

Maryland Commission on Climate Change 1800 Washington Blvd, Baltimore, MD 21230

## RE: Business, Investor, and Employer Support for the Advanced Clean Trucks Rule

Dear Co-Chair Powell, Co-Chair Coble, and members of the Maryland Commission on Climate Change's Mitigation Working Group. My name is Michael Callan and I lead state policy work in Maryland at Ceres – A nonprofit organization that advances leadership among investors, companies, and capital market influencers to drive solutions and take action on the world's most pressing sustainability issues. I am writing today in support of the Maryland Climate Commission's inclusion of adopting the Advanced Clean Trucks (ACT) rule in its 2022 report with recommendations for policy action.

Ceres organizes the <u>Business for Innovative Climate and Energy Policy Network</u> – a coalition of over 80 major businesses - all committed to driving sustainability throughout the economy. We also coordinate the <u>Ceres Investor Network</u>, which includes 175 members with collectively nearly \$30 trillion in assets under management.

Ceres also runs the <u>Corporate Electric Vehicle Alliance</u>, a collaboration of 30 companies including Amazon, DHL, JLL, IKEA, Siemens and others looking to completely decarbonize and electrify their fleets. The members of this alliance collectively own, lease or operate nearly 1.3 million on-road vehicles in the United States.

The companies and investors we engage with through these networks see climate change as a significant risk, and reducing GHGs as an economic opportunity. This is why more than 85 major businesses, institutions, healthcare systems, employers, and investors with nearly \$43 billion in assets under management - including many with operations or business interests in Maryland - signed a letter calling on states across the nation to adopt the ACT Rule. Like these companies, we strongly support Maryland's adoption of the ACT Rule and see it as an essential component of a comprehensive plan to reduce transportation emissions in the state.

The ACT rule requires that vehicle manufacturers sell an increasing annual percentage of medium and heavy duty vehicles including pickup, delivery, and semi-trucks as well as school buses between Model Year 2026 (for states that adopt in 2022) and 2035. These vehicles represent 10% of vehicles on the road but disproportionately contribute to 30% of carbon emissions, 45% of toxic nitrogen oxide emissions, and 57% of health harming particulate matter emitted by the entire transportation sector in the US. With particulate matter emissions from the transportation sector disproportionately impacting low-income communities and communities of color, adoption of the ACT rule will also help to address existing inequities in who bears the brunt of vehicle pollution.

Because transportation is also a major cost center for companies, adopting the ACT rule presents a unique opportunity to create savings for fleet owners while decarbonizing the most polluting portion of the transportation sector and improving public health. In addition to helping clean up Maryland's air, increasing access to cost-effective zero-emission commercial transportation options helps businesses stay competitive in a market where their customers, investors, patients, students, and employees increasingly expect them to lead on sustainability. Maryland's adoption of the ACT rule will drive local innovation and investment in clean technology development and manufacturing – creating new jobs, driving long-term cost savings in company value chains, mitigating climate risk, improving public health, and reducing health care costs.

To make these ambitious corporate clean transportation goals possible, however, businesses need strong policies to coordinate industry leaders and stakeholders, increase access to zero emission vehicles, unlock cost savings and benefits, and drive market transformation at a pace and scale the private sector cannot achieve on its own. Our Corporate Electric Vehicle Alliance is growing and companies are investing in electrification because transitioning to EVs can generate cost savings over the life of a vehicle. A recent survey and analysis of 13 members of this network revealed plans to procure approximately 333,000 electric vehicles over the next five years, as appropriate models become available. The demand is there and the Advanced Clean Trucks rule will ensure there is supply.

This rule will accelerate the cost-effective deployment of electric medium- and heavy-duty vehicles, allow our members to meet financial and climate goals, and significantly reduce air pollution-related health impacts and costs across the state. We applaud Maryland for taking this step and look forward to working with you to continue the ambition in reducing transportation emissions.

Sincerely,

Michael Callan

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