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# **Senate Budget and Taxation Committee**

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## **Strategic Energy Investment Fund Additional Pages**

**March 13, 2026**



## Alternative Compliance Payments Use in Budget

	<b>Administration</b>			<b><u>Related Legislative Action</u></b>
	<b><u>As Introduced</u></b>	<b><u>Amended Plan</u></b>	<b><u>Senate</u></b>	
<b>Public Service Commission</b>				
Rate relief credits	\$100.0	\$100.0	\$0.0	
Downpayment on EmPOWER Maryland residential programming costs	0.0	0.0	100.0	Will be authorized as ACP use in SB 841 and HB 1532
Partially offset ratepayer costs for the Limited Income Discount Program	0.0	0.0	36.8	Will be authorized as ACP use in SB 841 and HB 1532
<b>Maryland Energy Administration</b>				
Gap financing/tax credit – Solar Stabilization Program (SB 386/HB 897)	100.0	70.0	0.0	Strike from BRFA
Grant program operated as a reverse auction for new renewable energy and storage capacity	0.0	0.0	100.0	Will be authorized as ACP use in SB 841 and HB 1532
Energy Storage Program (on top of \$2.0 million budgeted)	0.0	0.0	2.0	Will be authorized as ACP use in SB 841 and HB 1532
<b>Maryland Department of Transportation</b>				
Study/planning for locating transmission lines along existing right-of-ways	10.0	10.0	0.0	Strike from BRFA
<b>Interagency Commission on School Construction</b>				
HVAC upgrades – public schools	0.0	0.0	10.0	Will be authorized as ACP use in SB 841 and HB 1532
<b>Maryland Department of the Environment</b>				
Costs associated with implementing SB 781 (new permitting requirements – Cumulative Harms for Environmental Restoration for Improving Shared Health – CHERISH Our Communities Act)	0.0	0.0	1.2	Will be authorized as ACP use in SB 841 and HB 1532
<b>Department of General Services</b>				
Solar on State facilities	20.0	17.0	20.0	Leave authorization in BRFA
<b>Dedicated Purpose Account</b>				
Higher Education Research Grant (Senate expands uses for any research not limited to energy/climate)	42.0	42.0	42.0	Modify authorization in BRFA
Implementation of Chapters 7 and 19 of 2025 special session (Energy Resource Adequacy and Planning Act)	25.0	25.0	0.0	Strike from BRFA
Grid enhancing technologies/advanced transmission	15.0	15.0	0.0	Strike from BRFA
	<b>\$259.0</b>	<b>\$292.0</b>	<b>\$259.0</b>	Leave in BRFA as Introduced
<b>Transfer to the General Fund from ACP</b>				
	<b>\$571.0</b>	<b>\$571.0</b>	<b>\$571.0</b>	
Transfer to the General Fund from RGGI Administration	\$33.0	\$0.0	\$33.0	Leave in BRFA as Introduced
<i>Other ACP Budgeted in the Maryland Department of the Environment – Considered as Allowable Uses under Administration Plan</i>	<i>98.0</i>	<i>98.0</i>	<i>98.0</i>	

\*Includes \$13.0 million the Department of Legislative Services recommended making contingent on expansion of allowable uses.

ACP: Alternative Compliance Payments

BRFA: Budget Reconciliation and Financing Act

RGGI: Regional Greenhouse Gas Initiative

## Section XX Strategic Energy Investment Fund

SECTION XX. AND BE IT FURTHER ENACTED, That funds are added to the fiscal 2027 appropriation in the following manner:

