

As passed by the House, Nov. 19, 2021

On November 19, 2021, the House of Representatives passed the Build Back Better Act, which includes numerous provisions that will accelerate the adoption of electric vehicles (EVs) and the build-out of EV charging infrastructure. The BBB Act will launch the U.S. into a leadership position with the shift to transportation electrification as consumers, businesses and fleets transition their light-, medium-, and heavy-duty vehicles to be electric. Together with the Infrastructure Investment & Jobs Act (IIJA), passed in early November 2021, these policies and investments will remove our nation's dependency on oil and dramatically improve our national security. The Electrification Coalition (EC) looks forward to working with the U.S. Senate to pass the Build Back Better Act.



EC Federal Priority: Purchase Incentives

BBB includes a new commercial EV credit. The amount of credit for a qualified commercial vehicle is equal to 30% of the cost of such vehicle. A leasing company may elect to determine the credit using the structure of the individual credit under section 36C if the vehicle is leased to an individual. Tax-exempt entities have the option of electing to receive direct payments.

BBB includes a new used EV credit. A new section is added, 36D, "Previously owned qualified EVs." The amount of the credit is equal to \$2000 plus a supplemental credit amount equivalent to \$2000 if the vehicle is placed in service before Jan. 1, 2027, with a 40kWh battery capacity minimum, and 50kWh battery capacity after 2026.

The credit can't exceed 50% of the sale price of the EV. There are income limits, the EV model must be at least 2 years old, the MSRP must not be above \$25k. The credit is in place until Dec. 31, 2031.

BBB includes a long-term extension of the Section 30D Federal EV tax credit. Under Sec. 136401 of the act, the credit is now referred to as 36C: new qualified plug-in electric drive motor vehicles. The credit shall not exceed 50% of the purchase price of the vehicle, and the number of new qualified plug-in EVs that can be claimed under this credit shall not exceed 1 per taxpayer per taxable year. The amount of the credit is equal to a base amount of \$4000, plus an additional \$3500 based on battery capacity. An additional credit amount of \$4500 is available if an EV meets domestic assembly qualifications, and \$500 is available if the EV meets domestic content qualifications. There are certain income limitations in place, as well as MSRP caps: the credit is reduced by \$200 for each \$1000 by which the lesser of the taxpayer's modified AGI for the taxable year or the preceding taxable year exceeds the threshold amount of \$500k not \$800k filing jointly / \$375 not \$600k head of household / \$250 not \$400k other cases; the MSRP caps are vans - \$80k, SUVs - \$80k, pick-up trucks \$80k, other vehicles \$55k. The credit is extended until Dec. 31, 2031. The transfer of the credit to the dealer is permitted.

EC Federal Priority: Funding Charging Infrastructure

BBB includes a long-term extension and increased amounts for the Section 30C alternative fuel refueling property credit. The provision extends the alternative fuel vehicle refueling property credit through 2031. Beginning in 2022, the provision expands the credit by providing a base credit of 6% for expenses up to \$100,000 and 4% for allowable expenses in excess of such limitation (i.e., it allows a credit for expenses beyond the limit if certain requirements are met). The provision provides an alternative bonus credit level of 30% for expenses up to \$100,000 and 20% thereafter. To qualify for the credit for expenses in excess of the \$100,000 limitation, the property must: 1) be intended for general public use and either accept credit cards as a form of payment or not charge a fee, or 2) be intended for exclusive use by government or commercial vehicle fleets.

In order to claim the bonus credit amount with respect to eligible property, taxpayers must satisfy prevailing wage requirements for the duration of the construction of such property. This provision also clarifies that bidirectional charging equipment is eligible property and expands the list of eligible property to include electric charging stations for electric 2- and 3- wheeled motor vehicles manufactured for use on public street, roads, and highways, but only if such stations are 1) intended for general public use and either accept credit cards as a form of payment or not charge a fee, or 2) intended for exclusive use by government or commercial vehicles.



EC Federal Priority: Funding Federal Fleet Electrification

BBB includes strong funding to electrify the federal fleet, including the U.S. Postal fleet. Specifically, BBB includes nearly \$3 billion for electrifying the federal fleet under GSA, and the \$5.9 billion for electrifying the US Postal Service vehicles and the build-out of corresponding charging infrastructure.

EC Federal Priority: EV Manufacturing Tax Credits

BBB includes a long-term extension for the Advanced Technology Vehicle Manufacturing Program. This extends the program until September 30, 2028 and increases funding by \$3 billion. (Sec. 30442.)

BBB includes \$3.5 billion for Domestic Manufacturing Conversion Grants. These grants are available for the domestic production of PHEVs, BEVs and hydrogen fuel cell EVs (Sec. 30443).



Additional EV and EVSE Priorities Included in the Build Back Better Act:

Section 30101: Clean Heavy-Duty Vehicles: Subsection (a) of this section appropriates \$5 billion to carry out section 132 of the Clean Air Act (CAA), as added by subsection (b), of which \$2 billion is for recipients proposing to replace eligible heavy-duty vehicles serving communities located in nonattainment areas. Section 132(a) establishes a program to make awards of grants and rebates to replace Class 6 and Class 7 heavy duty vehicles with zero-emission vehicles. Section 132(b) establishes an application requirement. Section 132(c) defines terms used in this section.

