



Maryland
Energy
Administration

**STRATEGIC
ENERGY
INVESTMENT
FUND**

Activities for Fiscal Year 2024

Volume 1

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¹ Due to the number of SEIF award recipients in FY24, Appendixes B and C are located in Volume 2 of the FY24 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 (CO₂) 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

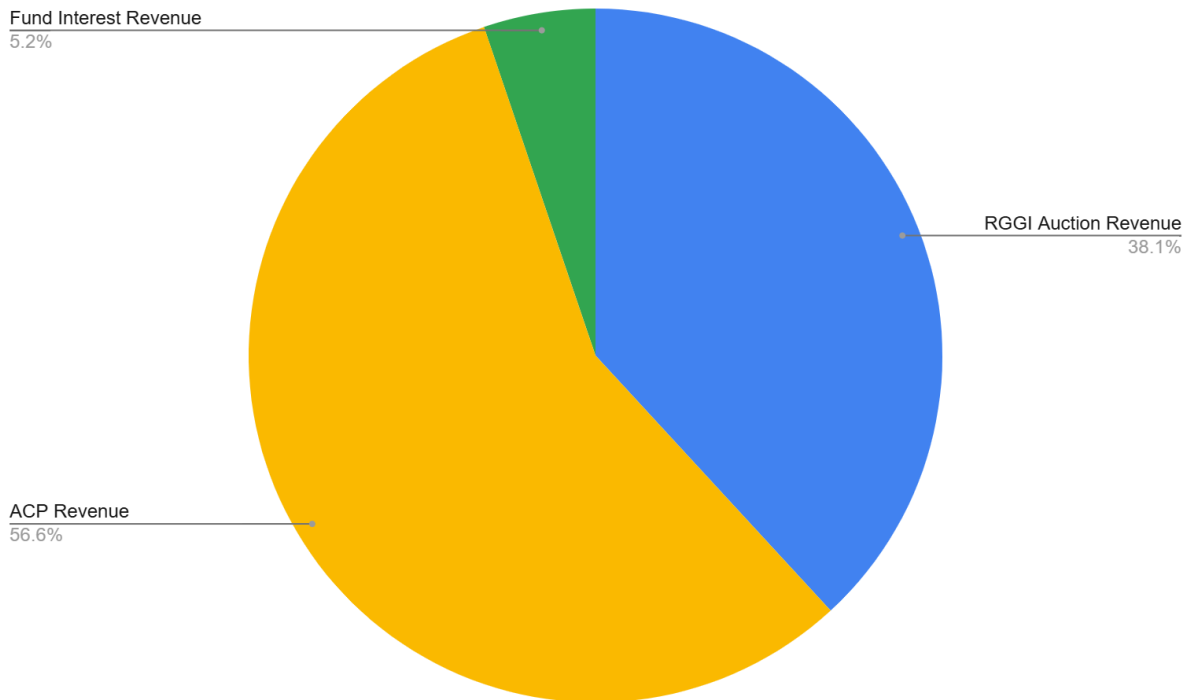
Fiscal year 2024 (FY24) SEIF expenditures and commitments are depicted in Appendix A, Chart 4. In addition to grants awarded by MEA through programs, funding was also provided to the Maryland Department of the Environment (MDE), the Maryland Energy Innovation Fund at the University of Maryland, the Maryland Department of General Services (DGS), and the Maryland Department of Human Services (DHS), as well as several others.

SEIF Proceeds

The increase in annual SEIF proceeds in FY24 was a result of a major increase in Tier 1, non-solar Alternative Compliance Payments (ACP) under Maryland's Renewable Portfolio Standard as well as more 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. Alternative compliance payments from Maryland's Renewable Portfolio Standard (RPS) increased in FY24 and represented 57% of all FY24 SEIF proceeds, up from 35% of SEIF proceeds in FY23.

Chart 1: Composition of FY24 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 5. Appendix A also contains Chart 6 which provides information on each RGGI allowance auction, and includes the number of allowances sold, allowance price, and total RGGI revenue by allowance auction.

Summary

In FY24, over \$25 million of SEIF funding was committed to programs or initiatives benefiting low or moderate income Maryland residents. MEA grant programs, including the Energy Efficiency Equity Grant Program, the Community Solar Program, and the Solar Energy Equity Grant 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 112,132 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, FY24 programs implemented by MEA total only 49% of Maryland’s total FY24 SEIF expenditures and active commitments.

The number of SEIF-funded awards made by MEA increased in FY24. MEA made more than 7,500 awards in FY24, in comparison to approximately 6,500 awards in FY23. SEIF awards made by MEA in FY24 are anticipated to help incentivize over 50 megawatts of new solar energy, which includes over 4,000 residential solar projects. As part of MEA’s transportation portfolio, the FY24 SEIF is helping to incentivize more than 2,500 electric vehicle charging stations and 46 alternative fuel vehicles.

Details describing activities funded through the SEIF in FY24 are provided in the narratives and charts that follow. Appendix B in Volume 2 of this report provides a list of FY24 grantees receiving multiple SEIF-funded awards from MEA, while Appendix C contains the name of the FY24 SEIF award recipient by MEA program.

SEIF-Funded Initiatives Implemented by MEA

B. Energy Efficiency Equity Grant Program

FY24 SEIF Expenditures and Encumbrances: \$19.368 million²

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.

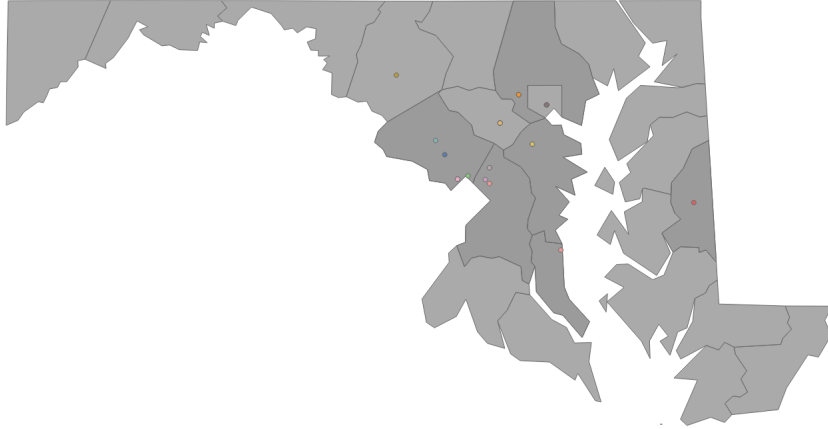
Description

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, libraries and shelters, as well as residential homes.

² This reflects the awards made in FY24 and does not include financial transactions for awards from prior fiscal years that impacted FY24 accounting.

Map 1: FY24 Energy Efficiency Equity Grant Program Awards



- Awardee Names**
- Building Change, Inc.- \$53,306
 - Building Change, Inc.- \$214,981
 - Building Change, Inc.- \$408,220
 - Building Change, Inc.- \$837,064
 - Building Change, Inc.- \$886,415
 - CASA, Inc.- \$250,000
 - Chesapeake Neighbors Southern- \$75,000
 - Chesapeake Neighbors Eastern- \$25,000
 - Chinese Neigand Community Service Center, Inc. (CCACC) Central- \$24,780
 - Choptank Electric Cooperative- \$214,981
 - Christian Neigenter, Inc. Southern- \$16,370
 - Civic Works, Inc.- \$0
 - Civic Works, Inc.- \$1,034,151
 - Civic Works, Inc.- \$240,000
 - Civic Works, Inc.- \$386,647
 - Civic Works, Inc.- \$415,141
 - College Neighted Methodist Church Southern- \$21,830
 - Community Action Council of Howard County- \$100,000
 - Community Action Council of Howard County- \$106,126
 - Community Action Council of Howard County- \$322,472
 - Community Action Council of Howard County- \$531,849
 - Diversified Housing Development- \$1,034,151
 - Diversified Housing Development- \$84,901
 - Diversified Housing Development- \$732,431
 - Enterprise Neignity Development, Inc. Central- \$137,937
 - Frederick County Government- \$1,255,475
 - Green NeigHomes Initiative, Inc. Baltimore City- \$176,169
 - Habitat for Humanity Choptank, Inc.- \$28,750
 - Habitat for Humanity Choptank, Inc.- \$125,888
 - Habitat for Humanity Metro Maryland- \$110,000
 - Habitat for Humanity Metro Maryland- \$225,000
 - Healthy Neighborhoods, Inc.- \$376,150
 - Holy Neigernational Ministries Southern- \$28,170
 - Housing Authority of St. Mary's County- \$100,000
 - Housing Opportunities Commission of Montgomery County- \$256,060
 - Housing Opportunities Commission of Montgomery County- \$425,365
 - Lighthouse Ministries International Incorporated- \$93,665
 - Maryland Rural Development Corporation- \$214,981
 - Mayor and City Council of Baltimore City- \$281,367
 - Nourish Now, Inc.- \$34,825
 - Rainbow Community Development Center- \$31,530
 - Rebuilding Together Montgomery County- \$248,400
 - SAFE Housing, Inc.- \$1,705,968
 - SAFE Housing, Inc.- \$243,401
 - SAFE Housing, Inc.- \$497,984
 - SAFE Housing, Inc.- \$629,615
 - SAFE Housing, Inc.- \$804,360
 - Sustain Our Future Foundation INC.- \$493,880
 - Sustain Our Future Foundation INC.- \$805,486
 - Sustain Our Future Foundation INC.- \$905,003
 - Top Techs - \$100,000
 - Town of North Beach- \$150,000
 - United Communities Against Poverty- \$100,000
 - Unity Properties- \$180,200
 - We Care Incorporated- \$3,300
 - We Care Incorporated- \$9,900
 - Youth Educational Services- \$50,000

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 FY24 projects are still being installed. For this reason, the anticipated outcomes for FY24 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	FY24
# of grants issued	61
Anticipated annual kWh savings	6,750,000
Anticipated annual fuel savings (MMBTU) ^{3,4}	35,400
Anticipated CO2 avoided (metric tons CO2/year)	3,971

³ Million British Thermal Units.

