

HOUSE BILL 550

M5

3l0116
CF 3l0043

By: **The Speaker (By Request – Administration) and Delegates Fraser–Hidalgo, Lopez, Addison, Allen, Amprey, Attar, Bagnall, B. Barnes, Barve, Bhandari, Boaf0, Boyce, Cardin, Charkoudian, Charles, Conaway, Crutchfield, Cullison, Davis, Ebersole, Edelson, Embry, Feldmark, Fennell, Foley, Forbes, Grossman, Guyton, Harris, Harrison, Healey, Henson, Holmes, D. Jones, Kaiser, Kaufman, Kelly, Kerr, J. Long, Love, McCaskill, Mireku–North, Moon, Palakovich Carr, Pasteur, Patterson, Phillips, Qi, Queen, Reznik, Rosenberg, Ruth, Shetty, Simpson, Smith, Solomon, Stein, Stewart, Taveras, Toles, Turner, Valderrama, Vogel, Watson, Wilkins, Williams, Woods, Wu, and Young**

Introduced and read first time: February 2, 2023

Assigned to: Environment and Transportation and Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Energy Administration – Energy Programs – Modifications**
3 **(Clean Transportation and Energy Act)**

4 FOR the purpose of altering the Electric Vehicle Recharging Equipment Program by
5 extending the duration of the Program, repealing the rebates that may be issued to
6 retail service station dealers, and repealing the limitation on the total amount of
7 rebates that the Maryland Energy Administration may issue in each fiscal year;
8 altering the definition of “grant” for purposes of the Medium–Duty and Heavy–Duty
9 Zero–Emission Vehicle Grant Program; repealing a certain mandatory appropriation
10 from the Strategic Energy Investment Fund for certain fiscal years; increasing the
11 maximum amount of certain funds in the Strategic Energy Investment Fund that
12 must be credited to an administrative expense account for a certain purpose; altering
13 the use of certain compliance fees paid into the Strategic Energy Investment Fund;
14 requiring the Administration to prioritize making certain loans and grants to benefit
15 low–income or environmental justice communities; and generally relating to
16 Maryland Energy Administration energy programs.

17 BY repealing and reenacting, with amendments,
18 Article – State Government
19 Section 9–2009, 9–2011, and 9–20B–05(g), (i), and (l)
20 Annotated Code of Maryland
21 (2021 Replacement Volume and 2022 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, without amendments,
2 Article – State Government
3 Section 9–20B–05(a)
4 Annotated Code of Maryland
5 (2021 Replacement Volume and 2022 Supplement)

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
7 That the Laws of Maryland read as follows:

8 **Article – State Government**

9 9–2009.

10 (a) (1) In this section the following words have the meanings indicated.

11 (2) “Electric vehicle recharging equipment rebate” means a rebate issued
12 by the Administration under this section for the cost of qualified electric vehicle recharging
13 equipment.

14 (3) “Qualified electric vehicle recharging equipment” means property in the
15 State that is used for recharging motor vehicles propelled by electricity.

16 [(4) “Retail service station dealer” has the meaning stated in § 10–101 of
17 the Business Regulation Article.]

18 (b) (1) There is an Electric Vehicle Recharging Equipment Rebate Program.

19 (2) The Administration shall administer the Program.

20 (c) (1) For fiscal years 2021 through [2023] **2026**, subject to the provisions of
21 this section, an individual, a business entity, or a unit of State or local government may
22 apply to the Administration for an electric vehicle recharging equipment rebate for the
23 costs of acquiring and installing qualified electric vehicle recharging equipment.

24 (2) [For each fiscal year, the total amount of rebates issued by the
25 Administration may not exceed \$1,800,000.

26 (3) The Administration may allow an applicant to include reasonable
27 installation costs in the cost of qualified electric vehicle recharging equipment for the
28 purpose of calculating the amount of an electric vehicle recharging equipment rebate.

