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Maryland Energy Innovation Institute

Eric D. Wachsman, Director

Bill Number: HB 1040

Title: Maryland Strategic Energy Investment Fund – Mandated Uses – Climate Change Programs

Hearing Date: March 3, 2026

Committee: House Environment & Transportation Committee

Recommendation: FAVORABLE SUPPORT REQUESTED

This testimony is to strongly recommend support of HB1040 and the mandated uses of the Strategic Energy Innovation Fund (SEIF) therein, with particular focus on *(VII) \$2,000,000 to the Maryland Energy Innovation Institute established under § 10-829* based on the following:

The Maryland Energy Innovation Institute mandate for use of Strategic Energy Investment Fund

The Maryland Energy Innovation Institute (MEI²) was created in 2017 through an Economic Development Act (HB410/SB313) of the Maryland General Assembly. As per § 10-829 of that legislation:

(D) The purposes of the Institute are to:

- (1) Collaborate with academic institutions in the State to participate in clean energy programs; and*
- (2) Develop and attract private investment in clean energy innovation and commercialization in the State.*

(E) The exercise by the Institute of the powers conferred by this part is the performance of an essential government function.

Thus, MEI² as an essential government function works in partnership with academic institutions across the state to help attract federal and private support for Maryland energy research and innovation, with the specific economic development goal of commercializing emerging and transformative advanced clean energy technologies in Maryland and is thus specifically consistent with the Strategic Energy Investment Fund (SEIF) legislated mandate. As such HB410/SB313 under Article – State Finance and Procurement § 6-226 Section 3 specifies funding for MEI² “*shall be transferred from the Strategic Energy Investment Fund*”.

The Maryland Energy Innovation Institute leads the Nation in energy research

The University of Maryland, College Park (UMD) has consistently been one of the leading higher education recipients of critical federal energy research funding to address climate change, examples of which include:

- UMD leads the Nation in U.S. Department of Energy (DOE), Advanced Project Agency-Energy (ARPA-E) awards with a total to 52 awards for \$165M in total research funding since ARPA-E’s inception in 2009, ***more than any other academic institution in the nation other than MIT and Georgia Tech.***
- Since its inception in 2017 MEI² has helped obtain over \$325M in federal energy research awards a ***~40X return on investment for the State of Maryland based on federal research funding alone.***

This Nation leading energy research is creating economic growth for Maryland

This energy research doesn't just develop technologies to fight climate change but is creating an economic engine for the State, examples of which include:

- The University System of Maryland was ranked 8th in the Nation and 22nd in the world among U.S. public institutions for patents awarded in 2024. ***The majority of these patents (71) were awarded to UMD of which 40% of these were for energy, far more than any of the "Lighthouse Industry" technologies.*** Patents are the leading indicator of economic impact from university research, and this success ***demonstrates the potential for Maryland's energy research to grow its economy.***
- Through coordination of the MEI² Seed Grant program and the Maryland Clean Energy Center's (MCEC's) Maryland Energy Innovation Accelerator (MEIA) program ***66 new energy innovation companies were formed or advanced in Maryland to date.*** From a survey of these Maryland energy innovation companies, ***they've raised an additional \$99M in private investment and \$162M in federal grant funding and created 291 full-time jobs.***

Urgent need to bridge the gap in federal energy research funding

The tremendous success of Maryland's energy research and innovation enterprise is at risk of being unraveled. U.S. Federal energy research funding under the Trump Administration has been drastically cut, with the cancellation of \$7.6 billion in previously awarded grants and no new funding opportunities announced. Therefore, it's critical that Maryland help fill the gap as is being done in California, New York, and several other states. This urgency was recognized by Governor Moore's FY2027 budget (BRFA) which specifies "(VI) \$42,000,000 to the dedicated purpose account to be made available for higher education research grants." However, those funds are from the SEIF and it's not clear if the research funded is consistent with the SEIF mandate of funding energy innovation. Therefore, ***HB1040 is critical to make sure at least a portion of the higher education research grants are dedicated to energy.***

Therefore, on behalf of the Maryland Energy Innovation Institute (MEI²) and the University of Maryland (UMD), I **respectfully request that the committee members give a FAVORABLE REPORT to HB1040** and continue to fund the worthy enterprise MEI² has proven to be for our state.



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