Ext. Comm. - Letter - 2021 - Maryland HB 44 - EV I Uploaded by: Fisher, Joshua

Position: FAV



March 25, 2021

The Honorable Dolores G. Kelley Chair, Senate Finance Committee Miller Senate Office Building Annapolis, Maryland 21401

HB 44: Clean Cars Act of 2021 Position: Favorable

Chair Kelley:

On behalf of the Alliance for Automotive Innovation¹ (Auto Innovators), we are writing to express our support for HB 44, as introduced. HB 44 will provide critical funding for Maryland's electric vehicle (EV) tax credit. The program has proven so popular that funding was depleted for the entire fiscal year before it even began on July 1, 2019.

As automobile manufacturers continue making significant investments to bring more plug-in and fuel cell electric vehicles to the marketplace – providing more driving range, affordability, and consumer choice – now is the time for Maryland to reaffirm its commitment to this shared responsibility. It is critical for states and automakers to work together to spur zero emission vehicle (ZEV) adoption.

Maryland's EV Market

Maryland previously set a goal of 60,000 ZEVs on the road by 2020 and 300,000 ZEVs by 2025. In 2020, EV sales accounted for only 2.6% of all new vehicle sales in Maryland. To date, approximately 30,000 ZEVs have been sold in Maryland, well short of its goals.² With California's announcement³ to phase out the sale of gasoline-powered vehicles by 2035, Maryland will face an even higher level of required sales due to its participation in California's ZEV mandate.

Industry Efforts to Support EV Deployment

Auto Innovators and our member companies are committed to the long-term goals of lower carbon transportation, and our companies are actively working to reduce greenhouse gas and criteria emissions, improve vehicle fuel economy, and increase the number of advanced technology vehicles. Vehicles on the road today produce near-zero levels of tailpipe criteria emissions, a 99% improvement over vehicles in the 1970's, and on average, vehicles have increased fuel efficiency by

¹ Formed in 2020, the Alliance for Automotive Innovation is the singular, authoritative, and respected voice of the automotive industry. Focused on creating a safe and transformative path for sustainable industry growth, the Alliance for Automotive Innovation represents the manufacturers producing nearly 99 percent of cars and light trucks sold in the U.S.

² <u>https://opendata.maryland.gov/Transportation/MVA-Electric-and-Hybrid-Vehicle-Registrations-by-C/qtcv-n3tc/data</u>

³ <u>https://www.gov.ca.gov/2020/09/23/governor-newsom-announces-california-will-phase-out-gasoline-powered-cars-drastically-reduce-demand-for-fossil-fuel-in-californias-fight-against-climate-change/</u>

30% since 2004.4

Automakers have invested tens of billions of dollars over the last ten years in every facet of EV technology—from batteries (including manufacturing and cell materials) to fuel cell stack design and production, electric motors to battery cell controllers, vehicle types and capabilities, etc. Our industry's investments in vehicle electrification are not slowing; investments are expected to reach over \$250 billion globally by 2023.⁵ Because of this massive industry-wide investment in technology development, around 130 electric vehicle models are expected to be available by 2025. With availability of models increasing rapidly, there will be more options to meet a wider variety of customer needs, and in general, all states – especially those with EV incentives and growing infrastructure investments – will have more available EVs for sale.

However, automotive industry investments alone are not enough to ensure the success of the EV market and a low-carbon future. Increasing customer demand for EVs is critical to increasing market penetration of the vehicles, and time and time again, studies have shown that purchase incentives and the accessibility of charging/fueling infrastructure are key parameters to increasing customer demand. With the number of EVs expected to come to market, it is no longer a matter of if automakers will offer the technology, but instead, whether the U.S. and individual states have properly planned and invested in preparing for the vehicles.

Unfortunately, some states have also erected barriers within their incentive programs further hindering the EV market. These barriers include favoring one form of EV technology over another and limiting vehicle eligibility based on price caps or a consumer's income. They send the wrong signals to consumers and may move consumers away from choosing an EV, stunting necessary early growth in the EV market. A healthy new EV market ultimately leads to the availability of used EVs in the market, which can better align with customers' purchasing preferences.

