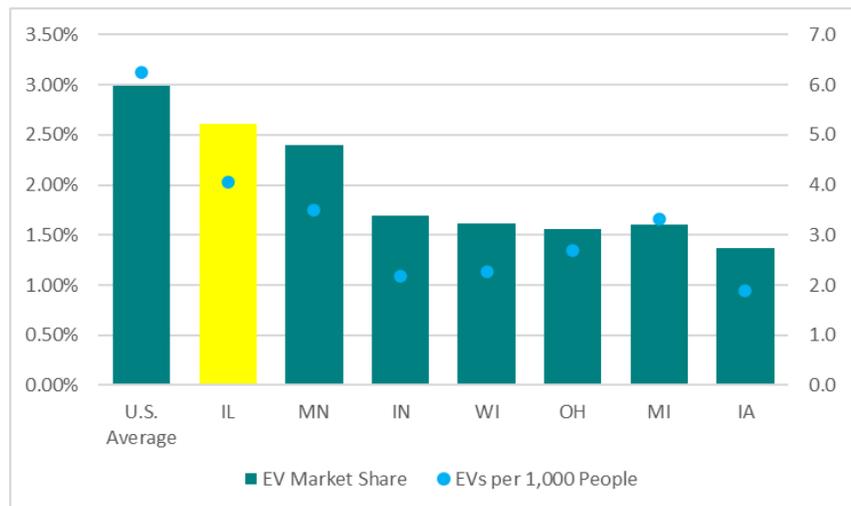


The Electrification Coalition (EC) is building upon its work in the Midwest, providing policy and implementation support at the state level to accelerate transportation electrification. These efforts will reduce the national and economic security risks caused by our nation's dependence on oil, a resource controlled by actors who do not share our interests or values. The most recent price shock due to Russia's invasion of Ukraine shows that we cannot insulate American consumers from this market volatility. Our only option is to rapidly reduce our use of oil by transitioning to electrification to power our transportation systems.

Generally, states in the Midwest lag behind the national average for electric vehicle (EV) sales as a portion of light-duty vehicle sales. Figure 1 shows that since 2019, EV adoption rates in Midwest states—Illinois, Minnesota, Indiana, Wisconsin, Ohio, Michigan, and Iowa—have stayed below the national average by between 0.4% and 1.63%. Illinois leads this cohort, with 2.61% EV sales over the past three years. Indiana's rate is almost a full percent below Illinois's at 1.69%. Wisconsin, Ohio, and Michigan are close behind Indiana, with EV adoption rates between 1.55 and 1.61%.

Figure 1 also shows the EVs per 1,000 people in each state, which sits between two and four EVs per 1,000 people in the Midwest. Compare this to the national average of 6.25. Adoption in Illinois, the leading Midwestern state, is closest to the national average, with 4.06 EVs per 1,000 people.

Figure 1. Cumulative EV Penetration Rates and EVs per 1,000 People, Midwest: 1Q2019 – 3Q2022



Source: Electrification Coalition (Data provided by Atlas Public Policy)



*U.S. Representative Lauren Underwood
at Lion Electric's manufacturing facility
in Joliet, IL*

Robust state policy is critical to overcoming the early-stage market challenges of transportation electrification in the Midwest. This includes opportunities to activate the executive and legislative branches and regulatory agencies, as well as to drive action with local governments. While the political landscape within the Midwest varies from state to state and across election cycles, governors have generally emerged as key leaders in the region. State legislatures have generally been tepid in their support of transportation electrification. This is often a reflection of the urban/rural divide, with support for transportation electrification generally lower outside of urban centers, which often have more momentum behind EV adoption.

Many of the largest cities in the Midwest have taken action to advance the uptake of EVs. It has been difficult to adopt similar programs in less populated areas, driving this divide even further. Until recently, the region has placed less concern on automobile emissions than other leading regions such as the West Coast and the Northeast. Many states in the region have not yet undertaken efforts to address air quality and climate change, historically with a focus on clean energy over clean transportation. Building support for EVs in the region will require policies and programs to bridge the urban/rural divide and build a broader coalition of support by accelerating adoption outside major city centers.

Overview

This brief outlines the policies, strategies, and partners necessary for Illinois to achieve a more robust EV future.

