

Document5

**Subject** Electric vehicles  
**Authors** Stephenson  
**Analyst** Bob Eleff  
**Date** February 17, 2021

## Overview

This bill establishes a preference for the purchase of electric vehicles by state agencies; provides rebates for electric vehicles purchased or leased; requires certain utilities to file plans with the Public Utilities Commission to promote electric vehicle deployment; requires auto dealers selling electric vehicles to have at least one employee who completed a dealership association's electric vehicle training course; and provides grants to dealers to defray the costs of training and equipment required by electric vehicle manufacturers.

## Summary

Section	Description
1	<p><b>[16B.24] General authority.</b></p> <p><b>Subd. 13. Electric vehicle charging.</b> Requires a person charging a private electric vehicle within the state Capitol area to pay for the electricity consumed.</p>
2	<p><b>[16C.135] Purchases of fuel and vehicles by state agencies.</b></p> <p><b>Subd. 3. Vehicle purchases.</b> Establishes a hierarchy of preferences for state agency vehicle purchases: electric, hybrid, clean fuels, and gasoline. A more-preferred vehicle can be rejected only if it cannot meet performance requirements or if its lifecycle cost is more than 10 percent higher than that of the next lowest preference vehicle type.</p>
3	<p><b>[16C.137] Minimizing energy use; renewable fuels.</b></p> <p><b>Subd. 1. Goals and actions.</b> Specifies that new state vehicles are to be purchased in conformity with the hierarchy established in section 2.</p>
4	<p><b>[168.27] Motor vehicle dealers; violations; penalties.</b></p> <p><b>Subd. 2a. Dealer training; electric vehicles.</b> Requires a motor vehicle dealer under a franchise and selling electric vehicles to maintain at least one employee</p>

Section	Description
	certified as completing a training course offered by a Minnesota dealership association that contains the listed elements.
5	<p><b>[216B.1615] Electric vehicle deployment program.</b></p> <p><b>Subd. 1. Definitions.</b></p> <p><b>Subd. 2. Transportation Electrification Plan; contents.</b> Requires a public utility operating in a first class city to file with the commission a Transportation Electrification Plan (TEP) by June 1, 2022, and every three years thereafter, to promote the deployment of electric vehicles. Elements of the plan may include outreach and education, utility investments in charging stations and other infrastructure, new rate structures to encourage recharging at a time that optimizes electric grid operation, making electrification accessible to low-income customers, and other programs.</p> <p><b>Subd. 3. Transportation Electrification Plan; implementation.</b> Lists factors the commission must consider in deciding whether to approve a TEP.</p> <p><b>Subd. 4. Cost recovery.</b> Lists alternatives methods of allowing the utility to recover costs of an approved TEP, including riders, performance-based incentives, and earning a rate of return on investments.</p>
6	<p><b>[216C.401] Electric vehicle rebates.</b></p> <p><b>Subd. 1. Definitions.</b></p> <p><b>Subd. 2. Eligible vehicle.</b> Restricts rebates to vehicles with a manufacturer's suggested retail price no greater than \$60,000. Used electric and leased electric vehicles are eligible for rebates.</p> <p><b>Subd. 3. Eligible purchaser or lessee.</b> Eligible purchasers include Minnesota residents, businesses with a valid Minnesota address, nonprofit corporations, and political subdivisions.</p> <p><b>Subd. 4. Rebate amounts.</b> Rebates are \$2,500 per new vehicle, and \$500 for a used vehicle. A purchaser or lessee whose household income is below 150 percent of the federal poverty level may receive an additional \$500 rebate for a new vehicle, and \$100 for a used vehicle.</p> <p><b>Subd. 5. Limits.</b> Limits rebates to one per resident per household, and one per business entity annually.</p> <p><b>Subd. 6. Program administration.</b> Directs the commissioner of commerce to administer the program, and to coordinate with dealers and other state agencies</p>

Section	Description
	to enable rebates to be awarded at the point of sale or lease, so that they may be subtracted from the vehicle's selling or leasing price.
	<b>Subd. 7. Expiration.</b> Provides that this section expires June 30, 2025.
7	<b>[216C.402] Grant program; manufacturers' certification of auto dealers to sell electric vehicles.</b>
	<b>Subd. 1. Establishment.</b> Establishes a grant program in the Department of Commerce to offset the costs of training and equipment that manufacturers of electric vehicles require in order to certify dealers to sell electric vehicles.
	<b>Subd. 2. Application.</b> Requires a grant application to be filed with the commissioner.
	<b>Subd. 3. Eligible applicants.</b> Applicants must be dealers of new vehicles licensed under chapter 168.
	<b>Subd. 4. Eligible expenditures.</b> Grant funds may be expended on training for dealer personnel, for equipment to service and repair electric vehicles, and to pay the costs of the department to administer the program.
	<b>Subd. 5. Limitation.</b> The maximum grant is \$40,000 per dealership.
8	<b>Appropriation.</b> \$10 million is appropriated from the renewable development account for electric vehicle rebates and \$2 million for dealer grants for eligible applicants located in Xcel's electric service area. Identical amounts are appropriated for the same purposes for applicants outside Xcel territory.