We fully support the state of Maryland's efforts to promote EV adoption through funding for electric vehicle purchase and infrastructure incentives – actions necessary and critical to the state's environmental goals and increasing consumer interest – and look forward to working with the state to achieve these goals.

Thank you in advance for your consideration of our views. For more information, please contact our local representative, Bill Kress, at (410) 375-8548.

Respectfully submitted,

for Ficher

Josh Fisher Director, State Affairs

⁴ U.S. EPA. "Automotive Trends Report: Highlights of the Automotive Trends Report." <u>https://www.epa.gov/automotive-trends/highlights-automotive-trends-report</u>.

⁵ <u>https://iwk-cp.com/wp-content/uploads/2018/07/Automotive-Global-Outlook-2018-European-version_IWK_FINAL.pdf.</u>

EVInfoSheet-20200121.pdf Uploaded by: Fraser-Hidalgo, David Position: FAV

The Electric Vehicle Association of Greater Washington DC



Electric Vehicle Information Sheet



The Electric Vehicle Association of Greater Washington DC



Electric Vehicle Information Sheet

	Plug-in Hybrid Electric	Base Price (USD) ¹	Net Price (USD) ²	Range (mi) ³	Batt. (kWh)	0-60 (sec)	MPG equiv ³	Fuel / Mo. ⁶	
Eucion	Chrysler Pacifica hyb.	\$39,995	\$32,495	32+gas	16	7.4	82	\$83	
	Ford Fusion Plug-In	\$35,000	\$30,391	26+gas	9	8.0	103	\$63	Pacifica minivan
	Honda Clarity PHEV	\$33,400	\$25,900	48+gas	17	7.7	110	\$58	
	Hyundai Ioniq PHEV	\$26,500	\$21,957	29+gas	8.9	8.9	119	\$54	
Sonata	Hyundai Sonata PHEV	\$31,400	\$26,481	28+gas	9.8	7.6	99	\$67	Honda Clarity PHEV
	Kia Niro PHEV	\$28,500	\$23,957	26+gas	8.9	9.0	105	\$58	
	Kia Optima Plug-In	\$36,090	\$31,171	28+gas	9.8	9.1	101	\$67	Kie Nine
	MINI Cooper S E Countr.	\$36,900	\$32,900	17+gas	10	6.7	73	\$108	
ds h	Mitsubishi Outlander	\$36,295	\$30,459	22+gas	12	9.2	74	\$100	A
Vbri	Subaru Crosstek Hyb.	\$35,145	\$30,645	17+gas	8.8	8.3	90	\$79	Kia Optima
	Toyota Prius Prime	\$27,750	\$23,250	25+gas	8.8	10.5	133	\$50	
Mitsubishi Outlander	Toyota RAV4 Prime	\$36,500^	\$29,000^	39 [*] +gas	16^	5.8*	90*		Brius Brimo
	Average U.S. Gasoline Car Pri	ce	\$35,000						i3
Subaru Crosstok	BMW 330e	\$45,000^	\$39,164^	30^+gas	12^	5.6			500
RAV4	BMW 530e	\$53,900	\$48,064	21+gas	12	5.9	69	\$113	
ric a	BMW 745e xDrive	\$95,550	\$89,714	16+gas	12	4.9	56	\$150	18
	BMW i3 Range Extender	\$48,300	\$40,800	126+gas	42.2	8.0	100	\$58	
	BMW i8	\$147,500	\$141,831	17+gas	11.6	4.2	69	\$121	X3
	BMW X3 xDrive30e	\$48,550^	\$42,714^	20 ⁺ yas	12^	6.3			
	BMW X5 xDrive45e	\$70,000^	\$62,500	40 ⁺ gas	24	5.5^	56	\$138	
530e	Karma Revero GT	\$135,000	\$127,500	61+gas	28	4.5	70	\$92	X5
	Land Rover Sport P400e	\$79,000	\$71,913	19+gas	13	6.3	42	\$175	
brid	Mercedes C350e	\$48,895	\$45,394	8+gas	6.2	5.8	51	\$121	
745e 子	Mercedes GLC350e	\$50,650	\$46,190	10+gas	8.7	6.2	56	\$138	Karma
	Mercedes GLE550e	\$66,700	\$62,240	8+gas	8.8	5.3	43	\$163	
n d	Mercedes S560e	\$109,750	\$103,750	20+gas	13.5^	4.7	65^	\$125^	
	Porsche Cayenne	\$81,100	\$74,430	14+gas	14.1	4.7	47	\$154	E \$}
Terrer and the second s	Porsche Panamera	\$103,800	\$97,130	14+gas	14.1	4.4	51	\$154	Mercedes C350e
Land Rover P400e	Volvo S60 T8	\$56,045	\$51,043	22+gas	10.4	4.3	69	\$104	
	Volvo S90 T8	\$63,845	\$58,843	21+gas	10.4	4.8	60	\$113	Mercedes S560e
Cavenne E-Hybrid	Volvo V60 T8	\$67,300	\$62,298	22+gas	10.4	4.3	69	\$104	Wercedes 5500e
	Volvo XC60 T8	\$54,595	\$49,593	19+gas	10.4	4.9	57	\$125	
	Volvo XC90 T8	\$67,000	\$61,998	18+gas	10.4	5.9	55	\$125	Mercedes GLC350e
Panamera 4 E-Hybrid		tere and			4				
								- 69-	Marcadas GLEEEOc
Volvo V60	Volvo S60	Volvo S90		Volvo X	C60	V	olvo XC9	0	WIEILEGES GLESSUE
Incentives	DC:	EV S	Supply Equi	pment (EVSE) T	ax Cre	dit - 50%	of cost	t up to \$1000

