CONSUMER ENERGY ALLIANCE
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Freedome to Fuel:
The (un) Necessary Rush to EVs in New Jersey

The EV Transition by the Numbers

- Assuming 50% annual EV sales growth, EV sales will only make up about 8% of all vehicles on Delaware roads by 2030.
- Even with large federal and state incentives, EVs today comprise less than 4% of sales and less than 1% of all the cars on the road in the First State.
- By 2035, EVs would still comprise only 25% of the cars on the road.

The Cost of ICE vs. EVs

- EVs cost significantly more than ICE vehicles, but the annual savings in Delaware is marginal, given the state's electricity costs.
- It would take the average driver an estimated 30 years to make up for the higher upfront costs of buying an EV.
- With a projected useful life of less than 20 years for an EV, ICE vehicles make far more economic sense for working families.

Generation Requirements

- Delaware will need over 3.3 billion more kWh of electricity annually to charge vehicles under a 100% EV mandate.
- This is equivalent to building another Indian River Station just to provide this additional electricity.
- If it were provided from offshore wind, Delaware would need another SkipJack project built off the coast.

Risking Thousands of Family-Sustaining Jobs

- Over 7,600 in the motor vehicles and parts dealer industry.
- Over 3,500 jobs at gasoline stations.
- Over 2,500 diesel engine specialists and automotive service technicians.

Fuel Tax Implications

- Without the current federal fuel taxes, Delaware will have to find $190 million in new taxes to support its roads and transportation networks.
- The state must replace over $130 million of Motor Fuel Tax Revenue collected yearly.
- If well-off EV owners aren't paying these taxes, the additional tax burden will fall on middle-class families that can't afford to buy overpriced EVs right now.

Burdening Working Families

- Under Delaware's Clean Transportation Incentive Program (DNREC), an incentive up to $2,500 will apply to new EV purchases.
- Since most EVs are only affordable to the wealthiest families, the state incentive will be a massive $100 million cost shift from working families to the wealthy.
- This is equivalent to taking over $300 from working families and handing it to the wealthiest families who can afford to buy an EV under the state mandate and could afford to buy one without the incentive or the mandate.

Questions You Should Ask Before Supporting a New Jersey EV Mandate

1. If less than a quarter of the state will be using EVs by 2035, why is the state mandating them at this time?
2. Given the upside-down economics of ICE vehicles vs. EVs, why is the state government penalizing working families with no hope over time to make up for the higher cost of buying an EV?
3. Where is the state going to find the new generation that will be required to power our transportation systems under an EV mandate? And at what cost?
4. How will Delaware make up for the lost tax revenue from fuel sales at the state and federal levels?
5. Have decision-makers even considered the devastating impact to the thousands of Delaware citizens whose jobs will be at risk under an EV mandate?
6. How do Delaware officials justify the disproportionate impact an EV mandate will have on low-income and working-class families, burdening them with higher costs and higher taxes?

For CEA's National Report "Freedom to Fuel" click here.