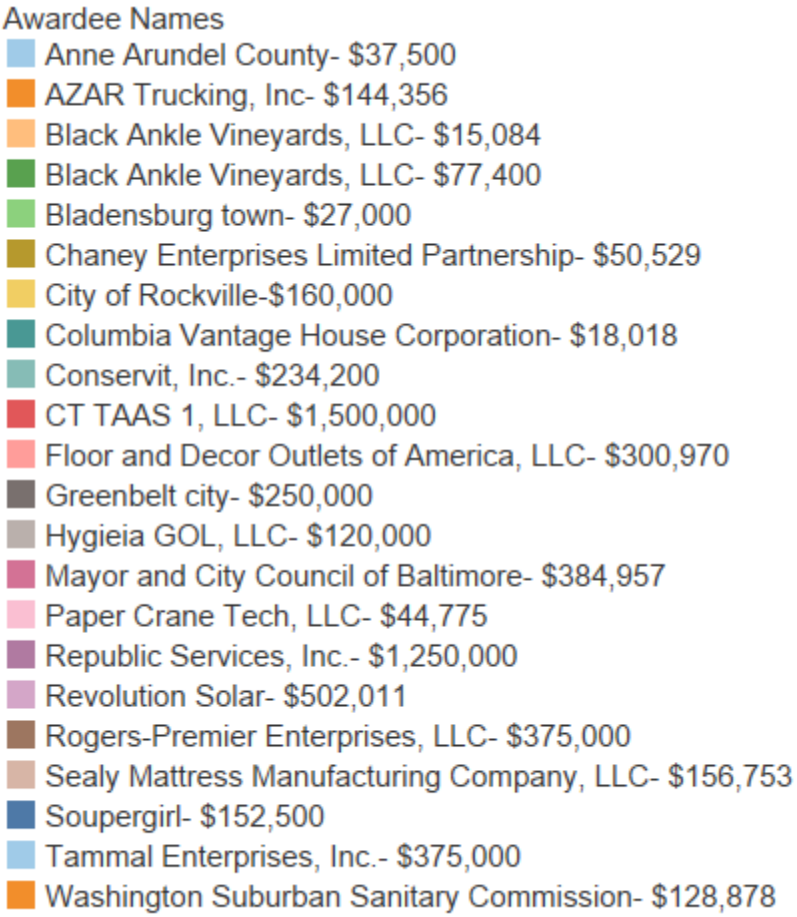
Fleet companies, organizations, and communities in Maryland

*Description*

This statutorily-required program provides financial assistance for the purchase of qualifying zero-emission vehicles (ZEVs) and heavy equipment for commercial or industrial use. This program provides grants to Maryland fleet companies, organizations, and communities to help defray the costs of purchasing qualified, newly manufactured zero emission medium-duty or heavy-duty zero-emission fleet vehicles and off-road qualified heavy equipment property.

**Map 10:** FY25 Medium-Duty and Heavy-Duty Zero-Emission Vehicle Grant Program awards






*Program Accomplishments*

| **Fiscal Year** | **FY25** |
|---|---|
| # of projects receiving an award | 22 |
| # of vehicles anticipated to be incentivized | 109 |
| Anticipated annual GHG avoided (metric tons of GHG/year) | 6,507 |

## O. Mechanical Insulation Grant Program

*SEIF Expenditures and Encumbrances*: $0.04 million

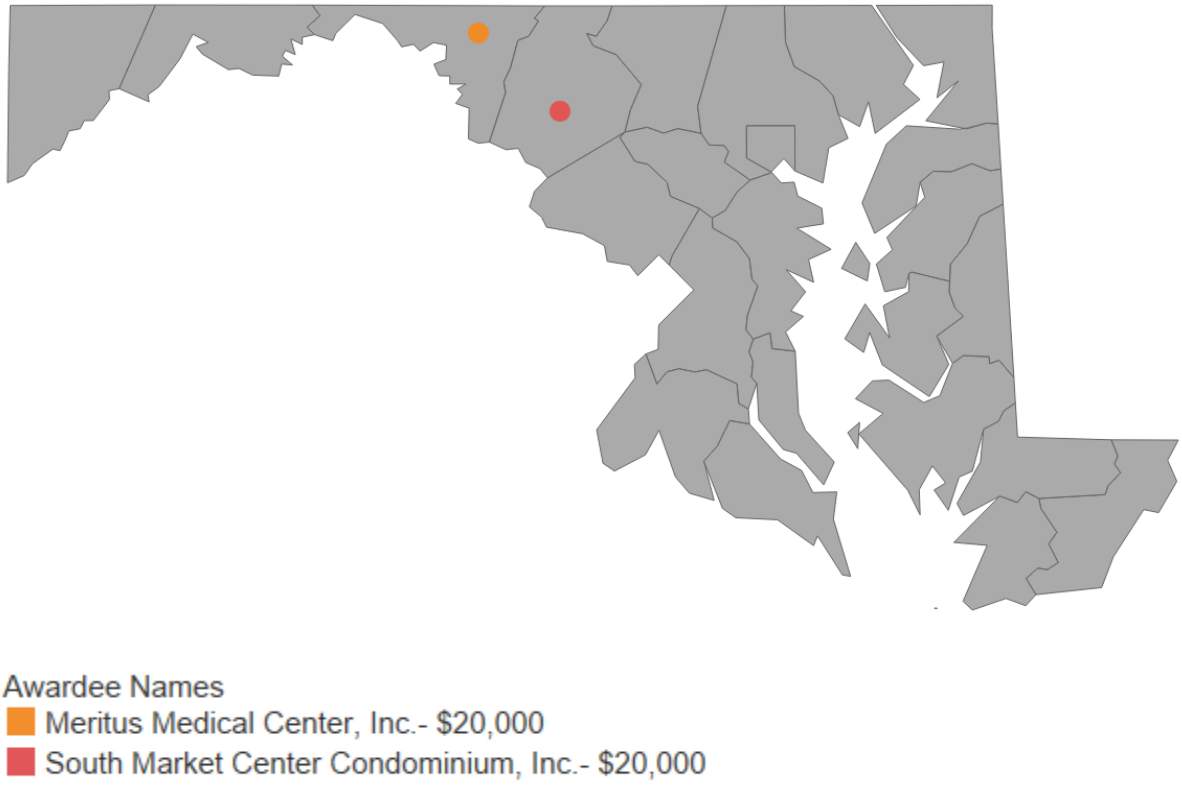
*Beneficiaries*

Eligible individuals, nonprofit organizations, and business entities

*Description*

The Mechanical Insulation Grant Program helps incentivize the installation of mechanical insulation on a commercial or industrial property, thereby enabling energy-saving improvements to large-scale thermal distribution networks.

