



FUNDING

FUNDING EV EFFORTS

Whether you are considering a feasibility study, fleet electrification, or an infrastructure project, funding will likely be a crucial component of your EV efforts.

Identify your community's vision, goals, and potential strategies before considering which funding sources to explore. In most cases, having a clear plan in place, or project identified, is either prerequisite to the funding opportunity (e.g., grants, budget requests) or helpful in identifying the best funding opportunity to help you achieve your desired outcome (e.g., incentives, creative funding approaches).

Types of funding opportunities

There are several types of funding opportunities to help you meet your EV goals. Select the right funding opportunities by considering your EV goal or objective. For some funding opportunities, such as grants, you will also need to familiarize yourself with any project constraints, how easy or difficult the funding source is to secure, and whether there are any commitments – financial or otherwise – associated with the funding opportunity.

GRANTS

Grants are available to support a wide range of EV projects, including EV planning, the purchase of EVs and the purchase of EV infrastructure. When looking for grants to support EV projects, some considerations include:

- Eligibility: does you/your organization qualify for the funding available?
- Project Criteria: is your project a good fit for the funding available?
- Matching funds: does the grant require a matching fund and, if so, how will you pay for that matching fund?
- Terms and conditions: are the legal requirements of the grant acceptable to you/your organization?



INCENTIVES

Incentives are any funding mechanism that lowers the cost of purchasing an EV or EV infrastructure. The following list is a sample of various types of incentives:

- **Discounts:** Money off the initial cost of an EV or EV infrastructure at the point of sale. For instance, dealerships sometimes participate in “group buy” programs, offering discounts on the purchase price of EVs when vehicles are bought in bulk quantities.
- **Tax Credits:** A tax refund provided to an individual or organization upon purchase of an EV or EV infrastructure. Tax credits indirectly lower the upfront cost of the purchase, but the individual or organization isn’t refunded the amount at the point of sale. National and state tax incentives are available. It is important to research and understand eligibility requirements, as the incentive amount may differ depending on the details of the purchase or the purchaser (e.g., incentive amounts may vary based on income).
- **Exemptions:** Special privileges provided, such as the ability to forgo an emission inspection.
- **Vouchers:** Vouchers are a special type of discount that act like “cash in hand”, lowering the upfront cost of the car upon purchase. Vouchers can be used to target specific members of a community or may be provided on a first-come-first-served basis.



Equity Consideration: Identifying the right funding sources is a critical component of providing equitable access to EVs and EV infrastructure. Some funding sources, such as grant programs, prioritize projects designed to improve equity of access. For instance, the Charge Ahead Colorado grant program prioritizes fleet and infrastructure projects for businesses and multifamily buildings.

EV vouchers are a creative financing mechanism that can enhance equity. According to the Greenlining Institute, EV vouchers can be especially effective for improving access low-income drivers because they produce more-affordable financing scenarios. Unlike rebates or tax credits, vouchers act like “cash in hand” by lowering the upfront cost of the car upon purchase. Targeting vouchers exclusively to low-income drivers can further improve equitable access. For Example, California’s Enhanced Fleet Modernization Program offers vouchers to low-income residents if they scrap their existing, polluting vehicles. In some cases, vouchers may exceed the resale value of a low mileage used EV that is still under warranty.

FINANCING MECHANISMS




As with any infrastructure project, there are several types of financing that can facilitate the purchase of EVs and EV infrastructure.





















- **Loans:** Loans lower barriers associated with the initial cost of purchasing EVs or EV infrastructure by amortizing cost over time.
- **Leasing:** Leasing EVs or even EV infrastructure has become a common practice. As with any type of infrastructure, leasing allows the user to reap the benefits of current technology at a lower cost. It also allows users to remain flexible and adopt newer technologies as they come out, without incurring the long-term costs of maintaining owned infrastructure.
- **EV funds:** Similar to an energy performance contract, EV funds allow governments and organizations to leverage realized or anticipated fuel savings to cover the initial purchase of an electric vehicle.
- **Budgeting Processes:** Budgeting processes that prioritize sustainability criteria and/or incorporate life-cycle costs into budget considerations can facilitate the purchase of EVs or EV infrastructure. In many cases, funding to cover the upfront cost of vehicles and to cover fuel costs come from separate budgeting sources. In these cases, budgeting processes may need to be amended or to accommodate life-cycle considerations.







EV funds: City of Fitchburg in Wisconsin allocates a portion of the gasoline savings associated with the purchase of hybrid and electric vehicles to help pay for future electric vehicles. Like a revolving loan, this mechanism allows the City to use future savings to fund projects that will produce additional savings - a cycle that could continue indefinitely. The City can spend up to \$20,000 of unallocated gasoline budget to cover the upfront cost of new hybrid or electric vehicles.



EV FUNDING DECISION TREE







Use the table below to determine which funding opportunity is right for your organization or community. Then, review the available programs in your state and either follow the links provided or contact your community facilitator to learn more and accelerate your EV transition through external funding.