Incentives	DC:	EV Supply Equipment (EVSE) Tax Credit - 50% of cost up to \$1000
		Excise tax exemption. Reduced vehicle registration fee of \$36
Federal Tax Credits	Maryland:	Excise Tax Credit, \$100/kWh Battery, max \$3000 on EVs priced ≤\$60K
Vehicle: up to \$7500		EV Supply Equipment (EVSE) Tax Credit - 40% of cost, max \$700
EVSE: up to \$1000	7	High Occupancy Vehicle (HOV) Lane Exemption through Oct. 2022
Version 20200121	Virginia:	Reduced personal property tax in Arlington and Loudon counties
		Discounted electricity rates for off-peak residential EV charging

HB44 Sponsor Testimony-Senate Finance.pdf Uploaded by: Fraser-Hidalgo, David

Position: FAV

DAVID FRASER-HIDALGO Legislative District 15 Montgomery County

Environment and Transportation Committee *Chair* Motor Vehicle and Transportation Subcommittee



The Maryland House of Delegates 6 Bladen Street, Room 223 Annapolis, Maryland 21401 410-841-3186 - 301-858-3186 800-492-7122 Ext. 3186 David.Fraser.Hidalgo@house.state.md.us

THE MARYLAND HOUSE OF DELEGATES Annapolis, Maryland 21401

Testimony in Support of HB44 The Clean Cars Act of 2021 Testimony by Delegate David Fraser-Hidalgo March 30, 2021- The Senate Finance Committee

This committee has heard testimony on electric vehicles (EVs) for almost a decade. Many of you attended our Motor Vehicle and Transportation Subcommittee briefing in December¹, which demonstrated that more and more automobile manufacturers and organizations in Maryland recognize that EVs are the way forward to a cleaner future in our state.

In 2011, 75 electric vehicle excise tax credits were awarded in the state. As of Jan 17, 2020, the Motor Vehicle Administration had 2,472 UNFUNDED applications waiting for additional funding. Currently, there are over 24,000 EV and hybrid cars registered in Maryland.²

The technology for EVs is evolving at a rapid pace. The battery capacities continue to go up and the costs of the batteries are going down, which is reflected in the sticker prices of new EVs. Mid-priced models are being introduced, which provide an opportunity for people from more income levels to purchase EVs. The network of charging stations is expanding, providing a sense of security and a visible reminder that EVs are a viable option for most.

In 2013, Maryland and the governors of seven other states signed a Memorandum of Understanding (MOU) committing to a coordinated action to ensure the successful implementation of their state's zero-emission vehicle (ZEV) programs. Maryland has a goal of 300,000 ZEVs on the road by 2025 and 600,000 by 2030. I believe that our commitment to the tax credit will be one of the most important components of a successful EV program in Maryland.

