

# Financial Outlook

- Administration of the SEIF
- Update on RGGI Auctions
- SEIF Status of Funds
  - SEIF Sources of Funds
  - SEIF Uses of Funds
- Future Claims on the SEIF

# 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 the 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)

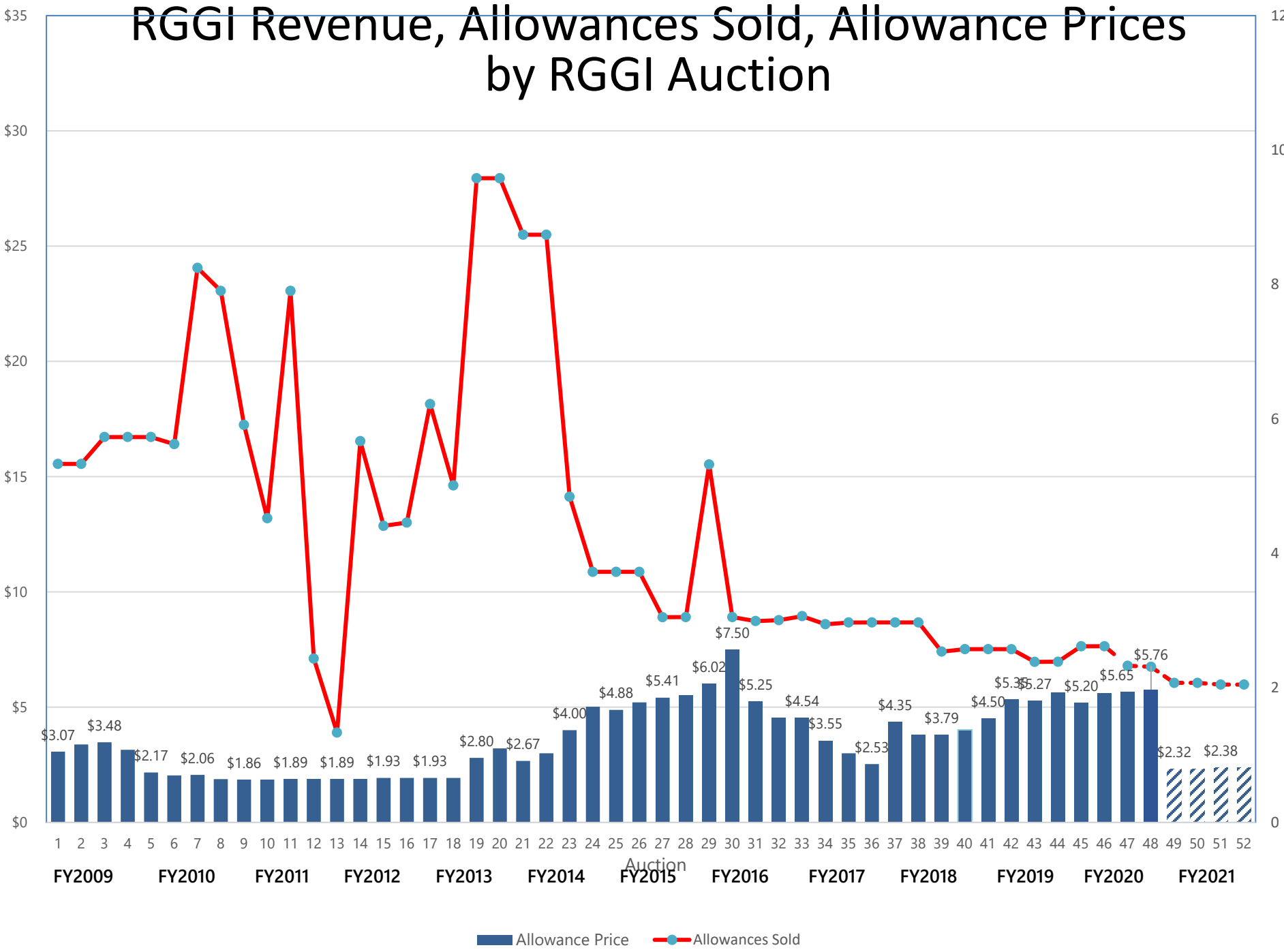
- MEA's 3 Prime Directives in Administering the SEIF per § 9-20B-05
  - Ensure SEIF resources are utilized only to carry out the purposes of the Program
  - Fund may not be used for the general obligations of government
  - Fund expenditures only made by an appropriation or budget amendment

