
MARYLAND DEPARTMENT OF THE ENVIRONMENT, AIR AND RADIATION ADMINISTRATION**Response to Comments**

On the Proposed Amendments to Regulations under COMAR 26.11.34.02 pertaining to the Low Emissions Vehicle Program.

Public Hearing Held on June 21, 2023

Purpose of Hearing: The purpose of the hearing was to give the public an opportunity to comment on the proposed amendments to regulation .02 under COMAR 26.11.34 Low Emissions Vehicle Program.

The Maryland Clean Cars Act of 2007 required the Maryland Department of the Environment (MDE or the Department) to adopt regulations implementing the California Clean Car Program (also referred to as the California Low Emissions Vehicle, or CALEV, Program, and more recently as the Advanced Clean Cars, or ACC, Program) in Maryland. Maryland's implementing regulations adopted, through incorporation by reference, the applicable California regulations. The CALEV program is a dynamic, changing program in which many of the relevant California regulations are continuously updated to maintain currency with vehicular technology advancement and environmental science. To retain California's standards, Maryland must remain consistent with their regulations, hence when California updates its regulations, Maryland must reflect these changes by amending our regulations.

The changes in the California Advanced Clear Cars II (ACC II) regulations were approved by the California Air Resources Board on August 25, 2022, and were effective November 30, 2022. The ACC II regulatory changes require Maryland to update Regulation 02, Incorporation by Reference. These updates will not have any impact on the administrative costs of implementing the CALEV program in Maryland, but they do have impacts on both the benefits associated with the program and the cost of compliance for regulated parties, as described below.

Date and Location: The public hearing was held virtually on June 21, 2023, at 10 a.m. GoToMeeting at <https://meet.goto.com/934722053> – Event Access Code 166-049-290 - the Maryland Department of the Environment.

Attendance: Carolyn Jones of the Maryland Department of the Environment (MDE) served as the hearing officer. Other MDE attendees were Megan Ulrich, Marcia Ways, Tim Shepherd, Justin Mabrey, Kelsey Sisko, Allison Tjaden, Vimal Amin, Susan Casey, Cindy Osorto, Erick Thunell, Kim Drake, Hanna Campbell, and Abdulrahman Mohammed. The hearing was also attended by elected officials, local governments, various vehicle manufacturers, industry trade groups, environmental organizations, and interested citizens. A complete list of attendees is provided at the end of this document.

Statement: The Department's statement was read by Mr. Justin Mabrey, Senior Regulatory and Compliance Engineer of the Mobile Sources Control Program of the Air and Radiation Administration, MDE. A transcript of the meeting has been prepared by For the Record, Inc. located in White Plains, MD.

Comments and Responses:

Five hundred and thirty (530) comments were received by MDE. Eleven attendees testified at the hearing. A summary of the comments and testimony received and the Department's responses to the comments are below.

Comment: Eleven people testified at the hearing in support of the regulation amendment, noting the importance of reducing vehicle emissions and the significant health benefits Maryland citizens will realize from this regulatory action.

Response: The Department appreciates the support and agrees with the commenters on the need for emission reductions and health benefits.

Comment: 309 letters were submitted in favor of the amendments. Commenters expressed concern about meeting the 60 percent reduction required by the Climate Solutions Now Act as well as the requirement to adopt imposed by the Clean Cars Act of 2007. Commenters also expressed concern over the pollution emitted by cars and trucks, especially in environmental justice and low-income communities.

Response: MDE appreciates the support and agrees with the commenters. MDE recognizes that the Clean Cars Act of 2007 requires the Department to implement the ACC II Program and without the reductions in greenhouse gas emissions provided by the program, the State will need to find other, potentially more costly ways to reduce greenhouse gases to meet the requirements of the Climate Solutions Now Act and provide reductions needed to attain the health-based National Ambient Air Quality Standards (NAAQS).

Comment: 218 letters were submitted to the Department opposing the amendments adopting ACC II. These letters expressed concerns over Electric Vehicle (EV) technology such as range anxiety, charging infrastructure, and higher upfront costs. Additionally, commenters charged that the Department did not take into account the economic impact an increased requirement for EVs would have on consumers and the auto industry. The commenters urged the Department to reconsider the adoption of ACC II and focus on a more balanced approach, such as investing in alternative fuels, expanding charging infrastructure, and providing incentives for EV adoption.

Response: The State urgently needs to reduce both greenhouse gas emissions and criteria pollutants to meet the requirements of the Climate Solutions Now Act and NAAQS. Transportation accounts for about 35% of all greenhouse gas emissions in the State with light-duty vehicles contributing around 60% of the total transportation emissions. Light-duty vehicles account for about 16% of the total Nitrogen oxide (NOx) emissions in the state. NOx are a precursor to ozone, a harmful pollutant the State is tasked with keeping below a threshold set by the NAAQS.

The Maryland Clean Cars Act of 2007 required the Department to adopt California's stricter vehicle emissions standards, including the zero emission vehicle requirements. In order to maintain compliance with the Clean Cars Act of 2007, the Department must adopt the amendments to the California program.

