TO: Chair Feldman, Vice Chair Kagan, and Members of the Energy, Education, and the Environment Committee
FROM: MEA
SUBJECT: SB 223 - Maryland Energy Administration - Jane E. Lawton Conservation Loan Program and Maryland Strategic Energy Investment Fund
DATE: February 5, 2026

MEA Position: FAVRABLE WITH AMENDMENT

This bill is about aligning programs with the missions of two state agencies, the Maryland Energy Administration ("MEA") and the Maryland Clean Energy Center ("MCEC"). For years the MEA has operated the Statutory Jane E. Lawton Conservation Loan Program ("Lawton"). However, Lawton is currently MEA's only loan program. MEA's programs are generally limited to grants and rebates that help deploy energy efficiency efforts and renewable energy projects, bringing clean generation online for the State to reach its energy and environmental goals.

As a state 'green bank' MCEC is the appropriate entity to administer Lawton. MCEC already offers several loan programs including commercial property financing through MDPACE and the Clean Energy Advantage Loan Program offering homeowners a 0% APR loan for the first 24 months for residential energy improvements. This bill transfers Lawton to be under the umbrella of MCEC and their existing bevy of loan programs; offering MCEC the ability to extend its reach while better aligning State programs with the missions of MCEC and MEA.

Separately, HB 245 modifies reporting requirements for MEA. The legislation would limit the individual grants reported under the annual Strategic Energy Investment Fund ("SEIF") to those equal to or exceeding $10,000 and remove the need to report on persons who receive multiple awards. The current report averages well over 150 pages in appendices alone, identifying even the smallest of MEA grants or rebates individually and those who receive multiple awards. This creates an unduly burdensome reporting requirement that detracts from the big picture of SEIF activities. By reporting on the larger grants made by MEA, the report's readability will increase while still highlighting the majority of MEA activity. **Grants in excess of $10,000 totaled 89% of the total SEIF award expenditures in FY24 and 91% in FY25**.

Finally, the report will be modified to highlight greenhouse gas reductions as a single metric for all MEA programming. Currently, the statute requires that the annual SEIF report reflect "electricity savings". However, as reducing climate emissions has gained importance, particularly after the passage

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of the Climate Solutions Now Act, electricity savings are no longer the best way to evaluate MEA programming. By making greenhouse gas emissions reductions the single metric for success of MEA programming, readers of the annual SEIF report will be able to make apples-to-apples comparisons of MEA programming as well as progress towards meeting the state's climate goals.

MEA offers the amendment below to make necessary corrections to the Lawton statute to ensure that MCEC may continue to operate in its normal course while administering Lawton in the future. MEA asks the committee to adopt the amendment offered and to issue a **favorable report as amended**.

Amendment No. 1

On page 9, in line 16, strike "State Treasurer" and substitute "Center", on page 9, strike beginning with "and" in line 16 down through "Fund" in line 17, on page 10, in line 8, strike "State Treasurer" and substitute "Center", and on page 10, in line 9, strike "other State money may be invested" and substitute "the Center would invest money".