**Map 11:** FY25 Mechanical Insulation Grant Program awards




*Program Accomplishments*

| Fiscal Year | FY25 |
|---|---|
| # of grants issued | 2 |

## P. Electrification Outreach Program

*SEIF Expenditures and Encumbrances*: $0.45 million

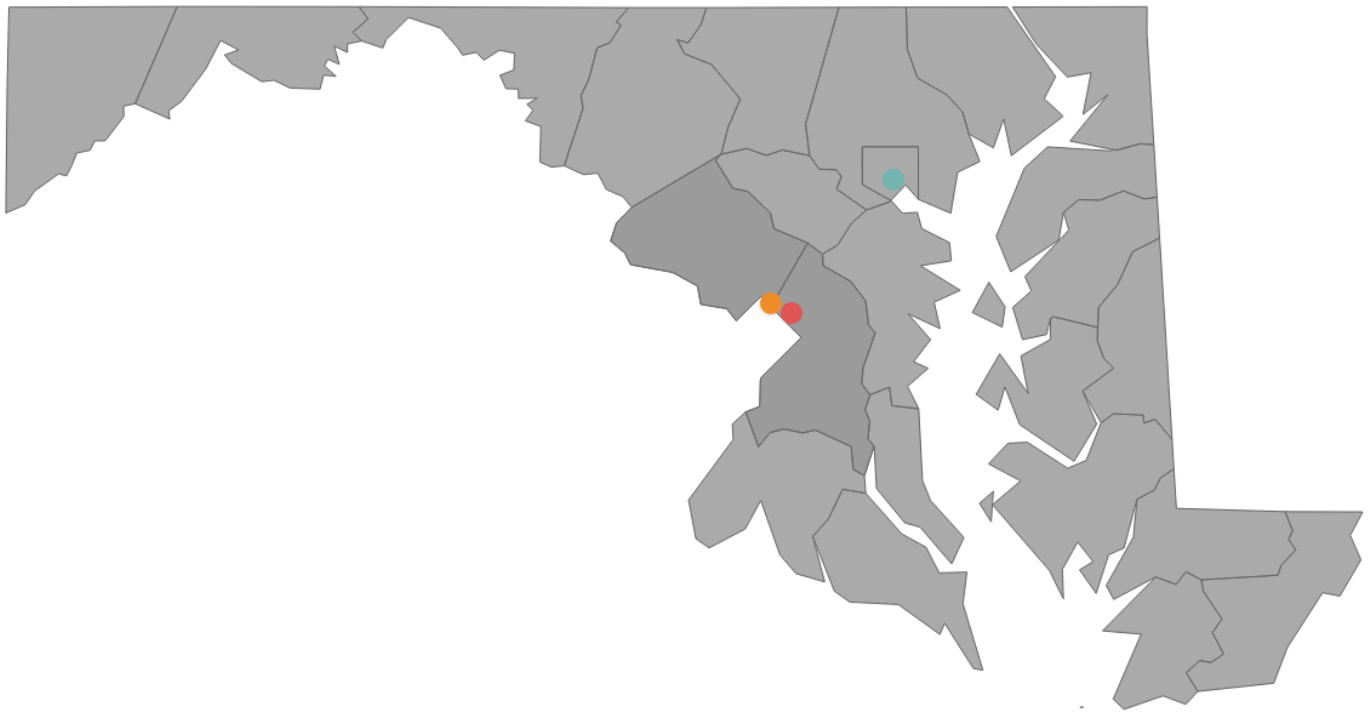
*Beneficiaries*

Nonprofit and community-based organizations receive funding to support low-and-moderate income households and communities.

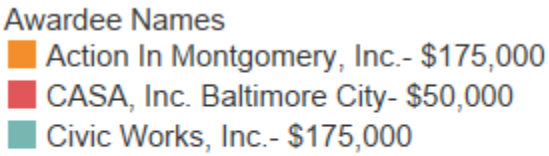
*Description*

New in FY25, the Electrification Outreach Program supports outreach across the state to educate owners and tenants of single-family and multi-family dwellings on the benefits of building electrification, with an emphasis on how to pair electrification measures with energy efficiency and renewable energy upgrades to maximize savings. A portion of the funds support implementation of the WARMTH Act (HB397 2024), by funding outreach to owners and tenants of the buildings within the areas participating in the networked geothermal WARMTH pilot communities.

**Map 12:** FY25 Electrification Outreach Program awards[17]



[17] Map shows location of grantee organization but funded outreach activities take place by Maryland region. For example, Latino Economic Development Corp of Washington DC is headquartered in Washington DC and does not appear on the Maryland map, but funded outreach activities take place in central and southern regions of Maryland.




*Program Accomplishments*

| Fiscal Year | FY25 |
|---|---|
| # of grants issued | 4 |

## Q. Higher Education Green Energy Initiatives

*SEIF Expenditures and Encumbrances*: $10.16 million

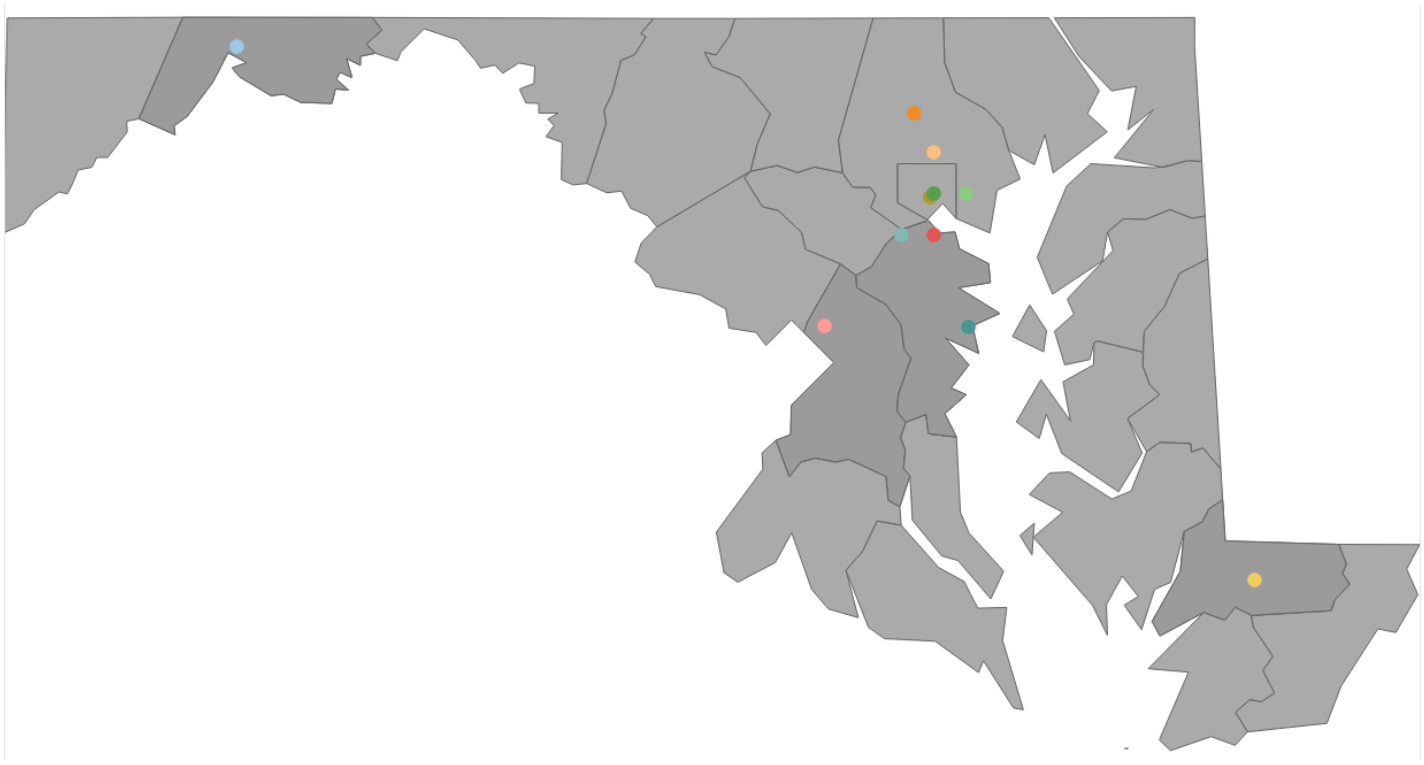
*Beneficiaries*

Maryland's higher education institutions

*Description*

New in FY25, the Higher Education Green Energy Initiatives supports solar installations, strategic sustainability and clean energy campus planning, clean energy curriculum development and workforce training at Maryland's higher education institutions to support sustainable learning environments and prepare students for careers in the clean energy sector.

**Map 13:** FY25 Higher Education Green Energy Initiatives awards




*Program Accomplishments*

| **Fiscal Year** | **FY25** |
|---|---|
| # of grants issued | 11 |
| Anticipated annual generation (kWh) | 8,836,489 |
| Anticipated annual CO2 avoided (metric tons CO2/year) | 2,718 |

