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TTY USERS CALL VIA MD RELAY

March 3, 2009

The Honorable Steven Chu Secretary
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Re: State Energy Program Assurances

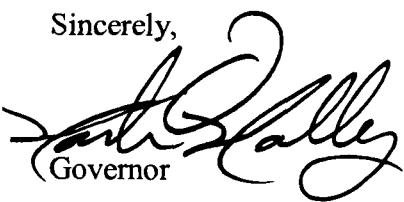
Dear Secretary Chu:

As a condition of receiving Maryland's share of the \$3.1 billion funding for the State Energy Program (SEP) under the American Recovery and Renewal Act of 2009 (H.R. 1) (ARRA), I am providing the following assurances. I have written to Maryland Public Service Commission and requested that the Commission consider additional actions to promote energy efficiency, consistent with the Federal statutory language contained in H.R. 1 and the Commission's obligations to maintain just and reasonable rates, while protecting the public. I have also written to the Maryland Department of Housing and Community Development and requested that it consider actions to improve building energy codes in order to meet the statutory language contained in ARRA.

We are prioritizing our energy investments to take advantage of existing programs and expand programs where appropriate. Maryland is committed to a robust improvement in energy efficiency and renewable energy, as well as a balanced energy policy. I want to assure you that we will move forward in these critical areas.

We look forward to immediate distribution of the Federal SEP funds which allows Maryland the opportunity to make progress in energy efficiency and renewable energy measures.

Sincerely,


Governor

cc: Gil Sperling, Director, Office of Weatherization and Intergovernmental Programs
U.S. Department of Energy
Malcolm Woolf, Director, Maryland Energy Administration

Attachment: Sec. 410 ADDITIONAL STATE ENERGY GRANTS



18 SEC. 410. ADDITIONAL STATE ENERGY GRANTS. (a)

19 IN GENERAL.—Amounts appropriated in ~~paragraph (6)~~

20 under the heading "Department of Energy—Energy Pro-

21 grams—Energy Efficiency and Renewable Energy" in title *this*

22 ~~V of division A of this Act~~ shall be available to the Sec-

23 retary of Energy for making additional grants under part

24 D of title III of the Energy Policy and Conservation Act

25 (42 U.S.C. 6321 et seq.). The Secretary shall make grants

1 under this section in excess of the base allocation estab-
2 lished for a State under regulations issued pursuant to
3 the authorization provided in section 365(f) of such Act
4 only if the governor of the recipient State notifies the Sec-
5 retary of Energy in writing that the governor has obtained
6 necessary assurances that each of the following will occur:

7 (1) The applicable State regulatory authority
8 will seek to implement, in appropriate proceedings
9 for each electric and gas utility, with respect to
10 which the State regulatory authority has ratemaking
11 authority, a general policy that ensures that utility
12 financial incentives are aligned with helping their
13 customers use energy more efficiently and that pro-
14 vide timely cost recovery and a timely earnings op-
15 portunity for utilities associated with cost-effective
16 measurable and verifiable efficiency savings, in a
17 way that sustains or enhances utility customers' in-
18 centives to use energy more efficiently.

19 (2) The State, or the applicable units of local
20 government that have authority to adopt building
21 codes, will implement the following:

22 (A) A building energy code (or codes) for
23 residential buildings that meets or exceeds the
24 most recently published International Energy

1 Conservation Code, or achieves equivalent or
2 greater energy savings.

3 (B) A building energy code (or codes) for
4 commercial buildings throughout the State that
5 meets or exceeds the ANSI/ASHRAE/IESNA
6 Standard 90.1-2007, or achieves equivalent or
7 greater energy savings.

8 (C) A plan for the jurisdiction achieving
9 compliance with the building energy code or
10 codes described in subparagraphs (A) and (B)
11 within 8 years of the date of enactment of this
12 Act in at least 90 percent of new and renovated
13 residential and commercial building space. Such
14 plan shall include active training and enforce-
15 ment programs and measurement of the rate of
16 compliance each year.

17 (3) The State will to the extent practicable
18 prioritize the grants toward funding energy effi-
19 ciency and renewable energy programs, including—

20 (A) the expansion of existing energy effi-
21 ciency programs approved by the State or the
22 appropriate regulatory authority, including en-
23 ergy efficiency retrofits of buildings and indus-
24 trial facilities, that are funded—

25 (i) by the State; or

1 (ii) through rates under the oversight
2 of the applicable regulatory authority, to
3 the extent applicable;

4 (B) the expansion of existing programs,
5 approved by the State or the appropriate regu-
6 latory authority, to support renewable energy
7 projects and deployment activities, including
8 programs operated by entities which have the
9 authority and capability to manage and dis-
10 tribute grants, loans, performance incentives,
11 and other forms of financial assistance; and

12 (C) cooperation and joint activities between
13 States to advance more efficient and effective
14 use of this funding to support the priorities de-
15 scribed in this paragraph.