



## Drive Electric Minnesota's 2024 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 2024 legislative session and are supported by the following members:

Alliance for Transportation Electrification  
American Lung Association Minnesota  
City of Minneapolis  
Connexus Energy  
Elk River Municipal Utilities  
Fresh Energy  
Minnesota Automobile Dealers Association  
Otter Tail Power Company  
Shift2Electric  
Xcel Energy

- **Fund and consider refining the Minnesota EV Rebate Program:** 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, the Minnesota Legislature passed an EV rebate program last year. The program, which launched on [February 7, 2024](#), includes rebates of up to \$2,500 for new electric vehicles and up to \$600 for used electric vehicles. Studies of similar policies in other states and countries show that this approach effectively increases EV sales. However, the State of Minnesota has limited funds to provide rebates for electric vehicles, which could limit the program's impact. The \$15.7 million allocated for EV rebates will only cover 6,280 new EVs. Approximately 11,000 EVs have been registered in Minnesota since the Minnesota Legislature passed the EV rebate program in May 2023. ***Drive Electric Minnesota supports increasing funding for the program in addition to considering strategies that make the limited funds go further.***
- **Encourage electric utility investment in EV programs and planning for proactive grid reinforcement:** 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. Utilities also play an important role in ensuring the electric grid is prepared to accommodate and support transportation electrification. Grid expectations are changing with shifts in customer usage patterns and the adoption of new technology. Widespread EV adoption will not occur without adequate charging infrastructure, which relies on the distribution grid. The traditional "just-in-time" approach to grid planning may result in infrastructure

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bottlenecks that could inhibit EV adoption. Investments in utility EV programs and planning for proactive grid reinforcement support the overall electric grid through efforts to reduce future constraints resulting from and limiting the potential for EV load growth.

***Drive Electric Minnesota supports legislation promoting utility investments in transportation electrification and planning for proactive grid reinforcement.***

- **Advocate for fair EV taxes:** According to analyses by the [Great Plains Institute](#) and the [Minnesota Department of Transportation](#), 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 the higher registration and motor vehicle taxes EVs pay due to their 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 the improving fuel efficiency of conventional vehicles is a far greater contributor to declining gas tax revenue than EVs. Drive Electric Minnesota supported passing a study bill in 2023 to understand and address concerns related to ongoing funding for Minnesota's roads and bridges and ensure that solutions address the real root causes. ***Drive Electric Minnesota supports comprehensive solutions to roadway funding challenges and the calculation of 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 the deployment of electric school and transit buses.***
- **Ensure accessible EV charging stations and spaces:** As more EV charging infrastructure is built in the coming years, and older stations are upgraded, it will be increasingly important to ensure that charging stations are accessible to and usable by individuals with disabilities. ***Drive Electric Minnesota supports ensuring that Minnesotans with disabilities can access electricity as a transportation fuel.***
- **Increase access to EV charging at home, including multi-unit dwellings:** Limited access to home charging prevents many Minnesotans from pursuing EV adoption. Renters, especially the 30 percent of US households that reside in multi-unit dwellings, face higher barriers to installing EV chargers. ***Drive Electric Minnesota supports access to at-home charging through utility investments and right-to-charge laws for renters.***
- **Strengthen workforce development related to the EV sector:** A robust ecosystem of skilled workers is essential for EVs to gain widespread acceptance and to ensure their safe and efficient operation. Policies and programs for electric workforce development must be attuned to labor market dynamics. They should also facilitate a fair transition for

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workers from conventional automotive industries, preparing a sufficient and diverse workforce for current and future job opportunities. ***Drive Electric Minnesota supports programs that promote just transition and diversity in the workforce, including training programs and standardized education and training at all levels of education.***

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