



Wes Moore, *Governor*  
Aruna Miller, *Lt. Governor*  
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# Funding Opportunity Announcement

## FY26 Medium-Duty and Heavy-Duty Zero-Emission Vehicle Grant Program

### 1. Program Description:

The State Fiscal Year 2026 (FY26) Medium-Duty and Heavy-Duty Zero Emission Vehicle Grant Program (MHD ZEV) is established through [§9–2011 of Md. Code, State Government article](#). The Program provides financial assistance for the purchase of qualified, newly manufactured medium-duty or heavy-duty zero-emission fleet vehicles, as well as qualified zero-emission heavy equipment property, for commercial or industrial use.

### 2. Type of Grant Program:

Competitive statewide

### 3. Program Budget:

- a. The program has an anticipated budget of up to **\$10,000,000** for FY26. However, the actual amount awarded may vary, depending on the quantity and quality of applications received and MEA's available resources within the fiscal year. Of the \$10M budget:
  - i. \$8 Million is available for eligible on-road vehicles under Area of Interest 1 (AOI 1); and,
  - ii. \$2 Million is available for eligible off-road heavy equipment property under Area of Interest 2 (AOI 2).
- b. The source of the program funding is the Strategic Energy Investment Fund (SEIF).
- c. AOI 1 (i.e., on-road vehicles) and AOI 2 (i.e., off-road heavy equipment property) applications will be evaluated separately. If insufficient eligible applications are received, MEA at its discretion may shift funds between AOIs based upon demand, application quality, and funding availability.

### 4. Application Deadline:

- a. The program application period opens on July 30th, 2025.
- b. The program application period closes on ~~October 30th, 2025~~. **November 20th, 2025**.
  - i. Applications must be received through the application portal by ~~3:00PM ET, October 30th, 2025~~. **3:00PM ET, November 20th, 2025**.

### 5. Eligible Applicants:

- a. In accordance with §9–2011, a person or a unit of local government may apply for a grant under the Program. "Person" means an individual, receiver, trustee, guardian, personal representative, fiduciary, or representative of any kind and any partnership, firm, association, corporation, or other entity.<sup>1</sup>

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<sup>1</sup> §1–101 of Md. Code, State Government article.

- b. Ineligible applicants include but are not limited to: state and federal agencies and individuals seeking funding for vehicles used for individual or personal activities.
- c. To be eligible, an applicant must have at least three (3) vehicles in their existing fleet, or in their fleet after purchase of the ZEV vehicles being submitted for consideration under the MHD ZEV Program. These vehicles must be domiciled at a non-residential place of business.
- d. Applications may only include vehicles directly owned or leased by the applicant.
- e. Applicants must conform with the program requirements and definitions outlined in §9–2011 of Md. Code, State Government article.
- f. Applicants must be in good standing with the Maryland State Department of Assessments and Taxation.
- g. Vehicles being purchased for resale are ineligible for an award under this Program.
- h. Applicants are ineligible for program funding for vehicles that have previously been awarded or are expecting to be awarded funding through the State’s VW Environmental Mitigation Trust Fund program(s) or other State funding programs.
- i. If an applicant is applying to a federal program or non-State program and receives an award incentivizing a vehicle for which the applicant also applies and receives a MHD ZEV award, the amount of the MHD ZEV award shall not exceed the applicant’s contribution to the project.
- j. MEA strongly encourages applications that will benefit underserved or overburdened communities, as defined in [§1-701 of Maryland Code, Environment article](#).

## 6. **Eligible Projects and Requirements:**

- a. This Grant Program is only available for vehicles being deployed for commercial or industrial use.
- b. To be eligible, a vehicle must be a Class 3 through 8 on-road battery electric vehicle (BEV) or hydrogen fuel cell electric vehicle (FCEV), or an off-road BEV or FCEV.
- c. All vehicles (on-road and off-road) shall be rated at more than **10,000 pounds** gross vehicle weight to be eligible in FY26.
- d. Personal passenger, non-fleet vehicles, parallel plug-in hybrid electric vehicles, neighborhood electric vehicles<sup>2</sup> (NEVs), and low-speed vehicles<sup>3</sup> (LSVs) are ineligible for program funding.
- e. **For emergency vehicles associated with life safety activities only**, a Range Extended Electric Vehicle (REEV) is eligible. A Range Extended Electric Vehicle has an all-electric drivetrain and equipment with a diesel energy backup system to ensure delivery of emergency services. The electric motor drives the wheels almost all of the time, but the vehicle can switch to work like a parallel hybrid at highway speeds when the battery is depleted.
- f. Zero-emission heavy equipment property<sup>4</sup> means construction, earthmoving, or industrial heavy equipment (including any attachment for the equipment) that must be mobile and does not use an internal combustion engine.
  - i. Eligible zero-emission heavy equipment property include:
    - I. a self-propelled vehicle that is not designed to be driven on the highway; and,
    - II. industrial electrical generation equipment, industrial lift equipment, industrial material handling equipment, or other similar industrial equipment.