⁴ May include natural gas, propane, or #2 fuel oil.

C. Maryland Smart Energy Communities

SEIF Expenditures and Encumbrances: \$5.585 million

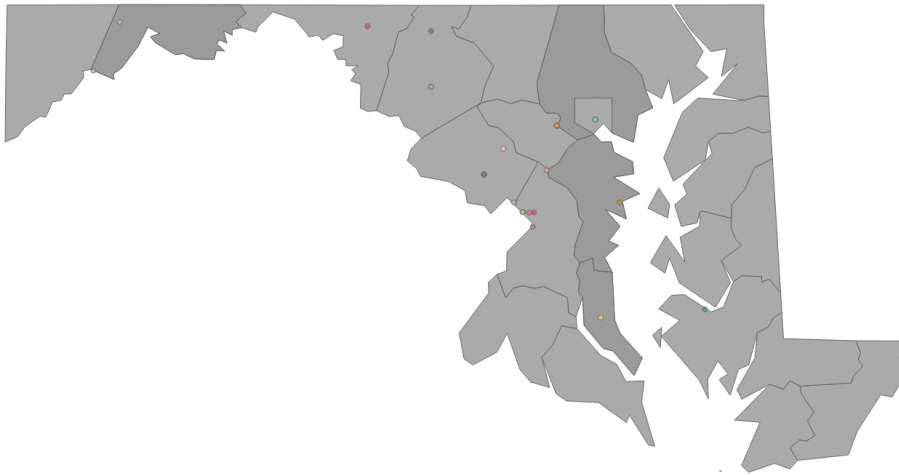
Participants

Since 2013, the Maryland Smart Energy Communities (MSEC) program has benefited local incorporated governments (i.e., towns, cities, and counties) in Maryland. In FY24, the program expanded to include new Areas of Interest (AOI) that included the Clean Energy and Community Development Pilot to promote economic growth through comprehensive community approaches to addressing the State's energy and climate goals. The MSEC program also absorbed the Street Light and Outdoor Lighting program in FY24, which was previously a standalone program; this part of the MSEC Program funded projects at State based universities, in addition to the traditional local and municipal government grantees from previous years. In total, the MSEC program provided 41 awards to 20 awardees in FY24.

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.

Map 2: FY24 Maryland Smart Energy Communities Awardees



Awardee Names

Baltimore City- \$42,500
Baltimore City- \$60,000
Baltimore City- \$123,750
Baltimore City-\$55,000
Baltimore City-\$150,000
Board of Education of Anne Arundel County- \$750,000
Calvert County- \$18,600
City of Cambridge- \$106,600
City of Frederick- \$91,500
City of Hagerstown- \$111,000
City of Laurel- \$25,650
City of Rockville- \$48,000
City of Takoma Park- \$125,000
Frederick County Government, Div of Energy and Enviro- \$150,000
Havre de Grace City- \$34,342
Housing Initiative Partnership, Inc.- \$225,000
Howard County- \$210,000
Howard County-\$38,000
Howard County-\$55,000
Howard County-\$150,000
Mayor and City Council Dept of Transportation- \$250,000
Montgomery County- \$60,000
Montgomery County- \$90,000
Montgomery County- \$150,000
Mount Rainier City- \$38,500
Mount Rainier City- \$57,750
Mount Rainier City- \$77,000
Mount Rainier City- \$123,750
Mount Rainier City- \$125,000
New Carrollton City- \$13,200
Prince George's County- \$106,600
The Mayor and Council of Rockville- \$63,000
The Mayor and Council of Rockville- \$130,600
Town of Bladensburg- \$400,000
Town of Brookeville- \$25,075
Town of Capitol Heights- \$50,358
Town of Luke- \$60,120
Town of Thurmont- \$67,100
UMCES- \$125,000
University of Maryland Baltimore County- \$56,800
Women Home Preservation, LLC- \$1,640,000

Program Details

Projects selected for MSEC funding in FY24 include HVAC replacements, lighting upgrades, and electric vehicle replacements for existing gasoline vehicles.

Energy savings estimates shown below are based only on the FY24 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 lead times and therefore are still being installed. The FY24 annual savings estimates shown below reflect the initial projections. In addition, the new MSEC communities participating in the FY24 program will still be developing their specific clean energy projects so these project savings are not included below.

MSEC Program	FY24
# of MSEC awards to municipal governments	27
# of MSEC awards to county governments (or county equivalent)	11
# of new MSEC communities	1
Estimated annual reductions (in kWh) anticipated from projects for existing MSEC communities	2,600,176
Estimated annual avoided gasoline (gallons)	79,080
Estimated annual avoided natural gas use (MMBTU)	446
Anticipated annual CO2 avoided (metric tons CO2/year)	2,509

D. Commercial, Industrial, and Agriculture Grant Program

SEIF Expenditures and Encumbrances: \$2.994 million⁵

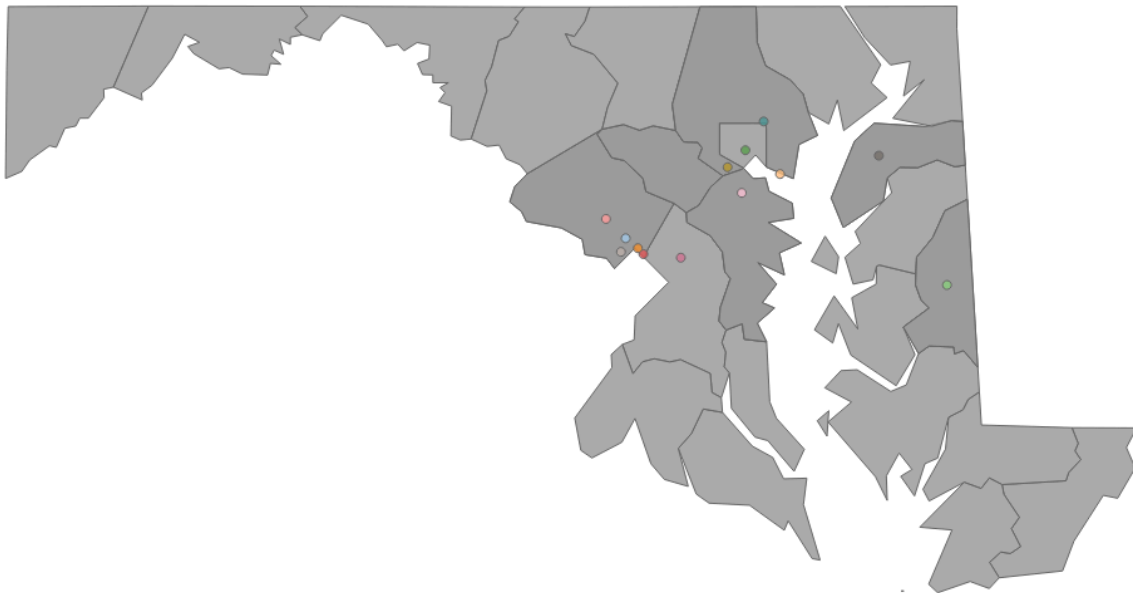
Beneficiaries

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

Description

In FY24, the CI&A grant program provided fifteen grants 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 4: FY24 Commercial, Industrial, and Agriculture Grant Program awards



⁵ The amount listed does not include projects whose participants received an initial commitment but ultimately decided to not participate in the program.

