Department of Legislative Services

Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 897 (Delegate Moon)
Environment and Transportation

Maryland Department of Transportation - Electric Vehicle Charging Infrastructure Expansion - Plans and Programs

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This bill requires the Maryland Department of Transportation (MDOT), in consultation with the Maryland Energy Administration (MEA), to (1) estimate the number of electric vehicles in operation in the State necessary to achieve the State's greenhouse gas (GHG) emission reduction goals; (2) estimate the number and determine the density and location of public and private electric vehicle charging stations necessary to conveniently sustain that estimated number of vehicles; and (3) develop plans and implement programs to increase the electric vehicle charging infrastructure necessary to achieve the GHG emission reduction goals and support the number of vehicles estimated to be necessary to achieve those goals. In consultation with MEA, MDOT may adopt regulations to implement the plans and programs developed under the bill.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures increase by $100,000 in both FY 2026 and 2027 to complete the required estimates and develop the required plans. Depending on the plans and programs developed, TTF, Strategic Energy Investment Fund (SEIF), and/or general fund expenditures may increase significantly to implement the programs, as discussed below. Revenues are not affected.

Local Effect: Depending on the plans and programs developed and implemented under the bill, local government operations and finances could be affected, but any such impact cannot be predicted in advance.

Small Business Effect: Potential meaningful.

Analysis

Current Law:

Maryland Zero Emission Electric Vehicle Infrastructure Council

The Maryland Zero Emission Electric Vehicle Infrastructure Council (ZEEVIC) is staffed by MDOT with assistance from MEA and the Public Service Commission. ZEEVIC has various responsibilities related to increasing the use of zero-emission vehicles in the State, including, among other things:

- developing an action plan to facilitate the successful integration of zero-emission electric vehicles into the State's transportation network;
- developing a recommendation for a statewide electric vehicle charging and hydrogen refueling infrastructure plan, including placement opportunities for public charging and hydrogen refueling stations;
- recommending policies that support zero-emission electric vehicle charging and hydrogen refueling from clean energy sources; and
- establishing performance measures for meeting zero-emission electric vehicle-related employment, infrastructure, and regulatory goals.

ZEEVIC was required to submit an interim report of its work and recommendations to the Governor and the General Assembly by December 1, 2024. A second interim report is due by December 1, 2025. By June 30, 2026, ZEEVIC must submit a final report of its work and recommendations to the Governor and the General Assembly. The council terminates June 30, 2026. ZEEVIC's most recent report, which includes information and details about the State's efforts to encourage the use of zero-emission vehicles, can be found on its website.

Greenhouse Gas Emissions Reduction Targets

Chapter 38 of 2022 (the Climate Solutions Now Act) made broad changes to the State's approach to reducing statewide GHG emissions and addressing climate change. Among other things, the Act accelerated previous statewide GHG emissions reductions targets originally established under the Greenhouse Gas Emissions Reduction Act by requiring the State to develop plans, adopt regulations, and implement programs to (1) reduce GHG emissions by 60% from 2006 levels by 2031 and (2) achieve net-zero statewide GHG emissions by 2045.

In December 2023, the Maryland Department of the Environment published Maryland's Climate Pollution Reduction Plan, which was developed to implement Chapter 38.

MDOT's most recent Climate Action Status Report, also released in December 2023, includes MDOT's mission, goals, strategies, and activities to reduce GHG emissions and vehicle miles traveled in the State.

Maryland Energy Administration

Chapters 127 and 128 of 2008 created the Maryland Strategic Energy Investment Program and the implementing SEIF – administered by MEA – to decrease energy demand and increase energy supply to promote affordable, reliable, and clean energy. SEIF is primarily funded through the proceeds from the auction of carbon allowances under the Regional Greenhouse Gas Initiative (RGGI). The fund also receives revenues from compliance fees – often referred to as alternative compliance payments (ACPs) – generated under the State's Renewable Energy Portfolio Standard.

RGGI proceeds are allocated according to a statutory formula for energy assistance, low-income energy efficiency and conservation programs, renewable and clean energy programs, and administrative expenses. Generally, ACP revenues may be used only to make loans and grants to support the creation of new renewable energy sources in the State that are owned by or directly benefit specified communities, households, or businesses. The loans and grants made from solar and post-2022 geothermal ACP revenues must be for specified purposes related to solar and geothermal energy, including for the Customer-Sited Solar Program from fiscal 2025 through 2027. Additionally, through June 30, 2027, MEA may use 10% of solar ACP revenues for administrative expenses.

MEA also administers the Electric Vehicle Supply Equipment (EVSE) Rebate Program, with the stated purpose of reducing the financial burden of acquiring and installing charging stations and increasing electric vehicle adoption in support of the State's electric vehicle deployment and GHG reduction goals. Through the program, each awarded rebate covers 50% of the costs of acquiring and installing qualified EVSE, with a maximum rebate per charger of up to $700 for a residential rebate and up to $5,000 for a commercial rebate. MEA advises that the commercial rebate limit also applies for nonprofits, workplaces, multi-unit dwellings, and state or local government entities. In both fiscal 2024 and 2025, the program provided $2.5 million in rebates from SEIF.

State Expenditures:

Development of Estimates and Plans

In the execution of its duties, MDOT often engages expert consultants to handle research, evaluations, studies, and staffing duties, and MDOT anticipates engaging a consultant to complete the required estimates and develop the required plans in order to implement the bill. Therefore, TTF expenditures increase by an estimated $100,000 in both fiscal 2026 and 2027 for consultant services. The estimate is based on consultant costs for similar studies conducted by ZEEVIC in recent years. MEA can consult with MDOT to oversee the work of the consultant using existing budgeted resources.

Implementation of Plans and Programs

Depending on the plans and programs that are developed as a result of the bill, TTF, SEIF, and/or general fund expenditures may increase significantly to implement the plans and programs. (Although it is unclear what funding sources are ultimately used to implement the plans and programs developed under the bill, these are the most likely sources of State operating funding for any program designed to increase the electric vehicle charging infrastructure necessary to achieve the State's GHG emission reduction goals and support the number of vehicles estimated to be necessary to achieve those goals.)

For example, if the estimates developed under the bill determine that hundreds of new electric vehicle charging stations are needed to meet the State's GHG emission reduction goals, and if State funding is required to encourage or ensure the installation of those stations, State expenditures could total millions of dollars. A reliable estimate of the impact on State expenditures cannot be predicted in advance.

If any capital funding is used to implement the plans and programs developed under the bill, funding for other capital projects is either reduced or delayed, as total capital expenditures are fixed annually by the Governor and the General Assembly through the capital budget process, subject to debt affordability limits.

Small Business Effect: Depending on the plans and programs developed and implemented under the bill, small businesses could be affected, but any such impact cannot be predicted in advance.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Maryland Department of Transportation; Maryland Energy Administration; Maryland Department of the Environment; Department of Legislative Services

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