

July 23, 2020

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Chuck Schumer
Minority Leader
United States Senate
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, D.C. 20510

Dear Majority Leader McConnell, Speaker Pelosi, Minority Leader Schumer, and Minority Leader McCarthy,

We write to you as the participants in the Midcontinent Transportation Electrification Collaborative (MTEC) to share our views on federal economic recovery investments that could help to achieve regional priorities on transportation electrification and support an important opportunity for jobs, economic impact, and environmental and health benefits. There are numerous potential legislative vehicles for MTEC's regional priorities, including economic recovery legislation, a transportation bill, and other stand-alone bills. Whatever the vehicle, our goal is to spur economic recovery through targeted investments in transportation electrification in collaboration with regional partners.

MTEC is composed of representatives from automakers, state governments, electric utilities and cooperatives, electric vehicle charging companies, environmental organizations and others. MTEC coordinates regionally in the Midwest and Gulf Coast region to increase electric vehicle (EV) use, reduce transportation emissions, improve air quality, improve electric system efficiency, provide a great consumer experience, and build infrastructure to support EV travel throughout the region.

Transportation electrification is an economic opportunity for the Midwest and Gulf Coast regions. Our region is the heart of automotive manufacturing, and major investments are being made to produce all types of EVs, including light duty, medium duty, and heavy duty (e.g. delivery trucks, school and transit buses, and semi-trucks). EVs save money for consumers, including individuals and fleet operators. They can also help support strategic investments in electric utility infrastructure and offer cost-savings for utility customers. Targeted federal investments in charging infrastructure will leverage significant private investment through public-private partnerships and create thousands of jobs throughout the Midwest and Gulf Coast regions.

There are several barriers to EV adoption that MTEC seeks to overcome, which could be addressed in part through federal investments as part of a federal economic recovery program, ranging from battery costs to manufacturing scale-up to charging infrastructure availability to vehicle availability. We are grateful to see that some of these ideas were included in the "Moving Forward Act" (H.R. 2) that passed the House recently. Other ideas are in stand-alone bills or are existing programs that could be modified or expanded. The programs described below could be enacted quickly, leading to rapid economic impact in support of the recovery agenda.



Support sustained American manufacturing leadership by supporting sales of EVs and the growth of a robust and diverse domestic EV market

- Extend the benefits of the 30D Electric Vehicle Tax Credit by expanding the per-manufacturer cap.
 - This recommendation is included in the “Driving America Forward Act” (S. 1094/H.R. 2256) and was included in H.R. 2.
 - Make the tax credit refundable to assure that access to this program is equitable
 - Provide similar support for medium and heavy duty EVs.
- Support the purchase of medium and heavy duty EVs by providing additional funding to states through the Diesel Emissions Reduction Act (DERA).
 - Funding should be prioritized to support air quality improvements through the purchase of electric trucks and buses to replace highly polluting diesel vehicles.
- Support the purchase of electric transit buses by transit fleet operators through increased funding of the Low No grant program (referred to as Zero Emission Bus Grants in H.R. 2) to reflect that demand for the program far exceeds available funding.
- Increase the availability of medium and heavy duty EVs with a manufacturer credit, as included in H.R. 2.
- Create a federal point-of-sale voucher incentive for zero-emission trucks, as recently called for in recommendations by the House Select Committee on the Climate Crisis.
 - This could be accomplished through a new program, or by using existing programs to provide funding at the point-of-sale for zero emission trucks through upfront voucher incentives. Potential avenues include the Department of Transportation Federal Highway Administration (Congestion Mitigation and Air Quality or other program) and the Department of Energy State Energy Program.
- Support the purchase of electric school buses, as included in the “Clean School Bus Act” (S. 1750/H.R. 3973), the “Clean Commute for Kids Act” (H.R. 2906), and Section 33311 of H.R. 2.

Keep the automotive supply chain in the U.S. by supporting EV and EV component manufacturing

- Provide low or no interest loans for EV manufacturing by supplying additional funding for the Advanced Technology Vehicles Manufacturing Loan Program and expand this program to include medium and heavy duty EVs.
- Provide more funding to re-tool manufacturing plants that are closed or at risk of closing to convert them to produce EVs and their components by reviving the 48C tax credit for the manufacturing of light duty, medium duty, and heavy duty EVs.
- Provide funding for EISA Section 132 Domestic Manufacturing Conversion Grant programs to offer grants to EV manufacturers and EV supply chain to encourage domestic manufacturing of vehicles, components, and infrastructure.

Enable EVs to drive everywhere by supporting investments in EV charging infrastructure

- Reform and extend the 30C tax credit for EV charging, extending it and raising the limit to support higher capacity fast charging investments.
 - This recommendation is addressed in the bi-partisan “Securing America’s Clean Fuels Infrastructure Act” (S. 3735), introduced by Senators Alexander (R-TN) and Carper (D-DE).
 - Make the tax credit refundable to assure that access to this program is equitable.
- Provide funding to states through the Congestion Mitigation and Air Quality program, designated for investments in EV charging.



- Provide public-private funding through a competitive grant program to accelerate investment in EV charging infrastructure and other alternative fuel infrastructure along highways, including EV charging corridor investments.
 - Grant programs supporting EV charging infrastructure along highways are in the “Clean Corridors Act” (H.R. 2616/S. 674), the “EV Freedom Act” (H.R. 5770), and in Section 1303 of H.R. 2.
- Assure that funding is available through the above programs to provide EV supply equipment for low income and disadvantaged communities, rural areas, and multi-unit dwellings.

Support EV research and development

- Provide additional funding for EV research, development, and demonstration projects by increasing funding for the Department of Energy Offices of Vehicle Technologies, and Hydrogen and Fuel Cell Technologies. Department of Energy should also play a larger role in providing technical assistance to states, state regulators, and utilities in planning and building EV charging infrastructure and support the build-out of regional EV charging corridors. Further, Department of Energy should support research to unlock new breakthroughs in energy density to achieve longer-range, lower-cost batteries.

Stakeholders in the Midwest and Gulf Coast region are enthusiastic about working collaboratively to spur new investments in the EV sector. We believe supporting these initiatives will lead to immediate jobs and economic impacts – for electricians, for manufacturing workers, for consumers, and for the other parts of the economy through indirect impacts. Further, these programs would spur additional private investment. We look forward to working together to support innovation and economic recovery in our important region.

Sincerely,

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 Dairyland Power Cooperative
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 Michigan Energy Innovation Business Council
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