

MEA Financials

Strategic Energy Investment Advisory Board

Strategic Energy Investment Fund (SEIF)

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

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

Each revenue source comes with **specific usage directives**



Strategic Energy Investment Fund (SEIF)

- Guiding statute: § 9-20B
- SEIF statute directs the allocation of revenues from RGGI auctions to various sub-accounts
- Annual appropriations direct expenditures from sub-accounts
- Maryland Department of the Environment (MDE) provides management & oversight of the RGGI auction program of allowances
- MEA administers the SEIF

Strategic Energy Investment Fund (SEIF)

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

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



RGGI Revenue Allocation to SELF Sub-Accounts

DHS/EUSP	At Least	50%
EE L/M	At Least	10%
EE Other	At Least	10%
RE	At Least	20%
Admin	Up to	10%*
*Not to Exceed \$7.5M		

RGGI Market

Regional CO₂ allowance auctions

- Quarterly
- Notice and application materials
- Centralized registry platform (RGGI COATS)
 - Allowance tracking
 - Emissions tracking
 - Compliance processing
 - Offsets projects
- Independent market monitor
 - Regional auctions
 - Secondary market

RGGI Auction Price Mechanics

Minimum Reserve Price: The minimum price that allowances can be sold for at a RGGI auction. As specified in Participating State regulations, the Minimum Reserve Price in calendar year 2024 was \$2.56.

Cost Containment Reserve (CCR): Designed to moderate the price of CO₂ Allowances if the demand for allowances exceeds the Initial Offering (i.e., the CO₂ Allowances that are offered for sale upon the opening of the auction) and the Interim Clearing Price exceeds the CCR Trigger Price. The CCR consists of 10% of the annual base budgets of the states. The CCR Trigger Price is the price which, if exceeded by the Interim Clearing Price, triggers a release of CO₂ allowances from the CCR. The CCR Trigger Price was established at \$15.92 for 2024 and will increase by 7% of the previous year each year thereafter.

The Emissions Containment Reserve (ECR): Designed to secure additional emissions reductions if the demand for allowances is close to the Initial Offering. The ECR consists of 10% of the annual base budgets of the states implementing the ECR. ECR Allowances are withheld, up to the ECR limit, if the Interim Clearing Price is less than the ECR Trigger Price. The ECR Trigger Price was established at \$7.35 for 2024 and will increase by 7% of the previous year each year thereafter.

RGGI Auction 66 Results

- Auction Date: December 4, 2024
- Total Allowances Sold: 15,943,608
- Clearing Price: \$20.05
- Total Auction Proceeds: \$319,669,340
- Auction Proceeds to Maryland: \$55,785,656
- Cost Containment Reserve (CCR): There were no allowances sold.
 - The CCR is a fixed additional supply of allowances that are made available for sale if an auction's interim clearing price exceeds a certain price level (\$15.92 in 2024). There were no allowances available for sale.

RGGI Revenue, Allowances Sold and Allowance Price by RGGI Auction

	<u>Allowances Sold</u>	<u>Allowance Price</u>	<u>RGGI Revenue</u>
Auction 66	2,782,327	20.05	55,785,656
Auction 65	2,782,327	25.75	71,644,920
Auction 64	2,782,327	21.03	58,512,336
Auction 63	4,303,526	16.00	68,856,416
Auction 62	3,397,263	14.88	50,551,273
Total Auctions 1-66			1,413,913,325

SEIF Revenues

Revenues	<u>FY2024</u>	<u>FY2025</u>
RGGI Proceeds	217.9	201.6
TIER 1 RE ACP (LMI Solar ACP)	<u>56.0</u>	<u>50.0</u>
Fund Interest	<u>30.0</u>	<u>30.0</u>
Total	303.9	281.6*

*FY25 RGGI Proceeds and Fund Interest are estimates.

SEIF FY25 Status of Funds

\$ Millions

Cash Balance as of 6/30/2024		938.8
Less Prior Year Outstanding Encumbrances (MEA) ¹	-204.5	
Available Fund Balance for FY2025	734.3	
FY2025 Revenue Projection (@ with budget mechanism)	376.6	
FY2025 Appropriations	-293.1	
Projected Funds Available EOY ²		774

¹ Encumbrance value includes program related FY2024 accruals and revenue recognition

² RGGI auction revenue in excess of the budgeted price are not included the funds available calculation for FY2025.

