



OEC [Action Fund]

Proponent Testimony - Ohio Senate Bill 257 (O'Brien/Rulli)
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Good morning, Chair Roegner, Vice Chair Blessing, Ranking Member Williams, and members of the Senate Ways and Means Committee. My name is Miranda Leppla and I am the Vice President of Energy Policy for the Ohio Environmental Council (OEC) Action Fund. Thank you for the opportunity to submit written testimony on Ohio Senate Bill 257.

The OEC Action Fund works toward a clean energy future to ensure Ohioans have clean air to breathe and clean water to drink. A clean energy future includes reducing reliance on fossil fuels in our electric sector, promoting renewable energy and energy efficiency, and supporting the electrification of our transportation systems.

Incentives for electric vehicles (EVs) will help jump-start Ohio's efforts to accelerate EV adoption, which will reduce air pollution coming from the transportation sector and improve public health outcomes. A sales tax credit for plug-in EVs will give consumers and companies an extra reason to consider purchasing a cleaner vehicle, while the income tax and commercial activity tax credit for EV charging stations will help defray the costs of building out the necessary infrastructure to ensure Ohio has a robust EV market across the state.

Along with the benefits of reducing pollution and ensuring Ohioans have cleaner air to breathe, Ohio has the opportunity to become a leader in the electric vehicle (EV) manufacturing industry, making Senate Bill 257 and other legislation supporting the transition to clean EVs an important component of economic recovery in the midst of the coronavirus pandemic. We are seeing exciting developments in the Mahoning Valley (also known now as "Voltage Valley") with Lordstown Motors beginning to manufacture all-electric pickup trucks, and a partnership between General Motors and LG Chem to build a lithium-ion battery plant for use in EVs. Ohio has the opportunity to be a leader in

the electric vehicle manufacturing industry, helping Ohioans and people across the country adopt a cleaner mode of transportation and creating jobs in a time when we desperately need it in Ohio.

In its current form, S.B. 257 is a solid step toward helping Ohio transition toward a cleaner transportation future. However, to truly ensure movement toward EV adoption and helping establish Ohio as a leader in the EV marketplace, the OEC Action Fund recommends more robust incentives for the purchase of EVs be included in S.B. 257.

First, we recommend increasing the dollar amount of the sales tax credit. At \$500 for personal use, and \$1,000 for business purchasers for up to ten EVs per year, the sales tax credit isn't high enough to properly incentivize adoption. The OEC Action Fund instead recommends that the sales tax credit be raised to at least \$2,000 per vehicle for both personal and business.

Second, the sale tax credit is available for a purchaser's business for up to ten vehicles per year. When a company is replacing its fleet, the number of vehicles being replaced is much often higher than ten vehicles per year. In order to ensure that when a company is looking to transition its fleet, the credit is high enough to be persuasive, the OEC Action Fund recommends the number of vehicles eligible for the sales tax credit per year be increased. Transitioning entire fleets of vehicles toward electric would be a huge victory for our environment and for Ohioans' health. The OEC Action Fund looks forward to seeing companies across Ohio replace fleets of traditional combustion vehicles with all-electric pickup trucks like the Lordstown Endurance and vehicles with batteries built by Ohioans in Voltage Valley.

In sum, the OEC Action fund fully supports the intended goal of S.B. 257 to rapidly transition Ohio toward EVs, and believes with the recommendations laid out in our testimony, it will do just that. We look forward to working with the bill sponsors and Committee members on ensuring we move Ohio rapidly toward a clean transportation future.