Awardee Names

- 10509 Summit Venture LLC- \$120,515
- Avante Ellsworth- \$300,000
- Chesapeake SPI- \$252,742
- Danko Arlington- \$145,639
- Denton Church- \$120,596
- Fabpro Technologies- \$235,322
- Glenelg School- \$266,620
- Lutheran St. Andrew-\$137,280
- LUX QOZP, LLC-\$365,124
- Manor Circle Condo-\$165,769
- Mt Calvary- \$208,927
- Mt Olive AME-\$92,004
- Pinnacle N. Bethesda-\$300,000
- Soupergirl Venture LLC- \$253,223.00
- St John Properties Inc- \$29,814

Program Accomplishments

Many projects have long lead times and therefore are still being installed. FY24 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	FY24
# of grant awards	15
Annual electricity savings (kWh)	4,966,906
Annual natural gas savings (therms)	65,250
Annual propane savings (gallons)	0
Anticipated annual CO2 avoided (metric tons CO2/year)	2,373

E. Decarbonizing Public Schools Program

SEIF Expenditures and Encumbrances: \$24.281 million

Beneficiaries

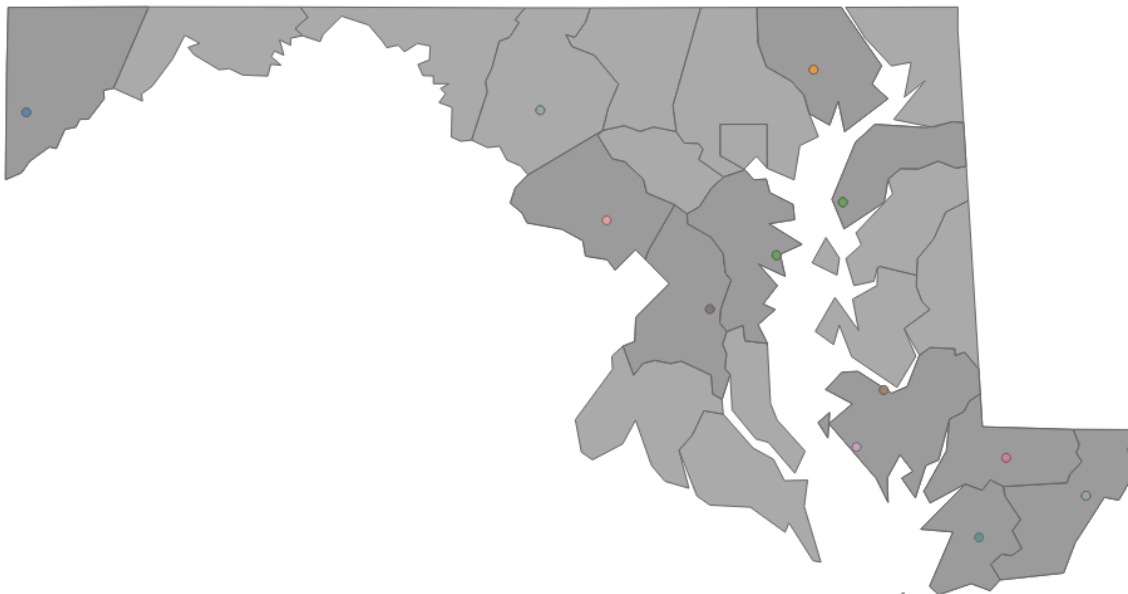
Maryland local education agencies⁶ (LEAs) are eligible to participate.

Description

Offered for the first time in FY22, the Decarbonizing Public Schools Program made 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 5: FY24 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.

Awardee Names

- Baltimore City Public Schools- \$1,000,000
- Baltimore City Public Schools- \$1,752,350
- Baltimore City Public Schools- \$2,700,000
- Board of Education of Anne Arundel County- \$1,500,000
- Board of Education of Anne Arundel County- \$2,010,154
- Board of Education of Anne Arundel County- \$142,960
- Board of Education of Anne Arundel County- \$329,389
- Board of Education of Anne Arundel County- \$750,000
- Board of Education of Frederick County- \$92,000
- Board of Education of Frederick County- \$103,000
- Board of Education of Montgomery County, Maryland- \$1,285,000
- Board of Education of Prince George's County, Maryland- \$3,385,893
- Board of Education of Prince George's County, Maryland- \$71,791
- Board of Education of Wicomico County- \$2,044,210
- Board of Education of Wicomico County- \$50,000
- Calvert County Public Schools- \$983,736
- Dorchester County Board of Education- \$1,050,000
- Dorchester County Board of Education- \$55,000
- Dorchester County Board of Education- \$500,000
- Garrett County Board of Education- \$2,500,000
- Garrett County Board of Education- \$770,000
- Harford County Public Schools- \$83,000
- Harford County Public Schools- \$118,000
- Kent County Public Schools- \$50,000
- Kent County Public Schools (2)- \$50,000
- Kent County Public Schools- \$63,000
- Kent County Public Schools- \$145,415
- Somerset County Public Schools- \$77,573
- Worcester County Public Schools- \$46,022
- Worcester County Public Schools- \$572,884

Program Accomplishments

Fiscal Year	FY24
# of grant awards	30
# of LEAs receiving an award to help defray the cost of energy management and ENERGY STAR Portfolio Manager deployment	6
# of LEAs receiving an award to cover the cost of incorporating net zero energy design principles into LEA facility development portfolios	1
Estimated GHG Savings (MTCO2e)	2,703
Anticipated Energy Savings (kWh)	8,769,677

F. Resilient Maryland

SEIF Expenditures and Encumbrances: \$9.245 million⁸

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.

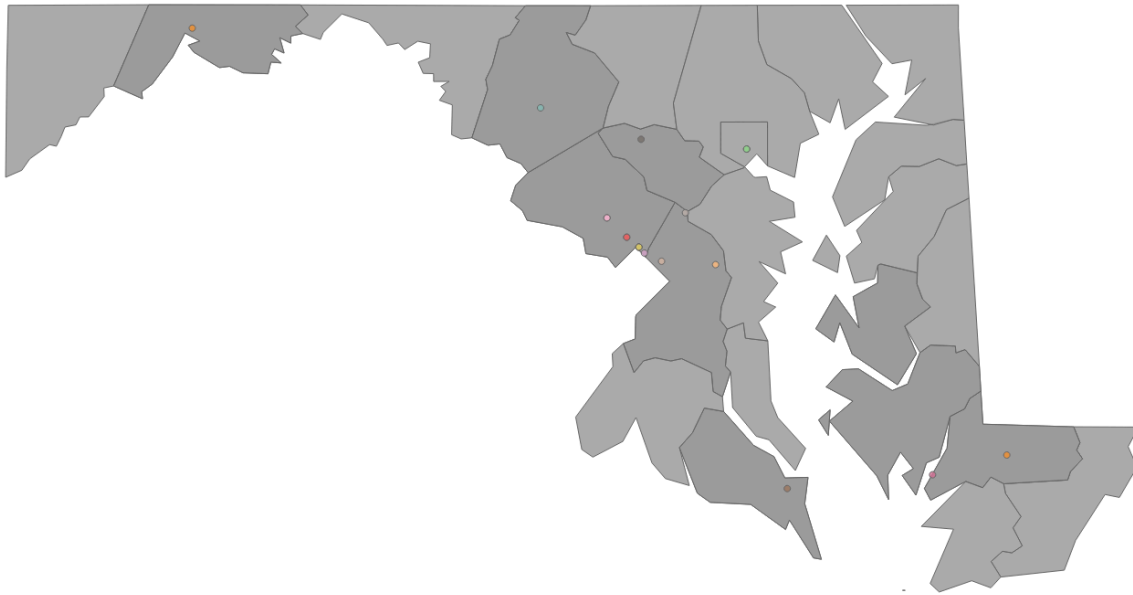
Description

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 FY24 program covered three different AOIs in FY24:

- 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 FY24 and does not include financial transactions for awards from prior fiscal years that impacted FY24 accounting.

Map 6: FY24 Projects funded through Resilient Maryland



Awardee Names

- Allegany Community College- \$30,000
- Allegany Community College- \$750,000
- Bowie State University- \$1,050,000
- City of Cambridge- \$125,000
- Dots Energy, Inc- \$30,000
- Easton Utilities- \$125,000
- Enterprise Community Development, Inc- \$36,000
- Enterprise Community Development, Inc- \$84,000
- Frederick County Government- \$1,000,000
- HOC at Georgian Court, LLC- \$386,100
- Housing Opportunities Commission of Montgomery County- \$1,500,000
- Howard County Government- \$12,000
- Howard County Government (2)- \$12,000
- Laurel Holding Group, LLC- \$30,000
- Montgomery County- \$1,500,000
- Mt Calvary Baptist Church- \$30,000
- NHT Victory Solar 2 LLC- \$229,200
- NHT Victory Solar 2 LLC- \$477,000
- NHT Victory Solar 2 LLC- \$498,000
- NHT Victory Solar 2 LLC- \$500,000
- Open Works, Inc- \$285,600
- Salisbury University- \$125,000
- The People's Foundation- \$430,000

Program Accomplishments

Fiscal Year	FY24
# of projects receiving an award	23
Solar Capacity Installed through Resiliency Hubs (kW)	1,029

