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*The Maryland Clean Energy Center (MCEC) was created in 2008 by the Maryland General Assembly to fund and facilitate a clean energy future. To fulfill its mission, MCEC offers procurement and technical support for project development, provides access to capital, engages in consumer education, and fosters climate tech innovation to advance the adoption of clean energy and energy efficiency products, services, and technologies.*

## **SB0960/ HB 1220 – Maryland Clean Energy Center – Climate Technology Founder’s Fund**

**Hearing Date: Tuesday, March 26, 2024**  
**Committee: House Appropriations Committee**  
**Recommend: FAVORABLE REPORT**

**Research and development focused on climate adaptation and impact mitigation has the potential to benefit our state economically and environmentally. Investing in the growth of early-stage start-up companies will allow the state to lead the world in bringing solutions to the marketplace.**

Maryland has leveraged the technological advances achieved at the numerous, highly regarded, top-notch research institutions and federal labs located within the state for wealth and job creation by facilitating the transfer of cutting-edge technology in aerospace engineering, IT, and biotechnology industries.

**Maryland is well-positioned to benefit from science that seeks to help society adapt to and mitigate the impact of climate change. Discoveries happening here today are becoming the new products, services, and technologies to fuel the state's economic engine.**

As a result of funding committed in [HBO419/CH0024](#), MCEC created the Maryland Energy Innovation Accelerator (MEIA) in 2019. The program offers technical and executive management support at the earliest stage of company creation by wrapping executive expertise around climate technologies to pull associated products, services, and technologies to the market. MEIA works closely with researchers at the Maryland Energy Innovation Institute (MEI<sup>2</sup>), as well as colleges and universities in and outside the state. Investments mandated in the same bill also make seed grants available through MEI<sup>2</sup> to validate technology developed by those researchers.

**Since inception, state funds invested in MEI2 and MEIA totaling \$6 million helped establish an energy innovation ecosystem that produced 37 new companies and created 134 new high-paying jobs in the State of Maryland. Moreover, this state, university, and private sector partnership has helped bring to Maryland over \$214M in non-dilutive grant funding and \$70M in private investment, resulting in an estimated 35X return on investment (ROI).**

Per the Clean Energy Jobs Act ([SB0516/CH 757](#)) passed in 2019, \$7M in funds are mandated to transfer from the Strategic Energy Investment Fund (SEIF) to the Video Lottery Terminal Fund (VLT) to provide loans for Small Minority-, Women- and Veteran-Owned Business Account managed by the Department of Commerce. None of these funds have been used to date, and the current uninvested fund balance is \$2.2M, with an additional \$1.2M to be deposited over the next four fiscal years.

**SB0960/ HB1220 proposes to put these otherwise idle funds to work directly, now and in the future, to support MWVOB entrepreneurs to advance clean energy and decarbonization solutions faster and provide the critical match necessary to secure as much as \$2M in federal grants to further support this work.**

For companies and researchers participating in the MEIA and MEI<sup>2</sup> programs, this funding will:

- Make supporting MWVOB companies and minority serving universities a primary focus
- Create the Climate Tech Founders Fund to make direct equity investments in early-stage Maryland companies
- Expand technical assistance for entrepreneurs seeking to launch new start-up companies in prototype and manufacturing phases
- Increase availability of critical Innovation Seed Grants to advance the technologies from patented breakthroughs to VC investible prototypes
- Increase the non-dilutive federal energy grant funding coming to Maryland
- Attract new climate tech companies to grow in Maryland
- Provide critical investments into incubator space for those companies to grow in Maryland

Passage of this legislation will put resources to work and would be taking another step toward Maryland achieving economic competitiveness.

**MCEC urges a favorable report for SB0960/ HB1220 and thanks Chairman Feldman and Delegate Vogel for their leadership in sponsoring this legislation.**