



TESTIMONY REGARDING HB 44
being heard by the Maryland House Environment & Transportation Committee
on Thursday, January 28, 2021 at 1:30 PM

Dear Chair Barve and Members of the Committees:

Thank you for the opportunity to provide input on HB 44, 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 electric vehicles. Tesla has long been supportive of efforts to increase adoption of electric vehicles and supports the proposed changes 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. To date, Tesla has delivered more than one million electric vehicles 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.

Maryland has set an ambitious goal of 300,000 zero emission vehicles (ZEV) on the road by 2025. In order to meet this goal, it is important for the state to provide consumer programs like tax credits and rebates that incentivize the purchase of ZEVs. Extending the Rebate Program and increasing the dedicated funding will make it easier for Marylanders to purchase charging equipment for their EVs and helps to further EV adoption. Tesla supports increased funding for the tax credit program which provides market certainty.

We encourage the Committee to consider raising the minimum battery size for an eligible EV to 30 kWh. California recently raised the battery size requirements for plug-in hybrid electric vehicles (PHEV) to 30 kWh. The International Council on Clean Transportation recently found that PHEV fuel consumption and tail-pipe CO2 emissions in real-world driving, on average, are approximately two to four times higher than the certification standard. Moreover, the real-world share of electric driving for PHEVs, on average, is about half the share considered in the certification standard. The study also found that private plug-in hybrid vehicles are driven only 37% of their mileage in electric mode.¹ Additional research in California evaluating PHEVs casts further doubt on their benefits, finding that high power cold start emissions from truck/SUV PHEVs are 170% higher than the certification standard.² This change would allow 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.

Thank you for the opportunity to provide this testimony.

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¹ "Real-world usage of plug-in hybrid electric vehicles: Fuel consumption, electric driving, and CO2 emissions", By Patrick Plötz, Cornelius Moll, and Yaoming Li (Fraunhofer ISI); Georg Bieker, Peter Mock; ICCT, September 9, 2020; <https://theicct.org/publications/phev-real-world-usage-sept2020>

² CARB, Advanced Clean Cars (ACC) II Workshop Presentation (Sept. 16, 2020), at slides 38-39
<https://ww2.arb.ca.gov/sites/default/files/2020-09/ACC%20II%20Sept%202020%20Workshop%20Presentation%20%28Updated%29.pdf>