

February 25, 2020

Minnesota State Senate Room 1200 Minnesota Senate Building 95 University Avenue West St. Paul, MN 55155-1606

Dear Chair Ruud and Members of the Environment and Natural Resources Policy and Legacy Finance Committee,

Consumer Reports¹ urges you to support the Low Emission Vehicle (LEV) and Zero Emission Vehicle (ZEV) programs. These programs will deliver consumer, environmental, and public health benefits for Minnesota residents. Over 500 Minnesotans signed a Consumer Reports petition asking the state to adopt both the standards so residents can breathe cleaner air, spend less on gasoline, and help fight climate change.

By adopting the LEV standard, Minnesotans could save nearly \$6 billion from vehicles sold over the next 15 years.² These net savings include the fuel savings as well as the technology costs needed to reduce vehicle emissions. As efficiency gains and emission reductions have been made in the vehicle fleet nationally under existing federal standards, vehicle sales have increased and new vehicles have gotten safer, all while preserving vehicle affordability.³

A Zero-Emission Vehicle program in Minnesota would give consumers more choices by making electric vehicles easier to find and buy at local auto dealers. 6 in every 10 prospective car

² Chris Harto & Shannon Baker-Branstetter, The Un-SAFE Rule Update, Consumer Reports (November 2019), https://advocacy.consumerreports.org/wp-content/uploads/2019/11/CRs-Updated-Analysis-of-the-UnSAFE-Rule.pdf

¹ Consumer Reports is an independent, nonprofit membership organization that works side by side with consumers to create a fairer, safer, and healthier world. For 80 years, CR has provided evidence-based product testing and ratings, rigorous research, hard-hitting investigative journalism, public education, and steadfast policy action on behalf of consumers' interests. CR has exposed landmark public health and safety issues and strives to be a catalyst for pro-consumer changes in the marketplace. From championing responsible auto safety standards, to winning food and water protections, to enhancing healthcare quality, to fighting back against predatory lenders in the financial markets, Consumer Reports has always been on the front lines, raising the voices of consumers.

Referencing savings for MY2021-2035 vehicles compared to a 1.5% fuel economy increase per year through 2026 scenario proposed by the current administration, which is significantly below the current GHG standards ³ Although tougher standards result in incremental increases in vehicle purchase prices due to increased technology deployment, CR <u>analysis</u> has found that those technology investments paid off at a rate of \$3 in consumer fuel savings for every \$1 of increased vehicle cost. This is consistent with Regulatory Analysis by the Colorado Department of Public Health and Environment which found that although adopting LEV would increase vehicle prices by \$863, consumers would save \$2,800 in fuel resulting in discounted net savings totaling \$1,650.

buyers in Minnesota has some interest in electric cars, trucks and SUVs.⁴ Additionally 66 percent of prospective Minnesota car buyers want automakers to provide more types of electric vehicles, like SUVs, pickup trucks, and minivans. Adopting the ZEV program would help ensure Minnesotans can find these kinds of electric vehicles at dealerships in the coming years. Consumers benefit from EVs having fewer and simpler components, resulting in lower maintenance costs.⁵ They also never need an oil change and cost about half as much to fuel.⁶ The ZEV program will make accessing those benefits much easier by bringing a greater variety of electric vehicles to Minnesota.

In addition to consumer benefits, EVs provide environmental and public health benefits. Minnesota's transportation sector, dominated by petroleum, is the leading source of greenhouse gas emissions.⁷ Electric vehicles in Minnesota, on average, also produce about 62% fewer greenhouse gas emissions than gas-powered vehicles, according to a recent analysis by Consumer Reports.⁸ More EVs on the road would reduce greenhouse gas emissions.⁹ More EVs would also reduce other forms of air pollution from car exhaust that cause respiratory diseases, like higher rates of asthma among children.¹⁰

Thank you for your consideration of these important programs that benefit consumers, the environment, and public health.

Warm Regards,

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Alfred J. Artis, Policy Analyst, Consumer Reports

⁷ Minnesota Pollution Control Agency, 2016 Sector Source of GHG Emissions and storage,

⁴ Union of Concerned Scientists & Consumer Reports, Electric Vehicle Survey Findings and Methodology: Minnesota (September 2019)

https://advocacy.consumerreports.org/wp-content/uploads/2019/09/Electric-Vehicle-Survey-Minnesota-1.pdf

⁵ Kate Palmer et al., Total Cost of Ownership and Market Share for Hybrid and Electric Vehicles in the UK, US and Japan, January 1, 2018, https://www.sciencedirect.com/science/article/abs/pii/S030626191731526X?via%3Dihub

⁶ US Department of Energy, Office of Energy Efficiency and Renewable Energy, Saving on Fuel and Vehicle Costs, accessed <u>2/12/20</u>

https://www.pca.state.mn.us/air/greenhouse-gas-emissions-data

⁸ Consumer Reports, How Clean Are Vehicles in Your State, <u>9/12/19</u>

⁹ US Department of Energy, Energy Efficiency and Renewable Energy, Alternative Fuels Data Center, Emissions

from Hybrid and Plug-In Electric Vehicles, accessed 1/17/19, <u>https://afdc.energy.gov/vehicles/electric_emissions.html</u> ¹⁰ Marlene Cimons, Nexus Media, Cleantechnica, Car Exhaust is a Key Contributor to Asthma in Children, April 28, 2019, <u>https://cleantechnica.com/2019/04/28/car-exhaust-is-a-key-contributor-to-asthma-in-children</u>