The transportation sector continues to be the single largest contributor of greenhouse gas emissions. I ask you for a favorable report on HB44 for the best

¹ Motor Vehicle and Transportation Dec 2020 Subcommittee Briefing- YouTube

² According to the Maryland Department of Environment, there are 24,596 registered EVs as of January 31, 2020

possible chance to meet our ZEV commitments and reduce emissions caused by fossil fuels.

Clean Cars Act of 2021

- FY 2021 FY 2023
- No more than \$1,800,000 for electric vehicle recharging equipment rebates each FY

ZEV Mandate.pdf Uploaded by: Fraser-Hidalgo, David Position: FAV



State Zero-Emission Vehicle Programs Memorandum of Understanding

WHEREAS, the Signatory States have adopted regulations requiring increasing sales of zeroemission vehicles (ZEVs), or are considering doing so; and

WHEREAS, accelerating the ZEV market is a critical strategy for achieving our goals to reduce transportation-related air pollution, including criteria air pollutants, mobile source air toxics and greenhouse gas emissions (GHGs), enhance energy diversity, save consumers money, and promote economic growth; and

WHEREAS, our states are committed to reducing air pollution, including the emission of GHGs and other air pollutants from the mobile source sector; and

WHEREAS, many of our states have obligations or otherwise seek to reduce GHGs consistent with science-based targets by 2050; and

WHEREAS, motor vehicles are among the largest sources of GHGs and criteria air pollutants that adversely affect the health and well-being of our citizens in all of our states; and

WHEREAS, providing transportation alternatives such as ZEVs will help improve air quality, reduce the use of petroleum-based fuels in the transportation sector, protect consumers against volatile energy prices, and support the growth of jobs, businesses and services in a clean energy economy; and

WHEREAS, an increasing variety of vehicles that operate on hydrogen and low-cost electricity are commercially available and have the potential to significantly reduce emissions of criteria pollutants and GHGs, enhance consumer choice, and allow for home fueling; and

WHEREAS, states with ZEV programs collectively constitute 27 percent¹ of the U.S. automobile market and together can help create consumer demand that will further lower ZEV costs through economies of scale and expand the range of product lines available to consumers throughout the U.S.; and

WHEREAS, our states have a long history of leadership and innovation in promoting clean cars and collaborating on environmental issues.

NOW THEREFORE, as Governors of the Signatory States we express our mutual understanding and cooperative relationship as follows:

1. OVERALL COMMITMENT

The Signatory States agree to coordinate actions to support and ensure the successful implementation of our Zero-Emission Vehicle programs. The Signatory States agree to create and participate in a multi-state ZEV Program Implementation Task Force to serve as a forum for coordination and collaboration on the full range of program support and implementation issues to promote effective and efficient implementation of ZEV regulations. The Task Force will prepare, within six months of the date of this agreement, a plan of action to accomplish the goals identified in this MOU.

2. MEASURABLE GOALS

Consistent with program requirements, the initial Signatory States agree to a collective target of having at least 3.3 million zero emission vehicles on the road in our states by 2025 and to work together to establish a fueling infrastructure that will adequately support this number of vehicles. On an annual basis, each Signatory State will report, within available capabilities, on the number of ZEVs registered in its jurisdiction, the number of electric/hydrogen fueling stations open to the public and available information regarding workplace fueling for ZEVs.

3. INTER-AGENCY COORDINATION WITHIN STATES

As appropriate in each State, the Signatory States will seek to support and facilitate the successful commercialization of ZEVs and efforts to maximize the electric miles driven by these vehicles through actions such as promoting electric vehicle readiness through consistent statewide building codes and standards for installing charging infrastructure, developing streamlined metering options for homes equipped with electric vehicle chargers, evaluating opportunities to reduce vehicle operating costs and increasing electric system efficiency through time-of-use electricity rates and net metering for electric vehicles, and strengthening the connection between ZEVs and renewable energy.

¹Source: R.L. Polk & Co. for new vehicle registrations in 2011.

4. PUBLIC FLEET PURCHASES AND FUELING STATIONS

To lead by example, each Signatory State will seek to establish ZEV purchase targets for government and quasi-governmental agency fleets and report annually on ZEV acquisitions. We will explore opportunities for coordinated vehicle and fueling station equipment procurement within and across our states. We will endeavor to provide public access to government fleet fueling stations. State contracts with auto dealers and car rental companies will, to the extent possible, include commitments to the use of ZEVs where appropriate.