G. Residential Clean Energy Rebate Program

SEIF Expenditures and Encumbrances: \$4.762 million

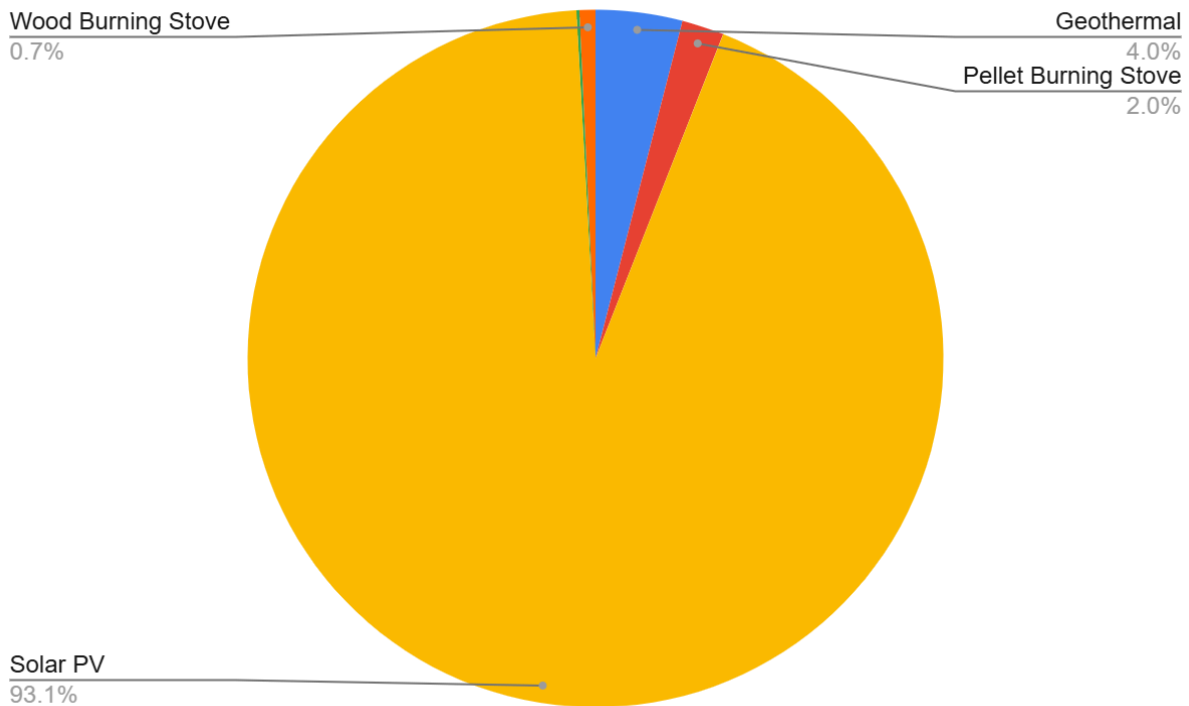
Beneficiaries

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 FY24, Residential CERP provided incentives for solar photovoltaic (PV), geothermal heating and cooling, and wood and pellet stoves. The solar photovoltaic category has expanded to also include solar shingles, where the solar photovoltaic technology is installed as part of a building's roof. As shown in Chart 2 below, solar photovoltaic is the most popular technology by far, representing over 4,000 awards and approximately 90% of FY24 residential CERP applications.

Chart 2: FY24 Residential Clean Energy Rebate Program Awards by Technology



In FY24, 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, \$3,000 per geothermal heat pump.) By offering incentives for multiple technologies, potential program participants have options to help suit their cost and/or

geographical requirements.

Program Accomplishments

Fiscal Year	FY24
Total # of awards	4,448
Estimated new electricity generated or avoided incentivized by CERP (kWh/year)	36,791,161
Estimated MMBTU/year avoided due to projects receiving CERP incentives	125,537
Overall Solar PV Capacity ⁹ (kW)	43,280
Solar Thermal (sq. ft.)	0
Capacity of new Geothermal installed (Ton)	887
# of wood and pellet stove installations	120
Anticipated annual CO2 avoided (metric tons CO2/year)	36,791

⁹ Includes residential solar photovoltaic shingles.

H. Commercial Clean Energy Rebate Program

SEIF Expenditures and Encumbrances: \$0.968 million

Beneficiaries

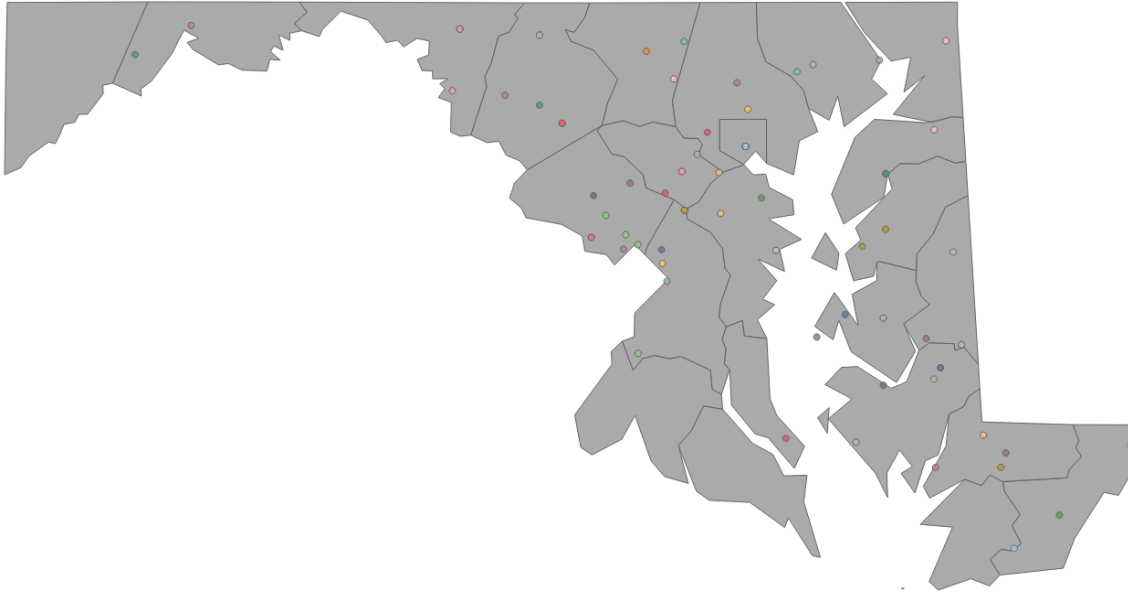
Beneficiaries can include businesses, nonprofit organizations, and state and local government entities that install eligible renewable energy systems.

Description

The FY24 Commercial Clean Energy Rebate Program (CERP) provides incentives for solar and geothermal systems. There were a total of 94 commercial CERP projects in FY24, all of which involved solar technology. In FY24, commercial projects occurred across the state, in twenty of Maryland's counties.

Commercial incentive levels are calculated based on the size and type of renewable energy system. By offering incentives for multiple technologies, potential program participants have options to help suit their cost and/or geographical requirements.

Map 7: FY24 Commercial CERP Project Locations¹⁰



Program Accomplishments

Fiscal Year	FY24
Total # of awards	89
Estimated new electricity generated <u>or</u> avoided incentivized by CERP (kWh/year)	6,746,391
Estimated MMBTU/year avoided due to projects receiving CERP incentives	23,020
Overall Solar PV (kW)	7,937
Solar Thermal (sq. ft.)	0
Capacity of new Geothermal installed (Ton)	0
Anticipated annual CO2 avoided (metric tons CO2/year)	6,746

¹⁰ A list of awardees can be found in Appendix C.

I. Solar Canopy and Dual Use Technology Program

SEIF Expenditures and Encumbrances: \$3.540 million

Beneficiaries

Potential applicants include businesses, state and local governments, and non-profit organizations.

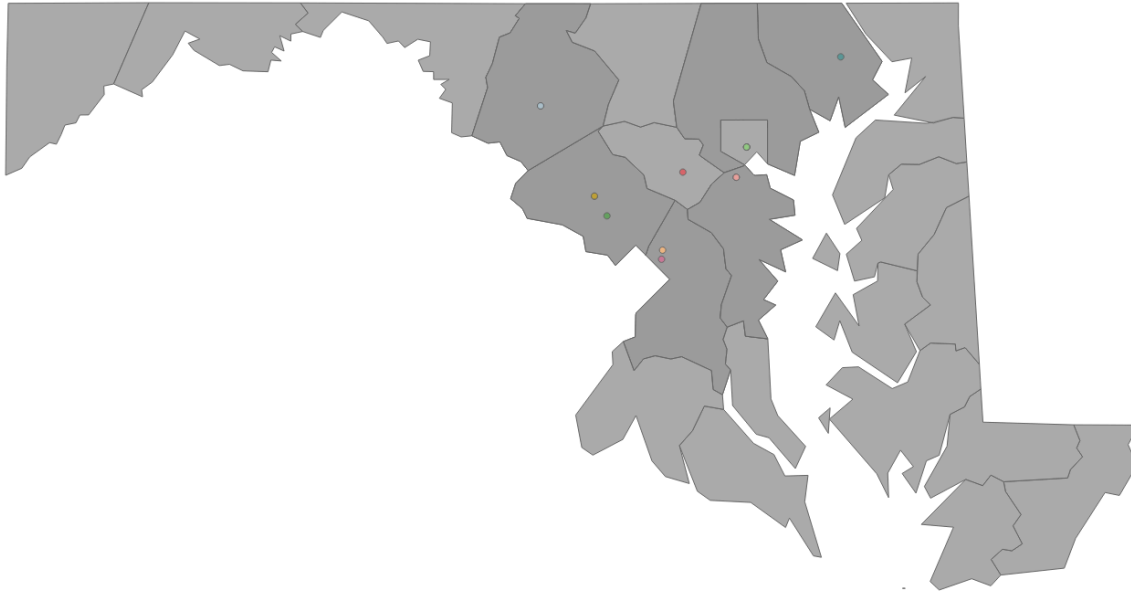
Description

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 addition of dual use technologies was to get the most out of real estate, providing an energy generation service as well as an existing service. As an example, storm water retention ponds may benefit by adding solar over the ponds, or potentially adding floating solar on top of the ponds. In this way the land provides the existing storm water retention service, as well as energy generation.

In FY24, the Solar Canopy and Dual Use Program was funded primarily through alternative compliance payments received via Maryland's Renewable Portfolio Standard, \$3.2 million from ACP and \$300,000 from RGGI.

Map 8: FY24 Solar Canopy Program Awards



Awardee Names

- City of Frederick- \$220,320
- District Farms, LLC- \$180,960
- GD CP Metro PV, LLC- \$205,920
- GEMM COM Limited- \$205,800
- IBEW 24- \$300,000
- Montgomery County- \$259,200
- Montgomery County- \$300,000
- Swallowtail Solar MD, LLC- \$300,000
- UMMS- \$173,800
- UMMS- \$300,000
- UMMS (2)- \$300,000
- University of Maryland Baltimore- \$300,000
- University of Maryland Baltimore (2)- \$300,000
- WHPC Block 3 PV LLC- \$194,400
- Null

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 Frederick Police Headquarters, University of Maryland properties, and an apartment complex in Prince George’s county.