29 (d) Subject to subsection (e) of this section, the Administration may issue an
30 electric vehicle recharging equipment rebate to:

31 (1) an individual in an amount equal to the lesser of:

1 (i) 40% of the costs of acquiring and installing qualified electric
2 vehicle recharging equipment; or

3 (ii) \$700; **OR**

4 (2) [except as provided in item (3) of this subsection,] a business entity or
5 unit of State or local government in an amount equal to the lesser of:

6 (i) 40% of the costs of acquiring and installing qualified electric
7 vehicle recharging equipment; or

8 (ii) \$4,000[; or

9 (3) a retail service station dealer in an amount equal to the lesser of:

10 (i) 40% of the costs of acquiring and installing qualified electric
11 vehicle recharging equipment; or

12 (ii) \$5,000].

13 (e) An electric vehicle recharging equipment rebate issued under this section is
14 limited to the acquisition of one recharging system per individual.

15 (f) (1) The Administration may adopt regulations to carry out this section.

16 (2) The regulations adopted under this subsection may include:

17 (i) further limitations on the maximum amount of an electric vehicle
18 recharging equipment rebate that may be claimed by an applicant under subsection (d) of
19 this section;

20 (ii) a requirement that an applicant demonstrate compliance with a
21 State, local, or federal law that applies to the installation or operation of the qualified
22 electric vehicle recharging equipment; and

23 (iii) any additional application and qualification requirements
24 deemed appropriate by the Administration.

25 9–2011.

26 (a) (1) In this section the following words have the meanings indicated.

27 (2) “Grant” means a medium–duty or heavy–duty zero–emission vehicle
28 grant issued by the Administration under this section for up to [20%] **100%** of the
29 **INCREMENTAL** cost of a qualified medium–duty or heavy–duty zero–emission vehicle,
30 qualified medium–duty or heavy–duty zero–emission vehicle supply equipment, or

1 zero-emission heavy equipment property.

2 (3) “INCREMENTAL COST” MEANS:

3 (I) THE DIFFERENCE IN PRICE OF A CONVENTIONAL MODEL
4 VEHICLE AND A ZERO-EMISSION MODEL THAT IS ATTRIBUTABLE TO THE
5 FUNCTIONAL FEATURES OF THE VEHICLE; OR

6 (II) THE COST TO RETROFIT A CONVENTIONAL MODEL VEHICLE
7 TO OPERATE AS A ZERO-EMISSION VEHICLE.

8 (4) “Program” means the Medium-Duty and Heavy-Duty Zero-Emission
9 Vehicle Grant Program.

10 [(4)] (5) “Qualified medium-duty or heavy-duty zero-emission vehicle”
11 means a motor vehicle that is:

12 (i) rated at more than 8,500 pounds unloaded gross weight; and

13 (ii) powered by electricity that is stored in a battery or produced by
14 a hydrogen fuel cell.

15 [(5)] (6) “Qualified medium-duty or heavy-duty zero-emission vehicle
16 supply equipment” means property in the State that is used for recharging or refueling
17 medium-duty or heavy-duty zero-emission vehicles or zero-emission heavy equipment
18 property.

19 [(6)] (7) (i) “Zero-emission heavy equipment property” means
20 construction, earthmoving, or industrial heavy equipment, including any attachment for
21 the equipment, that:

22 1. is mobile; and

23 2. does not use an internal combustion engine.

24 (ii) “Zero-emission heavy equipment property” includes:

25 1. a self-propelled vehicle that is not designed to be driven
26 on a highway; and

27 2. industrial electrical generation equipment, industrial lift
28 equipment, industrial material handling equipment, or other similar industrial equipment.

29 (b) (1) There is a Medium-Duty and Heavy-Duty Zero-Emission Vehicle
30 Grant Program.

1 (2) The Administration shall administer the Program.

2 (c) (1) For each of fiscal years 2024 through 2027, a person or a unit of local
3 government may apply to the Administration for a grant under the Program.

4 (2) For the purpose of calculating the amount of a grant, the
5 Administration may allow an applicant to include reasonable installation costs in the cost
6 of qualified medium-duty or heavy-duty zero-emission vehicle supply equipment.

7 (d) Program grants are subject to available funding and § 9-20B-05(j)(4) of this
8 title.

9 (e) [(1) Notwithstanding § 9-20B-05(g) of this title, in each of fiscal years 2024
10 through 2027, the Governor shall include in the annual budget bill an appropriation of at
11 least \$1,000,000 from the Strategic Energy Investment Fund for grants for qualified
12 medium-duty or heavy-duty zero-emission vehicles under the Program.

