



• **DRIVING THE FUTURE: ELECTRIC VEHICLES**

- **The American automotive industry was born here in Michigan, and while our economy is less dependent on vehicle manufacturing than it once was, the industry is a crucial piece of the state's economy. Despite this proud history, Michigan has been slow to adopt policies that reflect the growing demand and need for electric vehicles (EVs). At a time when Michigan's top automotive companies are set to produce 325,000 electric vehicles each year by 2026,¹ it is up to our state leaders to ensure that Michigan is at the epicenter of the coming electric vehicle revolution by enacting policies that incentivize and strengthen this critical economic sector.**

GLOBAL ELECTRIC VEHICLE SALES ARE GROWING RAPIDLY

Over 2 million electric vehicles were sold in 2018 alone -- and this trend is not limited to Europe and the coastal United States. According to AAA, as many as 40 million Americans would consider an electric vehicle for their next car.²

Further, the Energy Innovation Energy Policy Simulator (EPS) forecasts rapid growth in EV market after 2026. With the right policies in Michigan, both suppliers and consumers can meet the rising demand for electric vehicles while reaping economic and public health benefits.

ELECTRICITY POWERING VEHICLES IS CLEANER AND CHEAPER THAN GASOLINE

Even when the electricity comes from the dirtiest coal-dominated grid, EVs still produce less pollution than conventional internal combustion engines, improving public health and reducing ecological damage. Moreover, EVs will continue to get cleaner as more renewable energy is added to the grid.

With widespread adoption of EVs, Michigan drivers could save \$23.1 billion in fuel costs, help decrease electricity costs in the state by \$2.6 billion by 2050, and contribute to the \$18.8 billion clean transportation sector in Michigan.³

POLICY LEADERSHIP OUTSIDE OF MICHIGAN

While incremental, state lawmakers across the country have made advanced mobility a priority to help guide economic investment and innovation to their states.

- Nineteen states, including Wisconsin, Illinois, and Pennsylvania, have EV tax-credit programs for consumers.⁴
- Twenty eight states have hybrid or electric vehicle fleet requirements. Over half of all Great Lakes Region states have these targets.⁵
- Asian and European countries are also aggressively incorporating electric vehicles into their fleet, with countries like India, France, the Netherlands, and Germany, planning to sell only electric vehicles within their borders by 2030.

Made in Michigan

The American automotive industry has been slow to enter the EV market. Although Tesla currently holds the largest share of global EV sales, the next top ten companies are all based on foreign soil. With Michigan's rich automotive history, the electric vehicle boom presents a unique opportunity to grow our state's economy. Michigan is responsible for creating a policy and regulatory framework that will usher in a clean transportation economy. The advanced mobility future is inevitable. In 2020 alone, Michigan's Big Three automakers all announced plans to invest heavily in electric vehicle production in the state.

- Fiat Chrysler announced plans to invest \$4.5 billion into EV production in 2020, including a plan to build an all new assembly plant in Detroit and adding capacity to five other existing plants. The move is expected to create 6,500 jobs in Michigan.⁶
- GM will produce 20 all new electric vehicle models by 2023. Additionally, the company just announced it would invest \$300 million in building a new EV plant in suburban Detroit, creating 700 new jobs in the state.⁷
- Ford is investing \$850 million into its Flat Rock plant to make it the "home of its EV production", creating 900 jobs through 2023. Ford also plans to invest \$500 million in Michigan automotive start-up Rivian to start production on an electric pickup truck model.⁸



Actions Needed to Advance Electric Vehicles in Michigan

- Promote and incentivize the use of electric vehicles and the expansion of charging infrastructure for electric vehicles.
- Allocate the maximum amount (15%) of VW Environmental Mitigation Trust funds to charging infrastructure for electric vehicles and ensure that the other 85% is focused on electric school buses, transit buses, and other electrified vehicles instead of diesel transitions.
- Reverse unfair EV/PHEV registration fees and other policies that disincentivize EV purchase. Instead, the Legislature should account for their public health benefits and encourage their use and ownership.
- Establish the goal of procuring EVs for 100% of all new or leased light-duty vehicles in state fleets by 2025.
- Request vehicle data from the Secretary of State to drive investments in EV charging infrastructure at sites that are best situated to accelerate and maximize clean vehicle adoption, and prioritize investment in low-income and minority communities disproportionately affected by higher levels of pollution.
- Implement well-designed time-of-use charging rates that will maximize fuel cost savings and improve the utilization of the grid, thereby reducing electricity costs for all ratepayers.

1 <https://www.reuters.com/article/us-autos-emissions-suvs-lineup-factbox/factbox-ford-and-general-motors-electric-vehicle-plans-idUSKBN21DILT>

2 <https://www.cnbc.com/2019/05/08/aaa-says-americans-warm-to-electric-cars-but-most-arent-ready-to-buy.html>

3 <http://midwestenergynews.com/2017/08/22/commentary-michigan-is-primed-for-an-electric-vehicle-future>

4 <https://www.energysage.com/electric-vehicles/costs-and-benefits-evs/ev-tax-credits/>

5 <https://www.ncsl.org/research/energy/state-electric-vehicle-incentives-state-chart.aspx>

6 <https://www.bizjournals.com/atlanta/news/2019/02/26/flat-rock-to-spend-4-5-billion-in-michigan-add.html>

7 <https://www.freep.com/story/money/cars/general-motors/2020/03/04/gm-unveils-10-future-evs-new-batteries-and-its-plan-beat-tesla/4905906002/>

8 <https://www.engadget.com/2019-03-21-ford-electric-vehicles-michigan-investment.html>