SEIF Uses of Funds (\$ Millions)

		2024 <u>Actual</u>	2025 <u>Approp</u>
Dept of General Services (DGS)		3.9	3.9
Medium/Heavy Duty ZEV		0	10
Energy Assistance (DHS)		99.1	94.0
Dept of Natural Resources (DNR)		4.8	4.8
MD Dept of Environment (MDE)			
Includes RGGI Inc. Dues		2.4	4.3
MD Dept of Labor (MDL)		1.0*	1.0
MD Energy Administration (MEA)		85.6	156.3
State Fleet EV Purchase Reimb.		2.25*	2.25*
EV Excise Tax Rebate		8.25	8.25
MD Energy Innovation Institute (MEII)		2.1	2.1
MD Dept of Commerce		0.0	0
Total		209.4	286.9

Budget

\$ Millions

Breakout	FY25	
Administration	\$7.1	
Energy Efficiency Low-to-Moderate Income	\$11.5	
Energy Efficiency All Other Sectors	\$15.5	
Renewable and Clean Energy Programs	\$154.5	

Building for the Future

Maryland Energy Administration

Eric R. Coffman - Division Director of Energy Programs

Maryland Energy Administration Mission

We promote **clean, affordable, reliable energy** and energy-related **greenhouse gas emission reductions** to benefit Marylanders in a **just and equitable** manner.

We partner with **YOU** to bring clean energy to your communities through **collaboration, education, and funding.**



Partnering with Maryland Communities



- In FY25, MEA aims to provide about **\$200 million** in incentives through about **two dozen** individual programs.
- Local and **county governments** are **key partners** in identifying projects and opportunities.

How Can We Work Together

- **Grants**
- **Loans**
- **Rebates**
- **Technical Assistance**
- **Partnerships**
- **Federal Funds**



Clean Technology & Resiliency

- Resilient Maryland
- Maryland Solar Access
- Maryland Offshore Wind
- Workforce Training & Education Program
- Solar App
- Resilient Infrastructure for Sustainable Energy



Resilient Maryland

**Frederick Co. Success Story
(The Prospect Center):
\$1 Million Award**

Clean Transportation

- **Medium-Duty and Heavy-Duty Zero-Emission Vehicle Grant Program**
- **EVSE and EVSE Community Equity**
- **Electric School Bus Grant Program**



Medium- and Heavy-Duty

**Anne Arundel County Public Schools
Success Story: \$900,000 Award**

Innovation and Partnership

- OPEN Energy Innovation Program
- Decarbonizing Public Schools Program
- Higher Education Clean Energy Initiative



Open Energy Innovation

**Allegany County Success Story
(Evergreen Heritage Center):
\$100,000+ Award**

Commercial Building and Community Energy Programs

- **Maryland Smart Energy Communities Programs**
- **Decarbonizing Public Schools**
- **Higher Education Clean Energy Program**
- **Commercial, Industrial & Agricultural Grant Program**
- **Jane E. Lawton Loan Program**



Maryland Smart Energy Communities

Baltimore City Success Story

\$320,000 Award

Residential Energy Programs

- Energy Efficiency Equity Program
- Solar Energy Equity Program
- Maryland Solar Access Program
- Upcoming Inflation Reduction Act Rebate Programs



Energy Efficiency Equity

**Prince George's County Success
Story (Fairmount Heights):
\$100,000 Award**

Governor Moore's Climate Down Payment

- Electric School Bus Grant Program
- Equitable Community EVSE Program
- Electrifying Multi-family and Community Facing Buildings
- Total of **\$90 million** in funding available!



Upcoming Efforts!

- **Energy Efficiency and Conservation Block Grant Programs** for “non-formula” communities
- Funds for community groups focused on **electrification and networked geothermal**
- **Pitch us!** What do you have in mind? We are open to building an **outcome focused program with YOU** that can show
 - **Demonstrable greenhouse gas reductions**
 - **Deliver Energy equity benefits to underserved, overburdened and economically challenged communities**
 - **Expanded clean energy deployment**
 - **Expandable and replicable with other communities**

Learn More About **MEA Programs**

MEA offers expertise and advice to match your needs to electrify with available programs and financial support.