## R. Geothermal Rebates Program

*SEIF Expenditures and Encumbrances*: $0.59 million

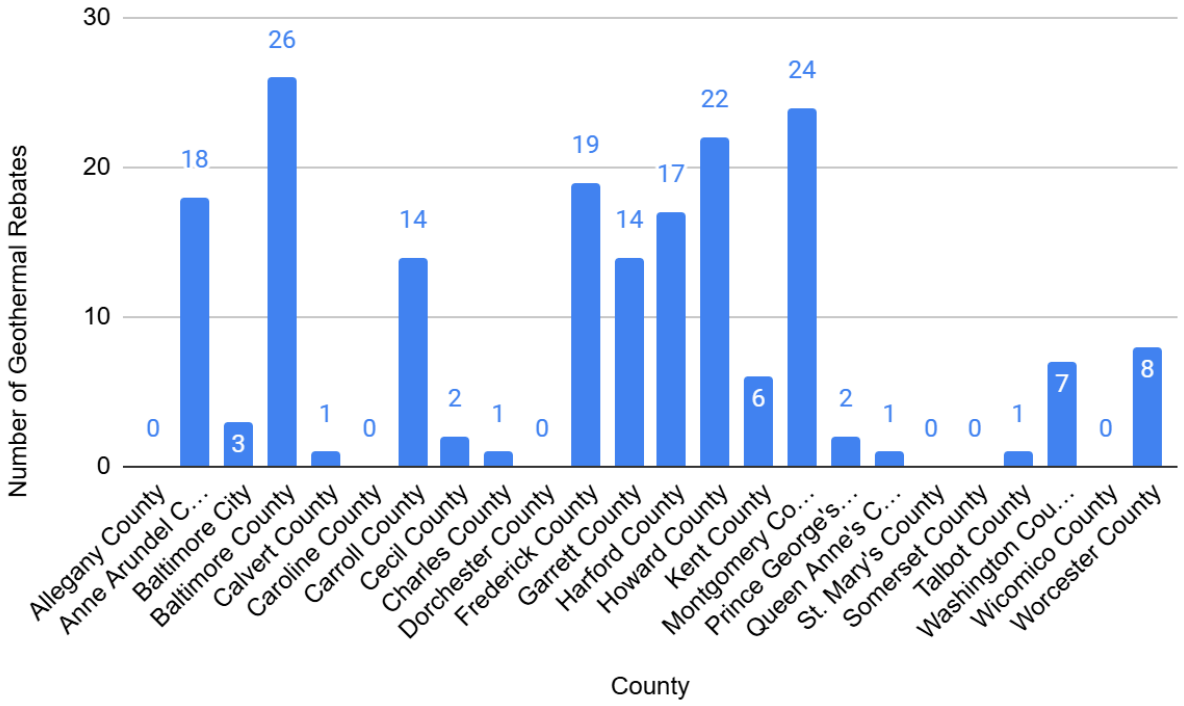
*Beneficiaries*

Beneficiaries include homeowners that install eligible geothermal systems.

*Description*

New in FY25, the Geothermal Rebates Program was designed to support geothermal installations across the state and offers incentives for residential projects.

**Chart 4: FY25 Geothermal Awards by County**




*Program Accomplishments*

| Fiscal Year | FY25 |
|---|---|
| # of grants issued | 199 |
| Anticipated annual CO2 avoided (metric tons CO2/year) | 131 |

## S. Commercial Solar Grant Program

*SEIF Expenditures and Encumbrances*: $9.53 million

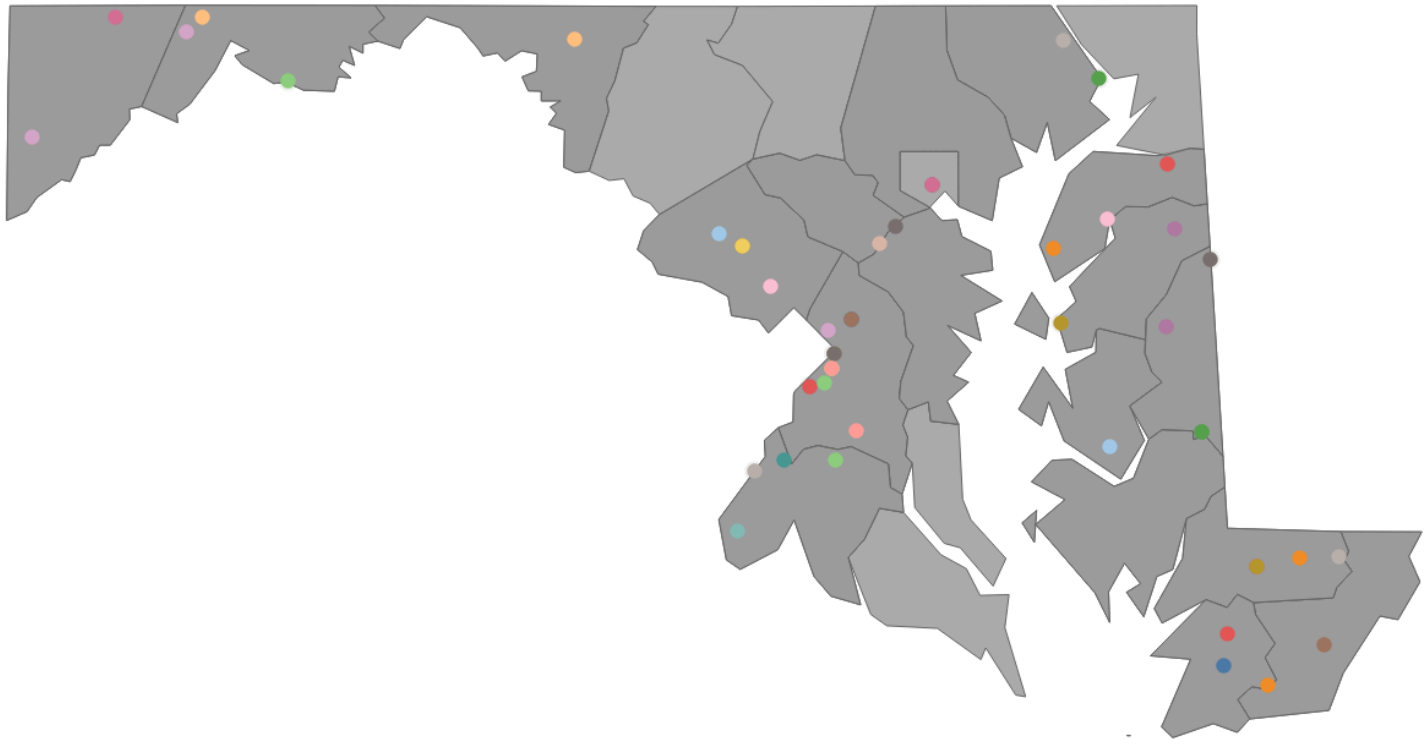
*Beneficiaries*

Maryland's businesses, nonprofits, and other organizations

*Description*

New in FY25, Commercial Solar Grant Program offers grant funding to support implementation of solar energy installations on commercial properties, including rooftop-mounted solar systems, ground-mounted solar systems, and solar canopies over parking or bodies of water.

**Map 14:** FY25 Commercial Solar Grant Program awards



Awardee Names

- 198 Property, LLC- $229,190
- 501 Prince George's Boulevard, LLC- $299,549
- 727 N Mulberry Street LLC- $16,975
- Adams Chevrolet, Inc.- $112,939
- Allegany Boys Camp, Inc.- $159,345
- APNA Farms, LLC- $138,467
- Bridge Solar Energy Development I LLC- $500,000
- Bryans Road Volunteer Fire Dept & Rescue Squad Inc.- $156,762
- Carbon Country, LLC- $420,960
- Cato, Inc.- $308,000
- CCSP LLC- $23,620
- CCSP LLC- $33,200
- Chaudhry Farms, LLC- $42,124
- Checkerspot Brewing Company LLC- $371,857
- Chestertown Lumber Co., LLC- $18,920
- Civic Works Inc- $55,361
- Clym Environmental Services, LLC- $129,600
- DC EAST- $141,000
- DC NORTH LLC- $258,000
- DownEast Renewable Energy LLC- $62,257
- Environmental Concern INC.- $74,497
- Ernest W Adkins Jr- $197,079
- Evergreen Heritage Center Foundation, Inc.- $68,493
- Faisal Farm LLC- $105,000
- First Top of the Hill, L.L.L.P.- $313,700
- Grasonville Volunteer Fire Department Inc.- $88,777
- HEPA LLC- $135,915
- Jewels School, Inc.- $90,798
- KUN Farm LLC- $33,259
- Long View Farms, INC.- $90,965
- Lucas Switts- $19,534
- Manahil Farm- $139,841
- Mancuso Foods LLC- $53,354
- Moon Farm, LLC- $168,639
- North Bethesda Parcel H L/Cal LLC- $53,800
- Oakland View Farms, LLC- $148,815
- PARKWAY CONDOMINIUM ASSOCIATION, INC- $180,000
- Paul Jones Lumber Co. Inc.- $56,270
- Piedmont Atlantic LLC- $12,320
- Ronnie Schrock, Inc.- $171,255
- S&T Middlebrook LLC- $81,245
- Sam's Farm, INC.- $21,750
- SBP Holdings LLC- $346,320
- Sheraz A Chaudhry- $132,116
- Shlagel Farms, LLC- $8,274
- SMP Governor SPE, LLC- $426,854
- Solar Consumer Protection Coalition Inc- $40,995
- Solar Consumer Protection Coalition Inc- $52,598
- Solar Consumer Protection Coalition Inc- $124,066
- Solar Consumer Protection Coalition Inc- $164,640
- St John Properties Inc- $169,561
- St John Properties Inc- $274,740
- Stone View Farm, LLC- $27,486
- Sunrise Sanitation Services, Inc.- $92,787
- Talmudical Academy of Baltimore- $207,549
- The Harbor Sales Company, Inc.- $172,500
- The SEMCAS Group- $34,650
- Thu Thi Huynh dba Huynh Farm- $95,663
- Tithe Corp.- $80,191
- Trinity Assembly of God Inc- $412,590
- Whitehall Associates, L.L.C.- $500,000
- ZNRG Tech LLC- $384,588

