Key Policies to Drive the Electric Vehicle Transition in the US
The following EV100 members support the policies presented in this policy document:
Introduction

Meaningful climate action in the United States (US) is critical if the planet is to achieve net-zero greenhouse gas (GHG) emissions by 2050. With the US officially a member of the Paris Climate Agreement, we strongly encourage all major sectors to make significant changes to curb the impacts of climate change.

An ambitious approach to transportation electrification provides an opportunity for the US to achieve major emissions reductions, improve air quality and build healthy communities, while securing the long-term success of a crucial industry.

EV100, a global initiative led by the Climate Group, delivers a meaningful reduction in global transportation emissions by bringing together companies to accelerate the transition to electric vehicles (EVs).1 EV100 members show the way by pledging to convert their own fleets or networks to electric and/or deploy charging infrastructure at their premises by 2030.

While corporate leadership can play a crucial role in driving the market transition to clean transportation, supportive policy frameworks are needed to enable businesses to achieve their commitments. This paper outlines key policy areas that will be critical to advancing the transition to zero-emission transportation in the US.

1 www.theclareemergroup.org/ev100
Transportation electrification provides a major opportunity for the US

Transportation electrification is on the rise around the world. An ambitious zero-emission transportation strategy would allow the US to achieve:

- **Significant emissions reductions**: The transportation sector is the largest source of GHG emissions in the US, accounting for 28% of total emissions.² Transportation electrification offers the opportunity to eliminate a major part of these emissions,³ helping the US achieve national emission reduction targets in line with climate science.

- **Clean air and healthy communities**: Nearly half of Americans currently live with poor air quality. Low-income communities and communities of color, who are often located near major highways will benefit from exhaust-free living environments in urban zones.⁴

- **Economic prosperity and job creation**: A swift move to EVs would create major economic savings in climate and health costs,⁵ as well as offer the opportunity for workforce development, economic growth, and the creation of forward-looking jobs.⁶

- **International competitiveness**: A strong push for transportation electrification will ensure the US automotive industry is staying ahead on the global transition to clean transportation and secure the long-term international competitiveness of domestic manufacturers.

As such, transportation electrification offers the US a prime opportunity to reclaim its place as a global climate leader while providing major benefits for its citizens and the long-term health of its economy.

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3  [www.lung.org/clean-air/electric-vehicle-report](http://www.lung.org/clean-air/electric-vehicle-report)
4  [www.lung.org/getmedia/99cc945c-47f2-4ba9-ba59-14c311ca332a/electric-vehicle-report.pdf](http://www.lung.org/getmedia/99cc945c-47f2-4ba9-ba59-14c311ca332a/electric-vehicle-report.pdf)
5  [www.lung.org/clean-air/electric-vehicle-report](http://www.lung.org/clean-air/electric-vehicle-report)
Business is ready to lead

Companies can play a major role in leading the transition. EV100 members are leading the way by making electric transportation the new normal in their own operations by 2030. In doing so, they are, dramatically reducing their transportation emissions, benefiting from lower fuel costs, reduced maintenance and repair costs, and sending a positive message to their employees and customers.

As of August 2021, EV100 members around the world have collectively committed to electrify more than 5 million light- and medium-duty vehicles, and install charging at more than 6,500 locations, by 2030.7 Members have already deployed 170,000 EVs and installed charging at 2,100 locations. Deployment in the US alone so far covers over 46,000 vehicles and 246 charging locations, with 2,001 charging points already installed.

These figures clearly demonstrate businesses’ ability and willingness to lead. However, the progress they and other companies will be able to make significantly depends on the market and policy contexts they operate in. The business community needs clear signals that government will support them and create the framework conditions that further the EV industry and reduce transportation emissions.

Clearing the barriers for EV uptake

Ambitious policy frameworks are required to address the current barriers to EV uptake. While the demand from both business fleets and private owners is rising, the supply is slow growing, infrastructure is lagging, and the business case for many companies remains challenging. Significant additional policy support is needed to overcome these hurdles, and ensure the US regains its global leadership on climate action and secures the long-term future of its domestic automotive industry. It is both crucial and beneficial for the US to be a leader in this field, and the government will be supported by EV100 if it decides to act.

7 www.theclimategroup.org/ev100-annual-report-2021
We are encouraged by President Biden’s strong commitment to full-scale electrification of light- and medium-duty vehicles during the election campaign.

Already, the Biden Administration has been hard at work to advance the EV industry, whether it’s through directing federal agencies to purchase zero-emission vehicles or to propose suspending, revising, or rescinding the Trump Administration’s rules on vehicle standards.8 However, further work is needed to address the remaining barriers and achieve electrification across the whole country within this decade.

The following recommendations outline the measures we believe are the most important to focus on over the coming years.

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1. Set ambitious targets backed by robust policy frameworks.

Time to be ambitious, end the debate and create market certainty. The US should cost-effectively phase out gasoline and diesel vehicles to achieve meaningful results in reducing GHG emissions and meeting the requirements of the Paris Climate Agreement.

Setting a clear target date for the phase out of internal combustion engine (ICE) vehicles will provide planning security for all stakeholders involved and allow the US to reclaim an international leadership position alongside a growing group of countries who have already done the same.⁹

- A target of 100% zero-emission vehicle sales for new light-duty vehicles ideally by 2030 will align US ambition with climate requirements and put the US automotive industry back on a leadership track.