The EC developed this document to guide the work of its State EV Policy Accelerator program over the next two years. It features our assessment of the policy opportunities, pathways, messaging, and key players that will be most effective in achieving progress in the near term. It reflects input from a wide range of on-the-ground stakeholders and builds upon the insights of previous roadmaps and guidance documents, including those developed by the EC. It accounts for the Illinois transportation sector's current impacts on public health, safety, and the economy. From the following collection of policy opportunities, the EC has identified a set of high-impact areas of engagement to which we will dedicate our resources in partnership with other players. Our goal: Electrify the Prairie State.

The importance of the transportation sector's transition from petroleum to electricity extends beyond emissions reductions. About 90% of transportation in the United States is currently powered by oil. This dependence has bound the United States' national, economic, and energy security to a highly volatile, cartel-influenced global oil market.¹ Every year, the **U.S. military spends roughly \$81 billion** to safeguard global oil supplies.² Eighty percent of conventional crude oil reserves are controlled by OPEC member states that do not share U.S. strategic values or interests.³ Some economists have estimated that the financial resources spent by the military equate to a U.S. taxpayer **subsidy of up to \$0.70 per gallon** of gasoline.⁴ The U.S. has gone to great lengths to secure oil supply and reduce volatility globally, but not all supply disruptions can be predicted or prevented. And because oil is a global commodity, no matter where the oil supply is disrupted, prices everywhere are affected. If the U.S. is to attain true energy security, we must accelerate the transition from petroleum-dependent transportation to electric vehicles.

The direct financial impact of transportation electrification can be significant. The transportation sector in Illinois consumed approximately 175 million barrels of petroleum in 2019, at an annual cost of roughly \$19.7 billion.⁵ For comparison, the gross state product of Illinois was \$938 billion in 2021.⁶

The Midwest is known for its rich automotive and manufacturing heritage. As both new and legacy auto manufacturers transition towards our electric future, the Midwest offers the industry access to world-class supply chains, industry expertise, and skilled labor. In Illinois, EV manufacturers include prominent industry players such as Ford, Motor Coach Industries, and Stellantis, as well as new market entrants like Rivian and Lion Electric.



Rivian R1Ts

¹ U.S. Energy Information Agency. "Use of energy explained: Energy use for transportation." <https://bit.ly/3WzHq2k>

² SAFE. "The Military Cost of Defending the Global Oil Supply." 2018. <https://bit.ly/3XYwf3W>

³ OPEC. "Annual Statistical Bulletin." 2021. <https://bit.ly/400ZgOk>

⁴ *Ibid 2.*

⁵ U.S. Energy Information Administration. "State Energy Data System." 2019. <https://bit.ly/3XZ2SOT>

⁶ Bureau of Economic Analysis. "Economic Profile of Illinois." 2021. <https://bit.ly/3wtzjJL>



The latter two companies have announced that their plans for EV and battery manufacturing will bring a combined 7,900 jobs to Illinois.⁷

A combination of federal, state, and local support is beginning to catalyze private investment in the build-out of EV charging infrastructure and across the EV supply chain. As of May 2022, Illinois has fully committed all \$109 million it was allocated from the Volkswagen Settlement. The federal government has also allocated over \$148 million to Illinois as a part of the National Electric Vehicle Infrastructure Formula Program.

Illinois has committed to supporting transportation electrification via public dollar investment and critical political support. In 2019, \$70 million was allocated for community EV charging infrastructure from the Rebuild Illinois capital plan. In 2021, the Climate and Equitable Jobs Act was passed and signed, setting a state goal of deploying one million EVs on Illinois roads by 2030; revising and expanding a passenger EV rebate program; and requiring Illinois utilities to submit beneficial electrification plans to support the rapid deployment of EVs and make-ready infrastructure.