FY24 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	FY24
# of projects receiving an award	14
Solar capacity (kW) resulting from the parking lot canopy projects	10,452
Electric vehicle charging stations	68
Anticipated annual generation (kWh)	13,407,500
Anticipated annual CO2 avoided (metric tons CO2/year)	4,111

J. Community Solar Program

SEIF Expenditures and Encumbrances: \$3.193 million¹¹

In FY24, the Community Solar Program was funded primarily through alternative compliance payments received via Maryland's Renewable Portfolio Standard.

Beneficiaries

The ultimate beneficiaries of MEA's Community Solar program are LMI 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 that make up 32% of Maryland's housing units¹² and households who may not have the financial resources (e.g., upfront capital, credit history) to otherwise access solar technologies.

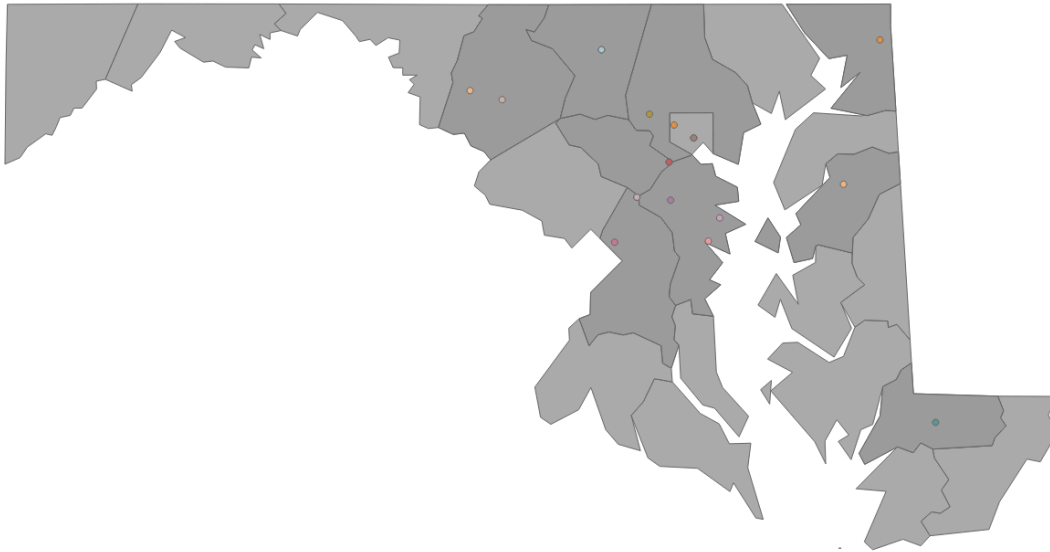
Description

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).

¹¹ An award that was originally encumbered but then opted to not move forward has been removed from this amount.

¹² U.S. Census Bureau, <https://data.census.gov/table/ACSST1Y2023.S1101?q=maryland%20housing>, accessed 1/21/2025.

Map 9: FY24 Community Solar Array Locations



Awardee Names-

- 1200 Baltimore Blvd- \$73,887
- Alder Energy Development LLC- \$94,566
- BQ Energy Holdco LLC- \$113,199
- Cedar Lane Solar Farm LLC- \$500,000
- Clean Slate Solar LLC- \$54,510
- Clean Slate Solar LLC- \$166,450
- MDCS PS 9201 Liberty LLC- \$143,105
- Power Factor- \$114,278
- Power Factor- \$362,960
- SLDMD PS PORTFOLIO LLC 2024- \$49,574
- SLDMD PS PORTFOLIO LLC 2024- \$60,668
- Solar Landscape- \$1,131,405
- Solar Landscape- \$37,710
- Solar Landscape- \$51,602
- Solar Landscape- \$52,794
- Solar Landscape- \$55,303
- Solar Landscape- \$62,653
- Solar Landscape- \$66,455
- Solar Landscape- \$76,184
- Solar Landscape- \$80,258
- Solar Landscape- \$84,327
- Solar Landscape- \$119,136
- Solar Landscape- \$137,740
- Solar Landscape- \$193,646
- Solar Landscape- \$245,812
- Soltage MD DevCo, LLC- \$195,839

The community solar arrays incentivized in FY24 are power purchase agreement (PPA) 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 FY24, 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.

FY24 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	FY24
Total # of grant awards	25
Estimated total new electricity generation of all community solar projects receiving LMI incentives (kWh-ac/year) from MEA	28,173,835
Overall total capacity of community solar PV (kW) projects receiving LMI incentives from MEA	21,058
Estimated amount of new electricity generation from the incentivized community solar projects directed specifically to the LMI community (kWh-ac/year) ¹³	19,524,337
Capacity of the incentivized community solar projects that is directed specifically to the LMI community (kW)	10,140
Anticipated annual CO2 avoided from the LMI portions of the incentivized Community Solar projects (metric tons CO2/year)	8,901
Anticipated number of low-and-moderate households that will be able to subscribe to once the projects have been completed ¹⁴	1,353

¹³ The generation capacity and corresponding electricity generation directed specifically to LMI participants is a subset of each participating community solar project.

¹⁴ Assuming the average subscription is for 7.5 kW.

K. Solar Energy Equity Grant Program

SEIF Expenditures and Encumbrances: \$6.00 million

Beneficiaries

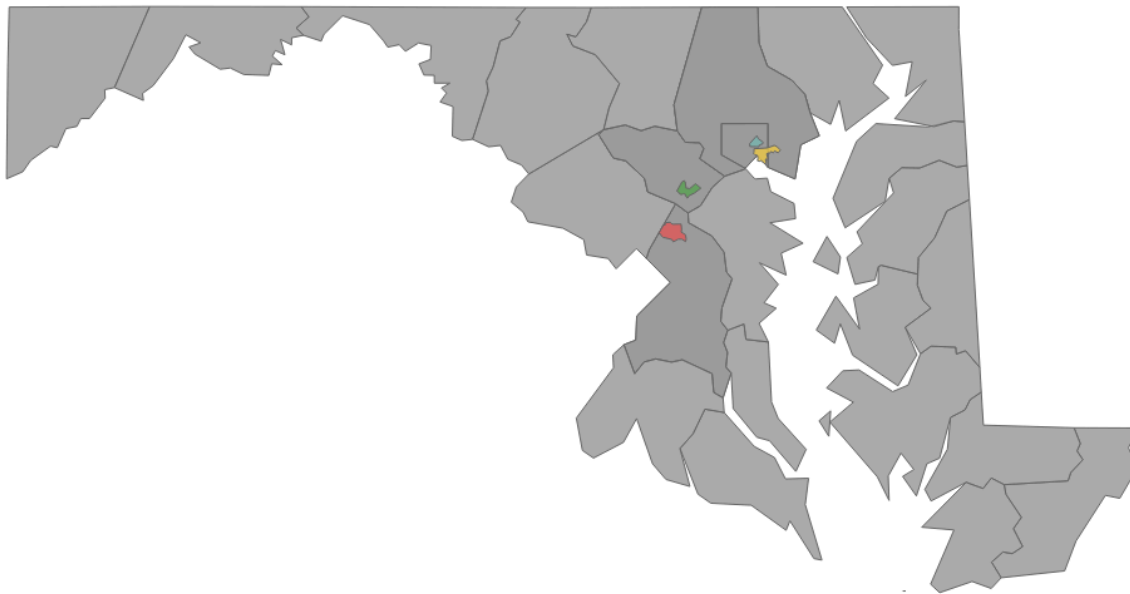
Non-profit organizations and local governments.

Description

Offered for the first time in FY24, this program provides grant funding for the design and installation of solar photovoltaic (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 year¹⁵ 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 photovoltaic (PV) system design and installation cost, up to \$25,000 per home.

¹⁵ To be eligible, the upgrade had to occur under a fiscal year 2019 through fiscal year 2025 project.

Map 10: FY24 Solar Energy Equity Grant Program Awardees



Awardee Names

- Building Change, Inc- \$2,000,000
- Civic Works, Inc.- \$2,450,000
- Community Action Council of Howard County- \$1,250,000
- Green & Healthy Homes Initiative, Inc.- \$300,000

Map 10 depicts the grantee’s location, rather than the location of the participating homes.

Program Accomplishments

Fiscal Year	FY24
# of projects receiving an award	4
# of low income solar households anticipated to participate	240
Estimated Solar capacity (in kW(DC))	2,040
Anticipated annual solar generation (kWh/year)	12,000
Anticipated annual CO2 avoided (metric tons CO2/year)	5,600

L. Offshore Wind Programs

SEIF Expenditures and Encumbrances: *\$0.489 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 the report, a description of the Offshore Wind Business Development Fund awards can instead be found here: <https://energy.maryland.gov/Reports/MEA%20Fiscal%20Year%202024%20OSW%20Annual%20Report.pdf>

Program Accomplishments

In fiscal year 2024, 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. membership in the

M. Electric Vehicle Supply Equipment Program

SEIF Expenditures and Encumbrances: \$2.483 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.

