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*Strategic Energy Investment Fund –
Advisory Board Meeting*

Malcolm Woolf, Director

Maryland Energy Administration

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Primer on Strategic Energy Investment Fund (SEIF)

- What is the purpose of the Strategic Fund?
- Where does the money come from?
- How can the Strategic Fund be used?
- How much money are we anticipating?
- What is process and timetable for using SEIF funds?

What is the Purpose of Strategic Energy Investment Program?

“To decrease energy demand and increase energy supply to promote affordable, reliable and clean energy to fuel Maryland’s future prosperity.”



Where Does the Money for the Strategic Fund Come From?

- **Strategic Fund receives proceeds from Nation's first auction of greenhouse gas allowances**
 - Maryland joined innovative initiative as part of 2006 Healthy Air Act
 - Maryland auctioning roughly 35 million allowances annually
- **Would NOT rely on general funds or ratepayer surcharge**
- **First quarterly auction scheduled for Sept 25, 2008**



How Can The Strategic Fund Be Used?

46%

- Energy Efficiency, Conservation & Demand Response Programs

23%

- Residential Rate Relief

17%

- Low Income Energy Assistance

10.5%

- Clean Energy & Climate Change Programs, Outreach & Education

3.5%

- Administration of Fund

How Much Money Is Expected? When Can We Spend It?

- **Maryland will auction roughly 30 million allowances annually.**
 - Sept 2008 auction includes roughly 5 million allowances from Maryland
 - Projected auction price varies from \$2-7 per allowance
- **To spend funds, MEA must submit budget amendment**
 - MEA plans to submit ASAP after auction
 - General Assembly has 45 days to review

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Potential Energy Efficiency Programs

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Potential Residential Programs

Home Performance with ENERGY STAR

Program for: Residential

- Could deliver whole house energy efficiency improvements through home energy audits and consumer rebates for improvements.
- Potential average annual energy savings through program would be \$400.

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Home Insulation Rebates

Program for: Residential

- Could improve home comfort and increase efficiency through upgraded insulation.
 - Can provide \$250 rebate for \$500 spent on new insulation materials.
 - Home Performance Program participants would qualify for 50% of total project cost up to \$1000.

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Potential Low to Moderate Income Programs

Assisted Home Performance with ENERGY STAR

Program for: Low-to-moderate income residents

- Most cost-effective energy efficiency improvements would be provided free of charge for low income residents.
- Moderate income residents could receive rebates for percentage of project costs.
- Projected annual energy savings of about \$400.

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Appliance Recycling Program

Program for: Residential Customers

- Motivate residents to recycle old, inefficient appliances through rebates.
- Qualifying Appliances:
 - Refrigerators = \$35 rebate check
 - Freezers = \$35 rebate check
 - Room Air Conditioners = \$25 rebate check
- Selected low income residents may receive a replacement ENERGY STAR refrigerator

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Energy Efficiency for Multifamily Buildings

Program for: Multifamily building owners, residential, and low-income renters

- Energy efficiency improvements could be made to existing buildings and new construction
 - Subsidized energy assessments
 - Reduced cost energy improvements
 - Major appliance/equipment replacements at discounted cost for low-income customers

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**Potential
Commercial/Industrial
Programs**

Specialized Industrial Energy Assessments

Program for: Industrial plants, water and wastewater treatment plants

- Could provide cost-shared energy audits to industrial customers when audits are not available in the local utility's *EmPOWER Maryland* program offerings
- Could provide cost shared energy audits to water and wastewater treatment plants

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Green Collar Workforce Training

Program for: Marylanders interested in participating in the Green Collar Workforce

- Could offer energy efficiency training for builders, contractors, building operators, realtors, teachers, etc.
- Would expand workforce capable of supporting *EmPOWER Maryland* infrastructure
 - Free or subsidized training seminars
 - Continuing education courses

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Potential Community Programs

State Agency Loan Program (SALP)

Program for: State Agencies

- Revolving loan program would be used to make energy improvements to State buildings
- Loans could be repaid using the avoided energy costs resulting from the project

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Community Energy Efficiency & Renewable Energy Grants

- Grants targeted towards local governments and non-profit initiatives
 - Could support the following:
 - Local energy efficiency programs
 - Local conservation plans
 - Local renewable energy projects that reduce greenhouse gas emissions

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Jane E. Lawton Conservation Loan Program

Program for: Local government, non-profits, and businesses

- Would offer low interest loans to encourage energy efficiency and renewable energy projects.
- Low interest loans could make energy efficiency and renewable energy projects more financially attractive.

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School Grants for Energy Efficiency and Conservation

Program for: Maryland Public School Systems

- Program could provide grants to all school systems to execute projects and energy education programs that reduce energy consumption.

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Potential Renewable Energy Programs

Solar, Wind & Geothermal with Grants

Program for: Residential and small-to-medium sized businesses

Would provide grants to install renewable energy systems in homes and businesses and overcome high initial capital costs.

Currently: *MEA provides grants of \$2500 for every 2.5 kW installed of wind or solar with cap of \$10,000. (Geothermal \$3000 cap)*

YTD: MEA has issued grants for 56 PV, 23 solar hot water and 6 wind.

Waiting List:

- Solar # 150 applicants with accumulative value of \$827,000
- Wind # 12 applicants with accumulative value of \$73,000
- Geothermal # 103 with accumulative value of \$310,000

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Solar, Wind & Geothermal with Grants Continued...

Provide grants to install renewable energy systems in homes and businesses.

- The customer would gain the benefit of lower payments to the utilities with the difference going towards paying financing of the remaining cost of the system.
- Would improve energy price stability & reduces congestion on grid.

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Renewable Energy Credit Aggregation

- System owners would be able to sell Renewable Energy Credits – providing system owner with additional revenue to off-set installation.
- Potentially, if the natural market stalls, MEA could facilitate with aggregation and financing RECs.

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Renewable Energy Loans and Leases

- Possibility of low-interest loans
- Possibility of lease requiring no down payment with a 15 year fixed price for electricity and the option to purchase the system at the end of the lease.

NOTE: Both use payments made in part through energy savings.

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Transportation Grants for Electric and Hybrid Electric Vehicles

Program for: Local Governments

- Would provide grants and loans to local governments to increase the use of electric and hybrid vehicles.

Program for: Diversifying Fuel Infrastructure

- Would provide grants and loans for tank installation at retail gas stations and alternative fuel handling at fuel terminals.

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Potential Public Outreach

Statewide Media Campaign

Public outreach to educate Maryland consumers:

- Opportunities to reduce their energy bills
 - Energy efficiency
 - Renewable, clean power
- Promote a cleaner, greener Maryland

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Current Media Outreach

- Promote Energy Saving Information

- MTA Bus advertisements
- Radio educational campaign
- Internet advertisements
- Consumer-friendly brochures



on Energy Saving Tips and Renewable Energy Programs through MEA

- Monthly newsletters

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For more information, please contact:

Maryland Energy Administration

410-260-7655 or 800-72-ENERGY

www.energy.maryland.gov