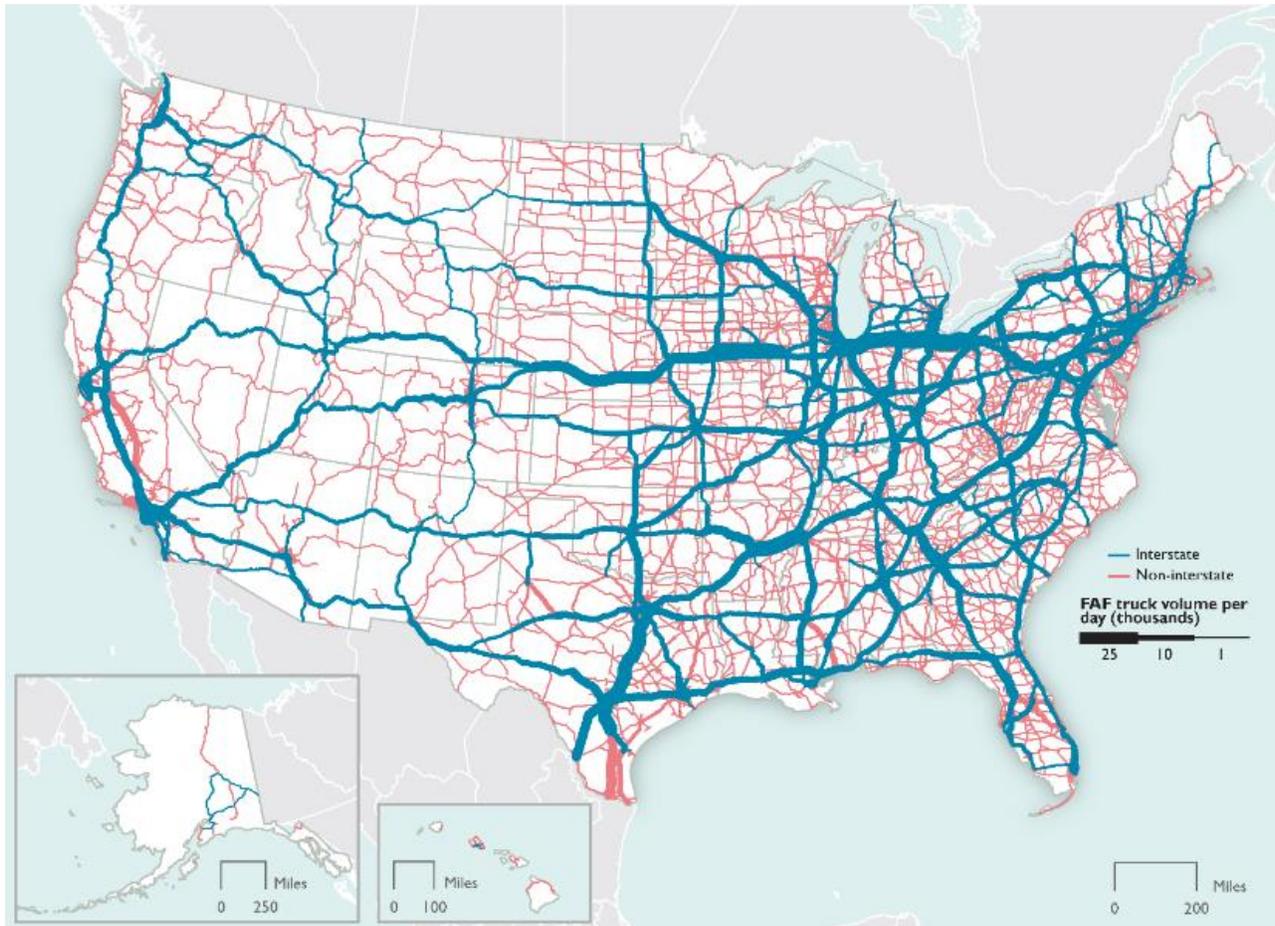
Lion Electric commercial truck

Electrification of the medium- and heavy-duty vehicle sectors in Illinois will be another critical component of reducing oil dependence. Electric medium- and heavy-duty vehicles (e-MHDVs) can also mitigate the public health and air quality issues associated with these highly utilized vehicles. Illinois is a critical freight transportation hub for the region and the country. The image below from the Bureau of Transportation Statistics exemplifies the role the Midwest plays in the transportation of freight throughout the country.

Preparing Illinois to support electric commercial vehicles traveling throughout the state and region will safeguard these vital supply chain routes from energy price shocks.

⁷ Data from Atlas Public Policy's Automakers Dashboard.

