(3lr2004)

ENROLLED BILL

— Education, Energy, and the Environment/Environment and Transportation — Introduced by Senators Augustine, Feldman, Smith, M. Washington, Watson, and Zucker

Read and Examined by Proofreaders:

	Proofreader.
	Proofreader.
	Sealed with the Great Seal and presented to the Governor, for his approval this
	day of at o'clock,M.
	President.
	CHAPTER
1	AN ACT concerning
2	Department of the Environment – Zero–Emission Medium– and Heavy–Duty
$\frac{3}{4}$	Vehicles – Regulations (Clean Trucks Act of 2023)
5	FOR the purpose of requiring the Department of the Environment to adopt regulations on
6	or before a certain date establishing requirements for the sale of new zero-emission
7	medium- and heavy-duty vehicles in the State; requiring the Department, in
8	consultation with certain units of State government, to prepare and submit to the
9 10	General Assembly a certain needs assessment and deployment plan; authorizing the
10	<u>Department to delay implementation of regulations adopted under this Act under certain circumstances; altering the definition of "grant" for purposes of the</u>
12	Medium–Duty and Heavy–Duty Zero–Emission Vehicle Grant Program by altering
13	the definition of "grant" and "qualified medium-duty or heavy-duty zero-emission
14	vehicle", limiting the application of the Program, and requiring the Maryland Energy

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

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

Italics indicate opposite chamber/conference committee amendments.



M3

1	Administration to give preference to certain vehicles and equipment in issuing
2	Program grants; altering and repealing certain mandatory appropriations from the
3	Strategic Energy Investment Fund for certain fiscal years; and generally relating to
4	the sale of zero-emission vehicles in the State.
5	BY adding to
5 6	Article – Environment
	Section 2–1103.1
7	
8	Annotated Code of Maryland
9	(2013 Replacement Volume and 2022 Supplement)
10	BY repealing and reenacting, with amendments,
11	Article – State Government
12	Section 9–2011(a) <i>9–2011</i>
$13^{$	Annotated Code of Maryland
14	(2021 Replacement Volume and 2022 Supplement)
11	(2021 Replacement Volume and 2022 Supplement)
15	BY repealing and reenacting, without amendments,
16	Article – State Government
17	Section 9-2011(b) and (c)
18	Annotated Code of Marvland
19	(2021 Replacement Volume and 2022 Supplement)
20	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
21	That the Laws of Maryland read as follows:
22	Article – Environment
23	2–1103.1.
0.4	
24	(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
25	INDICATED.
26	(2) "HEAVY-DUTY VEHICLE" MEANS A VEHICLE WITH A GROSS
$\overline{27}$	VEHICLE WEIGHT RATING EQUAL TO OR GREATER THAN 26,001 14,001 POUNDS.
21	
28	(3) "MEDIUM-DUTY VEHICLE" MEANS A VEHICLE WITH A GROSS
29	VEHICLE WEIGHT RATING OF NOT LESS THAN 10,000 8,501 POUNDS AND NOT MORE
30	THAN 26,000 14,000 POUNDS.
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31	(B) (1) ON OR BEFORE DECEMBER 1, 2023, THE DEPARTMENT SHALL
32	ADOPT REGULATIONS ESTABLISHING REQUIREMENTS FOR THE SALE OF NEW
33	ZERO-EMISSION MEDIUM- AND HEAVY-DUTY VEHICLES IN THE STATE.
34	(2) THE REGULATIONS ADOPTED UNDER PARAGRAPH (1) OF THIS
35	SUBSECTION MAY SHALL:

 $\mathbf{2}$

1	(I) UPDATE EXISTING REGULATIONS; AND
$2 \\ 3$	(II) INCORPORATE BY REFERENCE THE CALIFORNIA AIR Resources Board's vehicle standards Advanced Clean Trucks
4	<u>REGULATIONS</u> , AS REVISED AND UPDATED. <u>UPDATED</u> ; <u>AND</u>
$5 \\ 6$	(III) SUBJECT TO SUBSECTION (D) OF THIS SECTION, TAKE EFFECT STARTING WITH MODEL YEAR 2027.
7	(C) (1) THE DEPARTMENT, IN CONSULTATION WITH THE DEPARTMENT
8	OF TRANSPORTATION, THE DEPARTMENT OF GENERAL SERVICES, THE MARYLAND
9	ENERGY ADMINISTRATION, AND THE PUBLIC SERVICE COMMISSION, SHALL
10	PREPARE A NEEDS ASSESSMENT AND DEPLOYMENT PLAN RELATING TO THE
11	SUCCESSFUL IMPLEMENTATION OF REGULATIONS ADOPTED UNDER THIS SECTION.
12	(2) THE NEEDS ASSESSMENT AND DEPLOYMENT PLAN SHALL ASSESS
13	AND PLAN FOR:
14	(I) THE ADDITIONAL ELECTRICAL CAPACITY, TRANSMISSION,
15	DISTRIBUTION DEMANDS, AND HYDROGEN FUELING DEMANDS THAT WILL RESULT
16	FROM IMPLEMENTATION OF THE REGULATIONS, AND THE ABILITY OF THE STATE'S
17	ELECTRIC UTILITIES, GRID, AND HYDROGEN INFRASTRUCTURE TO MEET THOSE
18	DEMANDS, BASED ON PUBLICLY AVAILABLE INFORMATION AND EXISTING
19	ANALYSES;
20	(II) THE NUMBER OF ZERO-EMISSION MEDIUM- AND
21	HEAVY-DUTY VEHICLE RECHARGING AND REFUELING STATIONS RECOMMENDED
22	FOR IMPLEMENTATION OF THE REGULATIONS, AND THE COSTS, PERMITTING
23	PROCESSES, AND TIMELINES FOR INSTALLING THOSE STATIONS;
24	(III) THE PURCHASE INCENTIVES AND OTHER MECHANISMS
25	RECOMMENDED FOR SUCCESSFUL IMPLEMENTATION OF THE REGULATIONS,
26	INCLUDING INCENTIVES FOR RECHARGING AND REFUELING STATIONS AND
27	RELATED INFRASTRUCTURE, AND THE EXISTING AND POTENTIAL SOURCES OF
28	FUNDING FOR THOSE INCENTIVES AND MECHANISMS; AND
29	(IV) THE TIMELINE, ECONOMIC FEASIBILITY, AND MODELS
30	AVAILABLE FOR TRANSITIONING MEDIUM- AND HEAVY-DUTY VEHICLES IN THE
31	STATE VEHICLE FLEET, INCLUDING STATE-CONTRACTED MEDIUM- AND
32	HEAVY-DUTY VEHICLES, TO ZERO-EMISSION VEHICLES.

