

**Department of Legislative Services**  
Maryland General Assembly  
2018 Session

**FISCAL AND POLICY NOTE**

House Bill 19 (Delegate Brooks)  
Economic Matters

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**Solar Energy Grant Program - Minimum Grant Amounts**

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This bill establishes minimum grant amounts under the Solar Energy Grant Program for a grant awarded to a homeowner for the homeowner's principal residence. For photovoltaic property, the grant must be at least \$2,000, and for solar water heating property with a collecting area of 10 to 100 square feet, the grant must be at least \$1,000. **The bill takes effect July 1, 2018.**

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**Fiscal Summary**

**State Effect:** The bill does not affect State finances. The Solar Energy Grant Program is not currently being operated, having been superseded by the Clean Energy Grant Program (discussed below).

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law/Background:** The Solar Energy Grant Program, administered by the Maryland Energy Administration (MEA), is established in statute to provide grants to individuals, local governments, and businesses for a portion of the costs of acquiring and installing photovoltaic property and solar water heating property. Grants awarded under the program may not be more than (1) for photovoltaic property, the lesser of \$2,500 per kilowatt of installed electricity generation capacity or \$10,000, and (2) for solar water heating property, the lesser of \$3,000 or 30% of the total installed cost of the solar water heating property. Subject to those limitations, MEA may adjust the grant amounts to reflect

market conditions and the prevailing prices of photovoltaic and solar water heating property.

MEA does not currently award grant funding under the Solar Energy Grant Program, however. Regulations implementing the Solar Energy Grant Program and the Geothermal Heat Pump Grant Program (a similar grant program, providing funding for geothermal heat pump technology) were repealed in 2013 and replaced with regulations for the Clean Energy Grant Program, established under the authority of the Strategic Energy Investment Program statute. Under the current regulations, the Clean Energy Grant Program provides grants to homeowners, businesses, nonprofit organizations, and the State or local governments for “clean energy conversion systems,” which include solar and geothermal technologies. Under the program, MEA currently offers residential incentives for solar photovoltaic and solar water heating property of \$1,000 per project and \$500 per project, respectively.

The Strategic Energy Investment Program has the stated purpose of decreasing energy demand and increasing energy supply to promote affordable, reliable, and clean energy to fuel Maryland’s future prosperity. The program is supported by the Strategic Energy Investment Fund (SEIF), which receives, among other funding, proceeds from the auction of carbon allowances to power plants and other market participants under the Regional Greenhouse Gas Initiative. SEIF may be used for, among other things, grants, loans, and other assistance and investment to implement the purposes of the Strategic Energy Investment Program. MEA’s residential and commercial clean energy grant programs, which provide grants to homeowners and businesses for solar photovoltaics, solar water heating, geothermal heating and cooling, and wind conversion technologies, receive \$2.3 million (\$1.9 million – residential; \$350,000 – commercial) under MEA’s spending plan for the fiscal 2018 budget and receive \$1.8 million (\$1.4 million – residential; \$350,000 – commercial) under MEA’s spending plan for the Governor’s proposed fiscal 2019 budget.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland Energy Administration; Department of Legislative Services

**Fiscal Note History:** First Reader - January 22, 2018  
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