5. INCENTIVES FOR ZEVS

The Signatory States agree to evaluate the need for, and effectiveness of, monetary incentives to reduce the upfront purchase price of ZEVs and non-monetary incentives, such as HOV lane access, reduced tolls and preferential parking, and to pursue such incentives as appropriate.

6. SHARED STANDARDS

The Signatory States agree, subject to their respective legislative requirements, to work to develop uniform standards to promote ZEV consumer acceptance and awareness, industry compliance, and economies of scale. Such standards may include, but are not limited to, adopting universal signage, common methods of payment and interoperability of electric vehicle charging networks, and reciprocity among states for ZEV incentives, such as preferential parking and HOV lane access.

7. PUBLIC – PRIVATE PARTNERSHIPS

The Signatory States will cooperate with automobile manufacturers, electricity and hydrogen providers, the fueling infrastructure component industry, corporate fleet owners, financial institutions and others to encourage ZEV market growth.

8. RESEARCH, EDUCATION AND OUTREACH

The Signatory States agree to share research and a coordinated education and outreach campaign to highlight the benefits of ZEVs and advance their utilization. We will collaborate with initiatives, including Clean Cities programs, the Northeast/Mid-Atlantic States Transportation Climate Initiative and the West Coast Electric Highway that are already working to raise consumer awareness and demonstrate the viability and benefits of ZEVs.

9. HYDROGEN-POWERED VEHICLES AND INFRASTRUCTURE STUDY

The Signatory States agree to pursue the assessment and development of potential deployment strategies and infrastructure requirements for the commercialization of hydrogen fuel cell vehicles.

10. SUPPLEMENTARY PROVISIONS

- a. A Signatory State may terminate its participation in the MOU with a written statement to other Signatory States.
- b. Other states that commit to the conditions of this agreement may sign on to this MOU.
- c. This MOU may be amended in writing upon the collective agreement of the authorized representatives of the Signatory States.

[Signatures on following pages]

THE STATE OF CALIFORNIA

By: Edward G. Brown Jr.

Governor

THE STATE OF CONNECTICUT

By: AMadon

Dannel P. Malloy Governor

THE STATE OF MARYLAND

By:

Martin O'Malley Governor

THE COMMONWEALTH OF MASSACHUSETTS

By:_

Deval L. Patrick Governor

THE STATE OF NEW YORK

By:

Andrew M. Cuomo Governor

THE STATE OF OREGON

that By: ohn Kitzhaber

Governor

THE STATE OF RHODE ISLAND & PROVIDENCE PLANTATIONS

hafee Ву:______

Lincoln D. Chafee Governor

THE STATE OF VERMONT

By

Peter Shumlin Governor

CLPP HB44 FAV

Uploaded by: Goldberg, Donald Position: FAV



3405 Shepherd St. Chevy Chase, MD 20815 202-390-3050 www.clpproject.org Contact: donald@clpproject.org

Committee:	Finance
Testimony on:	HB44 Clean Cars Act of 2021
Submitted by:	Donald M. Goldberg, Executive Director
Position:	Favorable
Hearing Date:	March 30, 2021

Dear Chair Kelley and Members of the Committee:

Climate Law & Policy Project (CLPP) is strongly in favor of HB44.

HB44 provides supplemental funding for zero–emission vehicles, zero–emission vehicle infrastructure programs, and other transportation sector greenhouse gas reduction and carbon reduction efforts. In addition, it provides energy–related loans and grants, including support for energy efficiency measures, solar renewables, and other tier 1 renewables that directly benefit low– to moderate–income residents of the State. For each fiscal year, at least 50% of these energy–related loans and grants will directly benefit low–income residents of the State.

Transportation is Maryland's largest greenhouse gas (GHG) emitting sector. Electrifying the sector is essential if Maryland is to play its part in solving the climate crisis by meeting its GHG targets under the Greenhouse Gas Reduction Act.

EV excise tax rebates are critical to boosting the sales of light duty electric vehicles in the State. Currently, Maryland's demand for electric vehicles exceeds the availability of such rebates. As a consequence, many EV owners that have applied for excise tax refunds in previous years are waiting for the General Assembly to provide additional funding to get their rebates.

