



Leveraging Federal Funds for Medium- and Heavy-Duty Vehicle Decarbonization



The Infrastructure Investment and Jobs Act and the Inflation Reduction Act offer many opportunities to accelerate the decarbonization of medium- and heavy-duty vehicles.

Medium- and Heavy-Duty Vehicles are important to prioritize because:

- There are many types of medium- and heavy-duty vehicles, like delivery vans, school buses, transit buses, fire trucks, garbage trucks, freight transportation, and more.
- Medium- and heavy-duty vehicles are responsible for 28% of the harmful emissions from transportation.
- Trucks, buses, and other large vehicles are crucial drivers of the economy, particularly in Michigan with our gateways to Canada.
- Finally, preparing infrastructure to support larger vehicle decarbonization is critical to support fleets as they seek to decarbonize.

Key Principles for Michigan's Use of Federal Funding:

1 Prepare for the future by promoting flexibility

2 Prioritize projects that amplify economic returns

3 Focus on overcoming barriers to entry

Policy Recommendations:

- Michigan should future-proof the assets that are funded by NEVI by prioritizing projects that can accommodate many vehicle types including vehicles towing trailers, delivery vans, school buses, and more.
- Encourage Michigan entities to apply for Community and Corridor Refueling competitive grants that emphasize charging for medium- and heavy-duty fleets.
- Set aside up to a quarter of Michigan's Surface Transportation Block Grant funding to fund commercial charging and vehicle to grid deployments.
- MDOT, with the support of relevant state agencies and MPOs, should prioritize CMAQ funds for non-diesel projects that prepare communities for clean fuels and fleet electrification.
- Use the Carbon Reduction Program and additional pathways to fill gaps in existing grant programs, such as to supplement the EPA Clean School Bus Program by providing grants to convert bus and truck fleets to clean fuels.
- Apply for a Conservation Block Grant to fund an extensive survey and analysis of the different types of electric, hydrogen, and clean fuel vehicle deployment and the corresponding charging, refueling and workforce needs. This study can (and should) build on existing efforts like the MSU-EGLE passenger vehicle charging studies and other state planning efforts.
- Michigan should apply to the Reduction of Truck Emissions at Port Facilities program to pilot freight decarbonization at the Detroit-Canada border. The importance of the port for national and international commerce, along with the poor air quality in surrounding communities, make this a prime location for freight decarbonization.
- There are complicated and restrictive requirements to qualify for the Alternative Refueling Property Tax Credit. Grant funds to supplement NEVI and tax credits would go a long way toward preparing Michigan's infrastructure for full scale electric vehicle adoption. We recommend creating a \$55 million fund to provide rebates for commercial and community charging projects.