

American Fuel & Petrochemical Manufacturers

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Joint Standing Committee on Environmental and Natural Resources 1 State House Station Augusta, Maine 04333

Attn: Daniel Tartakoff Via Electronic Mail

RE: LD 2261/HP 1451 Bill "An Act Designating New Motor Vehicle Emissions Rules as Major Substantive Rules" (HP1451)

Dear Chairpersons Brenner and Gramlich and members of the Committee:

The American Fuel & Petrochemical Manufacturers (AFPM) submits the following comments in support of LD 2261/HP 1451 Bill "an Act Designating New Motor Vehicle Emissions Rules as Major Substantive Rules".

AFPM is a national trade association representing nearly all U.S. refining and petrochemical manufacturing capacity. AFPM members support more than three million quality jobs, contribute to our economic and national security, and enable the production of thousands of vital products used by families and businesses throughout the U.S. AFPM members are also leaders in producing lower carbon fuels, such as renewable diesel and sustainable aviation fuel. In fact, 82 percent of recently announced investments in renewable diesel were made by AFPM members.

As you know Maine Rules Section 8071 2.B.(2) entitled "Legislative review of certain agency rules", provides that any rulemaking which is judged by the Legislature as a Major Substantive rule:

"Because of their subject matter or anticipated impact, are reasonably expected to result in a significant increase in the cost of doing business, a significant reduction in property values, the loss or significant reduction of government benefits or services, the imposition of state mandates on units of local government as defined in the Constitution of Maine, Article IX, Section 21, or other serious burdens on the public or units of local government".

Must go through a legislative review prior to adoption of said rule.

In this case, adopting The California regulations of Advanced Clean Cars II and Advanced Clean Trucks (ACC II collectively) will affect light duty and heavy-duty transportation in Maine, for decades to come. Clearly the adoption of a sweeping rule such as this comes within parameters of having a legislative review prior to final adoption.

First, mandating the sale of electric vehicles at ever increasing rates will dramatically burden the electric grid as these vehicles need to be charged. Maine is actively struggling with grid reliability and resiliency. The Maine Public Utilities Commission held meetings earlier this year to address the grid stress they foresee. The PUC projects years (if not decades) to implement changes and build resiliency if electric vehicle (EV) sales grow.¹

Second, Maine residential electricity prices are the highest in a decade. Recently Maine has accepted federal government subsidies to offset the rising costs of electricity.² Adding EV charging will most likely increase the cost of power generation given the stressed electric grid. These rising costs in providing electricity will impact and increase the cost of doing business as well as place a serious burden on the public.

¹ As Mainers use more electricity, plans for a new grid ramp up (pressherald.com)

² Electricity Prices | Governor's Energy Office (maine.gov); Mainers to see energy cost relief next year | newscentermaine.com

Third, "a lack of dealership preparedness, concerns over battery replacement costs, expensive car insurance premiums, and the high price of new EVs" will add to the financial burden of Mainers.³ Just implementing this type of sweeping change without proper review can have lasting impacts on car dealers, service stations and the consumer.

Given the issues with the electricity Grid in Maine, the increasing costs of providing electricity, and the financial impact to car dealers and consumers, adopting a regulation to mandate the sale of EV cars and trucks should be considered a "Major Substantive rule".

Sincerely,

Joseph A. De Flora

Joseph A. De Flora Director of State and Local Outreach

³ Electric Vehicles: Costs, Trends and Statistics 2024 | MOTOR