*Program Accomplishments*

| Fiscal Year | FY25 |
|---|---|
| # of grants issued | 62 |
| Anticipated capacity (kW) | 13,898 |
| Anticipated annual generation (kWh) | 17,542,857 |
| Anticipated annual CO2 avoided (metric tons CO2/year) | 8,771 |

## T. Maryland Solar Access Program

*SEIF Expenditures and Encumbrances*: $7.51 million

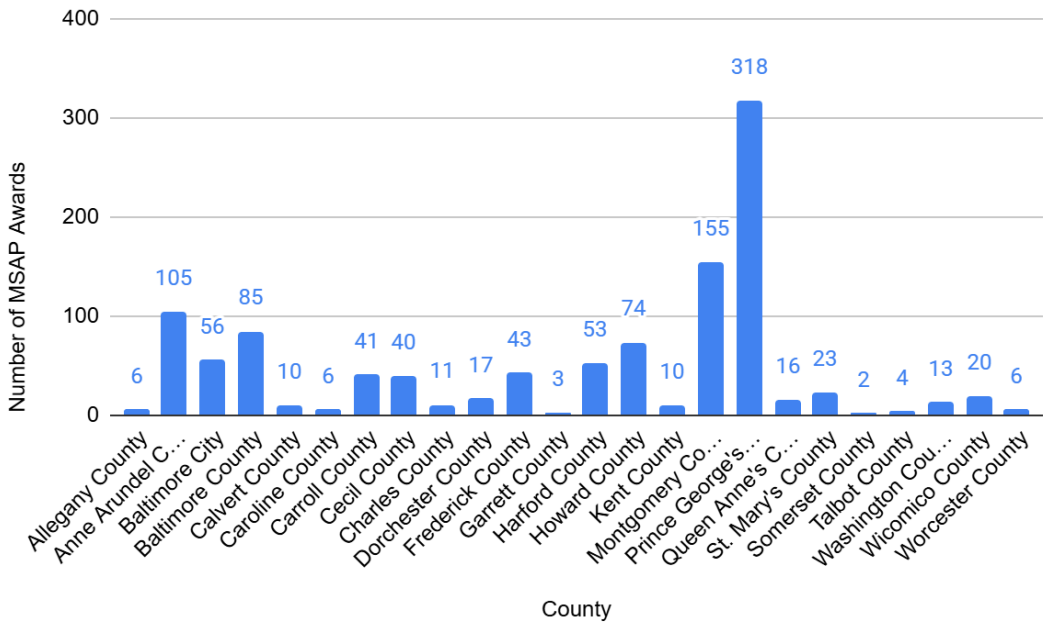
*Beneficiaries*

Beneficiaries include eligible Maryland residents that install solar PV systems to power their homes.

*Description*

New in FY25, the Maryland Solar Access Program is offered to Maryland residents who meet the program's income requirements on a first-come, first-served basis. The Maryland Solar Access Program is a statutory program created by the Brighter Tomorrow Act, providing a set amount of funding per kilowatt generated, up to $7,500 per home.

**Chart 5: FY25 Maryland Solar Access Program Awards by County**




*Program Accomplishments*

| Fiscal Year | FY25 |
|---|---|
| # of grants issued | 1,118 |
| Anticipated annual generation (kWh) | 1,566,174 |
| Anticipated annual CO2 avoided (metric tons CO2/year) | 15,661 |
| Minimum cost savings to residents | 25% |

## U. OPEN Energy Program

*SEIF Expenditures and Encumbrances: $1.30 million*

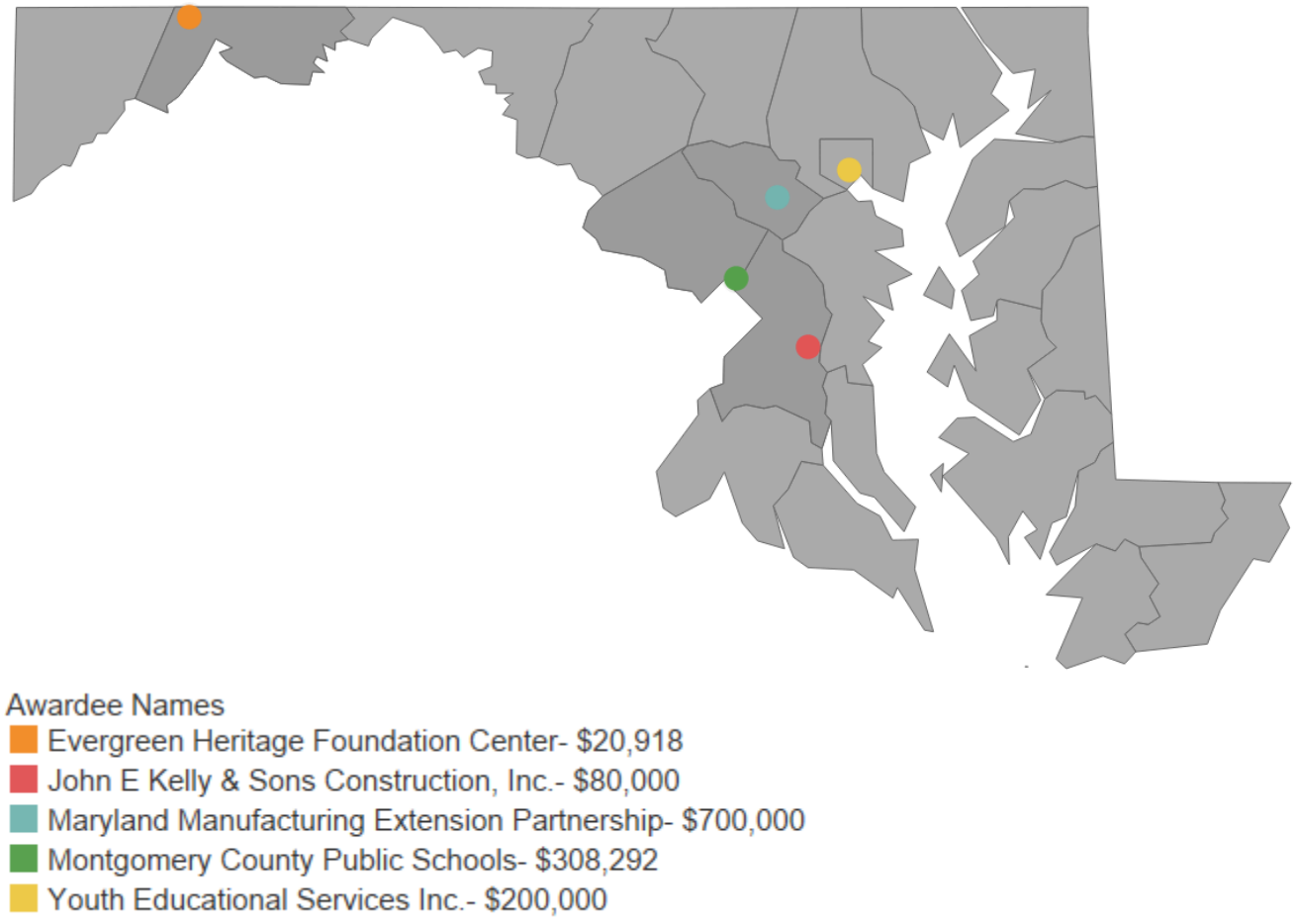
*Beneficiaries*

Participants must be located, or registered to do business, in Maryland.

