



Maryland Energy Administration

TO: Members, Senate Education, Energy, and the Environment Committee
FROM: Paul Pinsky - Director, MEA
SUBJECT: SB 548 - Clean Transportation and Energy Act
DATE: February 28, 2023

MEA Position: FAVORABLE

The Clean Transportation and Energy Act will attack greenhouse gas emissions from the disproportionate contributions of the medium- and heavy-duty (MHD) truck sector, provide a reliable funding stream for the programs within the Act, and provide the necessary resources within the Maryland Energy Administration (MEA) to effectively administer these important initiatives.

MHD vehicles account for less than 5% of the vehicles on the road but produce over 20% of the emissions from the transportation sector, which currently accounts for more than one-third of U.S. green-house gas emissions¹. Technological advancements, investments in manufacturing, and supply chain efficiencies will help make batteries more cost effective for all applications, and the Infrastructure Investment and Jobs Act (IIJA) is offering more than \$7 billion for battery supply chain investments over a five year period. IIJA also provides \$7.5 billion to help expand and accelerate the placement of Electric Vehicle Supply Equipment (EVSE), also known as charging stations.

The proposed legislation capitalizes on these historic federal opportunities, and **gives MEA the ability to harness an existing revenue stream to create synergy between State and federal initiatives**. The flexibility to provide grants that are more competitive with our regional neighbors (including Pennsylvania and New York) will allow Maryland to maintain its position as a leader in transportation sector electrification.

MEA is also keenly supportive of the incremental increase for the use of special fund revenue for applicable administration expenses. This modest increase is more than justified, as MEA's mission has expanded with initiatives to promote tracking for dozens of upcoming federal programs under the IIJA. Additionally, MEA is preparing for the upcoming implementation of state-led, but federally funded, energy programs under the Inflation Reduction Act, including fuel switching for home heating systems. MEA is also currently ramping up an exponential increase in renewable energy programming driven by the Renewable Portfolio Standard, and concentrating on the immediate implementation of the landmark Maryland legislation, the Climate Solutions Now Act of 2022.

For the forgoing reasons, MEA is asking the committee for a **FAVORABLE** report.

¹ U.S. Department of Energy, [energy.gov/articles/doe-projects-zero-emissions-medium-and-heavy-duty-electric-trucks-will-be-cheaper-diesel](https://www.energy.gov/articles/doe-projects-zero-emissions-medium-and-heavy-duty-electric-trucks-will-be-cheaper-diesel)