

SB0970 (HB1214) - FAV.pdf

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Maryland Energy Administration

TO: Chair Guzzone, Vice Chair Rosapepe, and Members of the Budget and Taxation Committee
FROM: MEA
SUBJECT: SB 970 - Energy Storage Systems – Income Tax Credit and Grant Program – Sunset Extension
DATE: February 21, 2024

MEA Position: FAVORABLE

This bill would extend the sunset of the Maryland Energy Storage Income Tax Credit Program and delay its conversion to be the Energy Storage System Grant Program within the Maryland Energy Administration (MEA).

Chapter 246 of the Acts of 2022 (SB 215) established a sunset of the energy storage tax credit of December 31, 2024. The Act also created a grant program within MEA for a similar purpose, to begin January 1, of 2025. The current legislation delays that transition by two (2) years, giving MEA ample time to make the transition from a tax credit program to a grant program.

MEA supports the extension of the sunset provision of the energy storage tax credit. Doing so reduces strain on the Strategic Energy Investment Fund, or “SEIF”, which is MEA’s sole source of state funding. MEA does not receive General Funds.

The delay in implementing the grant program will also free up valuable human resources to continue other pursuits for a period of two (2) years. This includes the pursuit of federal grant funds, as well as the design, development, and implementation of federally funded programs such as the residential-focused IRA rebate programs - the HOMES Residential Energy Efficiency Rebate Program and the High-Efficiency Electric Home Rebate Program.

For these reasons, MEA urges the committee to issue a **favorable report**.

Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Landon Fahrig, Legislative Liaison, directly (landon.fahrig@maryland.gov, 410.931.1537).