



**SB 192 - Budget Reconciliation and Financing Act of 2020**  
**February 26, 2020**  
**Senate Budget & Taxation Committee**

**Recommendation: REQUEST AMENDMENT to Reject Language that Eliminates Funding for the Maryland Energy Innovation Fund, which provides funding for both the Maryland Clean Energy Center (MCEC) and the Maryland Energy Innovation Institute (MEI2), both co-located at the University of Maryland**

The Maryland Energy Innovation Institute (MEI2), part of the University of Maryland's A. James Clark School of Engineering, provides a platform to catalyze basic research into new technology while stimulating economic growth and improving millions of lives across the state of Maryland. The Institute brings together science, industry, government and economic leaders to develop new energy technologies and facilitate the transfer of created technology into commercial reality. Through this truly interdisciplinary team, the institute develops solutions to global and local energy problems (i.e. cleaner and renewable energy solutions; more efficient use and storage of energy) and assists the transfer of knowledge and resources to the public in addition to transitioning the research into marketable products and services through locally based entrepreneurial ventures.

MEI2 drives UMD energy innovations in partnership with Mtech and Commerce. Moreover, with MCEC integrated into MEI2 its role as a "green bank" investment vehicle is instrumental in facilitating capital to support technology commercialization and project development, and provide a direct link to various energy sector stakeholders, industry, and utility partners. MCEC coordinates outreach and education with consumer audiences, convenes stakeholder partners, promotes and coordinates conferences and events that raise the profile of the work undertaken at MEI2 to a broader national and international audience.

MEI2 advances the UMD Research Enterprise – by increasing the visibility and impact of UMD energy and environmental research, supports State of Maryland Agencies by providing a centralized institute for the MEA, Commerce, DNR, PSC and Governor's needs with respect to specific energy expertise, including serving on governmental committees and providing input to reports, increasing economic growth in Maryland by accelerating Maryland's energy innovation ecosystem creating new companies and jobs, as well as assisting economic development officials in attracting companies to Maryland.

The Maryland Energy Innovation Institute leverages Maryland Energy Innovation Funds to assist Maryland academic institutions in obtaining federal and private funding to advance energy research and innovation. At the University of Maryland College Park (UMCP), alone this has assisted in obtaining over \$40M in federal energy funding since MEI2 was created in

2017, a factor of >20X return to the Maryland economy compared to MEI2 portion of the MEIF during that time period (\$1.8M).

MEI2, through its portion of the MEIF, provides annual innovation seed grants to assist spin-off companies, which translates university research results to commercially relevant products. In the initial two years 8 seed grants have been awarded to UMCP, University of Maryland Baltimore County (UMBC), and Johns Hopkins University (JHU), and this year's competition has resulted in 18 applications thus far from UMCP, UMBC, JHU, JHU-APL, University of Baltimore, Morgan State and UM Eastern Shore.

This has accelerated the progress of these companies toward commercial success, a couple of examples being Mobile Comfort and Ion Storage Systems. Mobile Comfort's \$300K seed grant enabled them to translate their more efficient air conditioning technology into the prototype necessary for them to attract private funding and launch a worldwide consumer product. Ion Storage Systems leveraged their \$100K seed grant for packaging of their advanced battery technology, to obtain \$8M in private venture capital funding. This enabled them to move into the Maryland Energy Incubator, set up pilot-line manufacturing, and hire 15 employees.

The proposed cut in the Budget Reconciliation and Financing Act of 2020 (BRFA), which will eliminate promised funding in statute for the Maryland Energy Innovation Fund will send the wrong message about the state's commitment to clean energy innovation and growth in the economy. It's important to note that this action has no effect on the general fund as the Maryland Energy Innovation Fund is derived from Strategic Energy Investment Funds. We strongly urge a rejection of the language to cut the Maryland Energy Innovation Fund.