



TO: Members, House Environment and Transportation Committee
FROM: Mary Beth Tung – Director, MEA
SUBJECT: HB 894 - Transportation Electrification and Modernization (TEAM) Act
DATE: February 25, 2022

MEA POSITION: FAV

Taking a more holistic approach to zero-emission vehicle and infrastructure programs is the next logical step for Maryland. The TEAM Act will help solidify Maryland as a national leader in transportation sector decarbonization by incorporating light-duty vehicles, medium- and heavy-duty (MHD) vehicles, and related infrastructure. In brief, the bill will:

- Create a new program to incentivise the purchase of zero-emission passenger vehicles;
- Establish a flexible, new program to offer grants for zero-emission MHD vehicles and corresponding equipment;
- Extend and enhance the existing Electric Vehicle Supply Equipment Program to stimulate the purchases of electric vehicle chargers; and
- Alter the allowable uses of revenue from alternative compliance payments (ACP) to support these efforts.

The existing EVSE Rebate Program has been highly successful, and there is little need for change. The small changes provided in the bill simply help ensure the program's continued success through FY25.

Creating a new MHD ZEV program will help combat the role that aging conventional commercial and fleet vehicles play in transportation sector emissions. Federal emissions standards were strengthened beginning in Model Year 2014, with a second set of stronger federal standards beginning in Model Years 2018 or 2021, but decades-old diesel trucks that are still in use play an outsized role in current fleet emissions. With the TEAM Act, Maryland will have the resources to harness the knowledge gained about the light-duty industry within Public Conference 44 before the Public Service Commission, and through the Maryland Zero Emission Electric Vehicle Infrastructure Council ("ZEEVIC") and use it to identify and address the needs of the MHD industry.

Light-duty passenger ZEVs have not received State incentives for the past two fiscal years. The TEAM Act reestablishes a ZEV incentive similar to what the State has previously provided, altering the previous program slightly to include both new vehicle purchase price limits and additional incentives for low-to-moderate income purchasers. This is a belt-and-braces approach to equity and it will also reduce the overall cost of the program.

The costs of the MHD ZEV program may be covered in part through the modification of allowable uses of ACP. Currently, the bulk of anticipated ACP may only be used for low-income solar projects.

However, there are many barriers to this application, and greater benefits for some of Maryland's most vulnerable ratepayers could be had at a significantly lower cost via other programs, including transportation programs that directly benefit environmental justice (EJ) communities. By allowing ACP to be used for EJ targeted programs (still including solar and other renewables), but also allowing for transportation sector decarbonization, weatherization, and energy efficiency, the State should realize more positive impact, more quickly, and for less money overall.

MEA kindly asks the committee to issue a **favorable report** for HB 894.