



CLIMATE COALITION
Montgomery County, MD

Testimony on: HB1040 – Maryland Strategic Energy Investment Fund - Mandated Uses
- Climate Change Programs
Committee: Environment and Transportation
Organization: Climate Coalition Montgomery County
Submitting: Karl Held
Position: Favorable
Hearing Date: March 3, 2026

Dear Chair Korman and Committee Members:

Thank you for allowing our testimony today in support of HB1040, Maryland Strategic Energy Investment Fund – Mandated Uses – Climate Change Programs. The Climate Coalition Montgomery County, a group of 20 local organizations whose mission is to lead action on climate change, advance a sustainable and just economy, and build resilience urges you to vote favorably on HB1040.

Maryland faces a number of challenges, including energy affordability for residents, businesses, school systems, and state facilities. We also are struggling to meet our climate goals. The Strategic Energy Investment Fund (SEIF) is the state’s largest non-taxpayer-funded source of money specifically targeted toward advancing climate pollution reduction and supporting actions to help reduce energy use, especially for low-income, overburdened, and underserved Marylanders.

Unfortunately, these funds are at risk. Last year, the Maryland General Assembly diverted more than \$300 million from the SEIF to balance the General Fund budget – a use, while important, is completely unrelated to the purpose of the SEIF. This budget maneuver cannot become habit-forming and must end this year. HB1040 goes a long way to moving away from this practice.

The bill makes it explicit that at least \$365,000,000 in SEIF funds must first go to specified climate change related purposes before providing funding for any other use. These provisions are limited to fiscal years 2028 through 2032.

HB1040 will ensure that at least \$365,000,000 in SEIF funds will go towards highly beneficial uses such as replacing old inefficient residential space and water heating and cooling equipment; solar energy deployment; electric vehicles; energy efficiency upgrades for homeowners, small

businesses, and schools; and for workforce development. The benefits of the bill include, lower monthly energy bills for businesses and families, especially low-income families; clean, affordable solar energy for more Marylanders; cleaner EV cars and school buses to reduce fuel costs and improve air quality; workforce training so Marylanders can have good-paying jobs; and more efficient state facilities and infrastructure that reduce taxpayer costs over time.

The choice is clear. We can either invest non-taxpayer SEIF funds in immediate solutions with long-term benefits to reduce energy use and costs for Maryland residents (especially the most vulnerable residents), businesses, and local and state government or we can raid the fund again to address the budget. We choose using SEIF funds for SEIF purposes, and therefore, strongly urge a FAVORABLE report in committee for HB1040.