



**The Maryland Department of the Environment
Secretary-Designee Serena McIlwain**

HB0230

***Department of the Environment – Zero-Emission Medium- and Heavy-Duty Vehicles
– Regulations (Clean Trucks Act of 2023)***

Position: Favorable with Amendments

Committee: Environment and Transportation Committee

Date: February 08, 2023

From: Gabrielle Leach

The Maryland Department of the Environment (MDE) urges **FAVORABLE WITH AMENDMENTS** on House Bill 230. HB 230 will provide Maryland with the ability to expand the use of Medium Heavy-Duty (MHD) zero emission vehicles (ZEVs) in the State by requiring certain manufacturers of MHD trucks to sell ZEVs as an increasing percentage of annual truck and bus sales in Maryland.

Bill Analysis: This bill will require MDE to adopt the California Advanced Clean Truck Rule (ACT) by December 1, 2023. If adopted, the ACT would require certain manufacturers of MHD trucks to sell ZEVs as an increasing percentage of annual truck and bus sales in Maryland. ZEV sales would be phased-in beginning in Model Year (MY) 2027 and increase through MY 2035, remaining constant thereafter.

Position Rationale: Maryland's ability to expand the use of ZEVs into the MHD sector will play an important role in helping Maryland achieve its air quality and climate goals. Transportation accounts for almost half of all greenhouse gas (GHG) emissions generated in the State. The Climate Solutions Now Act (CSNA) established a statewide goal of a 60% reduction in GHG emissions from 2006 levels by 2031. Additionally, transportation is a significant source of nitrogen oxides (NOx) emissions that contribute to ground-level ozone pollution. In Maryland and the Northeast region, MHD trucks are the second leading contributor to both NOx and GHG emissions. Maryland has made a lot of progress over the past few decades towards clean air and is now measuring statewide attainment of all federal air quality standards for all criteria pollutants, including ozone. In order to achieve the CSNA goals and attain and maintain the federal air quality standards, further reductions from the transportation sector are needed, and electrification of this sector is one of the best reduction strategies.

The action proposed in this bill will allow Maryland to expand the use of ZEVs into the key MHD vehicle sector. Maryland has already been active in this area; in July of 2020, Maryland

joined sixteen other states and the District of Columbia in signing a MHD ZEV MOU. Under this MOU, a ZEV sales goal was established that by 2030 at least 30% of all MHD trucks sold in the MOU states would be ZEVs. To achieve this goal, a multi-state MHD ZEV Action Plan was released in summer 2022.

MHD ZEVs currently are more expensive than conventionally powered MHDs trucks and adequate recharging infrastructure will be needed to support these trucks. In addition, vehicle availability could be an early concern. However, as with all new technologies and markets, we do expect these challenges to be overcome as the market evolves, and Maryland agencies are using both federal and state resources to provide vehicle purchase rebates and to deploy recharging infrastructure. MDE also notes that more substantial increases in investment in ZEV charging infrastructure, other decarbonization measures, and new, dedicated funding sources for transportation decarbonization programs are necessary to achieve our goals and avoid significant impacts from climate change. As MDE continues to prioritize equity and environmental justice, we also support the flexibility to take additional benefits for communities with environmental justice concerns into account.

While the Department supports House Bill 230, it will have a fiscal impact on MDE. General funds will be needed to cover MDE's activities associated with the initial adoption of the required regulations as well as MDE's ongoing responsibilities under this bill. In order to maintain the program regulations and ensure compliance, track new truck sales and credits, oversee the administration of the ZEV Truck Credit, Banking and Trading Program, and perform other technical activities associated with this program, MDE would need, at a minimum, two new positions. Adopting the necessary regulations will also require MDE to conduct a stakeholder process prior to adoption. Contractual assistance will also be needed to facilitate the stakeholder process, develop the regulatory language, develop an environmental analysis of the program, and analyze the economic impacts.

Amendments: Due to the tight timeline to adopt the regulations, extending the deadline to adopt the regulations until December 31, 2023, instead of December 01, 2023, would be helpful. As long as the regulations are adopted by December 31, 2023 there would be no change to the MY captured by the regulations.

For the reasons detailed above, MDE urges a **FAVORABLE WITH AMENDMENTS** report for HB 230.