- A national target would be ideal to provide market clarity for auto manufacturers. However, we also highly welcome the leadership already shown by states such as California and Massachusetts, and others expected to follow in 2021.¹⁰

- Phase out targets must be underpinned with an adequate set of policies that drive the transition at a fast pace (see below).

- In developing policy frameworks, governments must ensure principles of social equity and just transition are adhered to in order to ensure benefits are equally accessible to all.

⁹ slocat.net/e-mobility/
¹⁰ www.engadget.com/massachusetts-gas-vehicle-ban-2035-200322250.html
2. Stimulate supply of zero-emission vehicles.

Lack of vehicle supply and lack of adequate vehicle models are two of the leading barriers cited by EV100 members as limiting their EV uptake. Policymakers must not only set ambitious trajectories for ICE phase out but also underpin them with clear signals to manufacturers to increase EV production in line with rapidly growing demand.

- A zero-emission vehicle mandate, such as one already adopted by California and Massachusetts, translates phase out targets into requirements from manufacturers.11

- Alternatively, the existing vehicle emission and corporate average fuel economy (CAFE) standards can be strengthened to achieve such a target.12

- The Transport and Climate Initiative (TCI) launched in 202013 provides a strong example of a regional state program that generates funds for transportation and EV programs from a fuel emissions cap and reinvestment program. A certain percentage of the funds generated are prioritized for underserved communities, ensuring equitable access to the program’s benefits. We encourage more governments to join TCI or similar programs.

- To create thousands of jobs in the US, the Federal government should create legislation and regulations to incentivize manufacturing of EVs and batteries in the US as opposed to internationally.14 Furthermore, sourcing clean raw materials and utilizing renewable energy when manufacturing should be a priority.

12 www.eenews.net/stories/1063719177?utm_source=Energy+News+Network+daily+email+digests&utm_campaign=54d0b07e72-EMAIL_CAMPAIGN_2020_05_11_11_46_COPY_01&utm_medium=email&utm_term=0_724bf01f5-54d0b07e72-8929370b
3. Drive demand for EVs.

Advancements are being made in reducing the cost of EVs. However, up-front cost currently remains a significant barrier to EV uptake, with the capital cost of electric vans as much as double that of ICE vehicle alternatives. Bridging this gap is crucial for driving the early market expansion, which will bring prices down to the tipping point where incentives are no longer needed. Support measures should ensure fair access to clean vehicles across all parts of society.

- Federal tax credits should be available to all EV manufacturers into 2021 and beyond. Point of sale rebates or refundable tax credits could also make it easier for individuals and businesses to utilize.
- Point of sale rebates from state and local governments are crucial to providing equitable and direct support for EV adoption.
- Used EVs purchased from certified dealerships should also qualify for tax credit and rebate programs in order to ensure affordable access to EVs.
- An ICE vehicle retirement program can provide additional financial incentives to replace the most polluting vehicles with EVs.
- Companies purchase large quantities of vehicles and interact with thousands of staff and customers every day. Making incentives and rebates also accessible to corporate entities allows them to play an amplifier role in the transition.
- Governments should leverage their buying power and commit to only purchasing EVs for their fleets where technically feasible.
4. Build out infrastructure to ensure easy EV charging for all.

Easy access to charging across the whole country is crucial to give drivers confidence in EVs. A comprehensive, integrated charging infrastructure must be underpinned by a smart and flexible grid ready for the integrated zero-emission energy and transportation future.

- Robust, federal incentives should exist for eligible charging infrastructure projects to allow for more charging installations, including to enable larger scale projects.

- State and local governments should expand their existing or implement new rebate policies for deploying both Level 2 and Direct Current Fast Charging (DCFC) stations.

- Government at all levels must balance building both a network of DCFC and Level 2 charging along major highway corridors, urban centers, airports, and apartment buildings.

- Government at all levels must increase their coordination to create an easier-to-navigate environment for planning, funding, permitting, and infrastructure decisions.

- To enable a seamless charging experience for drivers, governments should implement interoperability and open access requirements for technical equipment while ensuring they don’t constrain the deployment of charging stations and pick “winners and losers.”

- State and local governments must update their building codes to ensure new properties, developments, and offices are ready for charging infrastructure installations.

- State and local governments should update their parking regulations to allow for easier parking and charging for logistics and delivery fleets during and between shifts.

- Governments, regulators, and state planning agencies should work with electric utilities both to deploy EV charging infrastructure and accelerate the advancements in upgrading transmission and distribution lines to account for the increase demand in electricity from mass EV adoption.

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EV100 is a global initiative by the Climate Group bringing together forward-looking companies committed to accelerating the transition to EVs, to make electric transportation “the new normal” by 2030. Electric transportation offers a major solution to climate change, as well as curbing air and noise pollution. Businesses can lead through their investment decisions and influence on millions of staff and customers worldwide. By joining EV100 companies increase demand, drive mass roll-out, and make EVs more rapidly affordable for everyone. In driving corporate EV uptake, the Climate Group works closely with regional engagement partners such as Ceres and Japan Climate Leaders Partnership. Members come together as a single voice to promote the development of the EV market.

Visit: TheClimateGroup.org/EV100

For more information

Please contact Vartan Badalian, EV100 Program Manager, North America at vbadalian@theclimategroup.org