

# HOUSE BILL 550

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CF SB 548

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By: **The Speaker (By Request – Administration) and Delegates Fraser–Hidalgo, Lopez, Addison, Allen, Amprey, Attar, Bagnall, B. Barnes, Barve, Bhandari, Boaf, 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

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 11, 2023

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## CHAPTER \_\_\_\_\_

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~~ increasing the limitation on the total  
6 amount of rebates that the Maryland Energy Administration may issue in each fiscal  
7 year; ~~altering the definition of “grant” for purposes of the Medium-Duty and~~  
8 ~~Heavy-Duty~~ altering the Medium-Duty and Heavy-Duty Zero-Emission Vehicle  
9 Grant Program by altering the definition of “grant” and “qualified medium-duty or  
10 heavy-duty zero-emission vehicle”, limiting the application of the Program, and  
11 requiring the Administration to give preference to certain vehicles and equipment in  
12 issuing Program grants; ~~repealing a~~ altering and repealing certain mandatory  
13 ~~appropriation~~ appropriations from the Strategic Energy Investment Fund for certain  
14 fiscal years; increasing the maximum amount of certain funds in the Strategic  
15 Energy Investment Fund that must be credited to an administrative expense account  
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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 for a certain purpose; altering the use of certain compliance fees paid into the  
 2 Strategic Energy Investment Fund; ~~requiring the Administration to prioritize~~  
 3 ~~making certain loans and grants to benefit low income or environmental justice~~  
 4 ~~communities~~; and generally relating to Maryland Energy Administration energy  
 5 programs.

6 BY repealing and reenacting, with amendments,  
 7 Article – State Government  
 8 Section 9–2009, 9–2011, and 9–20B–05(g), (i), and (l)  
 9 Annotated Code of Maryland  
 10 (2021 Replacement Volume and 2022 Supplement)

11 BY repealing and reenacting, without amendments,  
 12 Article – State Government  
 13 Section 9–20B–05(a)  
 14 Annotated Code of Maryland  
 15 (2021 Replacement Volume and 2022 Supplement)

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

### 18 Article – State Government

19 9–2009.

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

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

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

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

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

29 (2) The Administration shall administer the Program.

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

1 (2) ~~For~~ For each fiscal year, the total amount of rebates issued by the  
2 Administration may not exceed ~~\$1,800,000~~ **\$2,500,000**.

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

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

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

9 (i) ~~40%~~ **50%** of the costs of acquiring and installing qualified electric  
10 vehicle recharging equipment; or

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

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

14 (i) ~~40%~~ **50%** of the costs of acquiring and installing qualified electric  
15 vehicle recharging equipment; or

16 (ii) ~~\$4,000~~ **\$5,000**]; or

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

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

20 (ii) \$5,000].

21 (e) **(1) ~~As~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**  
22 **SUBSECTION, AN** electric vehicle recharging equipment rebate issued under this section is  
23 limited to the acquisition of one recharging system per individual.

24 **(2) THE ADMINISTRATION MAY ALTER THE PROGRAM TO OFFER**  
25 **ADDITIONAL BENEFITS FOR THE INSTALLATION OF QUALIFIED ELECTRIC VEHICLE**  
26 **RECHARGING EQUIPMENT IN MULTIFAMILY HOUSING, PLANNED URBAN**  
27 **DEVELOPMENTS, AND CONDOMINIUMS IN:**

28 **(I) LOW- TO MODERATE-INCOME COMMUNITIES LOCATED IN A**  
29 **CENSUS TRACT WITH AN AVERAGE MEDIAN INCOME AT OR BELOW 80% OF THE**  
30 **AVERAGE MEDIAN INCOME FOR THE STATE; OR**

1 **(II) OVERBURDENED OR UNDERSERVED COMMUNITIES AS**  
 2 **DEFINED IN § 1-701 OF THE ENVIRONMENT ARTICLE.**

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

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

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

8 (ii) **ADDITIONAL BENEFITS FOR THE INSTALLATION OF**  
 9 **QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT IN MULTIFAMILY**  
 10 **HOUSING, PLANNED URBAN DEVELOPMENTS, AND CONDOMINIUMS LOCATED IN:**