13 (2)] Notwithstanding § 9-20B-05(g) of this title, in each of fiscal years 2024
14 through 2027, the Governor shall include in the annual budget bill an appropriation of at
15 least \$750,000 from the Strategic Energy Investment Fund for grants for zero-emission
16 heavy equipment property under the Program.

17 9-20B-05.

18 (a) There is a Maryland Strategic Energy Investment Fund.

19 (g) Proceeds received by the Fund from the sale of allowances under § 2-1002(g)
20 of the Environment Article shall be allocated as follows:

21 (1) at least 50% shall be credited to an energy assistance account to be used
22 for the Electric Universal Service Program and other electricity assistance programs in the
23 Department of Human Services;

24 (2) at least 20% shall be credited to a low and moderate income efficiency
25 and conservation programs account and to a general efficiency and conservation programs
26 account for energy efficiency and conservation programs, projects, or activities and demand
27 response programs, of which at least one-half shall be targeted to the low and moderate
28 income efficiency and conservation programs account for:

29 (i) the low-income residential sector at no cost to the participants
30 of the programs, projects, or activities; and

31 (ii) the moderate-income residential sector;

32 (3) at least 20% shall be credited to a renewable and clean energy programs
33 account for:

1 (i) renewable and clean energy programs and initiatives;

2 (ii) energy-related public education and outreach; and

3 (iii) climate change and resiliency programs; and

4 (4) up to 10%, but not more than ~~[\$5,000,000]~~ **\$7,500,000**, shall be
 5 credited to an administrative expense account for costs related to the administration of the
 6 Fund, including the review of electric company plans for achieving electricity savings and
 7 demand reductions that the electric companies are required under law to submit to the
 8 Administration.

9 (i) (1) In this subsection, “low-income” means having an annual household
 10 income that is at or below 175% of the federal poverty level.

11 (2) [Except as provided in paragraph (3) of this subsection, compliance]
 12 **COMPLIANCE** fees paid under § 7-705(b) of the Public Utilities Article may be used only
 13 to make loans and grants to support [the creation of new Tier 1 renewable energy sources
 14 in the State that are owned by or directly benefit low-income residents of the State]:

15 (I) **ZERO-EMISSION VEHICLES, ZERO-EMISSION VEHICLE**
 16 **INFRASTRUCTURE PROGRAMS, AND OTHER TRANSPORTATION SECTOR**
 17 **GREENHOUSE GAS REDUCTION AND CARBON REDUCTION EFFORTS; AND**

18 (II) **ENERGY EFFICIENCY MEASURES, SOLAR RENEWABLES, AND**
 19 **OTHER TIER 1 RENEWABLE SOURCES THAT DIRECTLY BENEFIT:**

20 1. **LOW-INCOME COMMUNITIES; OR**

21 2. **ENVIRONMENTAL JUSTICE COMMUNITIES.**

22 [(3) Compliance fees paid under § 7-705(b)(2)(i)2 of the Public Utilities
 23 Article shall be accounted for separately within the Fund and may be used only to make
 24 loans and grants to support the creation of new solar energy sources in the State that are
 25 owned by or directly benefit low-income residents of the State.]

26 (3) **THE ADMINISTRATION SHALL PRIORITIZE MAKING LOANS AND**
 27 **GRANTS UNDER PARAGRAPH (2) OF THIS SUBSECTION TO BENEFIT:**

28 (I) **LOW-INCOME COMMUNITIES; OR**

29 (II) **ENVIRONMENTAL JUSTICE COMMUNITIES.**

30 (l) An expenditure by budget amendment may be made under subsection (k) of
 31 this section only after:

1 (1) the Administration has submitted the proposed budget amendment and
2 supporting documentation to the Senate Budget and Taxation Committee, Senate
3 **[Finance] EDUCATION, ENERGY, AND THE ENVIRONMENT** Committee, House
4 Appropriations Committee, and House Economic Matters Committee; and

5 (2) the committees have had 45 days for review and comment.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
7 1, 2023.