

**MEMORANDUM OF UNDERSTANDING
BETWEEN**

**MARYLAND ENERGY ADMINISTRATION
1800 Washington Blvd., Suite 755
Baltimore, Maryland 21230**

AND

**THE COMPTROLLER OF MARYLAND
80 Calvert St.
Annapolis, Maryland 21401**

THIS MEMORANDUM OF UNDERSTANDING (the “Agreement”) is between the Maryland Energy Administration (MEA) and the Comptroller of Maryland. MEA and the Comptroller of Maryland may be collectively referred to herein as “Agencies”.

Recitals

WHEREAS, MEA is a separate unit of State of Maryland (“State”) Government whose statutory responsibilities include maximizing energy efficiency, encouraging the production of renewable energy while promoting economic development, reducing reliance on foreign fuel supply, and improving the environment;

WHEREAS, as part of statutory responsibilities, MEA manages, supervises, and administers the Strategic Energy Investment Program (“Program”) funded by the Strategic Energy Investment Fund (“SEIF”), which is established in §9-20B-01 et seq. (“SEIF Statute”) of the State Government Article and which, as specified in §9-20B-05, shall be used to invest in the promotion, development, and implementation of cost-effective energy efficiency and conservation programs, renewable and clean energy resources, and demand response programs, according to the legislative allocation of proceeds from the Regional Greenhouse Gas Initiative Auction and the State’s appropriation process.

WHEREAS, the Comptroller of Maryland intends to undertake a comprehensive Climate Change Study (“Climate Change Study”) to determine the total assessed cost of greenhouse gas emissions in the State, enabling the State government to use the data for economic planning purposes and to draft policy to address climate change.

WHEREAS, the Agencies recognize the critical need to address the impacts of extreme weather events and climate change within the State of Maryland; and

NOW THEREFORE, in consideration of the mutual covenants and obligations

contained herein, the Agencies agree as follows:

1. Recitals

The RECITALS are hereby made a part of this Agreement.

2. Purpose of the MOU

This MOU provides funds from the SEIF, as set forth in Section 3 of this MOU, to enable a comprehensive Climate Change Study to determine the total assessed cost of greenhouse gas emissions in the State and to provide an economic analysis to determine whether there would be a cost passed on to taxpayers as a result of requiring each fossil fuel company that has a sufficient nexus to the State and emitted more than 1 billion tons of greenhouse gas emissions globally during the period to be specified by the Comptroller of Maryland to compensate the State for climate change. The Climate Change Study will enable the State of Maryland government to use the data for economic planning purposes and to draft policy to address climate change.

3. Funding Amount of the MOU

The total funding amount under this MOU (“Allowable Amount”) is up to **Two Hundred, Seventy Thousand Dollars (\$270,000)** in fiscal year FY 2026 subject to the Comptroller of Maryland seeking and obtaining FY 2026 budget authority.

In the event the Comptroller of Maryland requires additional funding beyond the initial Allowable Amount, this MOU may be formally amended in fiscal year 2027 to add additional funds, subject to SEIF funding availability, mutual agreement between the Agencies, and successful completion of all necessary State budgetary and legal procedures required for the additional fund transfer, including appropriation or budget amendment in accordance with § 7-209 of the State Finance and Procurement Article.

4. Term of the MOU

The Effective Date of this MOU is the date that MEA receives the fully executed MOU, as determined by the official MEA date stamp on the first page of the MOU. MEA shall notify the Comptroller of the Effective Date.

The term of the MOU begins on the Effective Date and continues until December 31, 2027. An extension to this deadline may be requested for good cause shown, but is not guaranteed.

5. MOU Implementation

Pursuant to § 9-20B-05 (k) of the State Government Article, expenditures from SEIF shall

be made by an appropriation in the annual State budget or a budget amendment in accordance with § 7-209 of the State Finance and Procurement Article.

The Comptroller of Maryland shall spend or encumber SEIF Funds under this MOU solely for work specified in Section 6 of this MOU and shall not use SEIF Funds for the general obligations of government.