- (1) \$100,000,000 in special funds from the Strategic Energy Investment Fund (SEIF) Alternative Compliance Payment (ACP) revenue or Account is added to the appropriation for C90G00.01 General Administration and Hearings within the Public Service Commission (PSC) for the purpose providing grants to utilities to provide a downpayment on EmPOWER Maryland Residential program costs contingent on the enactment of legislation expanding the allowable uses of SEIF ACPs to include providing funds for a downpayment on EmPOWER Maryland Residential program costs. Funds not expended for this added purpose may not be transferred by budget amendment or otherwise and shall be canceled;
- (2) \$100,000,000 in special funds from the SEIF ACP revenue or Account is added to the appropriation for D13A13.08 Renewable and Clean Energy Programs and Initiatives within the Maryland Energy Administration (MEA) for the purpose of providing grants for new renewable energy and new energy storage capacity under a reverse auction process contingent on the enactment of legislation expanding the allowable uses of SEIF ACPs to include a new grant program in MEA to provide grants based on a reverse auction process. Funds not expended for this added purpose may not be transferred by budget amendment or otherwise and shall be canceled;
- (3) \$36,800,000 in special funds from the SEIF ACP revenue or Account is added to the appropriation for C90G00.01 General Administration and Hearings within PSC for the purpose of offsetting ratepayer costs associated with the Limited Income Discount Program contingent on the enactment of legislation expanding the allowable uses of SEIF ACPs to include offsetting ratepayer costs associated with the Limited Income Discount Program. Funds not expended for this added purpose may not be transferred by budget amendment or otherwise and shall be canceled;
- (4) \$10,000,000 in special funds from the SEIF ACP revenue or Account is added to the appropriation for D25E03.02 Capital Appropriation within the Interagency Commission on School Construction for the purpose of public school HVAC upgrades contingent on the enactment of legislation expanding the allowable uses of SEIF ACPs to include public school HVAC upgrades. Funds not expended for this added purpose may not be transferred by budget amendment or otherwise and shall be canceled;
- (5) \$2,000,000 in special funds from the SEIF ACP revenue or Account is added to the appropriation for D13A13.08 Renewable and Clean Energy Programs and Initiatives within MEA for the purpose of additional funding for the Residential and Commercial Energy Storage Grant program contingent on the enactment of legislation expanding the allowable uses of SEIF ACPs to include the residential and commercial energy storage grant program. Funds not expended for this added purpose may not be transferred by budget amendment or otherwise and shall be canceled; and

- (6) \$1,200,000 in special funds from the SEIF ACP revenue or Account is added to the appropriation for U00A01.01 Office of the Secretary within the Maryland Department of the Environment (MDE) for the purpose of implementing modified permit review and evaluation requirements as established under SB 781 or HB 1268 contingent on the enactment of SB 781 or HB 1268 establishing modifying permitting requirements and the enactment of legislation expanding the allowable uses of SEIF ACPs to include costs associated with implementing new permits and reviewing permits associated with covered individual permit applications. MDE is authorized to reallocate the funds among programs and administrations to be used only for the same purposes. Funds not expended for this added purpose may not be transferred by budget amendment or otherwise and shall be canceled.

**Y01A**  
**State Reserve Fund**

**Budget Amendment**

**Y01A01.02 Dedicated Purpose Account – Dedicated Purpose Account**

Add the following language to the special fund appropriation:

Further provided that \$42,000,000 of this appropriation is made for the purpose of the Higher Ed Research Fund contingent on the enactment of legislation authorizing the use of Strategic Energy Investment Funds for this purpose may be used for any research field and shall not be limited to energy related research.

**Explanation:** This action enables funding in the Dedicated Purpose Account for Higher Education research to be used for any type of research.

**BRFA Amendment**

Modify a provision that authorizes the use of Alternative Compliance Payments for Higher Education Research to clarify that the funds may be used for any research field.

**C90G00**  
**Public Service Commission**

**Budget Amendment**

**C90G00.01 General Administration and Hearings**

Strike the following language on the special fund appropriation:

~~; provided that \$100,000,000 of this appropriation is contingent upon enactment of legislation expanding the allowable uses of the Strategic Energy Investment Fund~~

**Explanation:** This language strikes language making a portion of the appropriation in the Public Service Commission contingent on the expansion of allowable uses.

