



### Just the Facts: EV Accessibility

The federal electric vehicle (EV) consumer tax credit has helped to grow and stabilize the domestic EV industry and ensure America is competitive in the global automotive market. Reform of the current federal EV tax credit will ensure consumers continue to have the freedom to decide which model EV they want while providing continued affordability.

**Fact:** The intent of the tax credit is to reduce the cost of batteries, in particular, so that all consumers can afford an electric vehicle. Historically, an emerging technology is more expensive than its established counterpart. Electric vehicles are no different. The consumer tax credit helps to address this issue by assisting with upfront costs. This increases consumer awareness and interest, while at the same time providing manufacturers the time needed to expand production capabilities and bring down costs through innovation and economies of scale.

Electric vehicle prices are driven largely by the cost of the battery. However, as battery technology improves, the prices have come down.

- 2010: Lithium-Ion batteries cost \$1,000 per kWh.
- 2017: Lithium-Ion batteries cost \$200 per kWh.
- 2025: Lithium-Ion batteries projected to cost \$100 per kWh. This is widely considered the point where EVs and ICEs see price parity.

**Fact:** Once on the road, EVs provide consumers with less expensive energy to power their vehicles and are less expensive to keep on the road.

- 100% of the energy used to power electric vehicles is generated within the U.S. A stable power grid results in less expensive energy, with less likelihood of price fluctuation. On average, EV drivers spend less than 50% of what their ICE counterparts do to travel the same distance.
- Electric vehicles have approximately two-dozen fewer components which require consistent – and costly – maintenance. These include:
  - Oil changes
  - Cooling system flushes
  - Transmission servicing
  - Air filters
  - Spark plugs
  - Drive belts

**Fact:** Electric vehicles are increasingly accessible to all Americans. Like with any technology, EVs began selling at higher prices before achieving economies of scale and driving the price down. Today, high-range EVs like the Nissan Leaf and the Chevy Bolt can be purchased at prices comparable to traditional mid-size internal combustion engine (ICE) vehicles, before taking into account fuel savings and state and federal consumer incentives.