# RGGI Revenue Allocation to SEIF Sub-Accounts

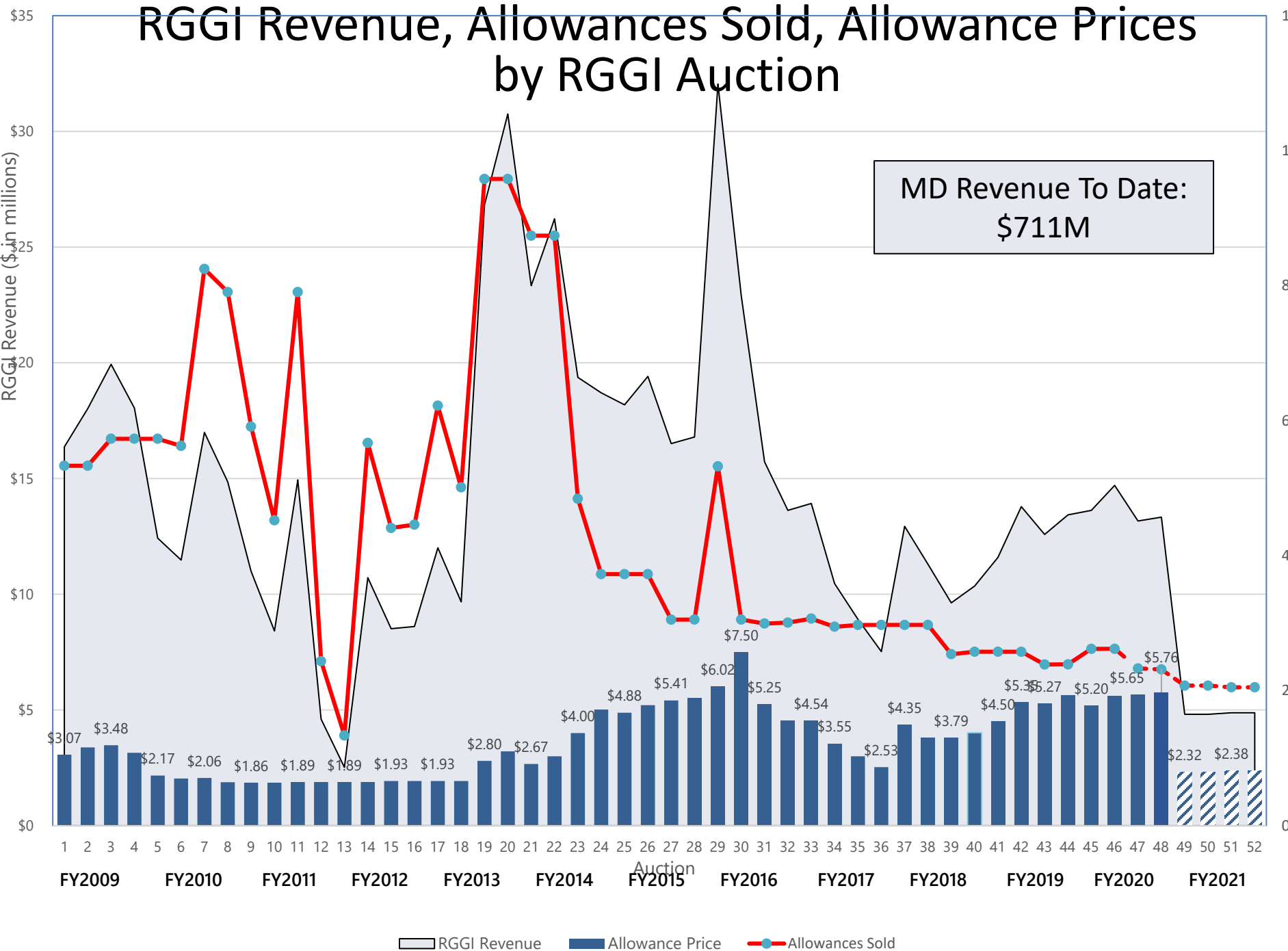
per § 9-20B-05

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 \$5M	

# RGGI Revenue, Allowances Sold, Allowance Prices by RGGI Auction



# RGGI Revenue, Allowances Sold, Allowance Prices by RGGI Auction



MD Revenue To Date:  
\$711M

RGGI Revenue
  Allowance Price
  Allowances Sold

# SEIF FY21 Status of Funds

\$ Millions

Cash Balance as of 6/30/2020		232.5
Less Encumbrances	-50.0	
<u>Less Commitments</u>	<u>-55.1</u>	
Available Fund Balance for FY2021		127.4
FY2021 Revenue Projection *	24.1	
<u>FY2021 Appropriations</u>	<u>-70.4</u>	
Projected Funds Available EOY		81.1

\* Note: RGGI Auctions are projected using the auction floor price



## SEIF Sources of Funds (\$ Millions)

	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>
Revenues			
RGGI Auctions Projected at Floor	24.3	23.1	23.1
RGGI Auctions Actuals Incremental	30.6	34.6	
Cove Point Deposit	8.0	0	0
Exelon/Pepco MFN Deposit	4.6	0	0
AltaGas/WGL Merger Deposit	30.3	0	0
RPS ACP	0.1	0	0 **
<u>Fund Interest</u>	<u>3.8</u>	<u>3.0</u>	<u>1.0</u> **
Total	101.7	60.7	24.1
			** projection

## SEIF Uses of Funds (\$ Millions)

	2019 <u>Actual</u>	2020 <u>Actual</u>	2021 <u>Appn</u>
Dept of General Services (DGS)	0.5	0.5	0.5
