



Funding Opportunity Announcement (“FOA”) Maryland Energy Storage Income Tax Credit Program Tax Year 2024

***** THIS FOA APPLIES TO QUALIFYING ENERGY STORAGE SYSTEMS INSTALLED OR COMPLETED WITHIN 2024 (January 1 – December 31, 2024). A SYSTEM INSTALLED AND COMPLETED PRIOR TO OR AFTER 2024 IS NOT ELIGIBLE FOR A MARYLAND ENERGY STORAGE INCOME TAX CREDIT. *****

Program Description: The Maryland Energy Storage Income Tax Credit is available to residential and commercial taxpayers who have installed an energy storage system on their residential or commercial property in Maryland. Under the enabling statute, MEA may award a total of \$750,000 in tax credit certificates during a given tax year. Tax credit certificates will be awarded to eligible applicants on a **first come, first served basis**. Applying does not guarantee that a tax credit will be awarded. Current State [law](#) authorizes MEA to offer the program through tax year 2024.

Statute: Md. Code Ann., Tax General Article § 10-719

Regulations: COMAR 14.26.07

Type of Grant Program: First-come, First-served

Deadlines: The deadline for receipt by MEA of applications for Tax Year 2024 is January 15, 2025, at 3:00 P.M. EST. MEA will not accept applications after that deadline. The deadline for receipt by MEA of missing documents and/or information for Tax Year 2024 applications that MEA received by the application deadline is within 14 days of MEA’s notification to the applicant of missing documentation, or January 20, 2025, at 3:00 P.M. EST, whichever is earlier.

Program Budget: \$750,000

Eligible Applicants: The Program is open to the following taxpayers that have purchased and successfully installed an energy storage system between January 1, 2024, and December 31, 2024:

1. The owner of a commercial property who purchases and installs an energy storage system on the commercial property;
2. The owner of a residential property who purchases and installs an energy storage system on the residential property; or
3. An individual or a corporation that owns or pays for the installation of an energy storage system that supplies electrical energy intended for use on the residential or commercial property on which the energy storage system is installed.

Eligible Systems: An energy storage tax credit may be claimed for qualifying systems that store the following types of energy:

1. Electrical energy;
2. Mechanical energy;
3. Chemical energy (including electrochemical energy), and;
4. Thermal energy that was once electrical energy.

Ineligible System Technology: An energy storage tax credit may not be claimed for:

1. Mobile energy storage systems, including but not limited to electric vehicles and recreational camping equipment; and
2. Electric hot water heaters, except for those participating in a demand response program.

It is within MEA’s sole discretion to determine if an energy storage system is eligible for a residential or commercial tax credit.

Award Formula: Energy storage tax credit certificates are calculated differently for systems installed on residential and commercial properties. A tax credit certificate is calculated as the **lower amount** of:

- 30 percent of the total installed costs of the energy storage system or;
- \$5,000 for an energy storage system installed on a residential property, or;
- \$150,000 for an energy storage system installed on a commercial property.

Table 1.1 Reserved Tax Credit Allocations		
	Purchased Systems	Total
Residential Taxpayers	\$450,000	\$450,000
Commercial Taxpayers (Purchased and Leased Systems)	\$300,000	\$300,000
Total	\$750,000	\$750,000

[Click Here](#) to view the Tax Credit Example Calculation Fact Sheet

Required Application Documents: The following supporting documents must be submitted with your application to the Program. Failure to properly submit the required documents may result in your application being delayed in processing or rejected.

