

Chapter 98

(House Bill 550)

AN ACT concerning

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

FOR the purpose of altering the Electric Vehicle Recharging Equipment Program by extending the duration of the Program, repealing the rebates that may be issued to retail service station dealers, and ~~repealing~~ increasing the limitation on the total amount of rebates that the Maryland Energy Administration may issue in each fiscal year; ~~altering the definition of “grant” for purposes of the Medium-Duty and Heavy-Duty~~ altering the Medium-Duty and Heavy-Duty Zero-Emission Vehicle Grant Program by altering the definition of “grant” and “qualified medium-duty or heavy-duty zero-emission vehicle”, limiting the application of the Program, and requiring the Administration to give preference to certain vehicles and equipment in issuing Program grants; ~~repealing a~~ altering and repealing certain mandatory appropriation appropriations from the Strategic Energy Investment Fund for certain fiscal years; increasing the maximum amount of certain funds in the Strategic Energy Investment Fund that must be credited to an administrative expense account for a certain purpose; altering the use of certain compliance fees paid into the Strategic Energy Investment Fund; ~~requiring the Administration to prioritize making certain loans and grants to benefit low-income or environmental justice communities;~~ and generally relating to Maryland Energy Administration energy programs.

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

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

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

Article – State Government

9–2009.

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

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

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

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

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

(2) The Administration shall administer the Program.

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

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

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

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

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

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

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

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

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

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

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

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

(ii) \$5,000].

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

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

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

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

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

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

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

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

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

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

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

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

9–2011.

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

(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, ~~qualified medium-duty or heavy-duty zero-emission vehicle supply equipment,~~ or zero-emission heavy equipment property.

(3) **“INCREMENTAL COST” MEANS:**

~~(A)~~ **THE DIFFERENCE IN PRICE OF:**

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

(II) ~~THE COST TO RETROFIT A CONVENTIONAL MODEL VEHICLE 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” means a motor vehicle that is:

(i) rated at more than ~~8,500 pounds unloaded gross weight~~ **10,000 POUNDS GROSS VEHICLE WEIGHT**; and

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

~~[(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.

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

1. is mobile; and
2. does not use an internal combustion engine.

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

1. a self-propelled vehicle that is not designed to be driven on a highway; and
2. industrial electrical generation equipment, industrial lift equipment, industrial material handling equipment, or other similar industrial equipment.

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

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

(3) The Administration shall administer the Program.

(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.

(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.

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

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

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

2. TO BE OWNED OR OPERATED BY AN ENTITY ENGAGED IN BUSINESS ACTIVITY THAT IMPACTS PUBLIC HEALTH, THE ENVIRONMENT, OR

INFRASTRUCTURE IN AN OVERBURDENED OR UNDERSERVED COMMUNITY, AS DEFINED IN § 1-701 OF THE ENVIRONMENT ARTICLE; AND

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

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

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

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

9-20B-05.

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

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

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

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

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

(ii) the moderate-income residential sector;

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

- (i) renewable and clean energy programs and initiatives;
- (ii) energy-related public education and outreach; and
- (iii) climate change and resiliency programs; and

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

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

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

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

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

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

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

~~1. LOW INCOME COMMUNITIES; OR~~

~~2. ENVIRONMENTAL JUSTICE COMMUNITIES.~~

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

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

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

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

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

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

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

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

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

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

Approved by the Governor, April 21, 2023.