Maryland's low and moderate income communities have largely been left out of or unable to access Maryland programs to incentivize clean energy and transportation. HB44 would help address that inequity.

HB44 renews and expands programs that have been working well and helps fix others that have not. It is critical to meeting Maryland's goals for a clean energy future.

CLPP strongly supports HB44 and urges a favorable report.

CLPP HB44 FAV.pdf Uploaded by: Goldberg, Donald M. Position: FAV



3405 Shepherd St. Chevy Chase, MD 20815 202-390-3050 www.clpproject.org Contact: donald@clpproject.org

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HB0044 - Senate_FAV_City of Rockville_Clean Cars A Uploaded by: Kasemeyer, Pam

Position: FAV



Mayor and Council of Rockville

Telephone: 240-314-8870

Email: eshingara@rockvillemd.gov CONTACT: Erica Shingara, Chief of Environmental Management

HB 44: CLEAN CARS ACT of 2021

SUPPORT

The Rockville Mayor and Council are thankful to Chairs Kelley and Guzzone and members of the Senate Finance and Budget and Taxation Committees for the opportunity to comment on HB 44: Clean Cars Act of 2021. The Mayor and Council support HB 44. The City, with its population of over 68,000, supports increasing the percentage of electric vehicles as a critical component of promoting access to sustainable transportation in Maryland. We are also committed to reducing greenhouse gas emissions and other hazardous air pollution and support State efforts that demonstrate climate and energy leadership.

The City of Rockville supports state-wide action to increase the share of electrified vehicles and the supportive network of charging stations as one of many measures that will improve public health, the environment, and assist the City of Rockville in meeting its climate action commitments. Drawing on Maryland's electricity grid, electric vehicles' indirect emissions are on par with an 87 miles per gallon fuel efficient conventional vehicle. A reduction in emissions will reduce harmful air pollutions and protect public health, while reducing the greenhouse gases that cause climate change.

Maryland's goal is to reach 300,000 electric vehicles by 2025, yet currently, electric vehicles and hybrid vehicles comprise only 29,268, less than one-tenth. Although electric vehicles tend to have lower maintenance and fuel costs, the upfront costs of electric vehicles and their recharging equipment can be prohibitive. We support the General Assembly's efforts to continue to incentivize expansion of electric and fuel cell vehicles and infrastructure in Maryland through the extension of vehicle tax credits for certain electric vehicles and the funding of an electric vehicle recharging equipment rebate program.

We urge the Committee to provide this legislation with a favorable report. We thank the Committee for considering Rockville's comments as it deliberates the merits of this legislation.

2021 PHI Testimony HB44_Clean Cars Act of 2021_3.3 Uploaded by: Lanzarotto, Kathryn

Position: FAV





March 30, 2021

112 West Street Annapolis, MD 21401 410-269-7115

FAVORABLE – House Bill 44- Clean Cars Act of 2021

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) support House Bill 44 Clean Cars Act of 2021. House Bill 44 extends the Electric Vehicle Recharging Equipment Rebate Program from 2021 through 2023 and the rebate limit is extended to \$1.8 million. The House Bill 44 also provides supplemental funding for zero-emission vehicles, zero-emission infrastructure programs and transportation sector greenhouse gas reduction and carbon reduction efforts.

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 44 will expand electrification efforts beyond Maryland residents who do not own their own vehicles or choose to avail themselves of public transportation.

Encouraging the growth of public transit EV options, which can help to reach residents who cannot afford to buy their own electric vehicle, 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 44.

<u>Contact:</u> Katie Lanzarotto Senior Legislative Specialist 202-428-1309 <u>Kathryn.lanzarotto@exeloncorp.com</u>

Ivan K. Lanier State Affairs Manager 410-269-7115 <u>Ivan.Lanier@pepco.com</u>

HB44_IndivisibleHoCoMD_FAV_Crossover_MichaelLoll . Uploaded by: Loll, Michael

Position: FAV



HB 44 – Clean Cars Act 2021 Testimony before Senate Finance Committee March 26, 2021 Position: Favorable

Mr. Chair, Mr. Vice Chair and members of the committee, my name is Michael Loll, and I represent the 700+ members of Indivisible Howard County. We are providing written testimony today in <u>strong support of HB 44</u> because of the role clean cars can play in reducing the disproportionate effects of particulate pollution on communities of color in Maryland. This type of pollution, known as PM_{2.5}, is produced by gas fueled cars, trucks, and buses. PM_{2.5} is associated with cardiovascular and lung disease, as well as asthma, diabetes, and dementia.