Section 30102: Grants to Reduce Air Pollution at Ports: This section provides \$3.5 billion for the purchase and installation of zero-emission equipment and technology at ports, as well as the development of climate action plans at ports. Requires that 25 percent of investments are made at ports in nonattainment areas. The program is in place until 2027.

Section 30103: Greenhouse Gas Reduction Fund. \$2 Billion until September 2024 to municipalities, states, tribal governments to support the purchase, installation, or operation of publicly available equipment to charge or fuel light-duty zero-emission vehicles, including in low-income and disadvantaged communities, through grants, rebates, or other forms of financial assistance.

Section 30103 (cont.)

\$8 Billion specifically for low-income and disadvantaged communities and \$11.97 billion for direct/indirect investment for projects that reduce greenhouse gas emissions. ZEV transportation and EVSE is eligible.

Section 30105: Diesel Emissions Reductions: In addition to amounts otherwise available, there is appropriated to the EPA \$60 million to remain available until September 30, 2031, for grants, rebates, and loans to identify and reduce diesel emissions resulting from goods movement facilities, and vehicles servicing goods movement facilities, in low-income and disadvantaged communities to address the health impacts of such emissions on such communities.

Section 30107: Funding to address air pollution at schools: \$37.5 million for grants and other activities to monitor and reduce air pollution and greenhouse gas emissions at schools in low-income and disadvantaged communities.

Section 30202: Environmental and Climate Justice Block Grants. This section provides \$3 billion for investments in community-led project in disadvantaged communities and community capacity building centers to address disproportionate environmental and public health harms related to pollution and climate change. EVSE would be eligible. Only until September 30, 2026.

Sec. 30412: High efficiency electric home rebate program. \$2.226 Billion for rebates, available until 2031. A qualified electrification project includes EV charging: “(II) electric vehicle charging infrastructure or electric vehicle support equipment necessary to recharge an electric vehicle on-site.

Sec. 30431: ZEV infrastructure grants. Available until September 30, 2028. \$600M for financial assistance to states to develop and implement state programs to build out public L2 in rural or underserved communities. \$200M for financial assistance for states to develop and implement state programs for public networked DCFC in rural or underserved communities.

These funds will be distributed to States in accordance with the formula for the State Energy Program established in part 420 of title 10, Code of Federal Regulations (as in effect on January 1, 2021.) The Secretary may not require a State receiving financial assistance under this section to provide matching funds.

The definition of “publicly accessible” includes workplaces and Multi-Unit Dwellings.

Sec. 30441: Funding for DOE Loan programs office: \$40 Billion until September 30, 2026.

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Additional EV and EVSE Priorities Included in the Build Back Better Act:

Sec 31401: Manufacturing Supply Chain Resiliency. The section appropriates \$5 billion to the Department of Commerce to support the resiliency of supply chains by mapping and monitoring manufacturing supply chains; facilitating and supporting the establishment of voluntary standards, guidelines, and best practices relevant to the resiliency of manufacturing supply chains; identifying, accelerating, promoting, demonstrating, and deploying technological advances for manufacturing supply chains; and providing grants, loans, and loan guarantees to maintain and improve manufacturing supply chain resiliency.



Section 110001. Affordable Housing Access Program: This section provides \$10 billion to support access to affordable housing and enhance mobility for low-income individuals and residents of disadvantaged or persistent poverty communities.

Funds will be administered through a competitive process jointly established by the Secretary of Housing and Urban Development and the Federal Transit Administrator.

Eligible activities: “construction of a bus rapid transit project or a corridor-based bus rapid transit project that utilizes zero-emission vehicles, or a collection of such projects; (3) the establishment or expansion of high-frequency bus service that utilizes zero-emission buses; (4) the acquisition of zero-emission vehicles or related infrastructure to expand service in urban areas and to expand service in non-urban areas.”

Section 110002. Community Climate Incentive Grant Program: This section provides \$4 billion to reduce on-road greenhouse gas emissions. Includes \$50 M for the Federal Highway Administration to establish a greenhouse gas performance measure; establish an incentive structure for states that demonstrate significant carbon reductions; issue requirements, guidance, and regulations necessary to ensure the reduction of on-road greenhouse gas emissions; and for other administrative expenses for the Federal Highway Administration to carry out the section.

Also includes \$950 M for incentive grants to states that make significant progress in reducing emissions or that adopt strategies to achieve net-zero surface transportation emissions by 2050, and \$3 billion for non-state entities for projects to reduce carbon emissions.

About the Electrification Coalition

The Electrification Coalition is a nonpartisan, nonprofit organization that advances policies and actions to facilitate widespread deployment and adoption of electric vehicles to overcome the economic, public health and national security challenges that stem from America’s dependence on oil. For more information, visit electrificationcoalition.org, or email us at info@electrificationcoalition.org.



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