

## FISCAL IMPACT NOTE

**Legislation No:** R-26-18

**First Reader Date:** 6/18/18

**Note Date:** 7/17/18

### **Legislation Title: Filing of Grant Application with the Maryland Energy Administration**

**Description:** For the purpose of authorizing the filing of an application with the Maryland Energy Administration for Grant 2018-02-420S1; authorizing the City to receive technical assistance and unmatched funding in the amount of (\$55,000); committing to adopt a policy to promote Energy Efficiency and Conservation; and committing to adopt a policy to promote the Development of Renewable Energy Resources.

**Analysis of Fiscal Impact:** If awarded the City would receive \$55,000, with no match required, towards technical assistance for the development, adoption and implementation of policies to promote energy efficiency and conservation and the development of renewable energy resources. By accepting this grant from the Maryland Energy Administration (MEA), the City is committing to the following: reduce per-square foot electricity consumption of local government buildings by 15% within five years of a reasonable baseline year, as determined solely by MEA; establish an electricity consumption baseline year prepared by estimating total local government building electricity consumption and size in gross square feet; develop an Energy Reduction Plan to document the baseline year energy consumption and a comprehensive program to reduce total electricity use, by gross square foot by 15% from baseline year use; reduce conventional, centralized electricity generation serving local government buildings by meeting at least 20% of those buildings' electricity demand with distributed, renewable energy generation within five years of a reasonable baseline year, as determined solely by MEA; estimate total local government building electricity consumption; and develop and implement a Renewable Energy Action Plan to map out how the City will achieve the renewable energy goal.

The City is currently working with two contractors relating to energy efficiency and conservation, as well as, the development of renewable energy resources. In fiscal year 2016 the City entered into an agreement with Annapolis Solar Park LLC for the lease of property located at the City's closed landfill for the development of renewable energy. It is anticipated that the City's cost of electricity will decrease as a result, in addition to the revenue generated from the rent payments for the lease of property. In fiscal year 2017 the City entered into an energy performance savings agreement with Honeywell International in the amount of \$4,757,784, with the intention of the guaranteed savings from project implementation covering any subsequent debt payments. It is also anticipated that the implementation of said projects will result in energy savings, although at this time the reduction in costs are unknown.

At this time the fiscal impact associated with the commitments as required by this grant cannot be determined.