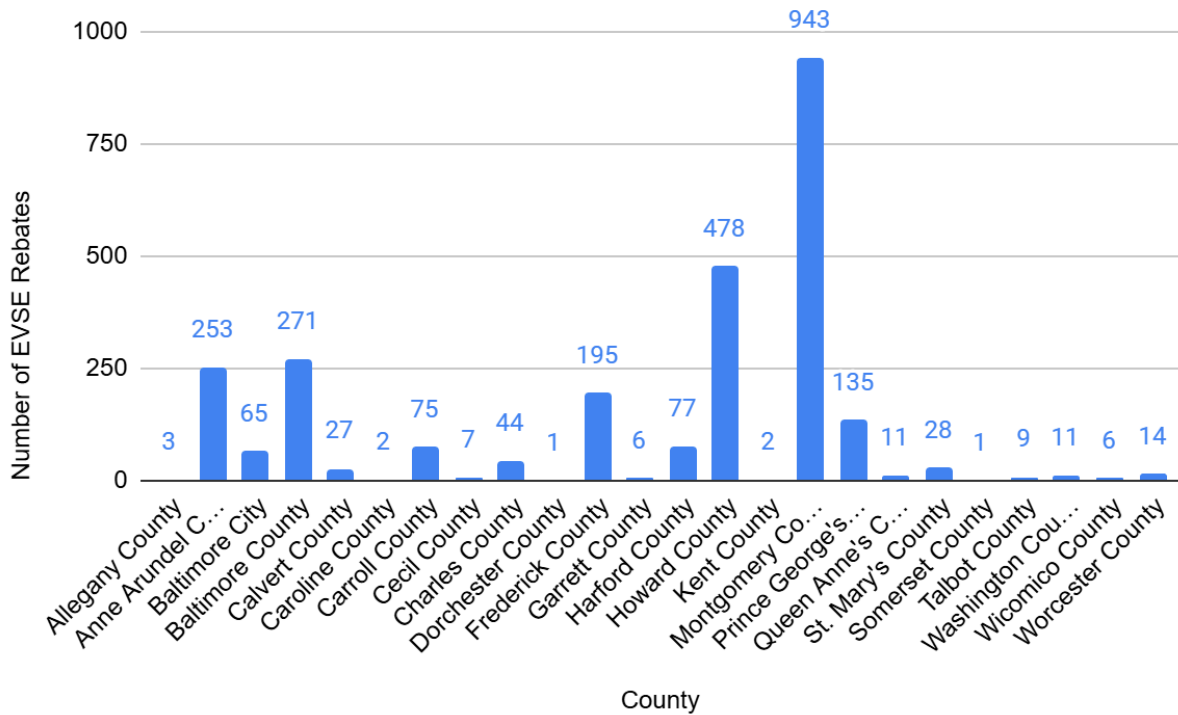
Description

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 2,500 EVSE rebates were funded through SEIF in FY24, 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.¹⁶

In FY24, approximately 72% of rebate funds went to Maryland residents, with the remaining rebate funds going to eligible commercial entities.

¹⁶ 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: FY24 EVSE Awards by County¹⁷



In FY24, the highest number of rebates were incentivizing chargers installed along the Interstate I-95 corridor, as well as in Montgomery and Anne Arundel counties (Chart 3). In addition to numerous Maryland residents, FY24 EVSE commercial program participants include apartment complexes, condominium associations, and businesses. Commercial awards in FY24 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	FY24
# of total EVSE rebate awards made	2,704

¹⁷ 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: \$8.56 million

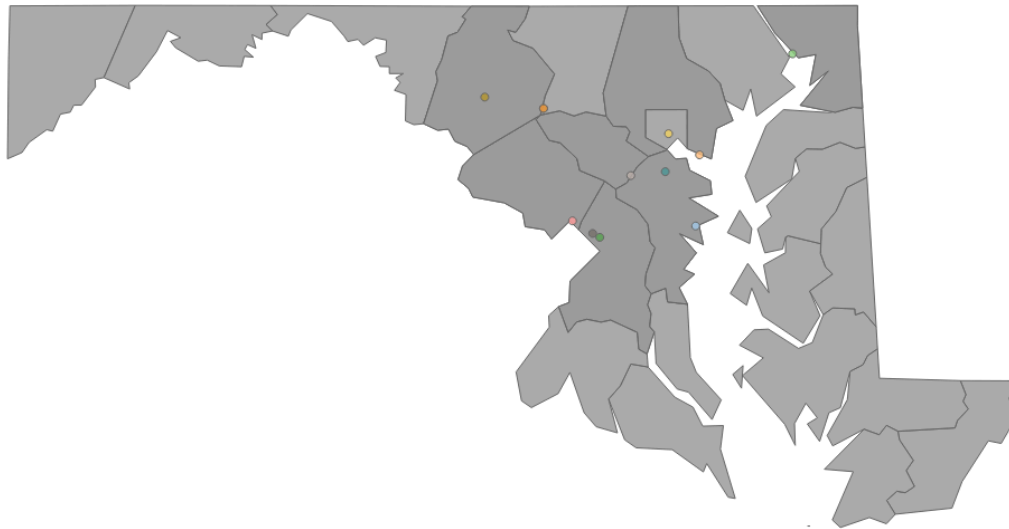
Beneficiaries

Fleet companies, organizations, and communities in Maryland

Description

Offered for the first time in fiscal year 2024, 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 11: FY24 Medium-Duty and Heavy-Duty Zero-Emission Vehicle Grant Program



Awardee Names

- Anne Arundel County Board of Education- \$900,000
- Black Ankle Vineyards- \$61,875
- Capital Logistics- \$697,500
- City of New Carrollton- \$150,000
- Einride Inc.- \$1,500,000
- Frederick County Government- \$262,432
- Johns Hopkins University- \$1,500,000
- Jubb's Bus Service Inc.- \$150,000
- Linganore Wines- \$220,453
- Montgomery County Government- \$60,000
- Montgomery County- \$1,440,000
- Savers- \$120,000
- Sysco Baltimore- \$1,500,000

Program Accomplishments

Fiscal Year	FY24
# of projects receiving an award	13
# of vehicles anticipated to be incentivized	46
Anticipated annual GHG avoided (metric tons of GHG/year)	12,186

O. Maryland Energy Infrastructure Program

SEIF Expenditures and Encumbrances: \$9.25 million

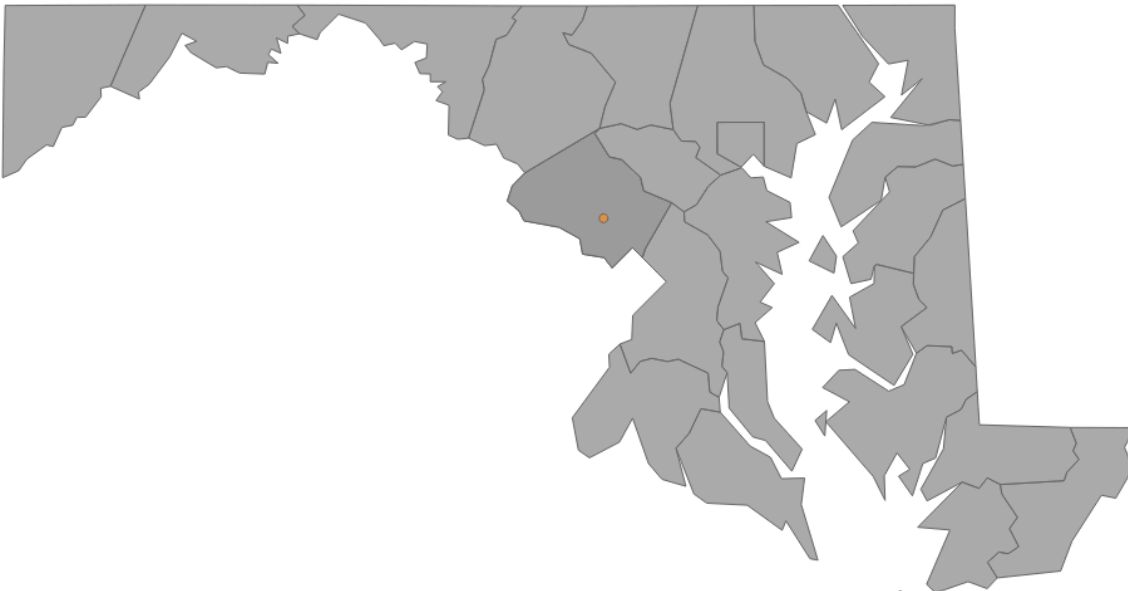
Beneficiaries

Maryland utilities, local government agencies, and institutions

Description

MEA is authorized by Section 3 of the Budget Reconciliation and Financing Act of 2023 (Chapter 103 of the 2023 Laws of Maryland) to use \$9.25 million of money derived from the AltaGas Ltd. and WGL Holdings, Inc. merger (and deposited as the Maryland Gas Expansion Fund into the Strategic Energy Investment Fund) to support the repair of existing natural gas infrastructure in the Washington Gas & Light service territory. MEA provided Washington Gas & Light with a grant for this purpose.