Figure 2. Projected Average Daily Long-Haul Truck Traffic on the National Highway System: 2045



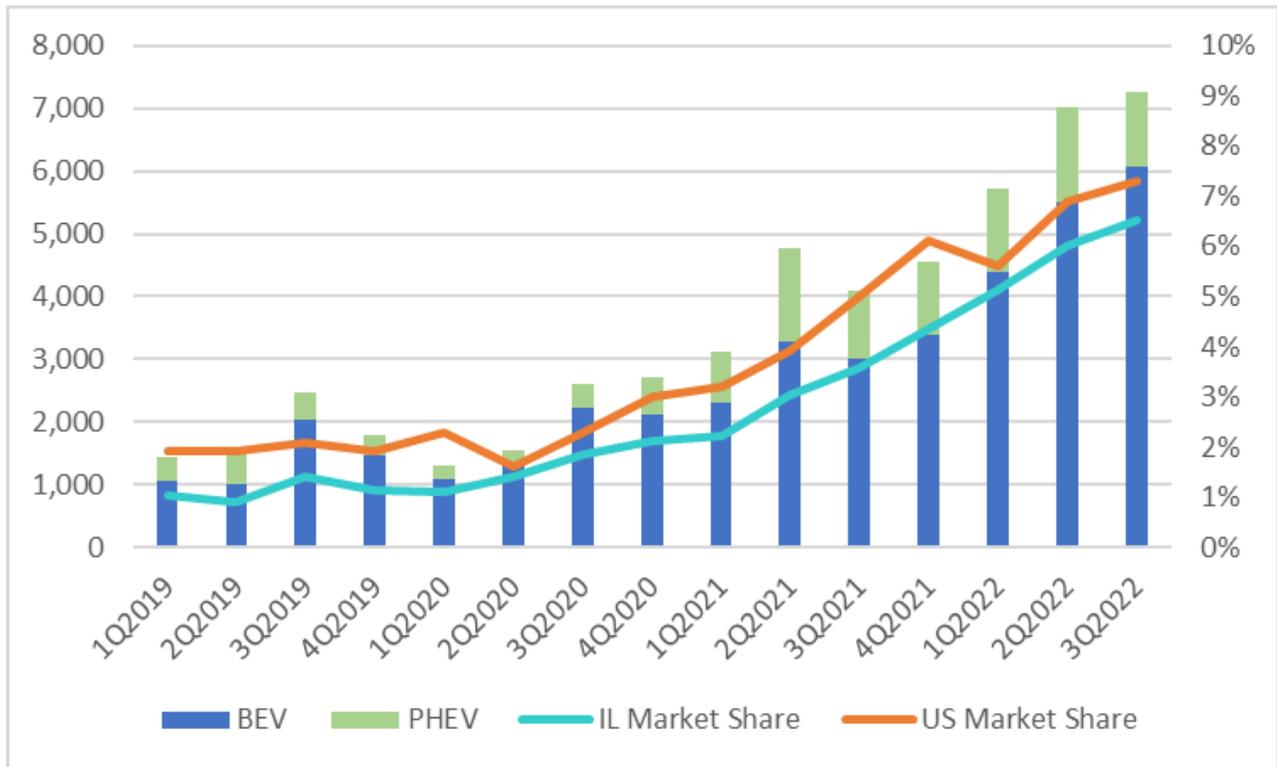
Source: US Department of Transportation, Bureau of Transportation Statistics.

Illinois Market Development

The Prairie State leads the region in EV adoption, with just over 2.6 % of vehicle sales being battery electric or plug-in hybrids since 2019. Still, the state lags behind the national average by nearly a third of a percent. Since 2019, Minnesota has also closed the gap and is vying for regional leadership in EV adoption with 2.40 percent. Figure 2 illustrates quarterly light-duty EV sales performance in Illinois since 2019, during which quarterly EV market penetration has more than quadrupled. Battery electric vehicles (BEVs) make up most of these sales (versus

plug-in hybrids [PHEVs]). While market growth in the U.S. has not grown as quickly, Illinois’s EV sales are still below those of the rest of the country.