Reduce appropriation for the purpose indicated:	<u>Funds</u>	<u>Positions</u>
1. Reduce the special funds appropriation that is contingent on enactment of legislation expanding the allowable uses of the Strategic Energy Investment Fund.	-100,000,000	SF
Total Change	-100,000,000	0.00

**D13A13**  
**Maryland Energy Administration**

**Budget Amendment**

**D13A13.08 Renewable and Clean Energy Programs and Initiatives**

Strike the following language on the special fund appropriation:

~~provided that \$100,000,000 of this appropriation is contingent upon enactment of legislation expanding the allowable uses of the Strategic Energy Investment Fund~~

**Explanation:** This language strikes language making a portion of the appropriation in the Maryland Energy Administration contingent on the expansion of allowable uses.

Reduce appropriation for the purpose indicated:		<u>Funds</u>	<u>Positions</u>
1.	Reduce special funds appropriation that is contingent on enactment of legislation expanding the allowable uses of the Strategic Energy Investment Fund.	-100,000,000	SF
Total Change		-100,000,000	0.00

**Supplemental Budget No. 1**

Strike the following amendment:

Amendment No. 2:

~~On page 13, in line 8, strike “\$100,000,000” and replace it with “\$70,000,000”. On page 44, in line 33, strike “\$20,000,000” and replace it with “\$17,000,000”.~~

**Explanation:** This language strikes an amendment making a portion of the appropriation in the Maryland Energy Administration and Department of General Services contingent on the expansion of allowable uses.

**J00B00**  
**State Highway Administration**  
**Maryland Department of Transportation**

**Budget Amendment**

**J00B00.01 State System Construction and Equipment**

Strike the following language from the special fund appropriation:

~~, provided that \$10,000,000 of this appropriation is contingent upon enactment of legislation expanding the uses of the Strategic Energy Investment Fund.~~

**Explanation:** This action strikes language that would have added \$10.0 million of the special fund appropriation from the Strategic Energy Investment Fund (SEIF), contingent on legislation expanding the use of the SEIF.

Amend appropriation for the purposes indicated:

Reduce appropriation for the purpose indicated:

**Funds**

1. Reduce funding for the expanded use of the Strategic Energy Investment Fund. -10,000,000 SF

**Y01A  
State Reserve Fund**

**Budget Amendment**

**Y01A02.01 Dedicated Purpose Account – Dedicated Purpose Account**

Strike the following language on the special fund appropriation:

~~, provided that \$82,000,000 of this appropriation is contingent upon the enactment of legislation expanding the allowable uses of the Strategic Energy Investment Fund.~~

~~Energy Resource Adequacy and Planning Act Implementation 25,000,000~~

~~Grid Enhancing Technologies/Advanced Transmission Technologies (GET/ ATT) Planning 15,000,000~~

**Explanation:** This action amends line-item appropriations for funds that are being reduced by the General Assembly and strikes language making these appropriations contingent on legislation. This is a technical amendment.

Reduce appropriation for the purpose indicated:

		<u><b>Funds</b></u>	
1.	Reduce funding for Energy Resource Adequacy and Planning Act Implementation.	-25,000,000	SF
2.	Reduce funding for Grid-Enhancing Technologies/Advanced Transmission Technologies Planning	-15,000,000	SF

D13A13

Maryland Energy Administration

**Amount  
Change**

**Position  
Change**

**Agency Response  
Hearing Notes**

**Senate  
Decisions**

**House  
Decisions**

1. Add the following language:

Further provided that \$70,000,000 of this appropriation is contingent upon enactment of legislation expanding the allowable uses of the Strategic Energy Investment Fund to include gap financing initiatives for at-risk, large-scale clean energy projects.

Disagree – The agency requests the funds be contingent on Budget Reconciliation and Financing Act

**Explanation:**

This language modifies language making a portion of the appropriation in the Maryland Energy Administration contingent on the expansion of allowable uses to more specifically identify the expanded use for which these funds are needed and better match the applicable legislation.

