



Maryland
Energy
Administration

TO: Members, Senate Budget & Taxation Committee
FROM: Paul Pinsky Director, MEA
SUBJECT: SB 900 - Maryland Clean Energy Center - Climate Technology Founder's Fund -
Establishment
DATE: March 15, 2023

MEA Position: UNF

House Bill 911 establishes a new Special Fund to support activities within the Maryland Clean Energy Center (MCEC), and requires an annual appropriation of \$500,000.

The Maryland Energy Administration (MEA) sees the need for investment in economic development as it relates to the energy sector. **MEA has been, and will continue to be, one of the strongest supporters of MCEC's mission;** namely, encouraging development of advanced clean energy industries and clean energy innovation industries in the State, and helping retain and attract business activity and commerce within the energy space.

MEA has provided significant funding to the instrumentality, and is already committed to continuing to do so in perpetuity by statute. However, the timing of this bill may not be appropriate. The Climate Solutions Now Act of 2022 provided the instrumentality with \$15,000,000 in guaranteed funding over the course of three (3) fiscal years to establish a ClimateCatalytic Capital Fund and to begin administering programs consistent with its mission. MCEC has not yet had the opportunity to do so, and the instrumentality does have limited human resources.

MEA is happy to continue working cooperatively with MCEC, and to continue to foster future success, but questions the timing of this initiative, and the possibility it may detract from the pathways established in Climate Solutions Now. Also noteworthy is that there is an opportunity cost associated with the bill. New, mandated expenditures from the Strategic Energy Investment Fund (SEIF) administered by MEA will displace existing, well established, and successful energy programs.

For these reasons, MEA urges the Committee to render an **UNFAVORABLE** report.