Figure 2. EVs Sold in Illinois and Market Share: 1Q2019 – 3Q2022

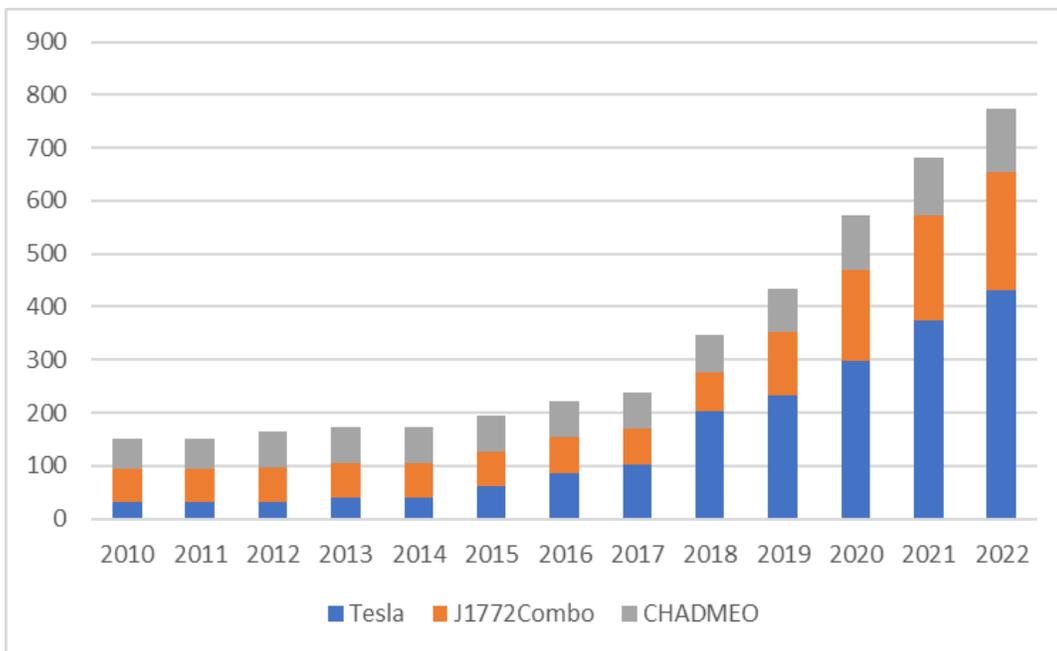
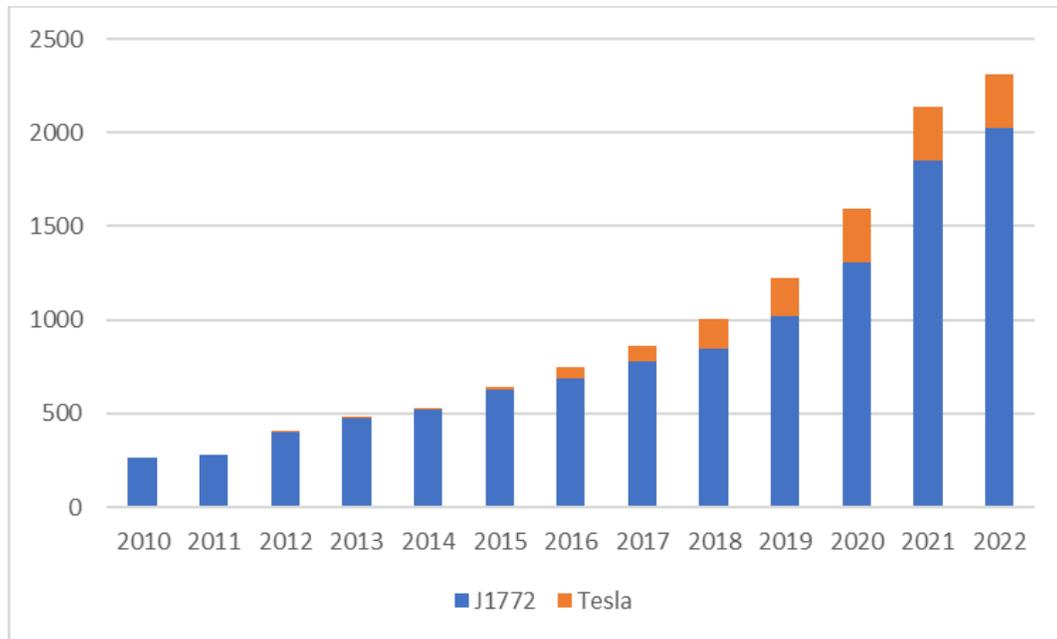


Source: Electrification Coalition (Data provided by Atlas Public Policy)

While approximately 80% of EV charging is done at home or at work, access to public EV charging infrastructure has shown to be an essential element of a thriving EV market.⁸ Without enough public charging ports and widely dispersed locations across each state, consumers may be reluctant to purchase EVs due to range anxiety. Through December 1, 2022, there have been 2,308 Level 2 charging ports and 773 DC fast charging (DCFC) ports deployed in Illinois. It is important to note that over half of the DCFCs in the state are proprietary Tesla chargers and are not currently available for non-Tesla users.

