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**FAVORABLE - House Bill 1526
Transportation Carbon Reduction Fund – Establishment
(Transportation Carbon Fund Act)**

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) support **House Bill 1526 Transportation Carbon Reduction Fund – Establishment (Transportation Carbon Fund Act)**. House Bill 1526 would establish a “Transportation Carbon Reduction Fund” to create a special non-lapsing fund to retain revenue raised through the implementation of the regional Transportation Climate Initiative (TCI) and mandating that the funds can only be used to finance projects and programs related to the state’s participation in the regional program. TCI is a regional collaboration of Northeast and Mid-Atlantic states and the District of Columbia that seeks to develop the clean energy economy and reduce carbon emissions from the transportation sector.

In 2013, along with nine other states, Maryland signed a memorandum of understanding (MOU) on Zero-Emission Vehicle programs. The MOU sets forth a target of 300,000 zero-emissions vehicles in Maryland by 2025. More recently, on January 16, 2019, the Maryland Public Service Commission (PSC) approved a five-year electric vehicle (EV) charging infrastructure pilot program that will be implemented by four of the state’s largest electric utilities. Pepco and Delmarva Power are implementing this pilot program through our EVSmart Program which will help Maryland progress to the state’s Air Quality and Chesapeake Bay goals. The EVSmart Program provides rebates, tools and information to help customers make more informed decisions when it comes to making the transition to a cleaner transportation option. House Bill 1526 specifies funding generated from TCI be specifically targeted for projects and programs related to the State’s participation in TCI. the

Encouraging the reduction of carbon emissions in Northeast and Mid-Atlantic states is critically important because transportation is the largest contributor to greenhouse gas emissions in Maryland. For the above reasons Pepco and Delmarva Power respectfully requests a favorable report on House Bill 1526.

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