



AltaGas-WGL Merger Fund

(P362106)

Category	General Government	Date Last Modified	08/05/22
SubCategory	County Offices and Other Improvements	Administering Agency	General Services
Planning Area	Countywide	Status	Ongoing

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY22	Rem FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Planning, Design and Supervision	205	-	205	-	-	-	-	-	-	-	-
Construction	6,795	156	5,345	1,294	1,294	-	-	-	-	-	-
TOTAL EXPENDITURES	7,000	156	5,550	1,294	1,294	-	-	-	-	-	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY22	Rem FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
Utility Merger Funds	7,000	156	5,550	1,294	1,294	-	-	-	-	-	-
TOTAL FUNDING SOURCES	7,000	156	5,550	1,294	1,294	-	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 24 Request	-	Year First Appropriation	FY21
Cumulative Appropriation	7,000	Last FY's Cost Estimate	7,000
Expenditure / Encumbrances	393		
Unencumbered Balance	6,607		

PROJECT DESCRIPTION

This project provides for the design and implementation of energy savings projects in various County facilities and locations using funds the County received as part of the merger of AltaGas Ltd., WGL Holdings, Inc., and Washington Gas Light Company ("AltaGas/WGL merger"), as approved by the Maryland Public Service Commission (PSC) per Merger Order No. 88631 on April 4, 2018. The funds are intended to implement projects that improve energy efficiency and reduce natural gas usage in County buildings. The funds will be administered by the Department of General Services (DGS) for projects such as combined heat and power (CHP) systems (also known as cogeneration), thermal envelope components (such as insulation), boiler upgrades, and increasing the energy efficiency of facilities.

ESTIMATED SCHEDULE

Projects are identified and scheduled based on energy savings potential, reduced maintenance costs, overall cost savings, and quantifiable environmental benefits. The schedule is subject to change based on project needs. Currently planned projects include:

FY22: Damascus Community Recreation Center; Kennedy Shriver Aquatic Center (KSAC); White Oak Community Recreation

Center; Plum Gar Community Recreation Center; Marilyn Praisner Community Recreation Center, Upper County Community Recreation Center.

FY23: Olney Swim Center; Germantown Indoor Swim Center; Potomac Community Recreation Center.

PROJECT JUSTIFICATION

The AltaGas/WGL merger, approved by the Maryland PSC per Merger Order No. 88631 on April 4, 2018, resulted in the County receiving approximately \$7 million to fund energy efficiency projects in facilities utilizing natural gas energy sources. Significant reductions in energy consumption, greenhouse gas emissions, and maintenance are expected.

OTHER

Staff from the Department of General Services (DGS), Department of Finance (FIN), Office of Management and Budget (OMB), and County Attorney (OCA) are coordinating the development of processes and monitoring of energy savings in order to ensure funds are utilized as intended by the terms of the merger.

FISCAL NOTE

A total of \$7.0 million was originally appropriated in the Restricted Donation Fund in FY19 for funding energy efficiency improvements in public buildings. The full amount of this funding was shifted into this CIP project in FY21 for improved expenditure tracking and scheduling.

Projects are also expected to be eligible for utility incentives during and after implementation; utility incentives will offset the use of the merger funds.

Additional revolving funds that are received will be appropriated through a Supplemental.

Merger funds cannot be used to supplant existing County funding for projects, including staff charges.

COORDINATION

Department of General Services, Department of Finance, Office of Management and Budget, Office of County Attorney