*Description*

Each year MEA receives proposals for energy projects and initiatives outside of the agency's suite of established technology and sector-specific energy programs offered in a given fiscal year. MEA acknowledges that these types of proposals can potentially help advance the state's energy goals and agency mission in innovative ways while also being responsive to evolving energy issues and engaging a broad range of stakeholders. Offered for the first time in FY22, MEA's OPEN Energy Program provides an avenue for the agency to consider these proposals for funding. Applications under the OPEN Energy Program should be efforts that have the potential to be replicated or provide a public benefit beyond a single project or activity.

**Map 15:** FY25 OPEN Energy awards



*Program Accomplishments*

The scope of the OPEN Energy Program is by design broad in nature, to allow for innovation in the energy space. Upon completion, projects funded in FY25 will include:

- implementation of a solar-powered heat pump-based HVAC system,
- installing a combination of 157 kW agrivoltaics solar arrays and smart flowers,
- and providing education and training to Maryland manufacturers on the importance of energy reduction and environmental efficiencies in manufacturing.

| **Fiscal Year** | **FY25** |
|---|---|
| # of grant awards | 5 |

## V. Communications and Marketing

*SEIF Expenditures and Encumbrances: $0.565 million*

*Beneficiaries*

All Marylanders.

*Description*

Funds under the Communications and Marketing budget are used to promote MEA energy programs and awareness to Maryland residents, businesses, nonprofits and local governments. Much of the FY25 communication and marketing funding was used for energy-related awareness activities.

MEA continues to explore ways to improve its outreach to new grantees, market segments, and underserved communities. In response to this, MEA has launched several public information campaigns to broaden consumer awareness of the many incentives that are funded by the state and federal governments. These campaigns involve a diverse range of media types and platforms, and seek to identify opportunities for in-person, community engagement.

The agency's campaigns have highlighted new and returning programs that cater to residents and the counties they live in. As such, the agency has been focusing on the Maryland Solar Access and Local Government Energy Modernization Programs. MEA is using a blend of geofenced digital marketing; statewide radio advertising on stations that broadcast news, sports, gospel, country and Spanish language programming; and providing MEA information booths at community events, from concerts to cookouts. MEA couples these efforts with the use of several other tools in the communications toolbox, from press releases and statements to its website and social media channels, to ensure broad public reach.

## W. Energy Technical Support

*SEIF Expenditures and Encumbrances: $0.187 million*

*Beneficiaries*

Maryland residents, businesses, nonprofit organizations, and local governments.

*Description*

MEA funded technical support for efforts that support the state's energy efficiency, renewable energy, and energy-related transportation initiatives, as well as energy reliability and resiliency.

*Program Accomplishments*

MEA leveraged outside technical services in support of regulatory proceedings. In addition, MEA funded a membership to the Northeast Energy Efficiency Partnership in support of Maryland's energy goals and programs.

## X. Administration

*SEIF Expenditures and Encumbrances: $8.912 million*

*Beneficiaries*

All Marylanders benefit from the efforts that occur under the SEIF.

*Description*

In order to help the state meet its energy goals, MEA implements numerous energy programs and helps develop energy policy, as well as financially administers the Strategic Energy Investment Fund. As MEA does not receive any General Funds, the majority of MEA's funding for staffing of energy programs, energy policy and planning efforts, and general operational expenses come from Regional Greenhouse Gas Initiative (RGGI) proceeds.

*Program Accomplishments*

During FY25, funding under the Administration Program enabled MEA to execute a number of the state's energy programs described throughout this report.

Further, during FY25, MEA participated in various collaborative efforts such as the Zero Emission Electric Vehicle Infrastructure Council, the Maryland Green Buildings Council, the National Offshore Wind Research and Development Council, the Maryland Clean Energy Center Executive Board, and the Maryland Commission on Climate Change. Nationally, MEA has participated in events organized by the National Association of State Energy Officials.

## SEIF-Funded Initiatives Implemented by State Entities other than MEA

## Y. Maryland Department of the Environment - Climate Change Program

*FY25 Appropriation: $3.875 million CAF/RGGI, Inc. $0.400 million*

*FY25 Expenditures and Encumbrances: $3.856 million/RGGI, Inc. $0.418 million*

*Program Beneficiaries and Participants*

The State of Maryland.

*Description*

The Maryland Department of the Environment (MDE) utilizes the funding to pay State membership dues to RGGI and to run the State's Climate Change Program. The Climate Solutions Now Act (CSNA) requires the State to reduce greenhouse gas emissions 60% below 2006 levels by 2031 and develop a State GHG reduction plan for submission to the Governor and General Assembly. MDE submitted its Climate Pollution Reduction Plan outlining the policy actions required to reach the state's climate goals in 2023. The CSNA also requires that MDE update the climate plan, adopt regulations, run new working groups, conduct several studies, and produce various reports including a study of how much the state spends to reduce GHGs and how those investments benefit disproportionately affected communities in the State. The CSNA requires MDE to maintain and publish an inventory of the State's GHG emissions, track implementation of the plan, and report on the state's progress towards achieving the reduction targets. In 2024, Governor Moore issued Executive Order 01.01.2024.19, Leadership by State Government: Implementing Maryland's Climate Pollution Reduction Plan. This order noted that Maryland has 7 years to achieve its goal of 60% reduction in emissions by 2031, and 21 years to reach its goal of net-zero gas emissions by 2045. The order required each agency to develop a "Climate Implementation Plan" (CIP), defined as "a document outlining the steps a State agency will take to implement the CSNA and Maryland's Climate Pollution Reduction Plan, and the time, personnel, and funding it will take to implement both." Twenty-six State agencies were required to develop CIPs as a result of this Executive Order. MDE served as the lead on providing support and technical assistance to the partner agencies for each State agency CIP. Additionally, staff provide support for the Maryland Commission on Climate Change and its working groups, regulation development, and RGGI program review.

*Program Accomplishments*

With SEIF funds for RGGI and CSNA implementation, MDE accomplished the following:

- RGGI Participation
- Maryland's Climate Pollution Reduction Plan
- Building Energy Performance Standards (BEPS)
- Zero-Emission Heating Equipment Standard (ZEHES)
- Clean Heat Standard (CHS)
- MDE support to State Agencies for Climate Implementation Plans

## Z. Maryland Department of the Environment - Energy-Water Infrastructure Program

*Awards made by MDE during FY25 utilizing SEIF from prior fiscal years: $0*[18]

*Beneficiaries*

Maryland water and wastewater treatment plant owners.

*Description*

The Energy-Water Infrastructure program (EWIP) provides capital grant funds to water and wastewater treatment plant owners to develop energy efficient and resilient projects, including CHP systems and other alternative or green energy sources, and for replacement of aging equipment with newer, more energy efficient technologies. The program focuses on promoting onsite waste-to-energy power generation by commissioning new combined heat and power systems, more efficient pumps, energy efficiency measures, or other alternative/green energy sources.

*Program Accomplishments*

No new awards were made in FY25 under EWIP.

[18] Unlike the majority of other SEIF-funded programs in this report, MDE's EWIP is a capital program with multiple year funding appropriation. All EWIP funding was appropriated in previous fiscal years (i.e. FY18 and FY19).

## AA. Maryland Energy Innovation Institute

*SEIF FY25 Transfers to the Maryland Energy Investment Fund: $2.1 million*

*Summary*

As required by Chapter 13 of the Acts of the General Assembly of 2021, $2.1 million in SEIF funds were transferred to the Maryland Energy Innovation Fund (MEIF) in FY25. The Maryland Energy Innovation Institute (MEII) that manages the MEIF has produced an annual report of FY25 MEII activity.[19]

In the MEII's Annual Report FY25, MEII reports an FY25 budget of $2,475,681 with actual expenditure of $2,268,855.[20] The Maryland Clean Energy Center (MCEC), which in previous years received funding directly from the SEIF, received more than half of the FY25 SEIF funds provided to the MEIF via a subaward from MEII. The MEII Annual Report indicates that MCEC received $1,200,000 through a subaward from MEII in FY25.

[19] Maryland Energy Innovation Institute Annual Report FY2025

[20] Maryland Energy Innovation Institute Annual Report FY2024, Appendix 1, page 17.

## BB. Department of Labor- EARN Maryland

*SEIF FY25 Appropriated Budget: $1 million*

*SEIF FY25 Expenditures and Encumbrances by the Department of Labor: $0*

*Beneficiaries*

Maryland businesses and workers.