⁸ U.S. Department of Energy: Office of Energy Efficiency & Renewable Energy. "Charging at Home." <https://bit.ly/3R8UpXy>

Figure 3. EVSE Installations in Illinois: 2009 – 12/01/2022. (Top graph: Level 2 charger ports; Bottom graph: DC fast charger ports)



Source: Electrification Coalition (Data provided by Atlas Public Policy)

Electrification of Medium- and Heavy-Duty Sectors

Deployment of e-MHDVs in both Illinois and nationally is in its early stages. Most deployments so far have been via small pilot projects. However, manufacturers are investing heavily to electrify more commercial market segments. It is yet to be seen how these vehicles will best be deployed and in what ways e-MHDV fleets will need to be supported by charging infrastructure. However, as mentioned above, it will be critical for Illinois to support the electrification of the MHD sector, as both Illinois and the region are vital junctures in the transportation of goods across the nation. More information on electrifying the MHD sector can be found in the Electrification Coalition's [Electrifying Freight](#) report.

Policy Environment

The Midwest is still in the early stages of implementing the necessary policy incentives to support a thriving EV market. One of the key barriers to higher EV adoption rates is the higher upfront cost of most EVs, which is why several states across the US have provided financial incentives for purchasing EVs. However, Illinois is the only state in the Midwest region that currently offers a mechanism for



EVgo Charging Stations

lowering the upfront cost of light-duty (LD) EVs—a \$4,000 rebate for new and used EVs, thanks to the recent passage of the Climate Equity and Jobs Act. Additionally, every Midwestern state currently requires additional registration fees for EVs. According to recent research by [Consumer Reports](#), the fees in the region are generally close to equitable with what internal combustion vehicles pay in gas tax, except Ohio, where the fee is punitive. Another major policy issue involves market access. Currently, only two states in the region allow all EV manufacturers to sell their vehicles directly to customers. Anxiety surrounding charging infrastructure availability continues to be a barrier to consumer adoption, and visible and reliable charger deployment will be vital to overcoming this adoption barrier. According to data from Atlas Public Policy, Midwestern states generally lag behind the national average in EV-to-charger ratios.

Policy Landscape



Springfield, IL

Illinois has one of the more EV-supportive policy landscapes in the region, thanks in part to its passage of the Climate Equity and Jobs Act (CEJA) and the Reimagining Electric Vehicles in Illinois Act (REV Act). CEJA sets a goal of having one million EVs on the road by 2030. The state is one of two in the region that has allowed EV-only manufacturers to sell directly to consumers. It has also taken active steps to electrify the state fleet through EV procurement goals, “EV First” procurement policies, and

alternative fuel acquisition requirements. Illinois, along with four other Midwest states, signed the REV Midwest MOU, committing to regional coordination, development, and support for accelerating the EV market and deploying necessary charging infrastructure.

Illinois has also taken steps to address concerns around EV charging availability. As of July 2022, the Illinois Environmental Protection Agency (IEPA), via the Climate and Equitable Jobs Act, will offer rebates to both public and private entities for installing and maintaining level 2 AC chargers and DC fast chargers equal up to 80% of eligible project costs. Additional rebates will be available to charging stations deployed in underserved and designated environmental justice communities. IEPA also has up to \$70 million in grants for transportation electrification, prioritizing electrification projects for the MHD sector.

The table below lists some of the main EV policies for accelerating EV adoption in a state on the light-duty and MHD side:

Policy	Description	Pathway
LDV Tax Credit or Rebate	Yes: Beginning July 1, 2022, the Illinois Environmental Protection Agency (IEPA) will offer residents rebates of up to \$4,000 to purchase or lease a new EV. The incentive will halve in 2026 and again in 2028. The program prioritizes low-income purchasers (80% of IL median income) and offers rounds of availability.	In Place