Map 12: Maryland Energy Infrastructure Program awardee



Awardee Name

■ Washington Gas & Light- \$9,250,000

Program Accomplishments

Fiscal Year	FY24
# of grants issued	1

P. OPEN Energy Program

SEIF Expenditures and Encumbrances: \$2.00 million

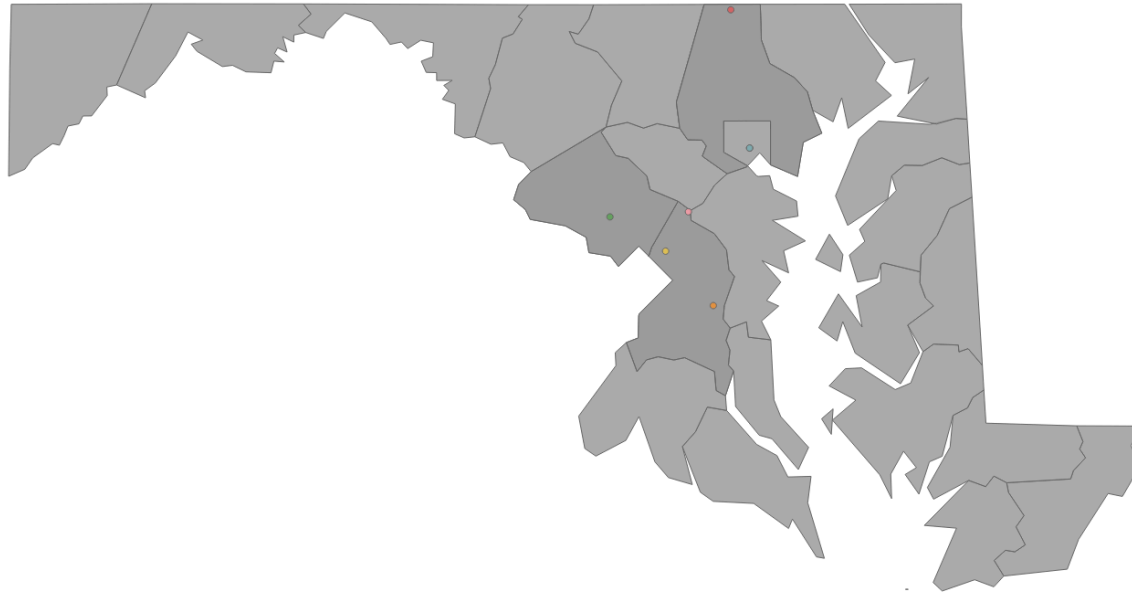
Beneficiaries

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 (OPEN Energy) provides an avenue for the agency to consider these proposals for funding. Applications under OPEN Energy should be efforts that have the potential to be replicated or provide a public benefit beyond a single project or activity.

Map 13: FY24 OPEN Energy awards



Awardee Names

- Citizen Energy LLC- \$100,000
- Lightstar- \$250,000
- Mayor and City Council of Baltimore- \$250,000
- Montgomery County Gov- \$150,000
- University of Maryland- \$500,000
- Vicinity Energy- \$500,000
- WSSC-\$250,000

Program Accomplishments

The scope of OPEN ENERGY is by design broad in nature, to allow for innovation in the energy space. Upon completion, projects funded in FY24 will include:

- a community solar agrivoltaic project,
- a pilot program providing energy storage systems for food trucks, thus eliminating portable generators,
- a design and feasibility study assessing the use of sewer water to provide heating and cooling via geothermal systems; and,
a feasibility and cost analysis study for the installation of e-boilers.

Fiscal Year	FY24
# of grant awards	7

Q. Communications and Marketing

SEIF Expenditures and Encumbrances: \$0.512 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 FY24 communication and marketing funding was used for energy-related awareness activities .

R. Energy Technical Support

SEIF Expenditures and Encumbrances: \$3.084 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

Energy programs receiving technical implementation support using FY24 funding include the Offshore Wind Program, the Clean Energy Rebate Program, and the Electric Vehicle Supply Equipment Program. In addition, MEA leveraged outside technical services in support of regulatory proceedings. Finally, MEA funded a membership to the Clean Energy States Alliance and to the Northeast Energy Efficiency Partnership in support of Maryland's energy goals and programs.

S. Administration

SEIF Expenditures and Encumbrances: \$7.586 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 proceeds.

Program Accomplishments

During FY24, funding under the Administration Program enabled MEA to execute a number of the state's energy programs described throughout this report.

Further, during FY24, 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

T. Maryland Department of the Environment - Climate Change Program

FY24 Appropriation: \$3.850 million

FY24 Expenditures and Encumbrances: \$3.230 million

Program Beneficiaries and Participants

The State of Maryland.

Description

As required by §9-20B-04 of the State Government Article, monies are provided from SEIF to the Clean Air Fund managed by the Maryland Department of the Environment (MDE). SEIF is used to fund the costs of MDE's programs to reduce or mitigate the effects of climate change. MDE used SEIF to fund staffing and operating costs across MDE's Air and Radiation Administration, including efforts related to climate change, air quality planning, the Director's Office, permits, and compliance. Further expenditures include contractual assistance for tasks beyond the expertise of the staff, such as emissions modeling and economic analyses, and for securing, as necessary, additional resources to assist in implementing the Climate Solutions Now Act (CSNA). The CSNA requires the State to develop a State GHG reduction plan, including supplemental analyses, a report on progress, adopting Building Energy Performance Standards, and organizing several working groups and task forces, including a highly technical Building Energy Transition Implementation Task Force.

SEIF is also used by MDE to pay annual dues for Maryland's membership in RGGI, Inc. RGGI, Inc. is a regional organization that assists the member states with the operational aspects of the program. The member states are required to pay dues to RGGI, Inc. for their share of the operational costs of the auction platform, as well as for other implementation costs.

U. Maryland Department of the Environment- Energy-Water Infrastructure Program

Awards made by MDE during FY24 utilizing SEIF from prior fiscal years: \$0

SEIF funds transferred in FY24 to MDE: \$1.030 million¹⁸

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 FY24 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).

V. Maryland Energy Innovation Institute

SEIF FY24 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 FY24. The Maryland Energy Innovation Institute (MEII) that manages the MEIF has produced an annual report of FY24 MEII activity.¹⁹

In the MEII's Annual Report FY24, MEII reports an FY24 budget of \$2,138,627 with actual expenditure of \$2,149,382.²⁰ The Maryland Clean Energy Center (MCEC), which in previous years received funding directly from the SEIF, received more than half of the FY24 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 FY24.

¹⁹ Maryland Energy Innovation Institute Annual Report FY2024

²⁰ Maryland Energy Innovation Institute Annual Report FY2024, Appendix 1, page 52.

W. Department of Labor- EARN Maryland

SEIF FY24 Appropriated Budget: \$1 million

SEIF FY24 Expenditures and Encumbrances by the Department of Labor: \$0

Beneficiaries

Maryland businesses and workers.

FY24 Program Accomplishments

In FY24, 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.

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

FY24 SEIF appropriation: \$1.25 million

Description

In FY24, the purchase of electric vehicles (EVs) for the state's passenger vehicle fleet was again coordinated by the Department of Budget and Management. DBM facilitated the replacement of 75 internal combustion engine vehicles with electric vehicles, using SEIF funds to cover the incremental cost difference. 75 EVs were added to the State's fleet.

Y. Maryland Department of Transportation

FY24 SEIF appropriation: \$8.250 million

FY24 SEIF funding transferred amount: \$7.830 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 lesser 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.

Z. Department of Commerce

FY24 SEIF appropriation: \$1.000 million

FY24 SEIF committed funding: \$0 million

Program Description

For fiscal years 2021 through 2028, section §9-20B-05 of the State Government Article requires monies from the SEIF, in prescribed annual amounts, to be provided as funding for access to capital for small, minority, women-owned, and veteran-owned businesses in the clean energy industry. As required by statute, \$1 million in SEIF was committed to the Department of Commerce (Commerce) for fiscal year 2024 via a memorandum of understanding between MEA and Commerce.

Program Outcomes

In the annual report submitted by Commerce to MEA regarding the use of SEIF funds, Commerce indicated that there was no program activity during fiscal year 2024. Commerce further indicates that it “does not expect to utilize any of the SEIF Funds” and that “Commerce has not received any inquiries from businesses in this sector regarding the SEIF Funds”. Chapter 474 of the 2024 Laws of Maryland redirected future funds for FY25 through FY28 to the Climate Technologies Founders Fund for the purposes of providing early-stage funding for start-up companies focused on qualified projects in Climate Technologies. This will be the final report from the Department related to SEIF Funds. As of Fiscal Year 2025, Commerce will no longer receive SEIF Funds for this purpose.²²

²² Annual Financial Status Report, State Government Article, Maryland Department of Commerce, August 14, 2024.

AA. Department of General Services (DGS)

SEIF FY24 Appropriated Budget: \$6.0 million

SEIF FY24 Expenditures: \$1.2 million

SEIF FY24 Encumbrances: \$4.9 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 including 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 \$18,326,500 in utility and maintenance savings.

Description

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 MTA and DPSC. The Energy Office worked with a third-party Measurement and Verification (M&V) firm to develop energy baselines and to review the M&V reports submitted by ESCOs on current projects.

The Energy Office encumbered \$3 million in SEIF funds to install over 10,000 LED light fixtures and controls in several buildings covering 641,288 square feet. Annual project savings are expected to be 1,004 MWH of electricity, avoidance of \$206,560 in annual operating expenses, and yearly avoidance of 551 metric tons of CO₂. 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 charging infrastructure for the state fleet of 4,000 vehicles. The Energy Office encumbered \$2 million to install 152 charging stations at 10 state agencies.