<sup>2</sup> The U.S. Department of Energy defines a NEV as “any four-wheel electric vehicle capable of achieving a top speed between 20 and 25 miles per hour (mph) and complies with the federal equipment and safety standards in Title 49 of the [U.S. Code of Federal Regulations](#), section 571.500.” Source: <https://afdc.energy.gov/laws/5768>.

<sup>3</sup> A low-speed vehicle is defined by the U.S. Department of Energy as a “four-wheeled motor vehicle, other than an all-terrain vehicle, that is capable of reaching speeds of at least 20 miles per hour (mph) but not greater than 25 mph, has a gross vehicle weight rating of less than 3,000 pounds, and meets the safety standards in Title 49 of the U.S. Code of Federal Regulations, section 571.500.” Source:

<https://afdc.energy.gov/laws/5954#:~:text=A%20low%2Dspeed%20vehicle%20is,49%20of%20the%20U.S.%20Code>

<sup>4</sup> See [§9–2011\(a\)\(7\)](#) of Maryland Code, State Government article.

- g. Vehicles must be purchased new (i.e., retrofits are NOT eligible) and cannot be funded with this MHD grant if they have already been awarded funding through another state grant for the same vehicles.
- h. Repowered vehicles are not eligible for program funding. Repowered vehicles are used vehicles that have had the existing diesel/gasoline engine replaced with a new engine, motor, drivetrain, battery, and/or other alternative fuel vehicle drive and fuel storage component.
- i. Unless MEA agrees otherwise in writing, all vehicle purchase orders must be dated after the effective date of the Grant Agreement, and any orders that pre-date the effective date of the Grant Agreement will not be eligible for grant funds.
- j. Vehicles must be registered in Maryland to the applicant.
- k. Vehicles shall be domiciled and primarily operated within the State for no less than three (3) years from the vehicle(s) delivery (dates).
  - i. Should a grantee decide to redeploy out of state, sell, or otherwise take out of service a vehicle funded through the Program before the end of the three year period, the grantee may be required to repay the grant.
- l. If the vehicle is being hosted at a site owned by another entity other than the applicant to this MHD ZEV program, MEA will require a signed letter of commitment from the site host for the application of grant funds.
- m. Vehicles are not required to replace an existing conventional vehicle in the applicant's fleet, nor is there any scrappage requirement. However, vehicles associated with the replacement or retirement of existing gas/diesel vehicles will be viewed more favorably during the application review process.
- n. Projects must be completed, and reporting and reimbursement materials submitted to MEA within 24 months of the grant agreement effective date.
- o. Medium-duty or heavy-duty zero-emission vehicle supply equipment is not eligible for the FY26 MHD ZEV Program.
- p. **Public schools, school bus operators, private fleets and vendors should refer to the [FY26 Electric School Bus Grant Program](#) webpage for more information.**

## 7. **Evaluation Criteria:**

- a. MEA will evaluate MHD ZEV program applications on the following criteria:
  - i. **Minimum criterion for participation in the MHD ZEV Program:** Qualified medium-duty or heavy-duty zero-emission vehicles and zero-emission heavy equipment property shall be domiciled in Maryland and operated or used primarily within the State.
  - ii. Whether the purchased ZEV will replace an existing petroleum-powered vehicle within the fleet.
    - I. Applications involving a qualified ZEV replacing an existing petroleum-powered vehicle and the existing petroleum-powered vehicle is then retired will be evaluated more favorably than applications involving the purchase of a new ZEV where an existing petroleum-powered vehicle is not retired.
  - iii. Cost Effectiveness & Greenhouse Gas (GHG) Abatement - MEA will evaluate cost-effectiveness using a \$/MTCO<sub>2</sub>e metric, calculated using the [AFLEET tool](#). Applications with a lower cost per ton of GHG reduced will be evaluated more favorably.
  - iv. Level of fleet commitment - Cohesive plan for incorporating ZEVs into the fleet, especially for applicants who are new to ZEVs (e.g., charging/fueling plan, maintenance, etc.).
  - v. MEA will give preference to qualified medium-duty or heavy-duty zero-emission vehicles that are to be owned or operated by an entity engaged in business activity that impacts public health, the environment, or infrastructure in an overburdened or underserved community<sup>5</sup>, as defined in § 1-701 of Md. Code, Environment article.

