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The Honorable Scott Dibble Chair, Transportation Committee Minnesota Senate 95 University Ave. W. St. Paul, MN 55155

Chair Dibble and Committee Members,

Fresh Energy is a non-partisan, non-profit organization with over 30 years of experience developing practical clean energy policies that benefit all Minnesotans and help us achieve an equitable net-zero carbon economy by 2050. We are writing today in support of Senate File 1904 which would allow single-occupant all-electric vehicles to utilize the dynamic shoulder lanes and designated high-occupancy vehicle (HOV) lanes without a fee or charge.

The transportation sector accounts for 29% of the state's greenhouse gas footprint.¹ Emissions from light-duty vehicles not only harm our climate but create a significant burden on air quality.² Rapid electric vehicle (EV) adoption can help us address these global and local problems.

Many states, including North Carolina, Utah, and Georgia, have implemented exemptions for EVs to use HOV lanes. Studies have shown that these HOV incentives can positively impact the adoption of certain vehicle types.³ Although rebates and tax incentives promote electric vehicle adoption much more effectively, HOV incentives can move the needle on adoption with no taxpayer impact.⁴ In this constrained budget environment, providing costless incentives to promote state policy goals are all the more important.

Fresh Energy believes that the status quo HOV lane policy serves an important role in helping achieve our ambitions for a more equitable and sustainable transportation system by promoting carpooling and the use of transit systems. However, as electric vehicles remain a relatively small subset of light-duty vehicles in Minnesota,⁵ Fresh Energy believes that this bill will have a positive impact on electric vehicle adoption

¹ https://www.pca.state.mn.us/air-water-land-climate/climate-change-trends-and-data#:~:text=The%20transportation%20sector%20remains%20Minnesota's,remain%20below%20pre%2Dpandemic%20levels.

² https://data.web.health.state.mn.us/traffic

³ https://www.sciencedirect.com/science/article/pii/S1077291X22002843

⁴ Id.

⁵ https://mn.gov/commerce-stat/energy/datareports/CARD%20240939 EV%20Adoption Final%20Report ADA.pdf

without creating significant distortions in the incentives for carpooling and transit use. For this reason, we encourage lawmakers to support SF 1904.

Sincerely,

Nick Haeg Senior Associate, Electric Vehicles Fresh Energy