



**The Maryland Department of the Environment
Secretary Serena McIlwain**

House Bill 1556

***Environment - Advanced Clean Cars II Program and Advanced Clean Trucks Regulation -
Application and Enforcement***

Position: Informational
Committee: Environment and Transportation
Date: March 12, 2025
From: Jeremy D. Baker, Director of Government Relations

The Maryland Department of the Environment (MDE or the Department) is providing **INFORMATIONAL** testimony for HB 1556.

Bill Summary

House Bill 1556 would temporarily suspend MDE’s enforcement and penalty authority for the Advanced Clean Cars II Program (“ACCII”) and Advanced Clean Trucks (“ACT”) regulations in model years 2027 (MY27) and 2028 (MY28) while keeping the underlying requirements in place. Under the bill, MDE would not enforce requirements for zero-emissions vehicle (“ZEV”) deployments, battery durability, warranties, or other provisions in the programs for those two model years.

Position Rationale

HB 1556 would allow any manufacturer that does not meet the MY27 or MY28 requirements, to avoid any enforcement action from the Department, including financial penalties. The bill will provide flexibility for manufacturers and Maryland dealers but has the capability to slow the progress toward the State’s emissions reduction goals.

The ACCII and ACT programs only apply to manufacturers of light duty and medium/heavy duty vehicles, respectively, not to vehicle dealers or consumers, directly. Both regulations include flexibilities that allow manufacturers to phase in ZEV sales requirements at a slower pace, including credit trading, historical credit use, and hybrid deployments to demonstrate compliance.

Both ACCII and ACT programs create incremental goals for manufacturers to increase the share of their annual new vehicle sales that are ZEVs in the state. Under ACCII, the MY27 goal starts at 43% for light-duty vehicles and rises to 51% for MY28, while ACT sets initial targets of 15-20% for various classes of medium/heavy duty vehicles. Manufacturers can utilize flexibility mechanisms available to phase in these goals more gradually. Maryland made notable progress in transitioning to ZEV in 2023, reaching approximately 12% light duty ZEV sales, 5.5% medium duty ZEV sales, and 3.9% heavy duty ZEV sales ahead of the 2027 targets. However, it remains challenging for the state to meet the fully established goals under ACCII and ACT without significant federal investments in infrastructure and consumer incentives.

Within months of taking office, Governor Moore announced Maryland’s adoption of the multi-state Advanced Clean Cars II rule, and later after the 2023 session signed Ch. 97 of 2023, which required the Department to adopt regulations establishing requirements for zero-emission medium- and heavy-duty vehicles in accordance

with Advanced Clean Trucks. Additionally, in 2024, Governor Moore allocated \$23 million in grants to install electric vehicle charging infrastructures in low-and-moderate-income communities.

In an increasingly uncertain federal landscape without the necessary support for infrastructure and consumer incentives, Maryland's ability to accelerate ZEV adoption and meet the ACCII goals remains challenging. To address this, the Moore-Miller Administration and the Department are working with counterparts in partner states, including California, to continue to assess additional options to ease compliance with these programs in light of Federal actions.

Accordingly, MDE respectfully requests the Committee consider this information during its deliberation.