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<sup>5</sup> Pursuant to §9-2011(b)(3) of Md. Code, State Government article.

- vi. For **AOI 1 only**, applications that incorporate additional vehicle road safety features will be evaluated more favorably than vehicles without additional safety features. Additional safety features may include: automatic emergency braking, advanced driver assistance systems like lane assist and blind spot monitoring, intelligent speed adapters, and strong rear and side underride guards.
- vii. MEA may request supplemental information from an applicant to assist with application evaluation.
- viii. MEA may consider past performance in MEA grants before moving forward with an application.

## 8. **Review Process**

- a. The MEA Clean Transportation Program Manager will assemble a review team of at least three (3) qualified energy professionals. Individuals from outside MEA may be included at the Clean Transportation Program Manager's discretion. All team members will review each application using the program evaluation criteria outlined in this FOA.
- b. Projects will then be ranked from highest to lowest by the review team as a group, based on the evaluation criteria. The review team will also determine if any applications do not meet the eligibility requirements for the Program.
- c. The Program Manager will summarize the recommendations of the award team to the MEA Energy Programs Division Director or the designee of the Energy Programs Division Director, incorporating input from the Review Team, based on the funding available. Award recommendations are not finalized until approved by the MEA Agency Director, or the MEA Agency Director's authorized designee.
- d. The review team may recommend additional projects (in order of ranking) for funding if additional funding becomes available before the end of the fiscal year.

## 9. **Award Formula:**

- a. The grant provided by MEA for applications selected for award will be up to **75% of the incremental cost** of the qualified medium-duty or heavy-duty zero-emission vehicle, or zero-emission heavy equipment property and the equivalent conventional vehicle cost.
  - i. A qualified medium-duty or heavy-duty zero-emission vehicle<sup>6</sup> means a motor vehicle that is rated at more than 10,000 pounds gross vehicle weight and is powered by electricity stored in a battery or produced by a hydrogen fuel cell.
  - ii. Zero-emission heavy equipment property<sup>7</sup> means construction, earthmoving, or industrial equipment, including any attachment for the equipment that is mobile, and does not use an internal combustion engine. Zero-emission heavy equipment property includes a self-propelled vehicle that is not designed to be driven on a highway, and industrial electrical generation equipment, industrial lift equipment, industrial material handling equipment, or other similar equipment.
    - For the MHD ZEV program in FY26, zero-emission heavy equipment property must be rated at more than 10,000 pounds.

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<sup>6</sup> Pursuant to §9–2011(a)(5) of Md. Code, State Government article.

<sup>7</sup> Pursuant to §9–2011(a)(7) of Md. Code, State Government article.

***b. For AOI 1 (On-Road Medium- and Heavy-Duty ZEV Vehicles)***

- i. For AOI 1, grants will be awarded based on up to 75% of the incremental costs between the qualified ZEV price provided by the applicant and the comparable petroleum-fueled vehicle using the values outlined in the Alternative Fuel Life-Cycle Environmental and Economic Transportation (AFLEET) tool **OR** those provided by the applicant.

**Formula for calculating the grant by vehicle type using AFLEET**

Maximum Grant Award = (ZEV vehicle price provided by applicant - Base vehicle price in AFLEET (e.g., diesel)) \* 0.75

**Example for an electric school bus replacement using AFLEET values** (where the base vehicle is diesel)

Maximum Grant Award = (\$300,000 - \$100,000) \* 0.75 = \$200,000 \* 0.75

Maximum Grant Award = \$150,000 (electric school bus)

Table 1 below shows the calculated grant amounts, by vehicle type, using the purchase prices included in the AFLEET Tool for diesel to electric conversions, as well as diesel to hydrogen vehicle conversions.

