




# County of Fairfax, Virginia

## MEMORANDUM

**DATE:** January 20, 2022  
**TO:** Board of Supervisors  
**FROM:** Bryan J. Hill  
County Executive   
**SUBJECT:** Board of Supervisors Environmental Committee meeting follow-up:  
Maryland incentives regarding electric vehicles

At the December 14, 2021 Environmental Committee meeting, staff made a presentation on electric vehicle (EV) charging infrastructure. Staff advised the Board of Supervisors (BOS) that as of the date of the presentation, Fairfax County EV registrations were significantly below those in Montgomery County: 4,114 as compared to 12,763. Chairman McKay observed that state incentives likely played a role in Montgomery County's higher EV registration rate and asked for more information on those incentives.

**Maryland Incentives for EV Purchases:** There appear to be no EV incentives specific to Montgomery County. However, the State of Maryland has established a number of financial and non-financial incentives to support the purchase of EVs.

For a three-year period beginning in mid-2017, Maryland offered an excise tax credit of up to \$3,000 on the purchase of a qualifying plug-in or fuel cell EV, whether the vehicle was owned or leased. The Maryland excise tax credit expired June 30, 2020.

Two Maryland grant programs facilitate the purchase of EVs by fleet operators, some of whose vehicles may be included in the total Montgomery County EV registration number. The Maryland [Clean Fuels Incentive Program](#) (CFIP) provides competitive grants to eligible fleet applicants including local and municipal governments, school districts, nonprofits, and commercial entities, to purchase new and converted fleet EVs and other alternative fuel vehicles (AFVs). The CFIP, which is administered by the Maryland Energy Administration (MEA), has an FY 2022 budget of up to \$1,000,000. Grant award amounts, which vary, may cover up to 100% of the incremental AFV cost. In addition, the MEA's [Smart Energy Communities](#) (MSEC) program has offered competitive grants to local governments for the purchase of new plug-in EVs, as well as the installation of Electric Vehicle Supply Equipment (EVSE), but the most recent application period closed in November 2021 and it is not clear whether funding will be available in FY 2023.

In addition to financial incentives, plug-in EVs registered in Maryland may qualify for a permit to access High Occupancy Vehicle (HOV) lanes and are exempt from state emissions testing.

**Maryland Incentives for the Installation of EV Charging Stations:** Maryland also supports the purchase and installation of EV supply equipment (EVSE), also referred to as EV charging stations. The EVSE Rebate Program, which is administered by the MEA, offers rebates that can offset up to 40 percent of the costs incurred acquiring and/or installing qualified EVSE. Residents are eligible for rebates of up to \$700. Local governments, businesses, multi-unit dwellings, and other non-residential customers are eligible for rebates of up to \$4,000, while retail service stations may qualify for rebates up to \$5,000. Total FY 2022 EVSE rebate program funding is up to \$1,800,000, with reimbursement issued on a first-come, first-served basis. This program will continue until the fund is depleted.

In addition, three Maryland programs offer financial support for non-residential EV charging infrastructure. Maryland's portion of the Volkswagen Environmental Mitigation Trust funds two EVSE programs administered by the Maryland Department of Energy: (1) the Electric Corridor Grant Program, which funds the installation of direct current (DC) fast charging stations by non-profits and private businesses along federally-designated alternative fuel corridors; and (2) the Charge Ahead Grant Program, which provides funding to cover costs directly attributable to the design, installation, and operation of eligible workplace EVSE. The third program is the Public Facility Solar Grant Program, administered by the MEA. This program offers grants of up to \$125,000 for the planning and installation of solar arrays on existing public facilities and infrastructure. Eligible projects include solar canopies that support EVSE.

### **Maryland Clean Cars Program**

Another explanation for a higher EV adoption rate in Montgomery County, as compared to Fairfax County, could be due to Maryland's adoption of California's Advanced Clean Cars Program in 2007. Known locally as the Maryland Clean Cars Program, the program includes both Low Emissions Vehicle (LEV) and Zero Emissions Vehicle (ZEV) standards. (Under the Clean Air Act, California is able to develop and other states able to adopt stricter vehicle emissions standards than those set at the federal level. States that have adopted these standards are known as "Section 177 states.")

Vehicle manufacturers prioritize the sale of EVs in California and the Section 177 states. This is due to the regulatory credits program included under the ZEV standards. States that have adopted these standards mandate that vehicle manufacturers must sell a certain percentage of zero emissions vehicles each year. Manufacturers earn credits when they sell ZEVs in California and the Section 177 states with credits awarded based on type and range of the vehicle model. Credits do not transfer outside the boundary of these states and, as such, many vehicle manufacturers will only sell their ZEV models in these states. Thus, the wider range of EVs available to consumers in Maryland may be contributing to the higher EV adoption rate in Montgomery County.

It should be noted that in December 2021, Virginia became the 15th state to adopt California's Advanced Clean Cars Program with the State Air Pollution Control Board's adoption of final LEV and ZEV regulations. The regulations will take effect in 2024. Staff anticipates providing the Board of Supervisors with a more detailed update on this item in early 2022.

Please contact Kambiz Agazi at 703-324-1788 or via email at [Kambiz.Agazi@fairfaxcounty.gov](mailto:Kambiz.Agazi@fairfaxcounty.gov) if you have questions or need more information.

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