Dept of Budget & Mgt (DBM) for General Fund EV Purchase Reimb.		2.4	2.3
Dept of Human Services (DHS) - EUSP	26.0	19.9	19.9
Dept of Natural Resources (DNR) – CEJA Solar Studies			.5
EV Excise Tax Rebate	2.4	6.0	0
MD Dept of Agriculture (MDA)	2.0	0	0
MD Dept of Commerce -CEJA SMWOB			.2
MD Dept of Environment (MDE) Includes \$550 for RGGI Inc. Dues	11.1	6.0	3.1
MD Dept of Health (MDH) - EPC Payments	2.2	2.0	2.0
MD Dept of Labor (MDL) – CEJA Apprenticeships	1.0	.5	.5
MD Energy Administration (MEA)	38.9	33.9	40.0
MD Energy Innovation Institute (MEII)	1.5	1.5	1.5
<b>Total</b>	<b>85.6</b>	<b>72.7</b>	<b>70.5</b>

## Future Claims on the SEIF (\$ Millions)

- 2019/20 Clean Jobs Act
  - Mandates \$15M of SEIF Renewables funding be used for:
    - \$7M (spread over FY21 – FY28) to Md Dept of Commerce for Minority, Woman-Owned & Veteran-Owned businesses in the clean energy industry in Md.
    - \$1.25M (FY21 until spent) to MD Dept of Labor for a Pre-Apprenticeship Program
    - \$6.0M (FY21 until spent) to MD Dept of Labor for a Youth Apprenticeship Program
    - \$0.75M (FY21 until spent) to MD Dept of Labor for a Registered Apprenticeship Program
  - Requires Alternative Compliance Payment (ACP) revenue be used only for energy programs that directly benefit low-income Marylanders.
- Procurement of State Fleet EV Program - \$2.4M