

DAVID FRASER-HIDALGO  
*Legislative District 15*  
Montgomery County

Economic Matters Committee  
*Chair*  
Property and Casualty Insurance  
Subcommittee



The Maryland House of Delegates  
6 Bladen Street, Room 350  
Annapolis, Maryland 21401  
410-841-3186 · 301-858-3186  
800-492-7122 Ext. 3186  
David.Fraser.Hidalgo@house.state.md.us

THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

Delegate C.T. Wilson  
Chair, House Economic Matters Committee  
House Office Building – Room 231  
Annapolis, MD 21401

Mr. Chairman,

I am writing in favor of HB 1214 – Energy Storage Systems – Income Tax Credit and Grant Program – Sunset Extension.

Currently, the Maryland Energy Storage Income Tax Credit is available to residential and commercial taxpayers who have installed an energy storage system on their residential or commercial property in the state.<sup>1</sup> Under SB 758 of 2017, this program became the first in the nation to incentivize the adoption of energy storage devices.<sup>2</sup> An energy storage system is a device or group of devices assembled together, capable of storing energy in order to supply electrical energy at a later time. This allows users to take advantage of the electricity that is generated when renewable energy technologies such as solar panels are not producing electricity.<sup>3</sup>

The energy storage income tax credit provides certificates for the lower 30% of total installed costs of the energy storage system, including residential and commercial properties.<sup>4</sup> This promotes the integration of renewable energy sources, thus mitigating climate change. In 2023, there were 69 projects on the waitlist, showing this program is generally successful at motivating the transition to clean energy.<sup>5</sup>

HB 1214 simply extends the energy storage system income tax for two additional tax years until December 31, 2026. Under SB 215 of 2022, the Energy Storage System Grant Program was established to replace the tax credit following the termination of the program beginning January

---

<sup>1</sup> “Maryland Energy Storage Income Tax Credit - Tax Year 2024,” Maryland Energy Administration, n.d., <https://energy.maryland.gov/business/Pages/EnergyStorage.aspx>.

<sup>2</sup> S.B. 758, 2017 Leg., 438th Sess. (Md.2017).

<sup>3</sup> “Energy Storage Systems (ESS) and Solar Safety,” National Fire Protection Association, n.d., <https://www.nfpa.org/education-and-research/electrical/energy-storage-systems>.

<sup>4</sup> “Maryland Energy Storage Income Tax Credit – Tax Year 2023,” Maryland Energy Administration, 2023, <https://energy.maryland.gov/business/SiteAssets/Pages/EnergyStorage/TY23%20FOA%20Energy%20Storage%20Final.pdf>.

<sup>5</sup> Maryland Energy Storage Income Tax Credit Program Results, Maryland Energy Administration, 2023.

1, 2025.<sup>6</sup> In turn, this bill would delay the start of the energy storage system grant program within the Maryland Energy Administration (MEA) by two years to January 1, 2027.

Since the current law authorizes the MEA to offer the program through tax year 2024, extending this program would ensure more users are able to take advantage of this credit and enhance our grid resilience across all of Maryland.

---

<sup>6</sup> S.B. 215, 2022 Leg., 443rd Sess. (Md.2022).