

**Department of Legislative Services**  
 Maryland General Assembly  
 2024 Session

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

Senate Bill 788 (Senator McKay)  
 Budget and Taxation

**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 specified grant funding to the Maryland Fire and Rescue Institute (MFRI) to train local fire departments. The bill also establishes the Battery Storage and Solar Arrays Safety Training Grant Fund, which receives 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 in FY 2025 and potentially by additional amounts in future years. Higher education revenues and expenditures for the University System of Maryland (USM) correspondingly increase by at least \$1.0 million in FY 2025 and potentially by additional amounts in future years. General fund revenues increase minimally, beginning in FY 2025.

(\$ in millions)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
GF Revenue	-	-	-	-	-
Higher Ed Rev.	\$1.0	-	-	-	-
SF Expenditure	\$1.0	-	-	-	-
Higher Ed Exp.	\$1.0	-	-	-	-
Net Effect	(\$1.0)	(-)	(-)	(-)	(-)

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

**Local Effect:** The bill does not directly affect local government finances, but local governments benefit from training supported by the program.

**Small Business Effect:** Minimal.

## 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.

MEA is responsible for administering the program, establishing application procedures for the program, and awarding grants under the program. In determining how to fulfill the program’s purpose with the grant funding it is awarded, MFRI must consult with the following parties: (1) the Maryland Department of the Environment; (2) the Maryland Fire-Rescue Education and Training Commission; (3) the Maryland State Firemen’s Association; (4) the Maryland Fire Chiefs Association; (5) the Metropolitan Fire Chiefs Association; and (6) specified individuals with expertise in lithium-ion battery storage safety.

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 providing grant funding under the program and administrative costs of the program. Any interest earnings of the fund must be credited to the State’s general fund.

### **Current Law:**

#### *Maryland Fire and Rescue Institute*

MFRI is established in the University of Maryland, and its director reports to the President of the University of Maryland, College Park Campus. MFRI has various responsibilities, including (1) providing classroom education and training for career and volunteer fire and rescue personnel, both at the institute and throughout the State; (2) cooperating with other agencies that provide training for fire and rescue personnel; (3) training instructors; (4) preparing or adopting materials for training fire and rescue personnel; (5) developing new fire and rescue training techniques; (6) developing and implementing specialized

courses in firefighting, including industrial firefighting; and (7) providing disaster training for fire and rescue personnel.

### *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 revenues from compliance fees – often referred to as

alternative compliance payments – generated under the State’s Renewable Energy Portfolio Standard.

**State Fiscal Effect:**

*Maryland Energy Administration*

The bill establishes that at least \$1.0 million must be distributed from SEIF to the Battery Storage and Solar Arrays Safety Training Grant Fund. The bill does not explicitly specify whether the minimum \$1.0 million distribution is a one-time distribution (whether made in a single fiscal year or over the course of multiple fiscal years) or an annual distribution. This analysis assumes (1) a distribution of at least \$1 million is made in fiscal 2025 and additional distributions of indeterminate amounts may be made in future years and (2) MEA expends the full amount distributed each fiscal year by awarding grant funding to MFRI under the Battery Storage and Solar Arrays Safety Training Grant Program. Accordingly, MEA special fund expenditures increase by at least \$1.0 million in fiscal 2025 and potentially by additional amounts in future years.

The Department of Legislative Services (DLS) notes that while this bill does not expressly reallocate other, existing SEIF revenues/spending in order to make the \$1.0 million distribution to the grant fund in fiscal 2025, the net impact on SEIF expenditures resulting from the bill may be less than the full amount of the \$1.0 million distribution if MEA reduces other SEIF spending in order to make the distribution.

MEA advises that the bill necessitates the hiring of a part-time program manager to administer the grant program at the cost of \$53,038 in fiscal 2025, increasing to \$69,123 by fiscal 2029 (which can be covered by the \$1.0 million distribution to the grant fund, lessening the amount available to be awarded to MFRI). DLS disagrees and advises that the grant program can be administered with existing resources, since MEA’s obligations under the bill are limited to distributing grant funding to MFRI and providing general oversight of the grant program.

*University System of Maryland*

Higher education revenues for USM increase by at least \$1.0 million in fiscal 2025 and potentially by additional amounts in future years, due to MEA’s distribution of grant funding to MFRI to provide training to local fire departments. This analysis assumes that MFRI spends the full amount it receives each year from MEA to provide training to local fire departments and to cover associated administrative expenses. Accordingly, higher education expenditures for USM increase by at least \$1.0 million in fiscal 2025 and potentially by additional amounts in future years.

USM advises that most of the grant funding MFRI receives from MEA will be used to pay MFRI instructors (or contractual hires) to deliver training to local fire departments across the State.

*Interest Earnings – Battery Storage and Solar Arrays Safety Training Grant Fund*

General fund revenues increase minimally, beginning in fiscal 2025, as a result of interest earnings of the Battery Storage and Solar Arrays Safety Training Grant Fund being credited to the general fund.

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**Additional Information**

**Recent Prior Introductions:** Similar legislation has been introduced within the last three years. See HB 1100 of 2023.

**Designated Cross File:** HB 1221 (Delegate Jacobs, *et al.*) - Environment and Transportation and Economic Matters.

**Information Source(s):** Anne Arundel, Charles, and Garrett counties; City of Laurel; Town of La Plata; University System of Maryland; Maryland Department of the Environment; Maryland Energy Administration; Department of Legislative Services

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