Testimony
of
Genevieve Cullen, President
Electric Drive Transportation Association
Before
The House Energy and Commerce Committee Subcommittee on Environment, Manufacturing and Critical Materials
June 22, 2023

Mr. Chairman, Ranking Member Tonko, Members of the Subcommittee,

The Electric Drive Transportation Association (EDTA) is the cross-industry trade association promoting the advancement of electric drive technologies and electric transportation. EDTA's members represent the entire value chain of electric drive, including vehicle manufacturers, materials and component manufacturers, electric utilities and infrastructure developers. Collectively, these companies are building the electric transportation ecosystem, which is building U.S competitiveness and creating jobs, while reducing GHGs and creating transportation options for families, businesses and communities.

EDTA appreciates the opportunity to appear before the Committee and share our views on the electric transportation opportunity for the U.S.

The future of transportation is electric – our choice now is whether to lead or follow in the market. Historic investments and growth have positioned the U.S. for leadership. We can build on this strength or cede the market to China.

Bloomberg NEF projects that EV sales will increase rapidly in the next few years – from 10.5 million in 2022 to almost 27 million in 2026. The EV share of global new passenger vehicle sales is projected to rise from 14% in 2022 to 30% in 2026.

In the United States, the EV ecosystem is growing rapidly. 3.8 million plug-in electric vehicles have been sold since 2010. In May 2023, 113,911 plug-in vehicles were sold – that is a 68% increase over May 2022. In the U.S, EVs are projected to make up nearly 28% of passenger vehicle sales by 2026, up from 7.6% in 2022.

Infrastructure is growing alongside the plug-in fleet – nearly 54k public stations, with more than 139,000 outlets, are in operation. Tesla has committed to making at least 3,500 of its U.S. Supercharger stations and 4,000 Level 2 charging docks available to all brands of electric vehicles by the end of next year.

What does electric transportation mean for consumers? It means increased options, cheaper fueling and healthier communities.

There are 87 models available today – and automakers have announced an additional 58 models to be rolled out by 2027, at all price points and sizes. The used EV market is poised to follow this rapid growth

in the new car market, both accelerated by federal and state purchase incentives that put vehicles at (or in some cases, below) the cost of conventional counterpoints.

Domestically produced grid electricity, on average, can power plug-in cars at the equivalent of $1.20 a gallon of gasoline. This price is stable and insulated from the global volatility that drives gasoline prices.

Owning an EV is also cheaper. Consumer Reports recently compared popular plug-in cars to their conventional counterparts and estimated that owners of full battery and plug-in hybrid cars incur only half the repair and maintenance costs of a conventional car and that those driving pure electric cars enjoy 60% savings in energy costs.

These benefits, and increasing awareness of them, are fueling consumer interest. In December 2020 study (before the IRA incentives), Consumer Reports found that "71 percent of U.S. drivers say they would consider buying an EV at some point in the future, with nearly a third indicating interest in an EV for their next vehicle purchase."

Electric transportation is also providing cleaner options for consumers, businesses and communities by reducing greenhouse gas emissions and other air pollutants. Air pollution accounts for one in five premature deaths.

By 2050, the American Lung Association estimates that the benefits of transitioning to EVs could include over 89,000 fewer premature deaths, $978 billion in public health benefits, and 10 million fewer lost work days. They also document that burden of air pollution falls disproportionately on lower-income and frontline communities.

Electrifying the transportation sector is an essential tool in the effort to combat climate change and reduce air pollution. According to a recently updated Union of Concerned Scientists analysis, no matter where you are plugging in in the U.S., an EV has fewer emissions than the average internal combustion engine vehicle.

In fact, "In some parts of the country, driving the average new gasoline car produces 4 to 7 times the emissions of the average EV." Even in areas where coal dominates electricity production, and when factoring in battery manufacturing emissions, EVs reduce emissions. These benefits are only increasing as a cleaner grid, advanced manufacturing and increased secondary uses of batteries make the value chain more efficient.

What does it mean for the U.S.?
The expanding value chain is growing U.S. leadership in the global EV race and has already created hundreds of thousands of jobs.