Funding Recipient by Sector:  Residential  Government  Commercial

I want to...	Funding Source	Availability in CO, MN, WI	Funding Recipient by Sector	Other Considerations
Purchase an EV	Tax Incentives	<ul style="list-style-type: none"> All – federal tax credit CO – state tax credit 	  	<ul style="list-style-type: none"> Used EVs are eligible for federal tax credits; certain models may not apply
	Discounts/Group Buys	<ul style="list-style-type: none"> All – varies by dealership Public fleets – EV purchasing collaborative through Sourcewell 	  	<ul style="list-style-type: none"> Can be coordinated through any interested individual dealership
	Utility Rebates/Programs	<ul style="list-style-type: none"> CO – Xcel Energy rebates for income-qualified customers CO – Other utility rebates 	  	
	Insurance Company Discounts	<ul style="list-style-type: none"> All - varies by insurance company 	  	
	Grants	<ul style="list-style-type: none"> All – federal grants for freight vehicles, public transportation, airport vehicles, fleet vehicles CO – state grants for heavy-duty vehicles and public fleet vehicles MN – state grants for school buses WI – state grants for heavy-duty transit buses and diesel vehicles 	 	<ul style="list-style-type: none"> Grants require an application; most grants require matching fundsur and other timing constraints
	Loans	<ul style="list-style-type: none"> All – varies by financial institution 	  	
	Leasing	<ul style="list-style-type: none"> All – varies by dealership 	  	

	Performance Contracting/EV Funds	<ul style="list-style-type: none"> All – varies by organization CO – state program for funding and implementing capital improvement upgrades 		<ul style="list-style-type: none"> The Southwest Energy Efficiency Project (SWEET) provides information on financing EVs through performance contracting
	Exemptions	<ul style="list-style-type: none"> CO – EVs are exempt from emissions testing, but are required to pay an annual EV registration fee WI – tax exemption for alternative fuel vehicles 		
Install a charging station at home	Loans	<ul style="list-style-type: none"> All – varies by financial institution 		
	Utility Rebates/Programs	<ul style="list-style-type: none"> CO – Xcel Energy rebates for home wiring and charging stations CO – Other utility rebates MN – Xcel Energy home charging programs MN – Other utility rebates NM – Xcel Energy rebates for home wiring and charging stations WI – Xcel Energy home charging programs 		
Install charging stations at a workplace, multifamily property, or public location	Grants	<ul style="list-style-type: none"> All – federal grants distributed by state departments of transportation for projects that improve air quality, including public charging stations CO – state grants for Level 2 and DCFC stations 		<ul style="list-style-type: none"> Grants require an application; most grants require matching funds
	Loans	<ul style="list-style-type: none"> All – varies by financial institution 		

	Utility Rebates/Programs	<ul style="list-style-type: none"> • CO – Xcel Energy program providing public charging infrastructure • CO – Xcel Energy program for small businesses to install charging infrastructure • CO – Xcel Energy program for providing workplace charging infrastructure • CO – Xcel Energy program for providing multifamily charging infrastructure • CO – Xcel Energy rebates for charging infrastructure in new multifamily construction • CO – Other utility rebates • MN – Xcel Energy program for providing multifamily charging infrastructure • MN – Other utility rebates • WI – Xcel Energy program providing public charging infrastructure • WI – Other utility rebates 		
Install charging stations for fleet vehicles	Grants	<ul style="list-style-type: none"> • All – federal grants distributed by state departments of transportation for projects, including public charging stations, that improve air quality • All – federal grants for charging infrastructure to support freight, public transportation, and airport fleets • CO – state grants • MN – state grants • WI – state grants 		<ul style="list-style-type: none"> • Grants require an application; most grants require matching funds

	Loans	<ul style="list-style-type: none"> All – varies by financial institution 	 	
	Utility Rebates/Programs	<ul style="list-style-type: none"> CO – Xcel Energy program providing fleet charging infrastructure CO – Xcel Energy program for small businesses to install charging infrastructure CO – Xcel Energy enhanced rebates for charging stations at small businesses in income qualified and high emissions communities CO – Other utility rebates MN – Xcel Energy program providing fleet charging infrastructure MN – Other utility rebates WI – Xcel Energy program providing fleet charging infrastructure WI – Other utility rebates 	 	
Conduct a fleet EV study	Utility Rebates/Programs	<ul style="list-style-type: none"> CO – Xcel Energy Fleet Electrification Advisory Program MN – Xcel Energy Fleet Electrification Advisory Program NM – Xcel Energy Fleet Electrification Advisory Program WI – Xcel Energy Fleet Electrification Advisory Program 	 	
	EV Advising Programs	<ul style="list-style-type: none"> CO – Northern Colorado Clean Cities and Drive Clean Colorado MN – Twin Cities Clean Cities Coalition WI – Wisconsin Clean Cities MN - Great Plains Institute EV Smart Cities MN - Drive Electric MN 	