2 SOBART THE FREEDS ASSESSMENT AND DEPROTATION FLACTOR THE COVERNMENT ARTICLE. 3 ASSEMBLY IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE. 4 (D) THE DEPARTMENT MAY DELAY IMPLEMENTATION OF THE REGULATIONS AUTHORIZED UNDER THIS SECTION BY ONE OR MORE MODEL YEARS 6 IF, AFTER CONSULTING WITH THE DEPARTMENT OF TRANSPORTATION, THE DEPARTMENT OF GENERAL SERVICES, THE MARTLAND ENERGY ADMINISTRATION, AND THE PUBLIC SERVICE COMMISSION, THE DEPARTMENT DETERMINES, BASED ON CRITERIA IDENTIFIED THROUGH THE NEEDS ASSESSMENT AND DEPLOYMENT 10 PLAN, THAT IMPLEMENTATION OF THE REGULATIONS IS NOT YET FEASIBLE. 11 Article – State Government 12 9-2011. 13 (a) (1) In this section the following words have the meanings indicated. 14 (2) "Grant" means a medium-duty or heavy-duty zero-emission vehicle grant issued by the Administration under this section for up to [20%] 100% 75% of the INCREMENTAL cost of a qualified medium-duty or heavy-duty zero-emission vehicle gualified medium duty or heavy duty zero-emission vehicle gualified medium duty or heavy duty acro-emission vehicle gualified medium-duty or heavy duty acro-emission vehicle for OPERATE AS AZERO-EMISSION HEAVY EQUIPMENT PROPERTY THAT IS ATTRIBUTABLE TO THE EVENTLES OF THE ELEMENT PROPERTY THAT IS ATTRIBUTABLE TO THE SUNCHARAY EQUIPMENT. <th>$rac{1}{2}$</th> <th>(3) ON OR BEFORE DECEMBER 1, 2024, THE DEPARTMENT SHALL SUBMIT THE NEEDS ASSESSMENT AND DEPLOYMENT PLAN TO THE GENERAL</th>	$rac{1}{2}$	(3) ON OR BEFORE DECEMBER 1, 2024, THE DEPARTMENT SHALL SUBMIT THE NEEDS ASSESSMENT AND DEPLOYMENT PLAN TO THE GENERAL
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21 (I) A CONVENTIONAL MODEL VEHICLE AND A ZERO-EMISSION 22 MODEL THAT IS ATTRIBUTABLE TO THE ZERO-EMISSION TECHNOLOGY FUNCTIONAL 23 FEATURES OF THE VEHICLE; OR 24 (II) THE COST TO RETROFIT A CONVENTIONAL MODEL VEHICLE 25 TO OPERATE AS A ZERO-EMISSION VEHICLE CONVENTIONAL HEAVY EQUIPMENT 26 PROPERTY AND ZERO-EMISSION HEAVY EQUIPMENT PROPERTY THAT IS 27 ATTRIBUTABLE TO THE FUNCTIONAL FEATURES OF THE EQUIPMENT. 28 (4) "Program" means the Medium-Duty and Heavy-Duty Zero-Emission 29 Vehicle Grant Program. 30 [(4)] (5) "Qualified medium-duty or heavy-duty zero-emission vehicle" 31 means a motor vehicle that is: 32 (i) rated at more than 8,500 pounds unloaded gross weight 10,000	19	(3) <u>"INCREMENTAL COST" MEANS</u>
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 <i>FEATURES OF THE VEHICLE</i>; OR (II) <u>THE COST TO RETROFIT A CONVENTIONAL MODEL VEHICLE</u> TO-OPERATE AS A ZERO-EMISSION VEHICLE CONVENTIONAL HEAVY EQUIPMENT PROPERTY AND ZERO-EMISSION HEAVY EQUIPMENT PROPERTY THAT IS ATTRIBUTABLE TO THE FUNCTIONAL FEATURES OF THE EQUIPMENT. (4) "Program" means the Medium-Duty and Heavy-Duty Zero-Emission Vehicle Grant Program. [(4)] (5) "Qualified medium-duty or heavy-duty zero-emission vehicle" (i) rated at more than 8,500 pounds unloaded gross weight 10,000 	22	
 25 TO OPERATE AS A ZERO-EMISSION VEHICLE CONVENTIONAL HEAVY EQUIPMENT 26 PROPERTY AND ZERO-EMISSION HEAVY EQUIPMENT PROPERTY THAT IS 27 ATTRIBUTABLE TO THE FUNCTIONAL FEATURES OF THE EQUIPMENT. 28 (4) "Program" means the Medium-Duty and Heavy-Duty Zero-Emission 29 Vehicle Grant Program. 30 [(4)] (5) "Qualified medium-duty or heavy-duty zero-emission vehicle" 31 means a motor vehicle that is: 32 (i) rated at more than 8,500 pounds unloaded gross weight 10,000 	23	
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32 (i) rated at more than 8,500 pounds unloaded gross weight 10,000		
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33 POUNDS GROSS VEHICLE WEIGHT; and	32	(i) rated at more than 8,500 pounds unloaded gross weight 10,000
	33	POUNDS GROSS VEHICLE WEIGHT; and

