



Transportation Committee Members:

The [Coalition for Clean Transportation](#) urges you to support [HF 3430](#) and the [A1 author's amendment](#). As has been extensively documented through processes like the Electricity as a Vehicle Fuel working group and analyses by [Drive Electric Minnesota](#) and national research firm [Atlas Public Policy](#), the current electric vehicles (EV) surcharge places an unfair burden on EVs over gasoline vehicles at a time when state support is more needed than ever to protect the progress made on getting cleaner, more efficient, and more affordable EVs to more Minnesotans.

### **EVs save money for drivers and the public at a time when both are needed**

New EV sales have risen quickly in recent years, with advancements in battery technology and charging infrastructure making it even easier for more Minnesotans to make the switch to electric. The increase in new EV sales has also heralded an expanded market for more affordable used EVs, which are now [cheaper on average](#) than used gasoline vehicles and include options below \$15,000. Used EVs offer Minnesotans an opportunity to save on fuel and maintenance costs at a time when prices are rising across the economy, including the most recent oil price spike that has seen a gallon of gasoline jump up to an average of \$3.40/gallon from [\\$2.60/gallon a month ago](#). At those prices, a driver making the switch to an EV could see annual savings close to \$2,000 per year<sup>1</sup>. A [recent study](#) estimated lifetime savings of over \$10,000 for a used EV versus its gasoline counterpart.

Vehicle electrification is also a public health measure that will reduce air pollution and mitigate greenhouse gas (GHG) emissions that contribute to climate change. EVs emit less GHG emissions than gasoline vehicles – up to [88% in Minnesota](#). As Minnesota's electric grid continues to get cleaner, EVs will provide even greater GHG emissions reductions, which will help our state avoid costly climate impacts in the future. A soon-to-be release report by the Minnesota Pollution Control Agency estimates that climate change could cost our state \$47 billion annually by 2100. The fewer GHGs we can emit now through supporting EVs, the more we can avoid these ballooning costs.

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<sup>1</sup> Using <https://www.electricforall.org/ev-savings-calculators/>, assuming 26 mpg, 12,000 miles driven, 55105 zip code, electric compact, with gas prices at \$3.4/gallon. More miles driven will accrue larger savings.

There are near-term savings as well from less pollution. Since most sold EVs have no tailpipe emissions, they also provide significant health co-benefits from reduced nitrogen oxides and fine particulate matter, which contribute to asthma, cardiovascular disease, strokes, and premature death. According to the [American Lung Association](#), if the U.S. achieves 100% EV sales by 2035, Minnesotans will reap an estimated \$12 billion in cumulative healthcare savings and prevent 1,130 premature deaths, 30,100 asthma attacks and 141,000 lost workdays over the next 15 years. Even at lower levels of adoption, the public health benefits of EVs will still accrue to all Minnesotans.

Finally, given their ability to charge at different times – including when the electric grid is least used – EVs provide an opportunity to save all ratepayers money. A study by Synapse Energy Economics estimated EVs have [already saved Minnesota ratepayers \\$17 million](#) over a 10 year period.

### **HF3430 is a good step to evolving our state’s transportation funding mechanisms**

CCT supports reducing the EV surcharge to a \$100 flat fee and creating a new “weight adder” that will place higher fees on passenger vehicles that weigh more than the average vehicle and therefore exert more damage on our roads, as many larger gasoline-powered SUVs and pick-up trucks do alongside electric SUVs and pick-ups, and which are less safe for other vehicles on the road as well as bikers and pedestrians. Such a change is a good first step to acknowledging our current roadway funding mechanisms are in urgent need of a reset to fill gaps caused primarily from the increasing costs of maintaining our transportation system and the decades-long improvement of vehicle fuel efficiency in gas vehicles, which has seen the gas tax revenue [fall to 33% of the total of Highway User Distribution Tax Fund revenues](#).

This change will also provide a runway for finding a fairer approach to taxing EVs and efficient gasoline vehicles, using both weight and mileage, as well as other holistic solutions to sustainably funding our transportation infrastructure without singling out one technology.

For these reasons, we strongly urge you to support HF 3430 and the A1 amendment.

Sincerely,

The Coalition for Clean Transportation

The Alliance

CURE

Fresh Energy

Health Professionals for a Healthy Climate

MN350

Sierra Club North Star Chapter

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CCT organizes and advocates to eliminate Minnesota’s transportation-related climate emissions through the increased adoption and availability of sustainable and equitable electrification options, centering BIPOC and under-resourced communities who disproportionately bear the impact of climate change, air pollution, and experience high rates of mobility injustice.

CCT envisions a future where all Minnesotans, from urban to suburban to rural, have equitable access to clean transportation options that promote health and connection for all.