



TESTIMONY REGARDING HB 1223
being heard by the Maryland House Environment & Transportation Committee
on Friday, February 28, 2020 at 1:00 PM

Dear Chair Barve and Members of the Committees:

Thank you for the opportunity to provide input on HB 1223, which would extend and increase the funding for the Electric Vehicle Recharging Equipment Rebate Program (Rebate Program) and extend and alter the vehicle excise tax credit for the purchase of certain electric vehicles (EV). Tesla has long been supportive of efforts to increase adoption of electric vehicles, and strongly supports the changes to the Rebate Program and tax credit made in this bill.

Tesla's mission is to accelerate the world's transition to sustainable energy through the deployment of electric vehicles and energy storage solutions and solar energy systems. Tesla is the only domestic mass market automobile manufacturer that exclusively builds and sells electric vehicles. To date, we have delivered more than 900,000 EVs globally. This experience gives us unique insight into what it takes to sell electric vehicles at volume and which policy mechanisms are most effective in furthering adoption.

The state of Maryland has set an ambitious goal of 60,000 zero emission vehicles (ZEV) on the road by 2020 and 300,000 ZEVs by 2025. In order to meet these goals, consumer programs like tax credits and rebates are needed to bridge the price gap that still exists for new ZEVs coming to market and competing with traditional internal combustion engine cars, the largest source of greenhouse gas emissions in Maryland and the United States. Extending the incentives in the Rebate Program for three years and increasing the dedicated program funding will make it easier for Marylanders to purchase charging equipment for their EVs and helps to further EV adoption in the state. Tesla is supportive of the increased funding for the tax credit program. By tripling the size of the program, the bill provides certainty to the market allowing interested customers to be assured they will receive the tax credit.

Tesla also supports the important changes made to vehicle eligibility for the excise tax credit. Increasing the minimum battery size to 30 kWh ensures that funds will not be used on plug-in hybrid vehicles with up to 95% of their range powered by a fossil fuel engine. This allows the state to focus its limited resources on longer range ZEVs that can be the sole vehicle for a family, which is more consistent with the objective of eliminating reliance on fossil fuels from ground transportation.

Tesla appreciates the opportunity to submit this testimony. We strongly support the extension of and increased funding for the Rebate Program and the tax credit, as well as the technical changes to the vehicle eligibility requirements which should be a model for other jurisdictions to follow.

Thank you for the opportunity to provide this testimony.

Zachary Kahn
Policy & Business Development
zkahn@tesla.com