$\frac{1}{2}$	(ii) powered by electricity that is stored in a battery or produced by <u>a hydrogen fuel cell.</u>
$3 \\ 4 \\ 5 \\ 6$	[(5)] (6) "Qualified medium-duty or heavy-duty zero-emission vehicle supply equipment" means property in the State that is used for recharging or refueling medium-duty or heavy-duty zero-emission vehicles or zero-emission heavy equipment property.
7 8 9	[(6)] (7) (i) <u>"Zero-emission heavy equipment property" means</u> construction, earthmoving, or industrial heavy equipment, including any attachment for the equipment, that:
10	<u>1.</u> is mobile; and
11	<u>2.</u> <u>does not use an internal combustion engine.</u>
12	(ii) <u>"Zero-emission heavy equipment property" includes:</u>
$\begin{array}{c} 13\\14 \end{array}$	<u>on a highway; and</u> <u>1.</u> <u>a self–propelled vehicle that is not designed to be driven</u>
$\begin{array}{c} 15\\ 16\end{array}$	2. <u>industrial electrical generation equipment, industrial lift</u> equipment, industrial material handling equipment, or other similar industrial equipment.
17 18	(b) (1) <u>There is a Medium–Duty and Heavy–Duty Zero–Emission Vehicle</u> <u>Grant Program.</u>
19 20	(2) <u>The Program applies only to vehicles and equipment</u> <u>INTENDED FOR COMMERCIAL OR INDUSTRIAL USE.</u>
21	(3) The Administration shall administer the Program.
$\begin{array}{c} 22\\ 23 \end{array}$	(c) (1) For each of fiscal years 2024 through 2027, a person or a unit of local government may apply to the Administration for a grant under the Program.
$24 \\ 25 \\ 26$	(2) For the purpose of calculating the amount of a grant, the Administration may allow an applicant to include reasonable installation costs in the cost of qualified medium-duty or heavy-duty zero-emission vehicle supply equipment.
$\begin{array}{c} 27\\ 28 \end{array}$	(3) IN ISSUING PROGRAM GRANTS, THE ADMINISTRATION SHALL GIVE PREFERENCE TO:
29 30	<u>(I) QUALIFIED MEDIUM–DUTY OR HEAVY–DUTY</u> ZERO–EMISSION VEHICLES THAT ARE:

1<u>1.</u>EXPECTED TO BE PRIMARILY DOMICILED AND2OPERATED IN THE STATE; AND

3 <u>2.</u> <u>TO BE OWNED OR OPERATED BY AN ENTITY ENGAGED</u> 4 <u>IN BUSINESS ACTIVITY THAT IMPACTS PUBLIC HEALTH, THE ENVIRONMENT, OR</u> 5 <u>INFRASTRUCTURE IN AN OVERBURDENED OR UNDERSERVED COMMUNITY, AS</u> 6 <u>DEFINED IN § 1–701 OF THE ENVIRONMENT ARTICLE; AND</u>

7 <u>(II)</u> <u>ZERO-EMISSION HEAVY EQUIPMENT PROPERTY THAT IS</u> 8 <u>EXPECTED TO BE USED PRIMARILY AT LOCATIONS IN THE STATE.</u>

9 (d) Program grants are subject to available funding and § 9–20B–05(j)(4) of this 10 <u>title.</u>

11 (e) [(1)] Notwithstanding § 9–20B–05(g) of this title, in each of fiscal years 2024 12 through 2027, the Governor shall include in the annual budget bill an appropriation of at 13 least [\$1,000,000] \$10,000,000 from the Strategic Energy Investment Fund for grants for 14 qualified NEWLY MANUFACTURED medium–duty or heavy–duty zero–emission vehicles OR 15 ZERO–EMISSION HEAVY EQUIPMENT PROPERTY under the Program.

16 [(2) Notwithstanding § 9–20B–05(g) of this title, in each of fiscal years 2024 17 through 2027, the Governor shall include in the annual budget bill an appropriation of at 18 least \$750,000 from the Strategic Energy Investment Fund for grants for zero–emission 19 heavy equipment property under the Program.]

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 21 1, 2023.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.