1. **Property Ownership:** Proof of real property ownership, if applicable. MEA will review the State Department of Assessment and Taxation (SDAT) online Real Property Data Search tool to determine property ownership and, for residential applicants only, primary residency. If there is a discrepancy with the SDAT real property record, additional proof of your identity and/or real property ownership may be required.
2. **Zero-Balance, Itemized Invoice:** An itemized invoice showing that the energy storage system is paid in full (i.e., with a zero balance (\$0.00)). **The itemized invoice shall include a cost breakdown (e.g., when applicable, the energy storage equipment itself, labor/delivery/installation costs, additional electrical work/equipment, permitting costs, sales tax, etc.) of applicable costs for the energy storage system installation.** All itemized invoices must be provided if there are multiple. Please ensure the costs associated with the energy storage system listed above are clearly separated from costs associated with a renewable energy system (e.g., solar photovoltaic), if applicable. If there is discrepancy between the itemized invoice and the application, MEA will defer to the invoice and amend the application for the purposes of recalculating the tax credit certificate.
3. **Permits and Inspections:** **All required permit numbers (building, electrical, and occupancy) issued by the Authority Having Jurisdiction (AHJ) for your county or municipality, AND proof of final inspection approval.** Proof of final inspection includes online permit records, or a photograph of the final inspection approval sticker issued by the inspection professional representing the AHJ, or permission to operate from the utility company. The final inspection approval sticker is typically located on the electrical panel. **If an energy storage system is installed, but DOES NOT REQUIRE a permit and inspection, the applicant must provide documentation that shows the county or authority having jurisdiction either: (1) does not require a permit for the installation, or (2) waived the requirement.**
4. **Equipment Certifications:** Equipment certifications from a Nationally Recognized Testing Laboratory (NRTL) that is listed on the US Department of Labor's Occupational Safety and Health Administration's NRTL Program.
5. **Equipment Cut Sheets or Specification Sheets:** Equipment cut sheets, specification sheets, or system brochure.
6. **Photo of Installed System:** Photographs of the fully installed and commissioned energy storage system.
7. **Authorized Applicant Signature Form (if applicable):** If the application has been submitted by a third party, the Applicant and third party must complete and sign, the Authorized Applicant Signature form, and either the Applicant or the third party must submit the signed form to MEA. A blank copy of the Authorized Applicant Signature form is available on the Program webpage.
8. **Other (if necessary):** Any other applicable documentation verifying the energy system has been installed and is operational.

How to Apply:

Electronic Application

The Program utilizes an online application portal provided by “Jotform¹,” which is available on the [Maryland Energy Storage Income Tax Credit Program’s webpage](#)². If an energy storage installation company is filling out the application on behalf of the property owner, a completed Authorized Applicant Signature Form is required as part of the application. The Authorized Applicant Signature Form is available on the Program’s webpage. Authorized Applicant Signature Form must be signed by both the property owner and a representative of the energy storage installation company. See the “Required Application Documents” section of this FOA for further information.

Paper Application

Paper applications are available upon request. Please contact Abigail Antonini via email at energystorage.mea@maryland.gov or by phone 410-537-4000 to request a paper application. The deadline to request a paper application is December 31, 2024 at 3:00 P.M. EST. Paper applications **must be received by MEA by first-class mail no later than the application deadline.**

Confidentiality

If any information is deemed confidential or proprietary and there are concerns about submitting the information as described above to MEA, please contact MEA at energystorage.mea@maryland.gov to identify another way to securely transfer this information. Confidential commercial information or proprietary information **MUST be marked confidential.**

Claiming the Tax Credit Certificate

Generally, taxpayers must file their Maryland income tax return electronically (Form 500 for Corporations, Form 510 and Form 510 Schedule K-1 for Pass-Through Entities, and Form 502 or 505 for Individuals) in order to claim a Business Income Tax Credit. They must complete the Business Tax Credit Form 500CR section of the electronic return and include a binary attachment or PDF of the certification received from the Maryland Energy Administration.

Please see the Comptroller’s website, www.marylandtaxes.gov for additional information regarding filing procedures.

Program-Specific Requirements

Applicants must certify under penalty of perjury, to the best of their knowledge, the information provided in the Application submission and all the attachments are complete, accurate, and true. Applicants must further certify they are authorized to submit the Application and agree to the terms and conditions stated below.

1. Submission of an application does not guarantee the applicant will receive a tax credit certificate.
2. MEA may require applicants to submit personal information which provides proof of the

¹ Jotform is an electronic form service used by many organizations to create electronic applications and other documents that are customer-facing. For more information about Jotform, visit its website at <https://www.jotform.com>.

² <https://energy.maryland.gov/business/Pages/EnergyStorage.aspx>

applicant's identity, property ownership, and primary residence before issuing an energy storage tax credit certificate. Failure to submit these documents, if requested, in a timely manner may impact your success in being awarded an energy storage tax credit certificate. Applicants have the right to inspect, amend, or correct personal records created by MEA containing such personal information. MEA, subject to the Maryland Public Information Act, does not share personal information with any other entity.

