

December 13, 2018

The Honorable Kevin Brady
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Richard Neal
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Orrin Hatch
Chairman
Committee on Finance
U.S. Senate
Washington, DC 20510

The Honorable Ron Wyden
Ranking Member
Committee on Finance
U.S. Senate
Washington, DC 20510

Dear Chairman Brady, Ranking Member Neal, Chairman Hatch and Ranking Member Wyden:

On behalf of the undersigned organizations, we are writing to respectfully urge your support for a consistent electric vehicle (EV) tax credit, which has been a key driver of growth in the nascent industry. Extensive research and modeling have found that once EVs reach significant market penetrations, they will bring benefits of consumer and business cost savings, economic growth, environmental sustainability, energy security, and global competitiveness – but the EV market requires continued support. This support will ensure consumer interest and strong American manufacturer investment.

From the origins of the oil industry to the invention of the automobile, the United States has a long history of visionary leadership in developing and championing new technologies to create new markets. These choices were an investment that enabled our prosperity, competitiveness and global innovative leadership for decades.

We face a similar choice today in reaching widespread deployment of EVs. The Section 30D tax credit of up to \$7,500 for consumers who purchase an EV is critical to ensure that the EV market continues to grow in the U.S. It is also a win-win for consumers, industry, and society:

- **EVs are efficient.** Even over the full lifecycle of energy use, EVs are approximately twice as efficient as conventional vehicles, allowing precious energy resources to be used more effectively.¹
- **The EV tax credit supports a fast-growing U.S. industry.** The tax credit provides manufacturers with the necessary certainty to effectively plan future

development and marketing strategies around EVs. The EV market has more than doubled since 2015.

- **EVs are critical to our national competitiveness.** The globe is witnessing a rapidly-shifting automotive industry and many countries are preparing for EVs to be the bedrock of future mobility. The U.S. can choose to continue to be a leader in this space, or risk irrelevance to the market, with enormous economic consequences.
- **EVs are increasingly cost-competitive and affordable.** With plummeting battery costs and increasing market efficiencies, EVs are becoming more affordable and are no longer considered ‘novelties for the rich.’ Because of lower costs of fueling and maintenance, EVs are already cheaper for many consumers than the equivalent conventional vehicle over the lifetime of ownership.² However, the up-front cost remains a barrier, and the tax credit makes an EV purchase possible for a wider variety of consumers.
- **EVs provide greater energy security.** EVs insulate consumers from oil price shocks and volatility, which can have a disastrous impact on low-income communities.
- **EVs are an important tool to reduce air pollution and climate emissions.** The transportation sector is the largest source of carbon emissions in the United States, and a primary source of other harmful air pollutants (e.g. nitrogen oxides, carbon monoxide).³ On average, driving an EV produces lower emissions than the most fuel-efficient gasoline car on the market.⁴
- **EVs catalyze infrastructure development.** The credits are a catalyst to stimulate investment in charging infrastructure, a critical element of the “chicken and egg” requirements for EV market growth, and a job creator.

We encourage you to lend your support to the credit. We thank you for your dedication to this important issue.

Sincerely,
Alliance to Save Energy
Alliance for Transportation Electrification
Buffalo Niagara Medical Campus
Consumer Federation of America
Copper Development Association
Edison Electric Institute
International Brotherhood of Electrical Workers
Large Public Power Council
Microsoft
National Grid

Pacific Gas & Electric Company
Sacramento Municipal Utility District
Schneider Electric
Southern Company

cc: The Honorable Paul D. Ryan, Speaker, U.S. House of Representatives
The Honorable Nancy Pelosi, Democratic Leader, U.S. House of Representatives
The Honorable Mitch McConnell, Majority Leader, U.S. Senate
The Honorable Charles E. Schumer, Democratic Leader, U.S. Senate
Members of the U.S. House of Representatives Committee on Ways and Means
Members of the U.S. Senate Committee on Finance

About

The Alliance to Save Energy is a non-profit, bipartisan coalition of business, government, environmental, and consumer-interest leaders that advocates for enhanced U.S. energy productivity to achieve economic growth; a cleaner environment; and greater energy security, affordability, and reliability. Working in collaboration with a wide variety of organizations including utilities, technology providers, automakers, public interest organizations, and business associations that have participated in the Alliance's "50x50 Initiative on Transportation Efficiency," we affirm the critical importance of energy efficiency as the foundation of a productive, competitive, affordable, and sustainable transportation sector.

¹ U.S. Department of Energy

² AAA Cost of Ownership Report 2018

³ "Total U.S. Greenhouse Gas Emissions by Economic Sector in 2016," U.S. Environmental Protection Agency

⁴ www.fueleconomy.gov; Argonne National Laboratory Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation Model