According to a study conducted by Atlas Public Policy, more than $210 billion in EV manufacturing and battery investment has been announced in the U.S. since 2021. This data suggests nearly a quarter of all global EV investment will be directed to the U.S.

As many analysts have noted, the EV industry is at an inflection point. What policy makers do next will help to cement U.S. market leadership, get to full scale in the next decade and secure the economic and environmental benefits of e-mobility.

Building the e-mobility ecosystem requires, at minimum, public and private investment, clear market signals and regulatory certainty. Policymakers and industry need to work together to effectively implement existing programs and incentives that are fueling market growth.

At the same time, we need to be advancing solutions to achieve full scale e-mobility, including growing resilient supply chains, building out equitable infrastructure, future-proofing the grid and investing in continuous innovation.

EDTA supports an all-of-the-above approach to e-mobility that reinforces investment throughout the value chain, including consumer incentives, investment in infrastructure, consistent regulatory requirements and support for ongoing innovation.

From that perspective, EDTA is pleased to share its comments on the legislation before the committee today.

LEGISLATION

HR 1435 the Preserving Choice in Vehicle Purchases Act:
HR 1435 amends the conditions under which an EPA may grant a petition for a waiver to a state for its vehicle emissions standards by excluding a state directive that "directly or indirectly" limits the sale or use of new motor vehicles with an ICE. The bill's limitation is also retroactive to January 2022.

This change could create substantial disruption in the U.S. vehicle market, extending beyond California to the Section 177 states, who combined represent more than 40 percent of new vehicle sales. It would create consumer confusion and uncertainty, as it potentially revises prior waivers. In addition, the legislation would hinder the states' ability to address their unique environmental conditions, as waivers were designed to do.

EDTA supports a coherent, national regulatory regime that promotes investment in GHG-reducing technology and provides manufacturers with the support they need to achieve aggressive goals. We believe that informed regulators and engaged stakeholders working together to finalize standards is the way to ensure effective regulation and reward innovation in the vehicle market.

At this inflection point for the market, this disruption and uncertainty would work against U.S. market leadership and consumers' access to EV choices. Vehicle manufacturers and the complex supply chains that support them, and the EV ecosystem, have made substantial investments in reliance on the current regulatory regimes. EDTA does not support an abrupt and complete change of course that would disadvantage innovation in the domestic vehicle market and potentially strand enormous investments in California, the Section 177 states and across the EV supply chain.

HR 337 the Fuels Parity Act:
EDTA has no position on the Fuels Parity Act.

Discussion Draft – the No Fuels Credits for Batteries Act:
EDTA supports establishing an RFS pathway for renewable electricity used by electric vehicles. In fact, we have supported expanding the pathway for renewable electricity in the effort to recognize a wider array of sources, including from on-farm biogas, biomass, wind, hydro and solar generators. Renewable electricity is logically within the ambit of renewable transportation fuels that the Renewable Fuel Standard is meant to promote. Finally, adding the pathway, first proposed over a decade ago, is an important step in supporting the expansion of EV infrastructure and distributed power options. The renewable pathway will also provide added resilience to the grid.

Discussion Draft the Choice in Automobile Retail Sales Act:
The CARS Act would prohibit the EPA from finalizing its proposed rule for 2027-2032. It would also look backward to invalidate previous regulation that result in limited availability of new vehicles based on engine type.

Again, EDTA supports a coherent regulatory regime that promotes investment in GHG-reducing technology and provides manufacturers with the support they need to achieve aggressive goals. We believe that informed regulators and engaged stakeholders working together to finalize standards is the way to ensure effective regulation and reward innovation in the vehicle market.

The disruption and uncertainty caused by freezing the rulemaking process and undoing previous GHG regulation would work against US market leadership and consumers' access to EV choices. Vehicle manufacturers and the complex supply chains that support them, and the EV ecosystem, have made substantial investments in reliance on the current regulatory regimes and are working to contribute to the development of new standards.

Thank you for the opportunity to participate today. I look forward to your questions.