



PUBLIC SERVICE COMMISSION

February 12, 2021

Chair Delores G. Kelley
 Senate Finance Committee
 3 East, Miller Senate Office Building
 Annapolis, MD 21401

**RE: SB 460 – Economic Development – Advanced Clean Energy and Clean Energy
 Innovation Investments and Initiatives – [FAVORABLE]**

Dear Chair Kelley, Vice Chair Feldman, and Committee Members:

I offer this letter of support for Senate Bill 460, which in my view would ensure that the Maryland Clean Energy Center (MCEC) and the Maryland Energy Innovation Institute (MEII) are well positioned to help secure Maryland’s clean energy future. Together, MCEC and MEII already lead cutting-edge work in the development of advanced clean energy technology, energy efficient products and services. MCEC serves as an incubator for Maryland’s clean energy industry, promoting jobs, driving economic business development in local communities, and assisting in the commercialization of innovative technologies. Likewise, MEII facilitates the transition of impactful research into new technology, tackling global and local energy problems and bringing together science and industry to advance innovation with a focus on locally-based entrepreneurship.

SB 460 requires MCEC and MEII to implement an accelerator program for Maryland-based clean energy technology companies and provide them with seed funding, training, and developmental support. This is a logical “next step” for Maryland-based start-up companies that need resources and tools to scale growth. SB 460 also designates MCEC as the State’s green bank and further clarifies its financing authority for clean energy projects on State-owned or leased property. Importantly, to support MCEC’s program efforts, SB 460 establishes additional funding for MCEC and MEII, through the Maryland Strategic Energy Investment Fund (SEIF), which will be critical for program success. A significant source of SEIF proceeds comes from Regional Greenhouse Gas Initiative (RGGI) auctions. In the past two years, Maryland’s RGGI auction proceeds have increased annually—19.8% in 2019 and 31.72% in 2020—compared to 2018 proceeds, even though the State’s total CO₂ allowances sold continue to decrease under the RGGI allowance cap. To the extent the recent increases in CO₂ allowance prices are due in part

to New Jersey' recent re-entry in RGGI, the addition of Virginia's participation in RGGI beginning this spring and Pennsylvania's expected participation next year could see sustained levels of RGGI proceeds for Maryland in the years to come.

Clean energy innovation and deployment remains a core strategy for mitigating and reversing the harmful effects of anthropogenic climate change. However, clean energy should not be viewed through a monodisciplinary lens; rather, cross-sector strategies and solutions are needed to reach Maryland's aggressive clean air and clean energy goals. MCEC and MEII are leading the charge on promoting the development of advanced clean energy technologies and new approaches to reducing greenhouse gas emissions in the State. Senate Bill 460 would, among other things, provide MCEC and MEII with the resources needed to support and promote the success of Maryland-based clean energy technology companies. For the above reasons, I respectfully request that the Committee grant a favorable report for Senate Bill 460.

Sincerely,



Jason M. Stanek
Chairman