Policy	Description	Pathway
MHDV Tax Credit or Rebate	<p>No: Illinois does not offer a tax credit or rebate incentive for purchasing or leasing electric MHD vehicles.</p>	Legislative
EV LD Registration Fee (Annual)	<p>Yes: Illinois has a \$100 EV fee, which is paid in addition to license and registration fees. Illinois Department of Transportation must also study the impact EVs will have on transportation infrastructure funds and make recommendations for revenue recovery by September 30, 2022.</p>	In Place
EVSE Incentives (Public)	<p>Yes: Beginning July 1, 2022, IEPA will offer rebates to both public and private entities for the installation and maintenance of L2 and DCFC stations. Rebates may cover up to 80% of eligible project costs. Stations deployed in underserved and environmental justice communities are eligible for additional rebates.</p> <p>IEPA is also providing \$70 million in grants for transportation electrification infrastructure projects, with investments prioritized for MHDV charging projects, and the electrification of public fleets.</p> <p>Illinois Department of Central Management Services must develop a plan to install EVSE on state property for visitor, employee, and state fleet use and must use funding from the Rebuild Illinois Capital Plan where feasible.</p>	In Place
State ZEV Plan / Targets / Procurement Requirements	<p>No: Governor Pritzker signed an EO in April 2021 to create a state fleet working group and directed the creation of an EV transition plan and use of a TCO assessment. Still, no actionable guidance has been released since.</p>	Administrative



Policy	Description	Pathway
Freedom to Buy EVs (Direct-to-Consumer Sales)	Yes: EV manufacturers without existing franchise agreements can sell and service vehicles to customers directly, rather than through a dealership.	In Place
Alternative Fuel Vehicle Acquisition Requirements	Yes: 15% of all vehicles purchased with state funds must be electric or another alternative fuel vehicle (some exceptions apply).	In Place
EV Building Codes	No: Illinois does not have EV building code requirements at the state level.	Legislative/Regulatory
Fleet User Fee Exemption	Yes: EV fleet owners are exempt from the state's fleet user fee (\$20 per vehicle).	In Place
Zero Emission Vehicle Standard	No: Illinois is not one of the 16 states that have adopted California's ZEV standard, which would require vehicle manufacturers to sell an increasing percentage of zero-emission light-duty vehicles in the state.	Administrative/ Legislative / Regulatory
MHD ZEV MOU	No: Illinois is not one of the 18 states that have signed the Medium- and Heavy-Duty ZEV MOU, a non-binding commitment to accelerate the MHD sector, with a 30% sales target by 2030 and 100% sales target by 2050.	Administrative
Advanced Clean Truck Rule	No: Illinois is not one of the six states that have adopted California's Advanced Clean Truck rule, which requires vehicle manufacturers to sell an increasing percentage of zero-emission MHDVs (Class 2b-8).	Administrative/ Legislative / Regulatory
Vehicle-to-Grid Incentives	Yes: Illinois Science and Energy Innovation Trust will fund advanced electricity projects, including EVs & devices that enable EVs to engage in smart grid functions.	In Place



Policy	Description	Pathway
Vehicle Research, Development, & Manufacturing Incentives	Yes: The Reimagining Electric Vehicles in Illinois Program offers tax credits to eligible manufacturers that invest at least \$20 million and create at least 50 jobs within four years.	In Place
EVSE Incentives (Residential)	No: There are no state incentives available for residential EVSE in Illinois.	Legislative
State Highway EVSE Authorization	Yes: Illinois Department of Transportation may install EVSE at interstate highway rest areas if allowed by federal regulations.	In Place
Toll Highway EVSE Requirements	Yes: The Illinois State Toll Highway Authority must construct and maintain at least one EVSE at any location along toll highways where it has entered into an agreement with an entity to provide motor fuel service stations and facilities and may charge a fee for the use of the EVSE to offset the costs of construction and maintenance.	In Place
Electric School Bus Programs	Yes: The Illinois Department of Education will reimburse any qualified school district for the cost of converting/retrofitting gasoline buses to more fuel-efficient or alternative fuel buses. IEPA is also providing \$70 million in grants for transportation electrification infrastructure projects, with investments prioritized for MHDV charging projects, and the electrification of public fleets.	In Place
Electric Transit Bus Programs	Yes: IEPA is also providing \$70 million in grants for transportation electrification infrastructure projects, with investments prioritized for MHDV charging projects, and the electrification of public fleets.	In Place



Policy	Description	Pathway
Electric MHDV Weight Exemptions	No: Illinois has not passed a weight exemption for electric MHDVs.	Legislative

Political Outlook

The 2022 midterm election did little to shift the political landscape in Illinois. Governor J.B. Pritzker was safely reelected over Darren Bailey, which can be seen as an endorsement of his first-term policies, including the active EV programs described above. In the state legislature, Democrats retained their supermajorities, with 39 Democratic senators to 19 Republicans and 77 Democratic representatives to 40 Republicans.

