

## **Testimony of**

## DANA A. DORAN Executive Director Professional Logging Contractors of Maine

## Before the Committee on Energy, Utilities and Technology in Support of LD 122 – An Act to Authorize the Efficiency Maine Trust to Establish a Program to Support the Uptake of Medium-duty and Heavy-duty Zero-emission Vehicles by Maine Businesses and to Establish a Medium-duty and Heavy-duty Zero-emission Vehicleto-grid Pilot Project

## Thursday, February 2, 2023

Senator Lawrence, Representative Zeigler and members of the Committee on Energy, Utilities and Technology, my name is Dana Doran, and I am the Executive Director of the Professional Logging Contractors of Maine. The Professional Logging Contractors of Maine (PLC) is the voice of Maine's logging and trucking industry. The PLC was formed in 1995 to represent independent contractors in a rapidly changing forest industry.

As of 2017, logging and trucking contractors in Maine employed over 3,900 people directly and were indirectly responsible for the creation of an additional 5,400 jobs. This employment and the investments that contractors make contributed \$620 million to the state's economy. Our membership, which includes 200 contractor members and an additional 120 associate members, employs over half of the individuals who work in this industry and is also responsible for 80% of Maine's annual timber harvest.

Thank you for providing me the opportunity to testify on behalf of our membership in general support of LD 122 – An Act to Authorize the Efficiency Maine Trust to Establish a Program to Support the Uptake of Medium-duty and Heavy-duty Zero-emission Vehicles by Maine Businesses and to Establish a Medium-duty and Heavy-duty Zero-emission Vehicle-to-grid Pilot Project. That said, since this is a concept draft and there are no details available for review, we will qualify the extent of our support until we seen actual bill language. Additionally, it is not clear that we need legislation to implement a new grant program at Efficiency Maine, but we would like to thank Senator Ingwersen for sponsoring this legislation and for providing the opportunity to further a conversation regarding the needs of heavy duty truck haulers, such as those that our organization represents.

Our membership hauls and delivers raw forest products throughout the state from the forest to the mill. The vast majority of the product that our members haul is derived from remote forested areas of the state and is delivered by heavy duty trucks to other rural areas. These trucks generally operate in areas without access to electrical infrastructure, must be able to function 24 hours a day and must be reliable at all times of year, especially in the winter. We are certainly aware of the carbon footprint of our members and high diesel prices are not sustainable, but we also feel strongly that this industry cannot be mandated to use Heavy Duty Zero Emission Vehicles in locations that lack all electrical infrastructure which could put the entire supply chain at risk. We are hopeful that this legislation is not an attempt to do so.

For background, in 2020, I was appointed to the Maine Climate Council's Transportation Work Group. I am also a member of the Dept. of Transportation's Medium and Heavy-Duty Stakeholder Group.

The Medium and Heavy-Duty Stakeholder Group has been meeting over the past year to review policies that the state may or may not implement following the Climate Council's release of the Maine Won't Wait Action Plan as well as other policies that have been promoted during that timeframe. The work of this stakeholder group was highlighted following the Maine Department of Environmental Protection's (Maine DEP) attempt to implement new Chapter 128 rules which emulate California's Advanced Clean Trucks Program. This rulemaking was abandoned by Maine DEP after many groups involved in the medium and heavy-duty truck space, including the PLC, unanimously objected to the implementation of this rule in late 2021.

We understand and agree with the sponsor's desire to reduce greenhouse gas emissions and air pollutants from on-road mobile sources in Maine, including medium and heavy-duty trucks. Senator Ingwersen's legislation might provide a pathway to do so. However, it's not clear that we need legislation to move this forward. Efficiency Maine Trust already has authority to accept federal funds for the purpose illiterated in the concept draft narrative, so this might be unnecessary at this time.

Additionally, the timing of this legislation might be preemptive as the electric heavy duty truck market is only in its infancy and predictions are that most electric fleet trucks will not be poised for sales until 2030.

Lastly, for information purposes, I also wanted to enlighten this committee on some federal actions that might also preclude the need for this legislation.

On August 5, 2021, President Biden issued Executive Order <u>#14037</u>, which directed EPA to consider a suite of new rulemakings to make federal fuel economy, pollutant, and greenhouse gas emission standards for light, medium, and heavy-duty vehicles more stringent. That same day (August 5, 2021), the Biden EPA rolled out their "<u>Clean Trucks Plan</u>," under which they pledged to promulgate a series of rulemakings to reduce air pollutants and greenhouse gas emissions from heavy-duty trucks. On January 24, 2023, the Biden Administration released its new Heavy-Duty Engine and Vehicle Standards. The "NOx rule" described in this notice is the first of those rules to be finalized.

In addition to using the 'stick' of federal regulation to fundamentally change the composition of the U.S. heavy-duty vehicle fleet, the Biden administration is also dangling the 'carrot' of taxpayer-funded subsidies. For example, the <u>Inflation Reduction Act</u>(Sec. 60101) appropriated \$1 billion to EPA for grants/rebates for the incremental cost of replacing a heavy-duty vehicle with a zero-emission heavy-duty vehicle, and for purchasing, installing, operating or maintaining infrastructure needed to charge, fuel, or maintain zero-emission vehicles. The money is available through 2031.

And finally, for consideration by the committee for what might be a better use of state legislation, because of the law of unintended consequences, even if a Tier II, Tier III or Tier IV truck is traded or sold as a result of the purchase of an electric truck, that fossil fuel-based truck could be resold within the region or sent to another country that does not incentivize electric engines. What incentive is there for retailers/dealers to retire these older machines and how would Maine regulate it? We would suggest that if any change is going to occur, it should be directed at incentivizing the retirement of fossil fuel-based trucks so that we are not doing good on the one hand and closing our eyes on the other.

Thank you for the opportunity to provide the opinion of our membership before you today and I would be happy to answer any questions you may have.