The Comptroller of Maryland shall provide annual reporting documentation for all encumbrances and expenditures as set forth in Section 8 of this MOU.

To be reimbursed under this MOU, the Comptroller of Maryland shall submit to MEA all the financial documentation, including proof of the expenditure and necessary supporting information, as specified in Section 8 of this MOU.

The Comptroller of Maryland shall expend the total Allowable Amount by June 30, 2027. If the Comptroller of Maryland does not expend the total Allowable Amount by June 30, 2027, MEA will reduce the Allowable Amount by the amount of funds not expended by that date.

6. Scope of Work

The Comptroller of Maryland may administer the “Climate Change Study” to assess the comprehensive cost of greenhouse gas emissions and the damages resulting from extreme weather events throughout Maryland, including calculating the total documented costs incurred by the State of Maryland and its political subdivisions for damages, recovery, and other expenses directly attributable to extreme weather events (e.g., floods, severe storms, heatwaves) during the analysis period specified by the Comptroller of Maryland and estimating the necessary expenditures for future adaptation and mitigation measures. The Climate Change Study will also include an economic analysis to determine whether there would be a cost passed on to taxpayers as a result of requiring each fossil fuel company that has a sufficient nexus to the State and emitted more than 1 billion tons of greenhouse gas emissions globally during the analysis period specified by the Comptroller of Maryland to compensate the State for climate change. The findings of this study may inform future legislation.

- a. Project Outcome: Included but not limited to, quantification of the economic impact of extreme weather events and climate change on the State of Maryland.

7. Billing and Reimbursement

- a. MEA will provide funding under this MOU to the Comptroller of Maryland only through reimbursement in arrears.
- b. The Comptroller of Maryland shall provide to the MEA Technical Contact listed in Section 17 an agency-generated invoice and supporting documentation that describes work completed pursuant to the Scope of Work of this MOU for review,

- processing, and payment. Each agency-generated invoice shall reference this MOU.
- c. No later than thirty (30) days following MEA's receipt of the satisfactory invoice(s) and documentation, MEA will transfer to the Comptroller of Maryland SEIF Regional Greenhouse Gas Initiative ('RGGI') funds from the renewable and clean energy programs account established under § 9-20B-05(g)(3) of the State Government Article to cover the expenditures allowable under this MOU that are included on the agency-generated invoice, up to the Allowable Amount.
 - d. If MEA determines that an agency-generated invoice and supporting documentation are not satisfactory because they do not constitute a sufficient and reasonable accounting of an allowable expenditure of SEIF RGGI funds under this MOU or do not support the full amount requested, MEA shall take the following actions within thirty (30) days after its receipt of the invoice and supporting documentation from the Comptroller of Maryland:
 - i. MEA shall transfer to the Comptroller of Maryland the amount of SEIF RGGI funds that, in the sole discretion of MEA, is supported by the invoices and documentation provided; and,
 - ii. MEA shall provide a written justification setting forth the basis for its determination and provide the Comptroller of Maryland a reasonable opportunity to reconcile any discrepancies noted by MEA in its written justification.

8. Reporting

- a. Annual SEIF Report
 - i. As required by § 9-20B-12 of the State Government Article, MEA monitors and analyzes the impact of each program, project, activity, and investment of the SEIF to ensure that the outcome achieves the purposes of the Program.
 - ii. On or before January 1 of each year, MEA reports to the Governor and the General Assembly on the uses and expenditures of the SEIF from the prior fiscal year. The report includes, but is not limited to, a detailed accounting of all uses of SEIF Funds; MEA also responds to questions regarding the use of SEIF Funds from the Department of Legislative Services and members of the General Assembly.
 - iii. To provide the necessary and relevant information to MEA for these reports or responses, the Comptroller of Maryland shall provide data requested by MEA related to this MOU and shall otherwise cooperate with MEA with respect to the funding and activities under this MOU to ensure that the SEIF reporting requirements are met.
 - iv. The Comptroller of Maryland may be asked to verify the following information for inclusion in the annual SEIF report:
 - 1. Total dollar amount of funds received, encumbered, and expended during the period included in the report; and

2. Brief description of programs/projects/activities for which funds have been encumbered and/or expended during the period included in the report.

