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Environment and Transportation
Committee

Chair
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Joint Committee on Legislative Ethics



The Maryland House of Delegates
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Delegate Dana Stein’s Testimony in Support of HB 1040 - Maryland Strategic Energy Investment Fund – Mandated Uses - Climate Change Programs

Chair Korman, Vice Chair Guyton, and fellow members of the Environment and Transportation Committee:

Maryland created its Strategic Energy Investment Fund (SEIF) with the passage of the first Renewable Portfolio Standard in 2004, and mandated utilities make “Alternative Compliance Payments” (ACPs) in lieu of purchasing renewable energy. As the climate crisis has advanced, and the green energy economy has become increasingly central to Maryland’s economy, the Maryland General Assembly expanded SEIF’s renewable energy goals, its investments in Maryland’s workforce, and programs to reduce our dependence on fossil fuels. Since then, SEIF has been used to support workforce development for vulnerable populations and energy efficiency programs that not only help protect the health of Maryland families but also reduce their energy bills.

In the last several years, a confluence of events has led to an enormous influx of money into SEIF from ACPs at precisely the same moment that households are seeing soaring energy bills, increasing the need for the funds to continue to be used as mandated. In 2025, due to the state budget shortfall, the Governor and the General Assembly took more than \$300 million from SEIF to help balance the General Fund. However, with the money remaining in SEIF, we continued to invest \$365 million in programs that made our schools and homes healthier, reduced pollution from the transportation sector, supported local governments in their resiliency goals, trained workers to re-enter the workforce, invested in new renewable energy projects through grants and low- or no-interest loans, and helped households reduce their energy bills.

HB1040 reaffirms the state’s commitment to these goals and investments by mandating level funding in FYs 2028-2032 for programs that meet our renewable energy, affordability, or climate reduction goals—equal to the amount invested in FY2026.

This year, the Environment and Transportation Committee will consider several pieces of legislation that would use SEIF funds (from ACP and the funds derived from Regional Greenhouse Gas Initiative—RGGI—dividends) for programs and initiatives that meet the intended purposes of SEIF funds. This bill is compatible with those bills but guarantees the funding needed to ensure the success of those proposals. Although the text of the bill offers proposed uses for these funds, we recognize that each year the needs of climate-pollution reduction and energy-efficiency programs may change, and new ideas may emerge that provide more effective and meaningful support for Maryland families and communities.

I would accept amendments to this legislation pertaining to the programs supported by the **minimum level** of \$365 million funding or to the formula that meets that goal.

I urge a favorable report for this essential bill. Spending SEIF for its intended purposes is critical to the State's goals of affordability, accountability, and responsiveness to the needs of Maryland families and to the achievement of our climate goals.