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2. Add the following language:

Further provided that \$30,000,000 of this appropriation is contingent upon enactment of legislation expanding the allowable uses of the Strategic Energy Investment Fund to include grants or loans to support the creation of new Tier 1 renewable energy sources in the State.

No response

**Explanation:**

This language modifies language making a portion of the appropriation in the Maryland Energy Administration contingent on the expansion of allowable uses to more specifically identify the expanded use for which these funds are needed and better match the applicable legislation.

D13A13

Maryland Energy Administration

**Amount  
Change**

**Position  
Change**

**Agency Response  
Hearing Notes**

**Senate  
Decisions**

**House  
Decisions**

3. Strike the following language: No response

~~, provided that \$100,000,000 of this appropriation is contingent upon enactment of legislation expanding the allowable uses of the Strategic Energy Investment Fund~~

**Explanation:**

This language strikes language making a portion of the appropriation in the Maryland Energy Administration contingent on the expansion of allowable uses. Instead, two pieces of language are added to make the appropriation contingent on the expansion of allowable uses to more specifically identify the expanded use for these funds.

**D13A13**  
**Maryland Energy Administration**

**Budget Amendment**

Add the following section:

, provided that \$100,000,000 of this appropriation is contingent upon enactment of legislation expanding the allowable uses of the Strategic Energy Investment Fund to include grants or loans to support the creation of new Tier 1 renewable energy sources in the State.

**Explanation:** This language modifies language making a portion of the appropriation in the Maryland Energy Administration contingent on the expansion of allowable uses to more specifically identify the expanded use for which these funds are needed and better match the applicable legislation.

**H00**

**Department of General Services**

**Amount  
Change**

**Position  
Change**

**Agency Response  
Hearing Notes**

**Senate  
Decision**

**House  
Decision**

1. Add the following language:

Concur

, provided that \$20,000,000 of this appropriation is contingent upon enactment of legislation expanding the uses of the Strategic Energy Investment Fund to include providing grants or loans to support the creation of new Tier 1 renewable energy sources in the State.

**Explanation:**

This language adds specificity to contingent language on the special fund appropriation to more closely align with the applicable Budget Reconciliation and Financing Act provision.

# Y01A

## State Reserve Fund

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>Senate Decisions</u>	<u>House Decisions</u>
2.	-\$42,000,000	SF	Disagree – Agency says funds are not meant to sustain operations but to transition towards climate-related research.		
6.				Concur.	

, provided that ~~\$82,000,000~~\$25,000,000 of this appropriation made for the purpose of Energy Resource Adequacy and Planning Act Implementation is contingent upon the enactment of legislation expanding the allowable uses of the Strategic Energy Investment Fund (SEIF) to include implementation of the Energy Resource Adequacy and Planning Act.

Further provided that \$15,000,000 of this appropriation made for the purpose of Grid-Enhancing Technologies/Advanced Transmission Technologies Planning is contingent upon the enactment of legislation expanding the allowable uses of the SEIF to include activities related to grid-enhancing technologies and advanced transmission technologies.

**Explanation:** The fiscal 2027 allowance provides \$82 million from the SEIF to three purposes in the Dedicated Purpose Account: (1) Higher Education Research Grants; (2) Energy Resource Adequacy and Planning Act Implementation; and (3) Grid-Enhancing Technologies/Advanced Transmission Technologies Planning. While language in the budget bill makes this funding contingent on legislation expanding allowable uses of the SEIF, it is too broad and would allow the transfers to occur under any expansion of the

**Y01A**

**State Reserve Fund**

**Amount  
Change**

**Position  
Change**

**Agency Response  
Hearing Notes**

**Senate  
Decisions**

**House  
Decisions**

SEIF, not just for the purposes of the appropriation in this program. This language ensures only related legislation would trigger the contingency for two of the purposes. Separate actions delete the funding for the third purpose.

7. Add the following language: Disagree.

~~Higher Ed Research Fund 42,000,000~~

**Explanation:** This action amends line-item appropriations for funds that are being reduced by the General Assembly. This is a technical amendment.