RIVIAN

Discussion on Policy Strategies

MD Governor’s Workgroup on ACCII & ACT

October 21, 2025

Policy #1: Public Fleet Procurement

Administrative

States with Targets for Fleet EV Adoption:

- California
- Colorado
- Connecticut
- Delaware
- District of Columbia
- Hawaii
- New York
- Oregon
- Washington

Benefits:

- Economic & Operational: reduced maintenance obligations, lower fuel costs, resiliency
- Environmental & Public Health: operation reduces GHG emissions, aligning with climate goals
- Market & Policy Leadership: “Leading by Example” instills confidence in consumer market and builds familiarity

Policy #2: Low Carbon Fuel Standard

Legislative + Regulatory (DEP)

States with Targets for Fleet EV Adoption:

- California
- Oregon
- New Mexico
- Washington

What is it?

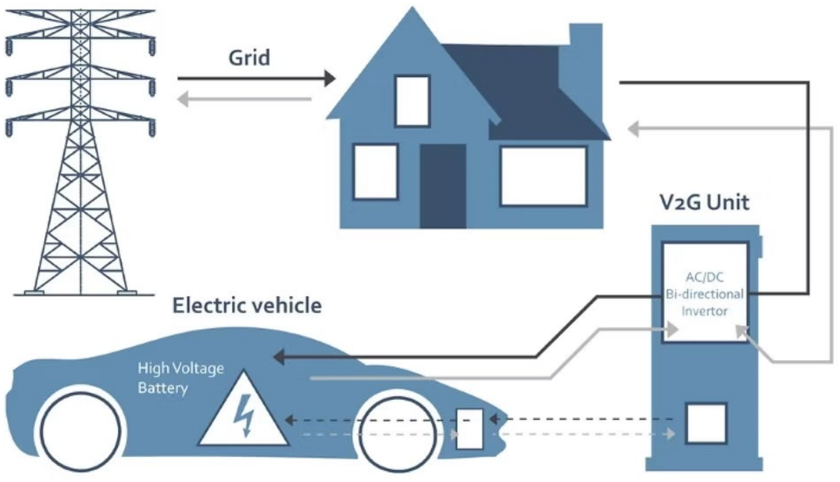
A **Low Carbon Fuel Standard (LCFS)** is a market-based regulation designed to progressively reduce the **carbon intensity (CI)** of the transportation fuel supply within a given region

Benefits:

- Environmental: LCFS guarantees GHG emissions reductions
- Economic: LCFS has proven track record for attracting investment into clean fuel production and infrastructure, fosters innovation and creates jobs
- Cost: leverages market forces to achieve GHG reductions at the lowest possible cost to all

Policy #3: Expand Vehicle to X

Administrative + Regulatory (PSC)



Maryland is already a leader in the V2X space!

- DRIVE Act (2024) allowed PSC to adopt regulations permitting V2X in 2025
- BG&E is piloting a program with Ford owners

Next Steps:

- Administration needs to maintain awareness of program status and ensure rollout remains on schedule
- Seek opportunities for expansion

Benefits:

- For Utilities:
  - Peak shaving, grid stabilization, renewable energy integration, deferred infrastructure upgrades
- For EV Owners:
  - Revenue generation, optimized charging (lower charging costs)
- For Society:
  - Downward pressure on rates, reduced emissions from generation, emergency backup

Policy #4: EV Incentives/ICE Disincentives

Legislative & Administrative

Luxury Tax:

States have begun imposing higher sales taxes on luxury and inefficient vehicles to fund clean transportation initiatives.

- Connecticut: 7.75% tax on vehicles sold above $50,000. 6.35% tax on first $50,000.
- New Jersey: 0.4% sales tax on vehicles sold above $45,000 obtaining less than 19 miles per gallon
- Washington: 8% tax on vehicles sold above $100,000.

Tolling:

International cities have successfully leveraged reduced tolls for EVs or increased tolls for ICE to encourage behavioral changes. Funds can be used to directly incentivize EV purchase or on infrastructure.

- Oslo, Norway example: Implemented increased tolls for ICE vehicles on its roads. Resulted in rapid acceleration of EV adoption through economic incentive.