At the federal level, Democrat Tammy Duckworth won her bid for reelection to the U.S. Senate, receiving 56% of the vote over first-time candidate Kathy Salvi’s 42%. The Democrats also retained an overwhelming amount of the Illinois congressional delegation, holding 14 of the 17 seats and winning all three contested seats on the post-redistricting map, which forced the loss of one congressional district.

Key Constituents

Equity: Illinois Clean Jobs Coalition

Advocate allies: Environmental Policy & Law Center, Respiratory Health Association, GPI, World Resources Institute

Vets/military: Atlantic Council & the Veterans Advanced Energy Summit, Veterans Energy Seminar

Rural groups: Association of Illinois Rural Electric Cooperatives, Illinois Institute for Rural Affairs, Illinois Farm Bureau, Rural Partners, Illinois Association of Regional Councils, Illinois RCAP, Rural LISC

Manufacturers: Bosch, BYD, Continental, Ford, Dana, EnelX, EVBox, Ford, Harley-Davidson, International, Lion Electric, Rivian, Seimens, and Stellantis, among others, are prominent automotive, EV, and/or EV supply chain players. The EV industry in Illinois will be a powerful ally in advancing EV policies, bringing well-paying jobs to residents, and revamping the region’s global automotive manufacturing leadership.

Utility Snapshot

Utility incentives for EVs and EVSE vary greatly across the Midwest. The most common incentives currently offered are EVSE rebates for residential single-home locations and EV charging rates for residential customers, such as TOU rates or special flat charging rates. Illinois stands out from the rest of the region with the highest EV adoption rate, yet there has been very little EV incentive support at the utility level. Due to the legislative guidance within CEJA, IOUs have recently crafted Beneficial Electrification (BE) plans for the state ICC, which include transportation electrification programs and funding. Those plans are under review, and it is unclear what form they may take when the ICC process has concluded.

The table below assesses EV incentives from utilities operating in the region. Utilities were omitted from this table if they do not currently offer any of the EV-related incentives profiled here.

	EV Purchase Rebate	EVSE Rebate (Residential Single Home)	EVSE Rebate (MUD)	EVSE Rebate (Commercial)	EVSE Rebate (Public)	EV Charging Rate (Residential)	EV Charging Rate (Commercial)
Ameren	No	No	No	No	No	Yes	No
Commonwealth Edison	No	No	No	No	No	Yes	No
Illinois Electric Cooperative	No	No	No	No	No	No	No
MidAmerica Energy	No	No	No	No	No	No	No
Mt. Carmel	No	No	No	No	No	No	No

Policy Opportunities

Illinois has a rich set of policy opportunities to pursue, with some groundwork already laid. The existing foundation will ensure Illinois's ongoing role as a hub of transportation innovation and manufacturing. The state is poised to jumpstart the deployment of EVs and the charging network necessary to support them.



Key policy levers include those that target and advance the electrification of the medium- and heavy-duty sectors; enable greater adoption of EVs in the passenger vehicle market; promote support for EVs at the utility level with supportive policies for rates, rate design, and grid integration; establish EV-ready building codes; and provide monetary and non-monetary incentives to support electric vehicles and charging infrastructure. Based on our assessment to date, the top policy priorities for EC's work accelerating the electrification of transportation in Illinois in the near term are as follows:

1. Support cleaner freight and buses by signing onto the Multi-State Medium- and Heavy-Duty Zero Emission Vehicle MOU and support follow-up policies, such as adoption of the Advanced Clean Trucks rule
2. Support Illinois in adopting Advanced Clean Cars 1.0 and 2.0
3. Electrify the state fleet
4. Begin the process to establish a Clean Fuels Standard with a specific carve-out for transportation electrification programs and policies for low-income and disadvantaged communities
5. Support adoption of EV Ready Building Codes across the state
6. Support greater transportation electrification planning efforts at the utility level
7. Implement CEJA
8. Support implementation of NEVI funds to optimize the federal investment
9. Support conversations to modify the EV fee in IL to other policy solutions, such as VMT
10. Defend the freedom for consumers to buy EVs in IL via direct sales

The EC will seek opportunities to support education and outreach on the transition to electric vehicles and pursue additional policy strategies and venues as opportunities arise.

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 in order to reduce the economic, public health, and national security risks caused by America's dependence on oil. For more information, visit [electrificationcoalition.org](https://www.electrificationcoalition.org).