11 **1. LOW- TO MODERATE-INCOME COMMUNITIES**  
 12 **LOCATED IN A CENSUS TRACT WITH AN AVERAGE MEDIAN INCOME AT OR BELOW 80%**  
 13 **OF THE AVERAGE MEDIAN INCOME FOR THE STATE; OR**

14 **2. OVERBURDENED OR UNDERSERVED COMMUNITIES AS**  
 15 **DEFINED IN § 1-701 OF THE ENVIRONMENT ARTICLE;**

16 (III) a requirement that an applicant demonstrate compliance with a  
 17 State, local, or federal law that applies to the installation or operation of the qualified  
 18 electric vehicle recharging equipment; and

19 ~~(iii)~~ (IV) any additional application and qualification requirements  
 20 deemed appropriate by the Administration.

21 9-2011.

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

23 (2) “Grant” means a medium-duty or heavy-duty zero-emission vehicle  
 24 grant issued by the Administration under this section for up to [20%] ~~100%~~ 75% of the  
 25 **INCREMENTAL** cost of a qualified medium-duty or heavy-duty zero-emission vehicle;  
 26 ~~qualified medium-duty or heavy-duty zero-emission vehicle supply equipment,~~ or  
 27 zero-emission heavy equipment property.

28 (3) **“INCREMENTAL COST” MEANS:**

29 ~~(i)~~ **THE DIFFERENCE IN PRICE OF:**

1                   **(I) A CONVENTIONAL MODEL VEHICLE AND A ZERO-EMISSION**  
 2 **MODEL THAT IS ATTRIBUTABLE TO THE FUNCTIONAL FEATURES OF THE VEHICLE;**  
 3 **OR**

4                   **(II) ~~THE COST TO RETROFIT A CONVENTIONAL MODEL VEHICLE~~**  
 5 **~~TO OPERATE AS A ZERO-EMISSION VEHICLE~~ CONVENTIONAL HEAVY EQUIPMENT**  
 6 **PROPERTY AND ZERO-EMISSION HEAVY EQUIPMENT PROPERTY THAT IS**  
 7 **ATTRIBUTABLE TO THE FUNCTIONAL FEATURES OF THE EQUIPMENT.**

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~~ **10,000**  
 13 **POUNDS GROSS VEHICLE WEIGHT**; and

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

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

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

23                                   1. is mobile; and

24                                   2. does not use an internal combustion engine.

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

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

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

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

1           (2) THE PROGRAM APPLIES ONLY TO VEHICLES AND EQUIPMENT  
2 INTENDED FOR COMMERCIAL OR INDUSTRIAL USE.

3           (3) The Administration shall administer the Program.

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

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

9           (3) IN ISSUING PROGRAM GRANTS, THE ADMINISTRATION SHALL  
10 GIVE PREFERENCE TO:

11                       (I) QUALIFIED MEDIUM-DUTY OR HEAVY-DUTY  
12 ZERO-EMISSION VEHICLES THAT ARE:

13                               1. EXPECTED TO BE PRIMARILY DOMICILED AND  
14 OPERATED IN THE STATE; AND

15                               2. TO BE OWNED OR OPERATED BY AN ENTITY ENGAGED  
16 IN BUSINESS ACTIVITY THAT IMPACTS PUBLIC HEALTH, THE ENVIRONMENT, OR  
17 INFRASTRUCTURE IN AN OVERBURDENED OR UNDERSERVED COMMUNITY, AS  
18 DEFINED IN § 1-701 OF THE ENVIRONMENT ARTICLE; AND

19                       (II) ZERO-EMISSION HEAVY EQUIPMENT PROPERTY THAT IS  
20 EXPECTED TO BE USED PRIMARILY AT LOCATIONS IN THE STATE.

