



7338 Baltimore Ave
Suite 102
College Park, MD 20740

Committee: Finance
Testimony on: HB44 – “Clean Cars Act of 2021”
Position: Support
Hearing Date: March 30, 2021

The Maryland Sierra Club urges a favorable report on HB44, as amended in the House.

This legislation would continue efforts to support growth in the use of electric vehicles (EVs) in Maryland. Specifically, the bill does two things to provide EV financial incentives. First, it extends for three years an existing program which pays rebates for the cost of acquiring and installing certain EV recharging equipment. Second, it provides additional funding for another existing program which provides an excise tax credit to individuals who purchase a qualifying EV or fuel cell vehicle; in this regard, the bill provides funding for individuals who applied for the credit before July 1, 2020, but does not extend the program beyond its current July 1, 2020 sunset date.

It is of the utmost importance that our state act to significantly reduce greenhouse gas emissions from the transportation sector, given the existential threats posed by climate change and the fact that this sector is the state’s largest source of greenhouse gas emissions. Petroleum-powered vehicles on our roadways account for approximately 70% of these emissions. Electrification of the transportation sector, including reliance on EVs, is essential in order to substantially reduce these emissions. Providing financial incentives for the purchase of EVs and EV recharging equipment encourages EV growth.

It is our understanding that the House amended the bill to omit what had been proposed to be a three-year extension of the EV excise tax credit (which would have paralleled the three-year extension of the EV equipment rebate) in order to allow time to examine potential federal funding. We look forward to this review, and consideration of the best ways to incentivize EV purchases in the future.

With regard to these future discussions, we note our longstanding opposition to the inclusion of hydrogen fuel cell vehicles in the excise tax credit program. Plug-in EVs are cheaper, cleaner, and safer. Providing tax credits for fuel cell cars takes needed money away from plug-in EVs.

We also note our ongoing concern as to whether it is appropriate, or sufficient, to fund the EV tax credit (or a future replacement program) from the Strategic Energy Investment Fund (SEIF). SEIF is a critical part of Maryland’s efforts to respond to the climate crisis in the electricity sector. SEIF is sourced from a variety of programs, including auction revenues from the Regional Greenhouse Gas Initiative (RGGI), and Alternative Compliance Payments (ACPs) from the Renewable Portfolio Standard (RPS). There are growing demands on SEIF dollars, and we believe it will be important to explore alternative or supplemental funding sources for future EV incentives.

In sum, we urge a favorable report on this bill.

Lindsey Mendelson
Transportation Representative
Lindsey.Mendelson@MDSierra.org

Josh Tulkin
Chapter Director
Josh.Tulkin@MDSierra.org

Founded in 1892, the Sierra Club is America’s oldest and largest grassroots environmental organization. The Maryland Chapter has over 75,000 members and supporters, and the Sierra Club nationwide has over 800,000 members and nearly four million supporters.