

**Department of Legislative Services**  
 Maryland General Assembly  
 2023 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 1100 (Delegate Jacobs, *et al.*)

Environment and Transportation and  
 Economic Matters

**Battery Storage and Solar Arrays Safety Training Grant Program and Fund**

This bill establishes a Battery Storage and Solar Arrays Safety Training Grant Program within the Maryland Energy Administration (MEA) to provide grants to local governments to train local fire departments on the dangers and hazards of lithium-ion battery storage systems installed with solar arrays and how to respond to emergencies involving such systems. To provide grants under the program, the bill establishes the Battery Storage and Solar Arrays Safety Training Grant Fund, which is funded, at least in part, through the receipt of at least \$1.0 million from the Strategic Energy Investment Fund (SEIF).

**Fiscal Summary**

**State Effect:** Special fund expenditures increase by at least \$1.0 million annually beginning in FY 2024, as discussed below. General fund revenues increase minimally, beginning in FY 2024, as discussed below.

(\$ in millions)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
GF Revenue	-	-	-	-	-
SF Expenditure	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0
Net Effect	(\$1.0)	(\$1.0)	(\$1.0)	(\$1.0)	(\$1.0)

*Note: ( ) = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** Local government revenues increase, beginning in FY 2024, from the receipt of grant funding under the program. Local government expenditures increase by a corresponding amount to provide the training specified under the bill.

**Small Business Effect:** None.

## Analysis

### **Bill Summary:**

#### *Battery Storage and Solar Arrays Safety Training Grant Program*

The purpose of the Battery Storage and Solar Arrays Safety Training Grant Program is to train local fire departments on the dangers and hazards of lithium-ion battery storage systems installed with solar arrays and how to respond to emergencies involving such systems. A “solar array” means a solar energy generating facility.

In awarding grants under the program, MEA must ensure that the amount of a grant awarded to a local government is proportional to the amount of energy deployed from lithium-ion battery storage systems installed with solar arrays within the jurisdiction.

MEA, in consultation with the Maryland Department of the Environment, the Public Service Commission, and the State Fire Marshal, must (1) administer the program; (2) establish application procedures for the program; (3) establish training and emergency response standards for local fire departments relating to lithium-ion battery storage systems installed with solar arrays; and (4) award grants under the program.

MEA may adopt regulations to carry out the bill’s requirements.

#### *Battery Storage and Solar Arrays Safety Training Grant Fund*

The bill establishes the Battery Storage and Solar Arrays Safety Training Grant Fund administered by MEA. It consists of funds distributed from SEIF (at least \$1.0 million), money appropriated in the State budget to the fund, and any other money from any other source accepted for the fund’s benefit. The fund may only be used for grants awarded under the program and costs associated with administering the program. Any interest earnings of the fund must be credited to the State’s general fund.

### **Current Law:**

#### *State Fire Prevention Code*

State law requires the State Fire Prevention Commission (SFPC) within the Department of State Police to adopt comprehensive regulations as a State Fire Prevention Code. SFPC has adopted by reference, subject to some exceptions noted in the regulations, 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).

#### *Local Authority to Adopt Fire Prevention Codes*

Local governments are authorized to adopt by ordinance or resolution a fire prevention code to (1) provide for protection against fires and the removal of fire hazards; (2) provide for the appointment of inspectors to enforce the fire prevention code; and (3) establish penalties for violation of the fire prevention code or an ordinance, resolution, or regulation for the prevention of fires or removal of fire hazards. A fire prevention code of a county or municipality may incorporate by reference a code or part of a code prepared by a governmental unit or a trade or professional association for general distribution in printed form as a standard or model on any subject that relates to fire prevention, fire hazards, or flammable or dangerous substances. An amendment to a standard or model code is not effective until specifically incorporated into the fire prevention code of the county or municipality.

#### *Training for Local Fire Departments*

Any fire department in the State is authorized to have its members trained in response measures that involve fire and other emergency techniques.

#### *Strategic Energy Investment Fund*

Chapters 127 and 128 of 2008 created the Maryland Strategic Energy Investment Program and the implementing SEIF to decrease energy demand and increase energy supply to promote affordable, reliable, and clean energy. SEIF is funded through the proceeds from the auction of carbon allowances to power plants under the Regional Greenhouse Gas Initiative, and the fund also receives alternative compliance payments generated under Maryland's Renewable Energy Portfolio Standard.

**State Expenditures:** The bill establishes that at least \$1.0 million must be transferred from SEIF to the Battery Storage and Solar Arrays Safety Training Grant Fund. While the bill does not indicate whether the minimum \$1.0 million transfer is made annually, this analysis assumes the transfer is made annually and that MEA expends the full amount transferred each year by distributing grants under the Battery Storage and Solar Arrays Safety Training Grant Program and paying for associated program administration costs, as authorized by the bill. Accordingly, special fund expenditures increase by at least \$1.0 million annually beginning in fiscal 2024.

In fiscal 2024, MEA’s administrative expenditures for the program total \$92,848, which accounts for the bill’s October 1, 2023 effective date. This estimate reflects the cost of hiring one full-time program manager to establish and implement the program. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses. The remainder of the minimum \$1.0 million in funding (just over \$900,000) is distributed, through grants, to local governments.

Position	1.0
Salary and Fringe Benefits	\$85,439
Grants to Local Governments	907,152
Other Operating Expenses	<u>7,409</u>
<b>Total FY 2024 State Expenditures</b>	<b>\$1,000,000</b>

Future year administrative expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

Funding for other SEIF programs may be reduced because of this bill to the extent sufficient funding is not available to support these increased expenditures in addition to other programs funded in the absence of the bill, in fiscal 2024 or any future fiscal years.

**State Revenues:** General fund revenues increase minimally, beginning in fiscal 2024, as a result of interest earnings of the Battery Storage and Solar Arrays Safety Training Grant Fund being credited to the general fund.

### Additional Information

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

**Designated Cross File:** None.

**Information Source(s):** Maryland Energy Administration; Maryland Department of the Environment; Department of State Police; Public Service Commission; Kent, Montgomery, and Worcester counties; Baltimore City; Town of Leonardtown; Department of Legislative Services

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