The technology behind EVs has improved vastly since Maryland first began implementing the California emission requirements in 2011. EV range has drastically increased while overall costs compared to conventionally fueled vehicles has decreased. The Department, along with other state and local agencies, continues efforts to increase the number of charging stations across the state. The Department allocated the full 15% allowed under the Volkswagen Environmental Mitigation Settlement toward EV charging infrastructure. The Maryland Energy Administration continues to administer its long-running EV charging rebate program aimed at residential and commercial charging installations and the

Maryland Department of Transportation is overseeing the investment of approximately \$58 million in federal funds from the National Electric Vehicle Infrastructure program to greatly expand the charging infrastructure in the state.

While EVs are currently more expensive than their conventionally fueled vehicle counterparts, that incremental cost has decreased over the years and is projected to continue to decrease in the coming years. When reduced fuel and maintenance costs are included, EVs are projected to have a lower total cost of ownership compared to internal combustion vehicles. The Clean Cars Act of 2022 reinstated an excise tax credit of up to \$3,000 for qualifying electric vehicles. This incentive will help reduce the incremental cost of EVs and make them more affordable for the citizens of Maryland.

Comment: One commentor noted that MDE lacks the authority to adopt California's Low Emissions Vehicle Program due to the lack of the Environmental Protection Agency (EPA) granting a waiver to enforce.

Response: The Department respectfully disagrees with the commentor. MDE, like other States electing to adopt California vehicle emissions, has the legal authority to adopt the standards before an EPA waiver is granted.

Comment: One commenter suggested looking at alternative means of reducing greenhouse gas emissions from the transportation sector, such as renewable diesel.

Response: The Department believes zero emission vehicles are the best way to reduce emissions across the state. ZEV technologies are more readily available and more mature than when the ZEV mandate first started. The State's need to reduce both greenhouse gas and criteria pollutants in a timely manner requires an aggressive approach to ZEV deployment like adoption of ACC II provides. While other alternative and renewable fuels may be options, they have not been able to reach commercial viability. Most auto manufacturers have announced plans to phase out internal combustion vehicles in the next decade while increasing the number of ZEVs options in the market. Very few light-duty diesel vehicles remain on the market because of their inability to meet emission requirements.

Comment: One commenter wanted a more thorough and detailed economic analysis of the impacts of adopting the regulatory amendments.

Response: The Department believes scaling California's economic and health impacts to estimate both the costs and benefits of adopting the program in Maryland to be a reasonable assumption. California's total cost of ownership analysis showed that vehicles purchased in the first model year of the program would result in a payback of the increased purchase price in about 5.5 years. This payback period is reduced when federal and state incentives are considered. As the technology and costs continue to improve, the payback period decreases over time, with California estimating a payback period of only 1.3 years in 2035. The Department believes these estimates show a clear net benefit to consumers and will result in an overall reduction in transportation costs for Maryland residents.

Comment: One commenter wanted the Department to consider multiple factors such as the inventory and availability of medium/heavy duty trucks, projected loss in gas tax revenue, updating fleet transition plans, training, charging station installation, and resiliency related to diesel generators.

Response: Many of the concerns in this letter are outside of the scope of this proposal and either do not pertain to or are not unique to this regulatory action. These amendments do not include medium/heavy duty trucks. The reduction in gas tax revenue is an ongoing issue that is not unique to Maryland and is outside the purview of the Department's authority. Legislation passed in 2023 establishes a new Commission on Transportation Infrastructure and Revenue, coordinated by the Maryland Department of Transportation, to investigate this issue. The Department, along with other state and local agencies continue to provide incentives for the installation of EV charging stations. This rulemaking is only a requirement related to new light-duty vehicles, therefore nothing in this rulemaking impacts diesel generators.

Comprehensive List of Hearing Attendees

Abdulrahman Mohammed
Ahmed, Mohammed (M.)
Aleks Casper
Allison Tjaden
Aman
Brandon Gibbs
Bradley Phelps
Brian Ditzler
Chris McCarthy
Christian Robinson
Cindy Osorto
Dave Arndt
Deborah Cohn
Elly Cowan
Erick Thunell
Hannah Campbell
Horacio Tablada
Huang, Yeh-Tang
Jackie Yeager
Joe Winters
Justin Mabrey
Kelsey Sisko
Kevin Shen
Kiley Chapley
Kim Drake
Leslie Wharton
Linda Metcalf
Lindsey Mendelson
Lucy McFadden
Marcia Ways
Mark Eakin
Maryland Department of the Environment

Mautz, Johnny Senator (Laptop)
Megan Ulrich
Mike Johansen
Mike O'Halloran
Peter kitzmiller
Raymond LeVesque
Rebecca Rehr
Robert Erdman
Roselie Bright, ScD
Russell Graham
Sandy Angello
Scott Wilson
Sebbi Wu
Sen Johnny Mautz Staffer
Shilpa Shenvi
Stitt, Jason
Thad Kurowski
Tim Shepherd
Tom Van Heeke
Vimal Amin
Susan Casey