

# Electric Vehicles (EVs)

America's 9,400 international nameplate auto dealers and their 549,000 employees are committed to selling and servicing the cars that fit the needs of their customers, and must be a part of the shift toward clean energy. In 2023, 7.6% of new vehicles sold in the U.S. were electric. The EPA tailpipe emissions rule, which will require as many as 56% of all new vehicles sold in the U.S. be all-electric by 2032, is far out of step with consumer demand and the reality of the current marketplace.

## EVs Must be AFFORDABLE

The cost of an EV is still out of reach for many American families.

Affordability is a major obstacle for all new cars, and, despite strides toward parity, EVs remain more expensive than ICE vehicles.

There are currently **well over 100** clean vehicles on the U.S. market but **LESS THAN 2 DOZEN** qualify (including just **FIVE international nameplates**) for even part of the Clean Vehicle Tax Credit. Meanwhile, **dealer lots are currently overflowing** with EVs that Americans aren't yet convinced they want, and would struggle to afford.

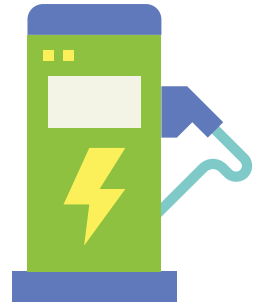


## EVs Must be CHARGEABLE

American carbuyers must have confidence in the EV charging network.

At the end of Q3 2023, there were 26 public chargers for every EV on the roads. The total installed public chargers are about 12% of what will be needed to support EV penetration by 2030.

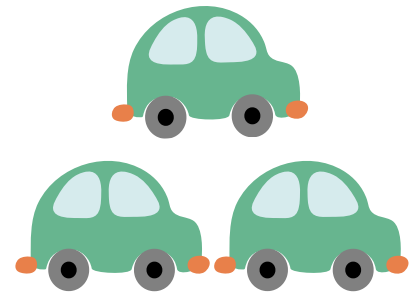
Significant investment in the power grid will also be needed at an estimated cost of **\$30-\$40 Billion** through 2030.



## EVs Must be AVAILABLE

There is already scant global supply of critical minerals and demand is expected to grow exponentially.

While there is a short term glut of EVs as carbuyers consider making this shift, in the long term the supply of critical minerals could pose a significant challenge as production of EVs continues to scale up. The five minerals most critical for EV batteries are concentrated in a handful of countries. **China** currently handles **more than 50%** of critical minerals for EV batteries and has **75% of the world's production capacity**.



# Dealers Are Doing Their Part

Dealers are committed to helping their customers make the best choice for their next vehicle, and will be the primary source of information for many carbuyers about EVs. They are navigating changing rules from regulators, requirements from automakers that differ greatly across brands, extensive infrastructure upgrades, and developing staff training on a new and evolving technology. According to the National Automobile Dealers Association, franchised dealers will spend an estimated \$5.5 Billion on EV infrastructure.

**Some dealers will spend in excess of \$1 MILLION PER DEALERSHIP to prepare for EVs.**

- Most automakers are requiring dealers to install different numbers of Level 2 and Level 3 chargers over the next few years.
- Purchase and installation of a single Level 3 "Fast" Charger can cost as much as \$250,000.
- The power needed to supply the new charging infrastructure is often not available and is dependent upon local electricity distribution capabilities. New transformers and power lines are sometimes needed at additional construction cost.
- Dealers must coordinate with the local utility, the automaker, the automaker's preferred charging vendor, and an installer.
- EV batteries can weigh as much as 2000 lbs, requiring dealers to buy new, heavy duty lifts for service departments.
- Many dealers are investing in separate storage facilities in order to store EV batteries away from other structures to meet recommended safety standards.
- Dealers are developing dedicated EV training programs to provide EV buyers with a knowledgeable and well-trained staff.
- The Clean Vehicle Tax Credit became available at the point of sale in 2024, but challenges and delays with the IRS portal has made for a "clunky" process for dealers and customers.

***"[Dealers] have been challenged with an exceptional burden. Being able to execute in a responsible way for consumers is huge ... but doing it in a very short time frame is not easy."***

***-Nicole Antakli, General Manager & Chief Business Officer, Charge Enterprises (Automotive News)***