According to the Union of Concerned Scientists, "African Americans are exposed to 12 percent higher $PM_{2.5}$ concentrations from on-road transportation than the average $PM_{2.5}$ exposure for all Marylanders. Latinos experience concentrations 11 percent higher than the average resident (Figure 1). At the same time, white residents have an average exposure that is *8 percent lower* than the average for the state."



https://blog.ucsusa.org/cecilia-moura/air-pollution-from-vehicles-maryland

This same article points out that Baltimore city has particle exposures similar to those of Los Angeles. Land use and zoning decisions made decades ago have placed the housing of minority communities in close proximity to busy streets and highways. People living in these locations have fewer options in choosing where they live and work.

Offering incentives for purchasing clean cars and electric vehicle charging equipment is one way to address the unequal risks African American and Latino residents face from PM_{2.5}. We ask you to take a step toward improving the health of these residents and all of our citizens by passing HB 44.

Thank you for your time and attention.

We encourage a favorable report.

Michael Loll Columbia, MD

HB44 - Clean Cars Act - FIN - Fraser-Hidalgo - 30M Uploaded by: Tulkin, Josh

Position: FAV



7338 Baltimore Ave Suite 102 College Park, MD 20740

Committee:FinanceTestimony on:HB44 – "Clean Cars Act of 2021"Position:SupportHearing 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.

HB0044 - FWA - Clean Cars Act of 2021.pdf Uploaded by: Fahrig, Landon

Position: FWA



Larry Hogan, Governor Boyd K. Rutherford, Lt. Governor Mary Beth Tung, Director

TO:Members, House Economic Matters CommitteeFROM:Mary Beth Tung – Director, MEASUBJECT:HB0044 - Clean Cars Act of 2021DATE:March 30, 2921

MEA POSITION: FWA

Summary

In its current posture, House Bill 44 is similar to the MEA Departmental bill, SB 152. MEA recommends that HB 44 be further amended to fully adopt the provisions of SB 152. This will produce a substantially similar effect, but allow MEA greater flexibility in its programming in a time of financial constraint while reducing negative impacts on current MEA programs.

HB 44 reinstates a statutory mandate for an Electric Vehicle Recharging Equipment Rebate Program within MEA. This is not needed, as MEA has continued to operate that program even after the previous mandate sunset at the end of FY20.

There is a significant backlog of applications for electric vehicle excise tax rebates, an estimated ~\$7.5 million worth. Like HB 44, the language of SB 152 allows Maryland to keep its promise to those purchasers, but spreads the financial burden over the course of two fiscal years. This again reduces the impact on current MEA programs, including those focus on low- and moderate-income individuals..

Lastly, the course suggested by MEA, which included language in both SB 152 as well as the first reader of HB 44, which would provide flexibility for MEA to advance clean car initiatives while not hampering other climate and energy goals or programs.

For these reasons, MEA urges the Committee to adopt the amendments suggested by MEA, and to issue a **favorable report as amended** for HB 44.

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Ben Grumbles, Secretary Horacio Tablada, Deputy Secretary

March 30, 2021

The Honorable Delores G. Kelley, Chair Finance Committee 3 East Miller Senate Office Building Annapolis, Maryland 21401

Re: House Bill 44- Clean Cars Act of 2021

Dear Chair Kelley and Members of the Committee:

The Maryland Department of the Environment (MDE or the Department) has reviewed House Bill 44 - *Clean Cars Act of 2021*, as amended, and would like to provide some information related to this bill.