**Table 1: FY26 Medium-Heavy Duty Grant Program Incentives for Zero Emission On-Road Vehicles (Diesel to Electric and Diesel to Hydrogen)** *For more information on Vehicle Type see Table 2.*

Zero Emission Type	Vehicle Type	ZEV Costs	Diesel Costs	Incremental Cost (ZEV minus diesel vehicle costs)	% of Incremental Cost Eligible for Grant Request	Maximum Up to Grant Award (per new vehicle)
<b>Battery Electric (BEV)</b>	Single Unit Short-Haul Truck	\$150,000	\$70,000	\$80,000	Up to 75%	<b>\$60,000</b>
	Single Unit Long-Haul Truck	\$185,000	\$75,000	\$110,000	Up to 75%	<b>\$82,500</b>
	Refuse Truck	\$500,000	\$300,000	\$200,000	Up to 75%	<b>\$150,000</b>
	Combination Short-Haul Truck	\$480,000	\$130,000	\$350,000	Up to 75%	<b>\$262,500</b>
	Transit Bus	\$900,000	\$500,000	\$400,000	Up to 75%	<b>\$300,000</b>
	Combination Long-Haul Truck	\$850,000	\$150,000	\$700,000	Up to 75%	<b>\$525,000</b>
<b>Hydrogen (FCEV)</b>	Combination Short-Haul Truck	\$360,000	\$130,000	\$230,000	Up to 75%	<b>\$172,500</b>
	Combination	\$400,000	\$150,000	\$250,000	Up to 75%	<b>\$187,500</b>

	Long-Haul Truck					
	Transit Bus	\$1,125,000	\$500,000	\$625,000	Up to 75%	<b>\$468,750</b>

For AOI 1, the maximum amount of FY26 MHD ZEV grant funding will not exceed \$2.5 million per applicant.

**c. For AOI 2 (Off-Road Zero-Emission Heavy Equipment Property)**

- i. For AOI 2, grants will be awarded based on up to 75% of the incremental costs between the qualified ZEV and the comparable petroleum-fueled vehicle provided by the applicant. **Applicants for AOI 2 may provide quotes for the incremental cost between the ZEV and the conventional vehicle (gasoline or diesel), where quotes are not provided, the maximum award will be determined by AFLEET. MEA will use the submitted documentation to assess cost effectiveness and may adjust the calculated award amount according to the actual purchase or lease costs. All submitted documentation must clearly identify vehicle specifications and pricing.** This is required so we can accurately estimate the incremental cost between the two costs and calculate an accurate Grant Amount. **Any decision will be at the sole discretion of MEA.**
- ii. Zero-emission heavy equipment property is construction, earthmoving, or industrial heavy equipment, including any attachment for the equipment, that is mobile and does not use an internal combustion engine. Zero-emission heavy equipment property includes self-propelled vehicles that are not designed to be driven on a highway, and includes industrial electrical generation equipment, industrial lift equipment, industrial material handling equipment.
- iii. For each heavy equipment property, an applicant to AOI 2 will be eligible to receive up to 75% of the incremental cost, or difference in price, between comparable conventional heavy equipment property and zero-emission heavy equipment property that is directly attributable to the functional features of the equipment.

For AOI 2, the maximum amount of FY26 MHD ZEV grant funding will not exceed \$375,000 per applicant.

**10. Partial Awards:**

- a. Partial awards are possible under the Program. If insufficient funds are available to fully fund a project (e.g., instances of exceptional demand, limited budget resources etc.), an applicant may be offered a proportionally reduced, partial award with the remaining budgeted funding. If the applicant accepts, then the project will be funded at a level that is less than 75% of the incremental costs between the conventional vehicle and the ZEV.
- b. If the applicant does not accept a partial award, an award will be offered to the next approved project in rank order until all funding has been expended or all remaining projects have rejected the offer.

**11. Required Application Documents:**

- a. The required application will be submitted through the MyMEA Portal, which can be obtained on the Program Website at <https://energy.maryland.gov/transportation/Pages/MediumandHeavyDutyGrant.aspx>.
- b. Application as shown in the Portal:
  - i. After reviewing the Instructions, the applicant must complete the following:



- I. Project Narrative
- II. General Information
- III. Zero Emission Vehicle Summary Table
- IV. Attachment Checklist
- V. Applicant Signature
- c. Attachments (as applicable)
  - I. Vendor documentation of technical specifications
  - II. Vehicle Lease Documentation
  - III. Letter of commitment for site host, if applicable
  - IV. A complete and signed IRS Form W-9<sup>8</sup> (Request for Taxpayer Identification Number and Certification) for the applicant

**If the federal tax identification number is a social security number, do NOT submit this information via non-encrypted means. Contact MEA for alternative submission instructions.**

- d. For ZEVs being leased, please provide:
  - i. Lease documentation for both the zero-emission vehicle (ZEV) and its petroleum-fueled equivalent. The documentation must clearly specify the following:
    - I. Lease term (duration)
    - II. Payment frequency and amount per payment cycle
- e. For ZEVs being purchased, please provide:
  - i. A vendor quote indicating the purchase price of the ZEV.
  - ii. A vendor quote indicating the purchase price of a comparable petroleum-fueled vehicle.

