



Drive Electric Minnesota's 2023 Policy Positions for Increasing Transportation Electrification in Minnesota

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 2023 legislative session and are supported by the following members:

Alliance for Transportation Electrification
ChargePoint
City of Minneapolis
Connexus Energy
Elk River Municipal Utilities
Great River Energy
Minnesota Automobile Dealers Association
Minnesota Rural Electric Association
Otter Tail Power
Plug In America
Shift2Electric
Wright-Hennepin Cooperative Electric Association
Xcel Energy

- **Offer EV purchase incentives:** One barrier preventing increased 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, 26 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 electric utility investment in EV programs:** Electric utilities are well poised to support increased transportation electrification and integration of EVs into the electric system to benefit all their customers. For example, utilities can support the deployment of charging infrastructure through make-ready programs, provide a variety of rate options depending on their customers' needs, and stimulate EV investments in underserved communities. ***Drive Electric Minnesota supports legislation promoting transportation electrification investment by electric utilities and continued private sector investment.***
- **Provide state matching funds for transportation electrification investments through the Inflation Reduction Act, Infrastructure Investment and Jobs Act, and**

Facilitated by the Great Plains Institute, Drive Electric Minnesota (DEMNM) is a partnership of electric vehicle (EV) champions, including automakers and auto dealers, utilities, charging companies, environmental groups, and state and local government. DEMNM paves the way for the deployment of EVs and charging infrastructure through public-private partnerships, financial incentives, education, technical support, and public policy. Learn more at <http://www.driveelectricmn.org/>.



other federal programs. Recent federal legislation will lead to [significant investments](#) in transportation electrification. These investments will create jobs, reduce household transportation costs, improve air quality, and reduce greenhouse gas emissions. Many of these federal investments require matching funds, which can be provided by the state. ***Drive Electric Minnesota supports the state providing the matching funds necessary to maximize the benefits of federal transportation electrification investments in Minnesota.***

- **Oppose unfair EV taxes:** According to an [analysis](#) by the Great Plains Institute, EV drivers contribute more to the Highway User Tax Distribution Fund than drivers of equivalent gas cars. This is due to the existing \$75 annual EV tax plus EVs' higher registration and motor vehicle taxes from higher upfront purchase prices. Over-taxing EVs today discourages adoption and slows market development. Additionally, a flat surcharge does not reflect the higher fuel efficiency of EVs. Furthermore, evidence suggests that improving fuel efficiency of conventional vehicles is a far greater contributor to declining gas tax revenue than EVs. To address concerns related to ongoing funding for Minnesota's roads and bridges and ensure that solutions address the real root causes, a comprehensive study by the Office of the Legislative Auditor would help identify potential paths forward. ***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 and fairly treat EVs relative to conventional vehicles.***
- **Deploy electric buses:** Electric school and transit buses benefit communities throughout the state by reducing emissions, lowering fuel and maintenance costs, and improving air quality. The EV manufacturing industry—including electric bus manufacturing at New Flyer facilities in St. Cloud and Crookston—also contributes to job creation and economic benefits in Minnesota. However, electric buses cost [almost four times more](#) than diesel buses, and current funding for electric buses is limited. State support for electric bus deployment would also complement federal funding from the Inflation Reduction Act. ***Drive Electric Minnesota supports legislation and state agency efforts to increase deployment of electric school and transit buses.***
- **Investing in EV charging infrastructure:** EV charging infrastructure is critical to reduce range anxiety and accelerate transportation electrification. Federal funding for EV charging is being made available to states through the National Electric Vehicle Infrastructure (NEVI) program, which requires securing a 20 percent match. This is an area where the state can step in and ensure that Minnesotans receive the maximum benefit of the program. Minnesota must be prepared to utilize federal funding and make additional complementary investments. ***Drive Electric Minnesota supports state investments in making public EV charging stations available to all Minnesotans.***
- **Support accessible EV charging stations and spaces:** As more EV charging infrastructure is built in the coming years, it will be increasingly important to ensure that



charging stations are accessible to and usable by individuals with disabilities. ***Drive Electric Minnesota supports legislation ensuring that Minnesotans with disabilities can access electricity as a transportation fuel.***

- **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 legislation and efforts by state and local governments to increase EV adoption in their fleets.***
- **Support regional collaboration on EV charging corridors:** To increase transportation electrification in the state and provide convenient travel to neighboring states, Drive Electric Minnesota recognizes the critical roles that completing EV charging 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 Midwestern states to complete EV charging corridors, including the efforts of the [Regional Electric Vehicle Midwest Coalition](#).***