

FLYWHEEL RENEWABLES

1140 3rd Street NE, 2nd Floor
Washington, DC 20002

w. flywheelrenewables.com

t. 202 715-1650

f. 703 773-6920

e. info@flywheelrenewables.com

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Testimony for HB 1040 Maryland Strategic Energy Investment Fund - Mandated Uses - Climate Change Program

Position: FAVORABLE

Members of the House Committee:

Thank you for the opportunity to submit written testimony in support of HB 1040, regarding the budget uses for the Strategic Energy Investment Fund (SEIF). I am writing as the CEO and co-owner of Flywheel Renewables. In the course of our work, we have had the good fortune to work with many nonprofit groups, including churches and other tax-exempt entities in their efforts to install and benefit from solar. I respectfully urge the Committee to lock in the uses for the SEIF on climate change initiatives, and to take any steps possible to increase the funding available for renewable energy programs to meet growing demand and statutory obligations.

The SEIF Is Central to Maryland's Energy and Climate Goals

The State's primary implementation and deployment funding responsible for converting legislative intent and state climate policy into real, on-the-ground outcomes is the SEIF funding. Through competitive grants, incentive programs, and technical assistance, the SEIF funding directly enables deployment of distributed solar and clean-energy systems. Without a fully resourced programs, many of the State's statutory clean-energy goals cannot be achieved on schedule or at scale.

Demand for Programs Continues to Exceed Available Funding

We have experienced increased demand for the MEA programs supported by the SEIF funding, with some programs exhausting funding within 2 weeks of funding announcements. There is clearly a need for additional funding, and we are fully supportive of additional funding being set aside specifically to support projects for non-profit, tax exempt, and minority business enterprises. In our experience, the SEIF funding is the gap-closing resource that allows projects to proceed. We had 5 solar projects for tax exempt entities that couldn't proceed last year due to a lack of funding.

Reducing or constraining climate change program budgets would not reduce demand. It would simply result in fewer funded projects, delayed deployment, and missed economic and environmental benefits. Increasing the SEIF and requiring the funding to be used on climate change programs first ensures that high-quality projects with demonstrated public benefit are not left unfunded. Maryland has demonstrated a strong track record of leveraging funds to attract private capital, and serve as the catalyst for projects, especially those for tax-exempt entities. From a fiscal-stewardship perspective, the SEIF funding represents one of the most cost-effective uses of funds in the energy and climate space.

Clean-energy development requires predictability and continuity. Fluctuations or reductions in funding create uncertainty for project sponsors, local governments, and private-sector partners, ultimately slowing deployment and increasing costs.

Conclusion

The General Assembly has enacted ambitious clean-energy, climate, and equity-focused policies over the past several years. The SEIF funding is a primary vehicle for carrying out that legislative intent. Adequate funding for SEIF-supported climate change programs ensures that these policies translate into measurable progress, not just aspirational targets. For these reasons, I respectfully urge the SEIF funding to be preserved, expanded, and to ensure that it is spent on climate change programs first.

My company is currently working with several nonprofit organizations which are very interested in installing solar, but the lack of funding makes it impossible for them to close the gap to get the projects installed. It is my experience that nonprofit organizations are deeply frustrated about this situation. I hope that it can be resolved as soon as possible.

I hope that the members of the committee take swift action to remedy this situation, and support the long-term benefits of renewable energy across Maryland. Thank you for your time.



Handwritten signature of Jessica Pitts in blue ink, with the name "Jessica Pitts" printed in a smaller font directly below it.