

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1046 (Delegates Ghrist and Ciliberti)

Environment and Transportation and
Economic Matters

Public Safety - Stationary Energy Storage Systems

This bill requires the State Fire Marshal to administer and enforce the National Fire Protection Association (NFPA) 855 Standard for the Installation of Stationary Energy Storage Systems. The State Fire Marshal may adopt implementing regulations.

Fiscal Summary

State Effect: General fund expenditures increase by an indeterminate amount beginning in FY 2024 for enforcement. While the number of inspectors needed is unknown, for each inspector that the State Fire Marshal must hire, general fund expenditures increase by \$86,000 in FY 2024, with future year expenditures ranging from \$67,900 in FY 2025 to \$78,100 in FY 2028. State expenditures (multiple fund types) may increase beginning in FY 2024 to the extent any State agencies purchase stationary energy storage systems, as discussed below. Revenues are not affected.

Local Effect: Local government expenditures may increase beginning in FY 2024 to the extent any local governments purchase stationary energy storage systems, as discussed below. Local revenues are not affected.

Small Business Effect: Minimal.

Analysis

Current Law: The State Fire Marshal within the Department of State Police (DSP) must enforce all laws of the State relating to, among other things, the prevention of fire and the

installation and maintenance of all kinds of equipment intended to control, detect, or extinguish fire. The State Fire Marshal must also enforce regulations adopted by the State Fire Prevention Commission (SFPC).

SFPC must adopt comprehensive regulations as a State Fire Prevention Code. SFPC has adopted by reference, subject to some exceptions, the NFPA 1 Fire Code (2018 Edition), the NFPA 101 Life Safety Code (2018 Edition), and some requirements of the International Building Code as the State Fire Prevention Code. The State Fire Prevention Code has the force and effect of law in the political subdivisions of the State, and enforcement is the responsibility of the State Fire Marshal, a legally designated fire official of a county or municipality of the State, or other persons legally appointed by the State Fire Marshal (as specified under the Public Safety Article).

State Expenditures: DSP advises that the Office of the State Fire Marshal (OSFM) does not currently administer and enforce the NFPA standard specified in the bill. The NFPA 855 standard provides the minimum requirements for mitigating hazards associated with stationary energy storage systems; it applies to the design, construction, installation, commissioning, operation, maintenance, and decommissioning of such systems. Among other things, the standard includes requirements relating to fire suppression systems, explosion prevention, and ventilation. Unless otherwise specified, the provisions of the standard do not apply to systems that existed or were approved for construction or installation prior to the effective date of the standard. However, in cases where the authority having jurisdiction determines that an existing situation presents an unacceptable degree of risk, the authority is permitted to apply any portion of the standard retroactively.

DSP advises that OSFM cannot absorb any additional duties with existing staff and that in order to enforce the bill, it needs to hire 10 fire safety inspectors (and purchase a vehicle for each inspector) at a total cost of approximately \$879,500 in fiscal 2024, with ongoing costs ranging from \$679,000 in fiscal 2025 to \$800,600 by fiscal 2028. DSP notes that it does not know how many new stationary energy storage systems are installed in the State in a given year, and its estimate assumes that it needs two additional fire safety inspectors for each of its five regions to conduct inspections of new system installations.

The Department of Legislative Services acknowledges that any increase in workload for OSFM necessitates additional staff. However, because it is not known how many stationary energy storage systems OSFM must inspect, the number of additional staff needed by OSFM to enforce the bill is unclear. Without actual experience under the bill, a reliable estimate of the number of additional staff needed – and the corresponding increase in general fund expenditures – cannot be made. For every inspector OSFM must hire, general fund expenditures increase by \$85,945 in fiscal 2024 (which reflects the bill's October 1, 2023 effective date); future year expenditures range from \$67,894 in fiscal 2025 to \$78,058 in fiscal 2028.

State expenditures (multiple fund types) increase to the extent any State agencies incur additional costs to purchase stationary energy storage systems that meet the NFPA 855 standard.

Local Expenditures: Similar to the effect on State agencies, local government expenditures increase to the extent any local jurisdictions incur additional costs to purchase stationary energy storage systems that meet the NFPA 855 standard.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 636 (Senator Mautz) - Education, Energy, and the Environment.

Information Source(s): Montgomery and Prince George's counties; Maryland Association of Counties; Department of State Police; Department of Natural Resources; Maryland Energy Administration; Public Service Commission; Maryland State Firemen's Association; National Fire Protection Association; Department of Legislative Services

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