



2022 Policy and Regulatory Positions for Increasing Electric Vehicle Adoption in MN

Drive Electric Minnesota's Policy Committee works together to advocate for policies and administrative actions to jump-start Minnesota's electric vehicle (EV) market. The following statements reflect the coalition's direction for the 2022 legislative session and are supported by the following DEMN members:

- Alliance for Transportation Electrification
- American Lung Association Minnesota
- City of Minneapolis
- Connexus Energy
- Dakota Electric Association
- Elk River Municipal Utilities
- Fresh Energy
- Great River Energy
- Greenlots
- Minnesota Automobile Dealers Association
- Minnesota Power
- Minnesota Rural Electric Association
- Otter Tail Power
- Plug In America
- Shift2Electric
- Xcel Energy
- ZEF Energy

Legislative Action:

- **Offer EV purchase incentives.** One challenge in encouraging EV adoption is the higher upfront purchase price of EVs, despite much lower lifetime fuel and maintenance costs. Recognizing the economic, energy security, and environmental benefits of EVs, 23 states are advancing sales through vehicle purchase incentives, according to data from the [Electrification Coalition's State EV Policy Dashboard](#). These incentives include tax credits, sales tax relief, and rebates. Studies of similar policies in other states and countries make clear that this approach is effective in increasing EV sales. ***Drive Electric Minnesota supports rebate programs and other financial incentives to increase EV sales until the technology matures, and upfront costs come down.***
- **Encourage utility investment in EV programs.** Electric utilities are well poised to support increased adoption and beneficial integration of EVs into the electric system to benefit all their customers. For example, utilities can partner with charging companies, state and federal governments, and other partners to close the public charging

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infrastructure gap, reducing range anxiety and accelerating EV adoption. Utilities can also improve access to electricity as a transportation fuel by reducing the upfront costs of charging infrastructure for households and fleets and by providing a variety of rate options depending on their customers' needs. Utilities are a trusted source of information about charging solution choices, have established relationships with their customers, and can communicate and educate on the benefits of EVs. ***Drive Electric Minnesota supports legislation making it clear that investments by investor-owned electric utilities, along with continued private investment in EV charging infrastructure and promotion, benefit vehicle owners and utility customers.***

- **Support a fair EV tax.** According to an [analysis](#) by the Great Plains Institute, EV drivers contribute more to the Highway User Tax Distribution Fund than drivers of equivalent gasoline-powered vehicles. This is because the higher upfront cost of EVs results in higher motor vehicle sales tax and tab fees. Furthermore, any EV tax should reflect the higher fuel efficiency of EVs. Over-taxing EVs today discourages adoption and slows market development. ***Drive Electric Minnesota supports comprehensive solutions to roadway funding challenges and the calculation of fair vehicle taxes that consider the higher fuel efficiencies of EVs.***

Administrative Action:

- **Increase EVs in state fleets:** EVs generate economic benefits for state fleets through reduced fuel and maintenance costs. Recognizing the benefits of fleet electrification and reduced fossil fuel use, Minnesota has adopted goals to [reduce the state fleet's fossil fuel consumption by 30 percent](#) and to [electrify 20 percent of the state's vehicles](#). By purchasing EVs for fleets, state and local governments can move the needle toward accomplishing these goals. Additionally, having EVs on the state contract supports EV availability at more dealerships and makes it easier for local governments to procure EVs. ***Drive Electric Minnesota supports EV adoption by state and local government fleets and state agency efforts to continue working toward achieving state goals.***
- **Deploy electric transit buses:** The Duluth Transit Authority deployed seven fully electric 40-foot Proterra buses in 2018. One year later, Metro Transit deployed eight 60-foot fully electric buses on its METRO C Line and has committed to increasing the adoption of electric buses through its development of a zero-emission bus transition plan. Rochester plans to deploy four 60-foot electric buses powered by New Flyer by the end of 2021. Electric buses benefit communities throughout the state by reducing emissions, improving air quality, and creating jobs. These commitments generate particularly great economic benefits in Minnesota, with the electric bus manufacturer New Flyer employing Minnesotans in St. Cloud and Crookston. Despite these benefits, current funding for electric buses is limited. ***Drive Electric Minnesota supports increased purchasing of electric buses for transit statewide, state and utility***

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programs to support electric buses, and increased electric bus manufacturing in the state.

- **Investing in EV infrastructure:** EV charging infrastructure is critical to reducing range anxiety and accelerating EV adoption. The Minnesota Pollution Control Agency has already made strong commitments to invest funding from Appendix D of the Volkswagen settlement to increase public EV charging stations in the state. There will also be additional funding made available to states from the federal government in the coming years. State governments must be prepared to utilize this funding and make additional complementary investments. ***Drive Electric Minnesota supports investments by the state in making public EV charging stations available to all Minnesotans.***
- **Support regional collaboration on EV corridors:** To assist in increasing the adoption of EVs in the state and providing convenient travel to neighboring states, Drive Electric Minnesota recognizes the critical roles that completing EV corridors can play in enabling travel throughout the region and beyond Minnesota's borders. ***Drive Electric Minnesota supports continued regional collaboration with the private sector, utilities, and among Midwestern states to build out EV charging corridors, including the efforts of the [Regional Electric Vehicle Midwest Coalition](#).***