*FY24 Program Accomplishments*

In FY25, the Department of Labor (Labor) did not make new awards under the Employment Advancement Right Now (EARN) Maryland Green Jobs Initiative.[21]

[21] Chapter 757 of the 2019 Acts of the Maryland General Assembly will ultimately provide eight million dollars over multiple years to Labor, starting in FY21. This funding is to be used to support clean energy job development through the utilization of registered apprenticeships, pre-apprenticeships, and youth apprenticeships via the Clean Energy Workforce Account. Labor indicates that a Solicitation for Implementation Grants was released in December 2021.

## CC. Department of Budget and Management- State Fleet Electric Vehicle Program

*FY25 SEIF appropriation: $1.25 million*

*Description*

In FY25, the purchase of EVs for the state's passenger vehicle fleet was again coordinated by the Department of Budget and Management. DBM facilitated the replacement of 45 internal combustion engine vehicles with electric vehicles, using SEIF funds to cover the incremental cost difference

## DD. Maryland Department of Transportation

*FY25 SEIF appropriation: $8.250 million*

*FY25 SEIF funding transferred amount: $8.250 million*

*Description*

Maryland's Zero Emission Vehicle Tax Credit program is administered by the Maryland Vehicle Administration, a business unit of the Maryland Department of Transportation. Chapter 670 of the Acts of the Maryland General Assembly of 2021 requires MEA to transfer the lessor of $10,000,000 or the actual total outstanding amount of the credit allowed against the excise tax credit from the SEIF to the Transportation Trust Fund. The transfer will offset the reduction in revenues from the vehicle excise tax credit for qualified plug–in electric drive vehicles and fuel cell electric vehicles under § 13–815 of the Transportation Article that were applied for before July 1, 2020.

## EE. Department of General Services (DGS)

*SEIF FY25 Appropriated Budget: $4.8 million*

*SEIF FY25 Expenditures: $1.3 million*

*SEIF FY25 Encumbrances: $3.4 million*

*Beneficiaries*

State agencies and Maryland taxpayers benefit from this program. Within DGS, The Office of Energy and Sustainability (Energy Office) provides services to reduce energy consumption and costs by identifying State Agency energy reduction opportunities to include Energy Performance Contracting (EPC); Energy Use Tracking; Energy Commodities Purchasing; Renewable Energy Sourcing; and Demand Response. The Energy Office's management of the EPC program, which is partially funded through SEIF, provided $16.1 million in guaranteed utility and maintenance savings to the State in FY25.

*Description and accomplishments*

SEIF funds were used to support the EPC program, to support work on the governor's Executive Order, "Leading by Example in State Government", to install energy efficient lighting and electric vehicle charging stations for fleet vehicles and to improve and update data in the Statewide Utility Database. The Energy Office continued developing EPCs with the Maryland Transit Authority and the Department of Public Safety and Correctional Services. The Energy Office worked with a third-party Measurement and Verification (M&V) firm to develop energy baselines and to review the annual M&V reports submitted by Energy Service Companies.

The Energy Office encumbered $2.84 million in SEIF funds to install more than 5,200 LED light fixtures and controls in multiple buildings covering approximately 350,000 square feet. Annual project savings are expected to be 1,100 MWH of electricity, avoidance of $261,000 in annual operating expenses, and yearly avoidance of 775 metric tons of $CO_2$. SEIF funds were used for project expenses including installation and materials.

Work on the database included reporting energy use data for the governor's Executive Order which works with 20 agencies and university campuses to collect and analyze utility billing data. The Energy Office continues to add functionality to the database to take in submeter data, and to make it a more useful tool for analyzing energy consumption on a per-building basis.

DGS is responsible for installing all charging infrastructure for the state fleet of 4,000 vehicles. The Energy Office encumbered $971,071.51 to install 152 charging stations at 11 state agencies.

The Energy Office encumbered $340,000 in FY25 SEIF funds to perform Energy Savings Analysis reports on 1,780,874 sq. ft. of DGS buildings. A Rapid Energy Auditing tool was developed by the energy auditing team in FY25 with the ability to virtually rank state buildings by energy usage and carbon emissions. Virtual audits are simultaneously being completed on 30,060,771 sq. ft. of facilities.

## FF. Department of Human Services- Energy Universal Service Program (EUSP) Bill Assistance

*SEIF FY25 Budget Appropriation: $95.775 million*

*SEIF FY25 Expenditures by DHS for EUSP payments: $94,049,796*

*Beneficiaries*

The Office of Home Energy Programs (OHEP) within the Maryland Department of Human Services (DHS) provides electric utility payment assistance to eligible low-income Maryland households.[22] § 9-20B-05 of the State Government article requires that at least 50% of the RGGI proceeds into SEIF be used for the DHS EUSP program; therefore, any funds remaining from the DHS annual SEIF appropriation remain reserved for this use.

*Description*

SEIF funds are used for Electric Universal Service Program (EUSP) Bill Assistance and Arrearage Retirement Assistance Program benefits. Bill payment assistance benefits make ongoing electric bills more affordable by paying a portion of a household's monthly electric bill. Benefits amounts are based on electric usage or kilowatt-hour, household size, and household income. Funds generated through the EUSP utility ratepayer service charge provide the majority of funding for Bill Assistance, with SEIF funds fulfilling benefits for eligible households when ratepayer funds are exhausted. Electric Arrearage Retirement Assistance benefits retire past due bills up to a maximum of $2,000. An arrearage retirement benefit is available once per household every five years, with certain exceptions for vulnerable populations. All benefits are paid directly to electric utilities on behalf of the program applicant.

*Program Accomplishments*

SEIF funding for OHEP assistance helps ensure that low-income Maryland families maintain safe and reliable electric service. Over 70,000 households received EUSP bill assistance in FY25, reducing their energy burden. Of those households, more than 40,000 also received Electric Arrearage Retirement Assistance (EARA) benefits in FY25, a one-time payment to eliminate past-due arrears, allowing their electric service to be restored or preventing an imminent shutoff. Together, EUSP and EARA benefits supported energy security for low-income Maryland residents throughout FY25.

| FY25 Outcomes | Households Served | SEIF Benefits Paid |
|---|---|---|
| Bill Assistance | 71,764 | $60,191,869 |
| Arrearage Benefits[23] | 40,368 | $33,857,927 |
| | **Total** | $94,049,796 |

[22] Eligibility requires income equal to or less than 200% of the federal poverty level.

[23] Arrearage recipients are a subset of EUSP Bill Assistance recipients.

## GG. SEIF Planning FY25

*Introduction*

§ 9-20B-12 of the State Government article requires MEA to report annually on the status of SEIF expenditures during the current fiscal year, as well as provide an update on the possible or expected program initiatives and changes in future years. Consistent with § 9-20B-12, this section of the FY25 SEIF report constitutes MEA's planning update for SEIF in future fiscal years.

*Background on SEIF*

Historically, SEIF has been primarily funded through RGGI proceeds. RGGI-derived SEIF proceeds fluctuate with the RGGI auction prices, which are impacted by many external factors. Since its inception, SEIF has also received funding from multiple non-RGGI sources. The amount of SEIF revenues received by source in FY22, FY23, FY24, and FY25 are shown in Appendix A, Chart 7.

Alternative compliance payments made under Maryland's Renewable Portfolio Standard are also deposited into the SEIF. Tier 1 solar alternative compliance payments increased significantly between FY21 and FY22 and remained elevated from FY22 to FY25. In FY24, MEA also received a substantial influx of non-solar carve-out Tier 1 alternative compliance payments. That robust revenue continued in FY25.

MEA's portfolio of projects has become increasingly dependent on Alternative Compliance Payments from Tier 1 solar and RPS Tier 1, for FY25 the majority of MEA's solar program portfolio is supported by these funding sources including the Community Solar Program where these resources are curtailed MEA will not be able to advance programs that support growth in solar, hindering Maryland's progress towards its RPS goals and impacting job creation and retention in the clean energy sector.

Looking forward, long-term SEIF proceed forecasting over multiple years can be challenging. Forecasting RGGI-derived proceeds several auctions out is difficult, as the RGGI auction price is market-based and thus dynamic, similar to a stock price. Changes in statute can also impact available SEIF proceeds, such as changes to the RPS statute.

Statutory changes can also impact the amount of SEIF proceeds available for programmatic initiatives from year-to-year. As new uses of SEIF funds are contemplated, the existing uses of SEIF also need to be considered to ensure existing energy programs effectively serving Maryland are not inadvertently impacted in an adverse way. In 2025, hundreds of millions of dollars of SEIF revenue were diverted for purposes other than those within the Strategic Energy Investment Program.