The Energy Office encumbered \$350,000 in FY24 SEIF funds to perform Energy Savings Analysis reports on 1,493,612 sq ft of MTA buildings and stations. A Rapid Energy Auditing tool was developed by the energy auditing team in FY23-24 with the ability to virtually rank state buildings by energy usage and carbon emissions. Virtual audits are simultaneously being completed on 28,011,669 sq. ft. of facilities.

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

SEIF FY24 Budget Appropriation: \$99.079 million

SEIF FY24 Disbursements by MEA to DHS: \$99.079 million

SEIF FY24 Expenditures as of 9/30/2024 (90 day curing period): \$99.079 million SEIF

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.²³

Description

SEIF funds are used for EUSP Bill Assistance and Arrearage Retirement Assistance program benefits. Bill payment assistance benefits make ongoing electric bills more affordable by paying part of a household’s monthly electric bill. Benefit amounts are based on electric usage, household size, and income. Funds generated through the EUSP utility ratepayer service charge provide the majority of funding for bill assistance, with SEIF funds fulfilling benefits when ratepayer funds are exhausted.

Electric Arrearage Retirement Assistance benefits retire past due bills up to \$2,000. An arrearage retirement benefit is available once every five years, with certain exceptions for vulnerable populations. Benefits are paid directly to electric utilities on behalf of the program applicant.

Program Accomplishments

The EUSP bill assistance and electric arrearage retirement assistance benefits administered by OHEP prevent and resolve utility disconnections. The electric arrearage retirement assistance benefit directly prevents or resolves disconnections that may result in life-threatening health and safety concerns, or result in households becoming homeless. Bill assistance keeps bills at an affordable level so that customers do not end up in a utility crisis in the first place.

FY24 Outcomes	Households Served	Total Benefits Paid	SEIF Benefits Paid
Bill Assistance	112,132	\$ 71,642,510.66	\$68,817,693.00
Arrearage Retirement Assistance ²⁴	29,605	\$ 31,088,657.24	\$30,261,441.00
Total	112,132	\$ 102,731,167.90	\$99,079,134.00

²³ Eligibility requires income equal to or less than 200% of the federal poverty level.

²⁴ Arrearage recipients are a subset of EUSP Bill Assistance recipients.

CC. SEIF Planning FY24

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 FY24 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 FY21, FY22, FY23, and FY24 are shown in Appendix A, Chart 5.

In the past, some non-RGGI contributions to SEIF came by order of the PSC, and in most cases were not known in advance and thus not predictable. Funds from these PSC proceedings came with strictly prescribed allowable uses that, in some cases, are similar to the prescriptive uses of funds derived from the RGGI auctions. Funds from PSC proceedings are typically restricted to distinct purposes, and possibly specific areas of the state.

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 FY24. In FY24, MEA also received a substantial influx of non-solar carve-out Tier 1 alternative compliance payments.

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/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.

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, and SEIF can not be used for the general obligations of the state.

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.²⁵ All the while, the CO₂ allowance budget has decreased from 188.1 million allowances in CY09²⁶ to 69.4 million allowances in CY24.²⁷

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

²⁵ <https://www.rggi.org/Auctions/Auction-Results/Prices-Volumes>.

²⁶ https://www.rggi.org/sites/default/files/Uploads/Allowance-Tracking/2009_Allowance-Distribution.xlsx.

²⁷ This is the CO₂ allowance adjusted budget. See https://www.rggi.org/sites/default/files/Uploads/Allowance-Tracking/2024_Allowance-Distribution.xlsx.

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 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 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 Climate Solutions Now Act of 2022 (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 Building Energy Performance Standards (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/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.

Additionally, though MEA has seen an influx of revenue from Tier 1 ACP, the agency is unable to utilize any portion of non-solar carve-out Tier 1 ACP funds for administrative purposes. A statutory change should be considered to permit a portion of this revenue for administration. Preferably, MEA would be able to utilize up to 10% of revenue regardless of the source for the purpose of administration. This would create consistency among MEA’s several dedicated funding streams.

Solar Alternative Compliance Payments

During fiscal year 2024, the SEIF experienced a continued influx of solar alternative compliance payments (SACP), resulting from statutory changes made to Maryland’s RPS in 2019.²⁸ 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

²⁸ Chapter 516 of the Acts of the Maryland General Assembly of 2019.

also increased the RPS solar carve-out.²⁹ 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 2022³⁰ 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. SACP funds are restricted to solar projects that are owned by or directly benefit low-income residents.

Non-solar Cave-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."^{12,13} Conversely, Maryland Tier 1 non-solar RECs routinely traded at a price in excess of the ACP level through the second quarter of 2023.¹⁴ For instance, Maryland vintage 2023 Tier 1 non-solar RECs were valued at \$32.95/MWh on June 21, 2023.¹⁵ 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 FY24 that Tier 1 non-solar ACP windfall was \$262 million.

Other SEIF sources from Prior Years

Fund balances from several non-RGGI fund sources originating in prior years remain in the SEIF.³¹ 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 (FY24)

Maryland Energy Administration

In FY24, MEA is offering 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

²⁹ 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.

³⁰ 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.

³¹ End of year SEIF fund balances are included annually in the Maryland Budget Highlights document.

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 FY24 expenditures and FY24 appropriations to other state agencies can be found in Appendix A, Chart 4.

Future SEIF Programs

Looking forward, the existing 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.

With that in mind, MEA sees a continued opportunity to bundle energy programs under “umbrella” or “portfolio” programs, 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 regulations³² 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

³² [Code of Maryland Regulations, 14.26.02](#)

help fund improvements to Maryland’s electricity and related power infrastructure under Section 40101(d) of the IJA; 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.

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 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 webpage³³ that contains the 2024 Board meeting history, as well as presentations 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 diversity, equity, and inclusion (DEI) efforts.

³³ <https://energy.maryland.gov/Pages/Strategic-Energy-Investment-Fund-Board.aspx>.

Appendix A: SEIF Financials

Chart 4: SEIF Expenditures and Active Commitments for FY24 with FY25 Appropriations

	FY2024 Actual	FY2025 Appropriation
Maryland Department of the Environment - RGGI Inc. Dues	\$251,331	400,000
Maryland Department of the Environment - Climate Change	3,298,689	10,440,457
University of Maryland (Maryland Energy Innovation Fund)	2,100,000	2,100,000
Department of Human Services - Energy Bill Assistance	90,417,856	94,049,796
Department of General Services	6,011,531	4,850,000
Department of Health - Energy Performance Contracting Repayments	0	0
Maryland Energy Administration - Energy Efficiency - Low-to Moderate Income	19,367,847	11,538,450
Maryland Energy Administration - Energy Efficiency - Other	13,828,347	13,550,000
Maryland Energy Administration - Renewable Energy, Transportation, and Resiliency	92,573,733	148,948,603
Maryland Energy Administration - Admin	7,574,550	7,412,045
Department of Commerce ³⁴	500,000	0
Department of Labor ³⁵	1,000,000	1,000,000
Department of Budget and Management -State agency electric vehicles	1,458,443	1,250,000
Motor Vehicle Administration - Electric Vehicle Tax Credit reimbursement	0	0
Maryland Clean Energy Center Climate Technology Founder's Fund	0	1,200,000
TOTAL	238,383,327	296,739,351

Chart 5: SEIF Revenues Received by Source

Source	FY 2021	FY 2022	FY2023	FY24
RGGI Auction Revenue	\$77,812,461	\$143,396,452	\$140,362,801	\$214,161,446
RGGI Set Aside Allowance Revenue	\$3,096,825	\$3,575,067	\$3,976,469	\$0
Alternative Compliance Payment Revenue	\$52,240	\$77,182,625	\$83,803,433	\$318,064,321
Fund Interest Revenue	\$728,892	\$810,395	\$15,093,672	\$29,257,548
TOTAL	\$81,690,418	\$224,964,539	\$243,236,375	\$561,483,315

³⁴ While MEA executed a MOU with Commerce, Commerce did not have any activity in the program during the fiscal year

³⁵ While MEA executed a MOU with Labor, Labor did not make any awards in FY24.

Chart 6: RGGI Results & Projections by Auction and Fiscal Year

RGGI Auction	Allowances Sold	Allowance Price	Total RGGI Revenue	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
61	2,616,709	\$13.85	\$36,241,420	\$36,241,420		
62	3,397,263	\$14.88	\$50,551,273	\$50,551,273		
63	4,303,526	\$16.00	\$68,856,416	\$68,856,416		
64	2,782,327	\$21.03	\$58,512,337	\$58,512,337		
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	2,761,452	\$17.10	\$47,220,829		\$47,220,829	
68	2,761,452	\$17.10	\$47,220,829		\$47,220,829	
69	2,761,452	\$17.10	\$47,220,829			\$47,220,829
70	3,303,322	\$17.10	\$47,220,846			\$47,220,846
71	3,303,322	\$17.10	\$56,486,806			\$56,486,806
72	3,303,322	\$17.10	\$56,486,806			\$56,486,806
<i>Italicized Numbers are Estimates</i>			RGGI Auction Revenue	\$214,161,446	\$221,872,235	\$207,415,288
<i>Note: Due to high revenue attainment, the base allowance price is assumed at an average of the prior 2 years auctions.</i>			RGGI Set Aside Allowances Revenue	\$0	\$0	\$0
			Total:	\$214,161,446	\$221,872,235	\$207,415,288