EV Bulk Buy Programs in Minnesota

NASEO Webinar
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TRANSFORMING THE ENERGY SYSTEM TO BENEFIT THE ECONOMY AND ENVIRONMENT.

- INCREASE ENERGY EFFICIENCY AND PRODUCTIVITY
- DECARBONIZE ELECTRICITY PRODUCTION
- ELECTRIFY THE ECONOMY AND ADOPT ZERO- AND LOW-CARBON FUELS
- CAPTURE CARBON FOR BENEFICIAL USE AND PERMANENT STORAGE
EV Projects

- Drive Electric Minnesota
- Charge Up Midwest
- Midcontinent Transportation Electrification Collaborative
- E21 – Utility Electric Vehicle Program Development
- Solar Energy Innovation Network
- Cities Charging Ahead
2 types of promotion

- Negotiated purchase for the general public
- Negotiated contract for state and local government
Negotiated purchase for individuals

• Launched 2016 – Drive Electric Minnesota issued a Request for Bids to automakers for a negotiated discount

• Drive Electric Minnesota offered active promotion by our partners (electric utilities, cooperatives, NGOs)

• Nissan responded – initially offering a ~$10,000 discount on a Nissan Leaf.
Lots of social media promotion – shared by partners

Don’t mean to be coy, but if you’ve ever thought of buying an EV we may or may not have something pretty exciting coming. . . #DriveElectricMN
It's Time to Charge Forward with a Nissan Leaf

Don't miss out on this one time offer to purchase a brand new Nissan Leaf at up to 40% off including federal tax credit.

Request Voucher
Voucher Response

Thank You for Your Interest in the Nissan Leaf!

It's Time to Charge Forward
Print Your Voucher

Please bring your printed voucher to participating dealers and take advantage of this GREAT deal. Don't want to waste the paper? Just simply present the voucher on your mobile device.

Benefits of EVs in Minnesota

• Electric vehicles are three to five times more efficient than vehicles powered by gas.
• EVs often save you money over their life due to lower fuel and maintenance costs.
• Because electric vehicles have fewer moving parts than a gasoline engine vehicle they can cost less than half as much to maintain.
• More than one-third of hazardous air pollutants in Minnesota come from the use of cars and trucks.
• Driving an electric vehicle reduces greenhouse gas emissions by at least 40 percent.
• Electric vehicles reduce our dependence on imported fossil fuels.

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View Voucher
Paid Promotion: Facebook

Drive Electric Minnesota

Zero excuses

Not to go #ZeroEmissions.
Head over to driveelectricmn.org and check out our special deal for 40% off a Nissan Leaf.
driveelectricmn.org

Visit
Nissan Leaf Bulk Buy in MN

• Drive Electric MN partnered with Nissan North America in 2016 on three bulk buy programs:
  • March: ~39 sales
  • July – September: ~15 sales
  • December: ~15 sales
  • Total sales connected to bulk buy promotions in 2016: ~70

• Drive Electric MN promoted the bulk buy through:
  • Promotion at events
  • Paid social media
  • Leveraging promotion from partners (e.g. electric utilities promoting to employees and customers)

• Most effective strategies to drive download of voucher (strongly correlated with sales)
  • Promotion at 2016 Twin Cities Auto Show and earned media (drove ~40 sales in March)
  • Direct promotion from utilities to their employees and customers (biggest day of voucher downloads followed one email from one utility)
  • Paid social media (drove ~15 sales in less than 2 weeks in December)
What worked

- Strengthened our partnerships (joint promotion by utility partners)
  - Utility engagement increased over time, now conduct extensive marketing around the discount program
- Low-cost strategy
- Strong collaboration with automaker and dealerships – give them a reason to market EVs in this state
- Modest increase in sales
- Increase DEMN’s network (social media following, email list)
- Track record – “bulk buy” programs have happened every year since
State of Minnesota

- Department of Administration manages most state fleet vehicles (over 7,000)
- Committed, in 2017, to go to 20% EV by 2027 (10 years)
- Leveraged this commitment to get EVs on state contract at discounted price
- One impact – MN was one of the first non-ZEV states to have the Chevy Bolt available
  - GM worked to get dealerships certified (more than 8 dealerships)
  - State market made this more attractive
- Vehicles on state contract can be purchased by local governments as well.
Fleet Promotion

- **Elements of promotion to fleets:**
  - Vehicles available on contract
  - Demonstrated economic benefit
  - Interest
  - Suitability

- **Fleet analysis**
  - Now supported by local utilities
  - Step one for fleets – do a study (funded by a utility) to demonstrate whether switching to an EV is suitable and offers cost savings.
TCO Savings Potential and Environmental Impact

Fleet Savings (9%)
$76,607

If 8 vehicles are replaced with the best fit vehicle, the fleet could save $76,607 in total savings over the service life. This represents 9% of the fleet budget.

Emission Reductions (38%)
↓270 tons

If 8 vehicles are replaced with the best fit vehicle, the fleet could realize a total emission reduction of 270 tons over the service life, representing a 38% reduction in CO₂ emissions.

Fuel Reduction (42%)
↓26,499 gal

If 8 vehicles are replaced with the best fit vehicle, the fleet could reduce gasoline and diesel consumption by a total of 26,499 gal over the service life, representing a 42% reduction in fuel.
The assessment revealed that **8** of the baseline vehicles included in the program are suitable to be replaced with an electric vehicle based on economic and operational feasibility.
Event: Summit on Transportation Electrification in the Midcontinent Region

FREE event

Chicago, IL
January 23, 2019

Register at: www.energyroadmap2050.org
THANK YOU

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