With these considerations in mind, MEA provides the following discussion of funding source availability and forecast of potential future SEIF programming. All future SEIF uses must be consistent with the SEIF statute.

Finally, § 9-20B-07 of the State Government article establishes a Strategic Energy Investment Advisory Board. An update on the Strategic Energy Investment Advisory Board is provided at the end of this section.

*Fund Source Availability*

Regional Greenhouse Gas Initiative

Revenues from RGGI auctions have historically been volatile, sensitive to both market fundamentals and changes in local and national policy. Since the first auction, auction clearing prices have varied from $1.86 to $25.75 per allowance.[24] All the while, the $CO_2$ allowance budget has decreased from 188.1 million allowances in CY09[25] to 61 million allowances in CY25.[26]

As a result of the dramatic drop of clearance prices and revenues that followed RGGI Auction #30 in December 2015, MEA adopted a conservative approach to the projection of RGGI revenues in the state's budget. Under this approach, auction revenues were projected at the auction floor price, assuming all available allowances sold. This conservative approach built a definitive revenue base in the face of the RGGI volatility and allowed for the proper budgeting of revenue over the auction floor price in a subsequent budget cycle. Proceeds received above the auction floor price were then budgeted in a future fiscal year cycle. However, this methodology resulted in fund balances accruing in the SEIF while awaiting the next budget cycle if the RGGI auction price was higher than the floor.

With this in mind, MEA has amended the RGGI proceeds budgeting process to now instead be based on a rolling average of the clearing prices of the most recent eight RGGI auctions. In this way, budget forecasts are now based on more recent RGGI activity and should generally allow a greater share of RGGI proceeds to be budgeted more quickly, while still in a fairly conservative manner based on recent average auction price results. Similar to the prior method of budgeting, any RGGI proceeds received above the rolling average of the clearing prices of the most recent eight RGGI auctions, rather than the auction floor price that was used in the past, will then be budgeted in a future fiscal year cycle.

*RGGI Formula*

As required by § 9-20B-12 of the State Government article, MEA is required to report on recommendations for changes to the allocation of RGGI-derived SEIF funds. As the goal of the RGGI initiative is to reduce greenhouse gas emissions, MEA supports the use of RGGI funds for energy projects that enable greenhouse gas emission reductions, while also supporting state energy goals and investments.

MEA recommends that a statutory change be made to permit the use of RGGI funds for cost-effective electrification projects to better align the uses of the SEIF with state goals.

Several state policies signal that the state is prioritizing electrification of residences and

[24] https://www.rggi.org/Auctions/Auction-Results/Prices-Volumes.
[25] https://www.rggi.org/sites/default/files/Uploads/Allowance-Tracking/2009_Allowance-Distribution.xlsx.
[26] https://www.rggi.org/auctions/upcoming-auctions

buildings, and that all state agencies, including MEA and the PSC, must examine all their decisions through the lens of both climate goals and disproportionate community impact. For example, through the CSNA, the General Assembly communicated its urgent intent to move the state towards electrification, in both transportation and buildings – and to do so equitably. Among other things, the bill tasked MDE with formulating a plan across all sectors to achieve CSNA's GHG reduction requirements, and to issue a BEPS regulation.

The CSNA also mandated that all state agencies consider the likely impact of its decisions on disproportionately affected communities. Additionally, Governor Moore's 100% Clean Energy Executive Order of 2024 directed MDE to propose rules for a zero-emission heating equipment standard and a clean heat standard, and requires all State agencies to "address the disproportionate impacts of climate change for underserved and overburdened communities, including the application of Justice40 goals, initiatives, and funding." Finally, in 2022, the Maryland Commission on Climate Change recommended that utilities plan for "appropriate gas system investments or abandonments for a shrinking customer base and reductions in gas throughput in the range of 60 to 100 percent by 2045."

A significant amount of MEA's funding for staffing of energy programs, energy policy and planning efforts, and general operational expenses come from Regional Greenhouse Gas Initiative proceeds under § 9–20B–05 of the State Government article. § 9–20B–05 caps the allocation of funds credited for these purposes under the formula at up to 10%, but not more than $7.5 million.

Finally, MEA would recommend a statutory change that provides greater flexibility to deploy ACP funds more generally. Currently, the relevant statute requires that the funds be used for clean energy projects that "directly benefit" low- to moderate-income, overburdened, or underserved communities. A Department of Legislative Services determination has narrowly construed in a manner that severely limits deployment of these funds.

Solar Alternative Compliance Payments

During fiscal year 2025, the SEIF experienced a continued influx of solar alternative compliance payments (SACP), resulting from statutory changes made to Maryland's RPS in 2019.[27] In addition to requiring all new SACP moving forward be used to incentivize projects that are owned or benefit low-income Marylanders, the statutory changes in 2019 also increased the RPS solar carve-out.[28] As a result of the larger RPS solar carve-out, approximately all of the available SRECs were used for compliance in RPS compliance year 2021. Once available SRECs were depleted, the only way for suppliers to comply with the solar carveout portion of the RPS for compliance year 2022[29] was to pay the SACP. This development resulted in SACP for compliance year 2022 being a more significant portion of new proceeds into the SEIF during FY23 than in most prior years, though fairly consistent with the immediately preceding year.

[27] Chapter 516 of the Acts of the Maryland General Assembly of 2019.

[28] Additional information on Maryland's Renewable Portfolio Standard can be found in the Renewable Energy Portfolio Standard Report With Data for Calendar Year 2022 produced by the Public Service Commission of Maryland.

[29] The ACP proceeds accrued in the spring of 2023, corresponding to the time that RPS supplier certification reports and alternative compliance payments are due to the Maryland Public Service Commission, which regulates Maryland's RPS program.

SACP funds are restricted to solar projects that are owned by or directly benefit low- to moderate-income, overburdened or underserved communities or low- to moderate-income residents.

Non-solar Carve-Out Tier 1 Alternative Compliance Payments

Unlike SRECs, the Tier 1 non-solar REC market is multistate, thus changes in the laws and markets in other states impact REC prices and ACP paid in Maryland. In 2023, a myriad of market factors (increased demand for RECs within PJM, additional load growth, delayed renewable energy development, voluntary renewable energy credit purchases to meet corporate sustainability goals by large energy users, etc.) caused prices for renewable energy certificates serving PJM to reach historic highs. Maryland's relatively low Tier 1 non-solar ACP was intended to act as a pressure-release valve for the PJM market and keep REC prices near or below that $30/MWh level. Conversely, Maryland Tier 1 non-solar RECs routinely traded at a price in excess of the ACP level through the second quarter of 2023. For instance, Maryland vintage 2023 Tier 1 non-solar RECs were valued at $32.95/MWh on June 21, 2023. Once Maryland Tier 1 RECs began to trade above the state's ACP level, it made the payment of ACP the most economically efficient method of complying with the RPS (i.e. Maryland's ACP was cheaper than purchasing RECs) and resulted in an unprecedented, unpredictable windfall of ACP revenue within the SEIF. For FY25 that Tier 1 non-solar ACP windfall was $319 million.

Other SEIF sources from Prior Years

Fund balances from several non-RGGI fund sources originating in prior years remain in the SEIF.[30] All SEIF fund balances must be used consistent with the respective funding source's allowable use(s), and subject to all necessary concurrences and approvals by the Governor and the General Assembly.

*Current SEIF-Funded Energy Programs (FY25)*

Maryland Energy Administration

In FY25, MEA offered a number of energy programs funded through SEIF that focus on energy efficiency, renewable energy, transportation electrification, or energy resiliency. Depending on the nature of an incentive program, if applicable, and the eligible technology, some programs are implemented competitively while other programs are first-come, first-served. MEA's programs are outlined in greater detail in the beginning of this report.

SEIF-Funded Programs Implemented by other State Agencies

Information on FY25 expenditures and FY25 appropriations to other state agencies can be found in Appendix A, Chart 6.

Future SEIF Programs

Looking forward, the portfolio of MEA programs outlined above is generally anticipated to continue serving all sectors of the economy and providing benefits across communities in Maryland. The types of energy programs being offered by MEA are highly dependent on the overall amount of funding available, as well as the allowable uses of each fund source.

[30] End of year SEIF fund balances are included annually in the Maryland Budget Highlights document.