3. MEA and its representatives, subject to the Maryland Public Information Act, and other applicable laws, will not disclose confidential financial or commercial information or trade secrets. Applicants should identify information that contains trade secrets or confidential financial or commercial information
4. If an applicant fails to provide all information and/or documentation MEA deems necessary to process and evaluate the application in a timely manner, MEA shall notify the applicant in writing (including email) of the application's missing information and/or documentation.
5. It is within MEA's sole discretion to determine if an energy storage system is eligible for a residential or commercial tax credit.
6. Energy storage system installations must be completed during Tax Year 2024 (January 1, 2024 - December 31, 2024). For an energy storage system to be considered "complete," the system must be fully installed, pass all necessary permit inspections, and be paid-in-full. If an energy storage system was installed in Tax Year 2023 (January 1, 2023 to December 31, 2023), but the final inspection approval, or permission to operate from the utility was not received until Tax Year 2024, MEA will consider the energy storage system completed in Tax Year 2024, and the system will be eligible for a tax credit in Tax Year 2024.
 - a. If an energy storage system is installed but does not require a permit and inspection the applicant must provide documentation that shows the county or authority having jurisdiction either: (1) does not require a permit for the installation, or (2) waived the requirement.
7. If an initial Reserved Tax Credit Allocation is oversubscribed, but funding remains available in another Allocation, eligible applicants will be placed into a waitlist queue for Tax Year 2024. MEA will remove the Reserved Tax Credit Allocations on July 1, 2024. Applicants that were placed onto the waitlist will be issued tax credit certificates in the order MEA received the applications. If the program utilizes the full \$750,000 of tax credit certificates for TY 2024 before July 1, 2024, applicants placed onto the waitlist in Tax Year 2024 cannot be carried over to a different Tax Year. Under no circumstances will more than \$750,000 in energy storage tax credit certificates be awarded for a single Tax Year
8. Tax Year 2023 cannot be carried over to Tax Year 2024. Under no circumstances will more than \$750,000 in energy storage tax credit certificates be awarded for a single Tax Year.
9. Energy storage systems must meet the requirements of all Federal, State, and local laws, regulations, ordinances, and all other legally binding requirements, including applicable building codes as well as interconnection with the local electric utility and PJM Interconnection, if applicable.
10. Qualifying energy storage systems shall maintain certain safety criteria including:
 - a. Utilize equipment certified by a nationally recognized testing laboratory (NRTL) that is listed on the US Department of Labor's, Occupational Safety and Health
 - b. Be installed by a licensed professional (e.g., a licensed electrician for electrical systems);

and be in compliance with all applicable building and fire codes.

11. Commercial taxpayers are limited to one energy storage tax credit certificate in Tax Year 2024.
12. Residential taxpayers are limited to one energy storage tax credit certificate, regardless of tax year.
13. Energy storage tax credit certificates are limited to one per property address, regardless of tax year.
14. Energy storage tax credits shall be applied to Maryland State Income Tax Liability.
15. Any unused amount of an energy storage tax credit may not be carried over to any other future tax year.
16. Energy storage tax credits are non-refundable.
17. Energy storage systems that receive grant funding from another program offered by MEA are ineligible to receive a tax credit certificate from this Program.
18. Applicants and recipients shall allow MEA or its representative(s) direct access to energy storage systems for which the applicant is requesting or has received an energy storage tax credit for the purposes of verifying all claims and representations.
19. MEA or its representative(s) may use photos and video of an applicant's facility, and energy storage system data provided in the application package, for marketing, publicity, research, and advertising purposes. MEA shall provide the applicant an opportunity to review, approve, and consult with MEA to assure that a written case study, photo, or video taken of its facility will not disclose confidential personal or business information.
20. MEA and its contractors make no representation or warranty and assume no liability with respect to quality, safety, performance, or other aspect of any design, system, or appliance installed pursuant to this application, and expressly disclaim any such representation, warranty, or liability.
21. Program-Specific requirements are subject to change.

Resources

Maryland Energy Storage Policy & Regulations

- [Maryland Energy Storage Tax Credit Legislation – 2022 \(Chapter 246/SB 215\)](#)
- [Maryland Energy Storage Tax Credit Legislation - 2020 \(Chapter 636/HB 980\)](#)
- [Maryland Energy Storage Pilot Project Legislation - 2019 \(Chapter 427/SB 573\)](#)
- [Maryland Energy Storage Tax Credit Legislation - 2017 \(Chapter 389/SB 758\)](#)
- [Annotated Code of Maryland Article - Tax - General §10–719](#)
- [Maryland Energy Storage Tax Credit Program Regulations \(COMAR 14.26.07.00\)](#)

Maryland Energy Storage Reports

- [Energy Storage in Maryland - 2018](#)
- [Energy Storage: Considerations for Maryland - 2016](#)

Contact Information

If you have any questions regarding the Maryland Energy Storage Income Tax Credit Program, please contact

Abigail Antonini, Energy Program Manager
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If you have any questions regarding Maryland State Income Taxes, please contact the Comptroller of Maryland (<http://www.marylandtaxes.gov>) and/or a licensed tax professional.