## **12. Submission Instructions:**

- a. MEA encourages the use of electronic communication to streamline processing and reduce environmental impacts. If you choose to “opt out” of electronic communications for this program, please contact MEA no later than five (5) days prior to the application deadline to work on an alternative method to apply.
- b. Applications will be submitted through the new MyMEA Portal, which can be accessed on the MHD ZEV Grant Program webpage found here: <https://energy.maryland.gov/transportation/Pages/MediumandHeavyDutyGrant.aspx>. Follow the instructions on the Portal to apply and reach out to the Transportation mailbox ([transportation.mea@maryland.gov](mailto:transportation.mea@maryland.gov)) if you have any questions while completing the application.
- c. When uploading documents through the Portal, please attach supporting documents as separate files. Do not combine each piece of supporting documentation into one file attachment.

## **13. Grant Program General Provisions:**

- a. MEA grant programs are covered by general grant provisions that apply to all energy programs. A copy of the General Provisions document is available on MEA's website at <https://energy.maryland.gov/SiteAssets/Pages/all-incentives/General%20Provisions%20v3%202.11.22.pdf>; this document will be incorporated into all FY24 grant agreements issued by MEA.

## **14. Grant Process:**

- a. The Applicant must be willing and able to enter into a Grant Agreement with MEA if selected for an award.
- b. The name and federal tax identification number on the IRS W-9 form must match the name of the grantee on the grant agreement. Upon execution of an FY26 Grant Agreement or commitment letter, MEA is unable to change the federal tax identification number of the grantee.

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<sup>8</sup> A blank copy of an IRS Form W-9 can be downloaded from the IRS website at: <https://www.irs.gov/forms-pubs/about-form-w-9>.

- c. Grants are paid in arrears.
- d. Participation in MEA grant programs is voluntary. If selected for award and to ensure the secure transmission of grant funds, grantee recipients of MEA funding are generally required to receive electronic payments from the State of Maryland. Electronic payments will be set up through the State of Maryland's Comptroller's Office.

**15. Reporting Requirements:**

- a. Prior to vehicle delivery, all grantees shall provide progress updates as requested by MEA.
- b. Once vehicle(s) have been delivered, all grantees will be required to submit quarterly operation reports for three years beginning the first quarter after project completion/vehicle delivery. Data requested includes but is not limited to vehicle miles traveled, energy use, project bids, VINs, license plate numbers, and any other information deemed necessary by the state.

**16. Relevant Programs/Resources:**

For general information on additional incentives available for ZEVs and supporting fueling/charging infrastructure, please consult the [US DOE Alternative Fuels Data Center \(AFDC\) website](#).

**17. Program Changes:**

Any update (e.g., extension of a deadline) or clarification about the Program and any corrections to inadvertent errors in the Program information will be available on the Program webpage. In addition, MEA will communicate clarifications and updates made after the application deadline directly to applicants or grantees, as applicable, by letter and/or email. The final grant amount for each Grantee will be made after review of all proposals received and is subject to funding availability for the Program and any relevant statutory requirement applicable at that time.

**18. Questions may be directed to:**

Natalie Buscemi, Transportation Program Manager at [transportation.mea@maryland.gov](mailto:transportation.mea@maryland.gov) or 410-537-4071.



**Table 2.** Vehicle type with class, weight and examples

Vehicle Type	Class	Weight (lbs)	Example
Single-Unit Short-Haul Truck	3-6	10,001 - 26,000	Box trucks (e.g., Ford F-650)
Single-Unit Long-Haul Truck	7-8	26,001+	Delivery trucks (e.g., Freightliner M2 106)
Refuse Truck	7-8	26,001+	Mack LR Electric, Peterbilt 520
Combination Short-Haul Truck (-250 miles)	7-8	33,001+	Day cabs (e.g., Freightliner Cascadia)
Transit Bus	7-8	33,001+	New Flyer Xcelsior
Hydrogen (FCEV) Combination Long-Haul Truck	8	33,001+	Nikola Tre FCEV
Combination Long-Haul Truck (+250 miles)	8	33,001+	Sleeper cabs (e.g., Volvo VNL 860)