With that in mind, MEA sees a continued opportunity to bundle energy programs under "umbrella" or "portfolio" programs tailored to the needs of stakeholders, to help with program marketing and help interested parties find their relevant programs more quickly and easily. MEA was able to successfully deploy this concept in FY23 to MEA's portfolio of resiliency-related programs from prior years, integrating the previous Resilient Maryland Program for planning support with the Resilient Maryland Capital Development and Resiliency Hub Grant Programs. As an example, a combined program framework enables more centralized energy resiliency planning efforts and creates an array of incentives to assist projects from conception through installation and operation. As part of this transition to a platform approach, MEA envisions more programs that focus on the outcomes achieved as opposed to more granular allocations by specific narrow application of a technology, subject to the various restrictions of the source funding. This approach is similar to MEA's OPEN Energy Innovation program, a program design which allows the agency to review innovative program ideas, or those that do not fit into MEA's technology or sector based programs, based on the merits of their outcomes.

MEA also continues to actively work with peer agencies to align goals and develop partnerships, where MEA's peer agencies may have unique knowledge, access or opportunities that can contribute to tangible progress towards the state's energy and environmental goals. Section 14.26.02.10 of the Strategic Energy Investment Program regulations[31] outlines a process by which state agencies may submit a funding request to MEA, as the administrator of the SEIF, for projects, activities, or investments that are consistent with the purpose of the SEIF for future fiscal years. Through this process, MEA can enter into future budget cycles equipped with an understanding of potential SEIF-eligible initiatives throughout all of Maryland state government, resulting in a more streamlined budget development process.

Finally, MEA anticipates leveraging a limited amount of SEIF resources to align with the funding opportunities for energy initiatives available under the federal Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA). The Maryland Resilient Infrastructure for Sustainable Energy Program (RISE) will provide grants to help fund improvements to Maryland's electricity and related power infrastructure under Section 40101(d) of the IIJA; participation in this program requires a state-funded match which will come from SEIF funds that can be used for energy resiliency. In addition, the IRA Section 50121 Home Efficiency Rebate Program and the Section 50122 Home Electrification and Appliance Rebates Program will utilize some SEIF funds for project management-related activities associated with sourcing implementation support resources. The funding environment created by the current federal administration has created uncertainty regarding many of these sources of funding, MEA continues to engage the U.S. Department of Energy, regarding next steps to activate these funds to benefit Marylanders.

Conclusion

In conclusion, MEA envisions that the SEIF will continue to be used to enable energy efficiency, renewable energy, alternative transportation fuels, or energy resiliency programs and initiatives. MEA continues to work to develop the most impactful programs, leverage new technologies, and track national trends as well as emerging federal opportunities. As in past years, MEA intends to continue to evaluate energy programs for both efficacy and affordability. All potential

[31] Code of Maryland Regulations, 14.26.02

programmatic activity is subject to all necessary concurrences and approvals by the Governor and the General Assembly.

*SEIF Board update*

A Strategic Energy Investment Advisory Board (Board) was created to advise the MEA on the uses and expenditures of the SEIF under § 9-20B-07 of the State Government Article. MEA continues to meet with the Board regularly to inform that body on the status of the RGGI program and MEA programs. Additionally, MEA has a dedicated webpage[32] that contains the current list of members, 2025 Board meeting history, as well as meeting materials presented to the Board.

The Board staff provided by MEA utilizes the regular Board meetings as an educational opportunity. In addition to the status of SEIF-related expenditures, revenues, balances, and programs, meetings have covered other topics including efforts to streamline and automate grant application processes and diversity, equity, and inclusion (DEI) efforts.

[32] https://energy.maryland.gov/Pages/Strategic-Energy-Investment-Fund-Board.aspx

## Appendix A: SEIF Financials

### Chart 6: SEIF Expenditures and Active Commitments for FY25 with FY26 Appropriations

| | FY2025 Actual ($) | FY2026 Appropriation ($) |
|---|---|---|
| Maryland Department of the Environment - RGGI Inc. Dues | 209,232 | 400,000 |
| Maryland Department of the Environment - Climate Change | 6,565,333 | 9,944,576 |
| University of Maryland (Maryland Energy Innovation Fund) | 2,100,000 | 2,100,000 |
| Department of Human Services - Energy Bill Assistance | 94,049,796 | 150,000,000 |
| Department of General Services | 2,500,404 | 3,012,192 |
| Department of Health - Energy Performance Contracting Repayments | 0 | 0 |
| Maryland Energy Administration - Energy Efficiency - Low-to Moderate Income | 34,496,129 | 17,246,905 |
| Maryland Energy Administration - Energy Efficiency - Other | 12,235,834 | 42,799,085 |
| Maryland Energy Administration - Renewable Energy, Transportation, and Resiliency | 165,425,042 | 211,113,633 |
| Maryland Energy Administration - Admin | 8,871,435 | 9,204,427 |
| Department of Labor | 0 | - |
| Department of Budget and Management -State agency electric vehicles | 0 | 1,250,000 |
| Motor Vehicle Administration - Electric Vehicle Tax Credit reimbursement | 8,250,000 | 8,250,000 |
| Maryland Clean Energy Center Climate Technology Founder's Fund | 0 | 1,200,000 |
| Maryland Higher Education Green Initiatives | 0 | 8,000,000 |
| Medium/Heavy Duty Zero Emission Vehicle Grants | 0 | 10,000,000 |
| State Fleet Electric Vehicle Charging - DGS | 0 | 2,000,000 |
| Decarbonization Planning - DGS | 0 | 1,200,000 |
| Governor's Office - Chief Sustainability Officer | 242,422.92 | 227,825 |
| Board of Public Works Grant - Tree Solutions Now ACT | 0 | 10,000,000 |
| **TOTAL** | **334,945,628** | **486,148,643** |

## Chart 7: SEIF Revenues Received by Source

| Source | FY 2022 | FY2023 | FY24 | FY25 |
|---|---|---|---|---|
| RGGI Auction Revenue | $143,396,452 | $140,362,801 | $214,161,446 | $267,486,820 |
| RGGI Set Aside Allowance Revenue | $3,575,067 | $3,976,469 | $0 | $0 |
| Alternative Compliance Payment Revenue | $77,182,625 | $83,803,433 | $318,064,321 | $364,687,064 |
| Fund Interest Revenue | $810,395 | $15,093,672 | $29,257,548 | $40,521,003[33] |
| **TOTAL** | **$224,964,539** | **$243,236,375** | **$561,483,315** | **$672,694,887** |

## Chart 8: RGGI Results & Projections by Auction and Fiscal Year

| RGGI Auction | Allowances Sold | Allowance Price | Total RGGI Revenue | Fiscal Year 2025 | Fiscal Year 2026* | *Fiscal Year 2027** |
|---|---|---|---|---|---|---|
| 65 | 2,782,327 | $25.75 | $71,644,920 | $71,644,920 | | |
| 66 | 2,782,327 | $20.05 | $55,785,656 | $55,785,656 | | |
| 67 | 4,344,582 | $19.76 | $85,848,940 | $85,848,940 | | |
| 68 | 2,761,452 | $19.63 | $54,207,302 | $54,207,302 | | |
| 69 | 2,761,452 | $22.25 | $61,442,307 | | $61,442,307 | |
| 70 | 2,761,453 | $26.73 | $73,813,638 | | $73,813,638 | |
| *71* | *3,303,322* | *$17.10* | *$56,486,806* | | *$56,486,806* | |
| *72* | *3,303,322* | *$17.10* | *$56,486,806* | | *$56,486,806* | |
| *73* | *3,303,322* | *$19.92* | *$65,802,174* | | | *$65,802,174* |
| *74* | *3,303,322* | *$19.92* | *$65,802,174* | | | *$65,802,174* |
| *75* | *3,303,322* | *$19.92* | *$65,802,174* | | | *$65,802,174* |
| *76* | *3,303,322* | *$19.92* | *$65,802,174* | | | *$65,802,174* |
| *Italicized Numbers are Estimates* | | RGGI Auction Revenue | | $267,486,819 | *$248,229,557* | *$263,208,697* |
| | | RGGI Set Aside Allowances Revenue | | $0 | *$0* | *$0* |
| | | Total: | | $267,486,819 | *$248,229,557* | *$263,208,697* |

[33] As a result of a change in law, interest income is no longer deposited in the SEIF, rather it is now deposited into the state's General Fund.