Maryland has been a key supporter of introducing light duty zero emission vehicles (ZEVs) into the marketplace. In 2007, Maryland adopted the California Clean Cars Program, including its ZEV standard. Recognizing the important contribution that ZEVs have in improving air quality and reducing greenhouse gas (GHG) emissions from the transportation sector, in 2013 Maryland joined eight other states in signing the regional ZEV MOU. This MOU established commitments from the states to work together to develop policies and programs that accelerate the introduction of ZEVs into the region by removing barriers and offering incentives. Under this MOU, ZEV sales goals were established for each state, with Maryland having a goal of approximately 300,000 light duty ZEVs on the road by 2025. To achieve these goals, a multi-state ZEV Action Plan was developed to aid both public and private entities in accelerating ZEV deployment in the region. As a result of this Action Plan, Maryland has been active in implementing policies and programs that reduce the cost for both the ZEV vehicles as well as the purchase and installation of charging infrastructure.

Maryland's ability to expand the use of ZEVs will play an important role in helping Maryland achieve its climate change goals. Transportation accounts for almost half of all GHG emissions generated in the State. In addition, light duty vehicles are one of the largest sources of GHG emissions in the State. The current Greenhouse Gas Reduction Act (GGRA) was signed into law by Governor Hogan in 2016 and has a goal of a 40% reduction in GHG emissions from 2006 levels by 2030. The Department's final *2030 GGRA Plan* advances a portfolio of measures that will reduce Maryland's 2030 GHG emissions to 48.7% below 2006 levels. For Maryland to achieve this goal it will need to reduce GHG emissions from the light duty vehicles are one of the best strategies for reducing emissions from this sector.

This bill will allow for vehicle excise tax credits for qualified plug–in electric drive vehicles and fuel cell electric vehicles that applied before July 1, 2020. In the coming years, continued work will be needed on the electric vehicle program to ensure that the State can meet its ZEV and climate goals.

Thank you for your consideration. This is an important issue that warrants more discussion. We will continue to monitor House Bill 44 during the Committee's deliberations, and I am available to answer any questions you may have. Please feel free to contact me at 410-260-6301 or by e-mail at tyler.abbott@maryland.gov.

Sincerely,

Chipself

Tyler Abbott

HB0044 - OPCP - Clean Cars Act - LOI_FINAL_CO.pdf

Uploaded by: Einhorn, Melissa Position: INFO



Larry Hogan Governor Boyd K. Rutherford Lt. Governor Gregory Slater Secretary

March 30, 2021

The Honorable Delores G. Kelley Chair, Senate Finance Committee 3 East Miller Senate Office Building Annapolis MD 21401

Re: Letter of Information – House Bill 44 – Clean Cars Act of 2021 – Extension, Funding, and Reporting

Dear Chair Kelley and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on House Bill 44 but offers the following information for the Committee's consideration.

House Bill 44 extends the Electric Vehicle Recharging Equipment Rebate Program through 2023, increases the amount of rebates that the Maryland Energy Administration (MEA) may issue, and requires the transferring of funds from the Maryland Strategic Energy Investment Fund to the Transportation Trust Fund to offset revenue reduction relating to electric vehicles.

The Zero Emission Electric Vehicle Infrastructure Council (ZEEVIC) has been vital in promoting Maryland's overall effort in the continued development, advancement, and adoption of electric vehicles (EVs), as well as the installation of critical electric vehicle supply equipment (EVSE).

Maryland has a goal of 300,000 zero emission vehicle (ZEV) registrations in the State by 2025. This goal represents a key component of ensuring that Maryland meets our greenhouse gas (GHG) emission reduction goal of 40% from 2006 levels by 2030. The vehicle excise tax credit and the Recharging Equipment Rebate Program have both been instrumental in supporting this goal.

Since 2011, ZEEVIC has worked to remove barriers to EV usage in Maryland through the development of infrastructure action plans, permitting standards, and state incentives for the purchase of EVs and EVSE. This work has resulted in record EV registrations – as of March 2021, EV registrations totaled 30,345, which is a significant increase from 8,405 registrations in December 2016; however, this represents only about half of one percent of all the passenger cars in Maryland. Ending the incentive for EV purchases in 2020, after the 30,345 registrations, does not account for the continued higher cost of EV vehicles over traditional combustion engines.

These pivotal efforts have resulted in the honor of Maryland being designated as a top tier, or Tier 1, EV State by the Electric Vehicle Coalition, second only to California. The Maryland Department of Transportation respectfully requests the Committee consider this information when deliberating House Bill 44.

Respectfully submitted,

Melissa Einhorn State Legislative Officer Maryland Department of Transportation 410-865-1102