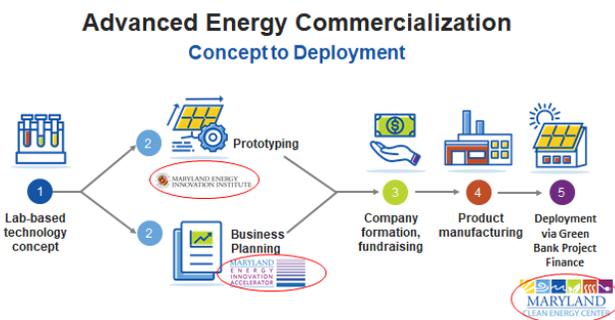


HB 419/ SB 460- Economic Development - Advanced Clean Energy and Clean Energy Innovation Investments and Initiatives

Language included in the legislation:

- Broadens the definition of clean energy to include advanced energy and grid modernization technologies
- Clarifies the capability of MCEC to serve as the state Green Bank and to finance energy measures on state facilities
- Ensures a predictable, consistent annual appropriation of \$2.1 M to support the energy technology innovation activities of the Maryland Energy Innovation Institute, the work of the Maryland Clean Energy Center, and the Maryland Energy Innovation Accelerator
- Directs the transfer of funds from the SEIF to Maryland Energy Innovation Fund using RGGI proceeds.
- Alters the composition of the MCEC Board of Directors to include an ex officio seat for the Director of MEII



Background:
Maryland Energy Innovation Institute (MEI²);

Maryland Clean Energy Center (MCEC); and

Maryland Energy Innovation Accelerator (MEIA)
Work together to move advanced energy technologies from the lab to market adoption.

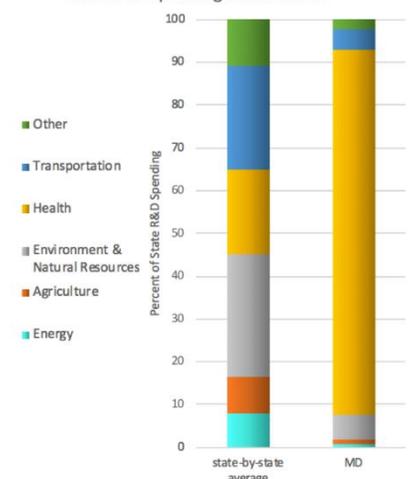
It will take more financial resources than public funds available to achieve state climate goals and grow the innovation economy in Maryland. MEI² and MCEC are crowding in federal and private capital for every state dollar spent to address the need faster and more efficiently.

With Maryland's energy research leadership and appropriate innovation infrastructure this could be major growth area for the Maryland economy. However, Maryland is last (#50) among all states in diversity of technology support for economic development, and there was no Maryland focused early stage energy investment in Maryland until MEI².

MEI² Funding Supports Innovation Seed Grants to bridge the gap between transformative academic research and VC-Ready Proof-of-Concept. In first three years 14 seed grants were awarded to University of Maryland College Park (UMCP), University of Maryland Baltimore County (UMBC), University of Maryland Eastern Shore (UMES), Johns Hopkins University (JHU), and Morgan State University (MSU). Demand for these seed grants has grown rapidly far exceeding current budget to support.

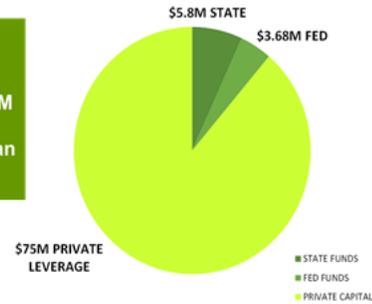
MEI² Funding helps grow Maryland's federal energy research funding and to date has provided a 20X ROI for the State.

State R&D Spending Distributions



MCEC Financing Programs crowd in private capital for Municipal, University, School, Not-for Profit, Small Business, Commercial, Industrial, Agricultural and Residential consumers deploy clean energy technologies.

\$9.48M investment of public funds generated approximately \$75M in private capital investment for clean energy solutions.



MEIA, a program of MCEC, facilitates translation of emerging energy technologies from research to market by wrapping business expertise around licensable discoveries to pull them toward commercialization.

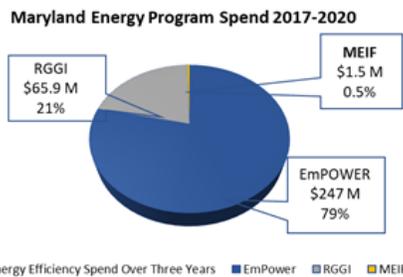
Without a predictable commitment of operating capital MCEC will be unable to continue successfully helping create new companies and financing energy cost saving measures for consumers.

Public funding for state energy programs and investments averaged \$314M in the past three years, and RGGI revenue trended to grow for the past three years; but the commitment to the Maryland Energy Innovation Fund, to support MEI² and MCEC has been only 0.5% of that total for the same period.

EmPOWER surcharge and RGGI proceeds combined expenditures averaged approximately \$314M/ yr.

MEIF state funding for the last three years has been less than 0.5% of that total

It will only be 0.6% with added funding.



\$1.5M of RGGI proceeds funding for the MEIF has been included in the budget for spending the Strategic Energy Innovation Fund since 2017. HB 419/ SB460 Seeks to continue the investment with a minor increase in the future.

*RGGI for FY18, 19 & 20 EmPOWER for Calendar 2017, 2018 & 2019

RGGI Revenue Trending Upward from FY18-20



FY20 Strategic Energy Investment Fund Actual Expenditures

APPENDIX A: SEIF Funding Details

SEIF Expenditures and Appropriations	FY2020 Actual	FY2021 Appropriation
Maryland Department of the Environment - RGGI Inc. Dues	353,985	500,000
Maryland Department of the Environment - Energy Water Infrastructure Program	3,105,033	
Maryland Department of the Environment - Climate Change	2,850,000	2,500,000
University of Maryland (Maryland Energy Innovation Fund)	1,500,000	1,500,000
Department of Human Services - Energy Bill Assistance	19,942,824	19,850,329
Department of General Services	505,000	500,000
Department of Health - Energy Performance Contracting Requirements	2,039,087	2,037,973
Maryland Energy Administration - Energy Efficiency - Low-to-Moderate Income	6,000,000	6,700,000
Maryland Energy Administration - Renewable Energy, Transportation, and Resiliency	3,865,110	5,000,000
Maryland Energy Administration - Admin	14,722,565	22,369,721
Maryland Energy Administration - Offshore Wind Development	4,427,858	4,883,187
Department of Commerce	1,991,832	1,500,000
Maryland Department of Labor	542,832	400,000
Department of Natural Resources		500,000
Dept. Housing and Community Development	574,776	
Maryland General Fund - State agency electric vehicles	2,368,958	2,250,000
Maryland Department of Agriculture	1,381,668	
Motor Vehicle Administration - Electric Vehicle Tax Credit reimbursement	6,953,583	0
TOTAL	\$71,217,609	\$70,641,210

\$1.5 M was included in the SEIF appropriation for MEIF sub-grantees. Bill calls for an increase of \$600,000 in the future.

Source: MEA Strategic Investment Fund Activities for FY2020

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