

Department of Legislative Services  
Maryland General Assembly  
2023 Session

FISCAL AND POLICY NOTE  
First Reader

Senate Bill 636 (Senator Mautz)  
Education, Energy, and the Environment

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Public Safety - Solar Battery Energy Storage Systems

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This bill requires each building where a “solar battery energy storage system” is installed to be equipped with the following safety features in accordance with acceptable industry standards: (1) a self-contained fire suppression system; (2) an explosion prevention system; and (3) an air quality monitoring system. The State Fire Marshal must administer and enforce the bill and may adopt implementing regulations. The bill applies only to a solar battery energy storage system that (1) has an aggregate energy capacity greater than 600 kilowatt-hours (kWh) or (2) comprises more than one storage battery technology installed in a single room or an enclosed area.

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Fiscal Summary

**State Effect:** General fund expenditures increase by an indeterminate amount beginning in FY 2024 for enforcement. While the number of inspectors needed is unknown, for each inspector that the State Fire Marshal must hire, general fund expenditures increase by \$86,000 in FY 2024, with future year expenditures ranging from \$67,900 in FY 2025 to \$78,100 in FY 2028. Revenues are not affected.

**Local Effect:** The bill is not anticipated to materially affect local government operations or finances.

**Small Business Effect:** Minimal overall, but potential meaningful impact on any small business that owns an affected building and incurs costs to comply with the bill.

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## Analysis

**Bill Summary:** A “solar battery energy storage system” means one or more devices, assembled together, capable of storing energy produced by a solar energy system in order to supply electricity at a future time.

**Current Law:** The State Fire Marshal within the Department of State Police (DSP) must enforce all laws of the State relating to, among other things, the prevention of fire and the installation and maintenance of all kinds of equipment intended to control, detect, or extinguish fire. The State Fire Marshal must also enforce regulations adopted by the State Fire Prevention Commission (SFPC).

SFPC must adopt comprehensive regulations as a State Fire Prevention Code. SFPC has adopted by reference, subject to some exceptions, the National Fire Protection Association (NFPA) 1 Fire Code (2018 Edition), the NFPA 101 Life Safety Code (2018 Edition), and some requirements of the International Building Code as the State Fire Prevention Code. The State Fire Prevention Code has the force and effect of law in the political subdivisions of the State, and enforcement is the responsibility of the State Fire Marshal, a legally designated fire official of a county or municipality of the State, or other persons legally appointed by the State Fire Marshal (as specified under the Public Safety Article).

**State Expenditures:** DSP advises that the Office of the State Fire Marshal (OSFM) cannot absorb any additional duties with existing staff and that in order to enforce the bill, it needs to hire 10 fire safety inspectors (and purchase a vehicle for each inspector) at a total cost of approximately \$879,500 in fiscal 2024, with ongoing costs ranging from \$679,000 in fiscal 2025 to \$800,600 by fiscal 2028. DSP notes that it does not know how many solar battery energy storage systems exist in the State, and its estimate assumes that it needs two additional fire safety inspectors for each of its five regions to conduct inspections of affected buildings.

Based on information provided by the Public Service Commission, there is at least one solar battery energy storage system in the State that it is aware of that exceeds the 600-kWh threshold addressed in the bill; however, the total number of buildings affected by the bill (those with installed solar battery energy storage systems that have an aggregate energy capacity greater than 600 kWh or comprise more than one storage battery technology installed in a single room or an enclosed area) is unknown.

The Department of Legislative Services acknowledges that any increase in workload for OSFM necessitates additional staff. However, because the number of affected buildings is unknown, the number of additional staff needed by OSFM to enforce the bill is unclear. Without actual experience under the bill, a reliable estimate of the number of additional staff needed – and the corresponding increase in general fund expenditures – cannot be

made. For every inspector OSFM must hire, general fund expenditures increase by \$85,945 in fiscal 2024 (which reflects the bill's October 1, 2023 effective date); future year expenditures range from \$67,894 in fiscal 2025 to \$78,058 in fiscal 2028.

**Additional Comments:** The extent to which the State or any local governments own affected buildings – or might in the future – is unknown. Any resulting impact has not been included in this analysis.

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### **Additional Information**

**Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** HB 1046 (Delegates Ghrist and Ciliberti) - Environment and Transportation and Economic Matters.

**Information Source(s):** Montgomery and Prince George's counties; Maryland Association of Counties; Department of State Police; Department of Natural Resources; Maryland Energy Administration; Public Service Commission; Maryland State Firemen's Association; Department of Legislative Services

**Fiscal Note History:** First Reader - March 5, 2023  
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