



**TO:** Members, House Economic Matters Committee  
**FROM:** Paul Pinsky Director, MEA  
**SUBJECT:** HB 1008 - Maryland Energy Administration - Electric Bicycle Rebate Program - Establishment  
**DATE:** March 9, 2023

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**MEA Position: Letter of Information**

House Bill 1008 would create a new Electric Bicycle Rebate Program (Program) within the Maryland Energy Administration (MEA) to subsidize the purchase of electric bicycles for individuals and businesses. This new program may not guarantee greenhouse gas emission savings, would displace existing MEA programming to some degree, and would require additional human resources within MEA.

**It is not clear that the Program fits securely within the parameters of MEA's mission.** MEA operates the Strategic Energy Investment program "to decrease energy demand and increase energy supply to promote affordable, reliable, and clean energy to fuel Maryland's future prosperity."<sup>1</sup> Additionally, the qualified uses of MEA revenue adds the ability to administer climate change programs.

Ostensibly, the Program neither decreases energy demand or increases supply. If electric bicycles did displace internal combustion engines, there would be measurable greenhouse gas emission (GHG) reductions. However, if they only displace traditional, pedal bicycles, overall GHG emissions may increase slightly due to the carbon footprint of the electricity within the PJM grid used to charge them.

This program may be better described as a "last-mile" transportation program. "Last-mile" describes the gap in transportation systems that carry people from a transportation station or stop (e.g. bus stop, train station, bus terminal, etc.) to their specific final destination, (i.e. work or home). The Maryland Department of Transportation is involved in this space, supporting projects that maximize bicycle access, fill missing links in the State's bicycle network, and enhance last-mile connections to work, school, shopping and transit.

Lastly, in order to administer this program effectively MEA Special Fund expenditures increase by ~\$711,000/year in FY25 and beyond to support the Program, as well as two new PIN positions.<sup>2</sup> This may divert funds from another clean energy or energy efficient project that is more effective in reducing greenhouse gasses.

MEA asks the committee to carefully consider the forgoing before rendering its report.

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<sup>1</sup> SG § 9-20B-03.

<sup>2</sup> For the purpose of this analysis, MEA assumes the use of Special Funds, as MEA does not typically receive GF appropriations.