9. Retention of Records–Audits

- a. MEA shall have the right, during normal business hours, to examine and audit all records that MEA deems necessary or advisable to verify compliance with the terms and conditions of this MOU and expenditures for which reimbursement is requested.
- b. The Comptroller of Maryland shall retain and maintain all records and documents relating to this MOU for a period of three years following payment by MEA of the final invoice or any applicable statute of limitations, whichever is longer.
- c. All records relating to this MOU shall be made available for inspection by MEA upon request and shall be subject to audit by the MEA. The Comptroller of Maryland or its contractor(s) shall promptly grant access to its facilities to authorized MEA representative(s) for review of documents, information, and interviews of Comptroller of Maryland or contractor personnel relevant to this MOU and use of funds. Upon request, the Comptroller of Maryland or contractor(s) shall provide to the State, including MEA, copies of any invoice, record, timesheet, work log, contract, or any other document or information needed for the State and MEA to comply with all applicable State or federal reporting and audit requirements.

10. Disputes

If a dispute arises under this MOU, each party shall appoint a representative to resolve the dispute. Both parties shall use best efforts to arrive at a final resolution of the dispute.

11. Modification

This MOU contains all the terms and conditions made between the parties to this MOU and may only be modified by a written amendment to the MOU, signed by both parties.

12. Applicable Law

This MOU shall be construed and enforced according to the laws of the State of Maryland. The Parties shall comply with all applicable federal, State, and local laws.

13. Records

The Parties shall retain all records regarding this MOU for three years after the termination of this MOU or in accordance with any applicable laws, policies or procedures.

14. MOU Binding on Successors and Assigns

This MOU shall bind the respective successors and assigns of the parties.

15. Waiver

The failure of MEA or the Comptroller of Maryland to enforce any of the provisions of the MOU or to exercise any option which is provided in this MOU, or to perform any of the provisions of this MOU shall not be construed as a waiver of such provisions, nor in any way affect the validity of this MOU or any part of it, or the right of MEA or the Comptroller of Maryland to enforce each and every such provision.

16. Severability

The Comptroller of Maryland and MEA agree that if any of these provisions contravene or are held to be invalid under any applicable law, such provisions shall not invalidate this MOU in its entirety, but the MOU shall be construed as if not containing the particular provisions which have been so construed, and all remaining obligations of the parties shall remain in full effect to the maximum extent reasonable.

17. MOU Contacts

The following individuals are designated as the MOU Contact for MEA:

MEA Financial Contact:

James Cobb Jr.

Division Director, Fiscal Management

Maryland Energy Administration

443-306-8791

James.cobb@maryland.gov

MEA MOU Manager & Technical Contact

Jose Matos, Energy Program Manager

Maryland Energy Administration

(443) 826-0530

MOU.mea@maryland.gov

MOU Invoicing and Reporting


mou.mea@maryland.gov

The following individuals is designated as the MOU Contacts for the Comptroller of Maryland:

Kim Pezza
Comptroller of Maryland
Climate Resilience Director
(410) 260-7595
KPezza@marylandtaxes.gov

IN WITNESS WHEREOF, this Agreement represents the full intent and interest of the Agencies hereto as evidenced by their respective signatures affixed below as of the day and year written.

STATE OF MARYLAND

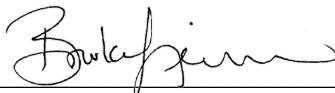
BY: 
Ian Ullman
Acting Director

December 11, 2025
DATE

Approved for Form and Legal Sufficiency
this 11th day of December, 2025

/s/ David A. Shapiro

David Shapiro
Assistant Attorney General

BY: 
Brooke Lierman
The Comptroller of Maryland

December 11, 2025
DATE

Approved for Form and Legal Sufficiency
this 11th day of December, 2025

/s/ Michael Sheehan
Name: Michael Sheehan
Assistant Attorney General