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

23           (e) ~~[(1)]~~ Notwithstanding § 9-20B-05(g) of this title, in each of fiscal years 2024  
24 through 2027, the Governor shall include in the annual budget bill an appropriation of at  
25 least ~~\$1,000,000~~ **\$10,000,000** from the Strategic Energy Investment Fund for grants for  
26 qualified NEWLY MANUFACTURED medium-duty or heavy-duty zero-emission vehicles  
27 OR ZERO-EMISSION HEAVY EQUIPMENT PROPERTY under the Program.

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

32 9-20B-05.

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

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

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

7 (2) at least 20% shall be credited to a low and moderate income efficiency  
8 and conservation programs account and to a general efficiency and conservation programs  
9 account for energy efficiency and conservation programs, projects, or activities and demand  
10 response programs, of which at least one-half shall be targeted to the low and moderate  
11 income efficiency and conservation programs account for:

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

14 (ii) the moderate-income residential sector;

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

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

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

19 (iii) climate change and resiliency programs; and

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

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

27 ~~(2)~~ ~~¶~~ Except as provided in paragraph ~~(3)~~ **(2)** of this subsection, compliance  
28 ~~COMPLIANCE~~ fees paid under § 7–705(b) of the Public Utilities Article may be used only  
29 to make loans and grants to support ~~¶~~ the creation of new Tier 1 renewable energy sources  
30 in the State that are owned by or directly benefit ~~low-income residents of the State;~~

31 **(I) LOW- TO MODERATE-INCOME COMMUNITIES LOCATED IN A**  
32 **CENSUS TRACT WITH AN AVERAGE MEDIAN INCOME AT OR BELOW 80% OF THE**  
33 **AVERAGE MEDIAN INCOME FOR THE STATE; OR**

1 (II) OVERBURDENED OR UNDERSERVED COMMUNITIES, AS  
 2 DEFINED IN § 1-701 OF THE ENVIRONMENT ARTICLE].

3 ~~(I) ZERO-EMISSION VEHICLES, ZERO-EMISSION VEHICLE~~  
 4 ~~INFRASTRUCTURE PROGRAMS, AND OTHER TRANSPORTATION SECTOR~~  
 5 ~~GREENHOUSE GAS REDUCTION AND CARBON REDUCTION EFFORTS; AND~~

6 ~~(II) ENERGY EFFICIENCY MEASURES, SOLAR RENEWABLES, AND~~  
 7 ~~OTHER TIER 1 RENEWABLE SOURCES THAT DIRECTLY BENEFIT:~~

8 ~~1. LOW-INCOME COMMUNITIES; OR~~

9 ~~2. ENVIRONMENTAL JUSTICE COMMUNITIES.~~

10 ~~(2)~~ Compliance fees paid under § 7-705(b)(2)(i)2 of the Public  
 11 Utilities Article shall be accounted for separately within the Fund and may be used only to  
 12 make loans and grants to support the creation of new solar energy sources in the State that  
 13 are owned by or directly benefit ~~low-income residents of the State;~~

14 (I) LOW- TO MODERATE-INCOME COMMUNITIES LOCATED IN A  
 15 CENSUS TRACT WITH AN AVERAGE MEDIAN INCOME AT OR BELOW 80% OF THE  
 16 AVERAGE MEDIAN INCOME FOR THE STATE; OR

17 (II) OVERBURDENED OR UNDERSERVED COMMUNITIES, AS  
 18 DEFINED IN § 1-701 OF THE ENVIRONMENT ARTICLE.]

19 ~~(3) THE ADMINISTRATION SHALL PRIORITIZE MAKING LOANS AND~~  
 20 ~~GRANTS UNDER PARAGRAPH (2) OF THIS SUBSECTION TO BENEFIT:~~

21 ~~(I) LOW-INCOME COMMUNITIES; OR~~

22 ~~(II) ENVIRONMENTAL JUSTICE COMMUNITIES.~~

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

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

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



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

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.