

U.S. General Services Administration

ELECTRIC VEHICLES FUND

Fiscal Year 2024 Congressional Justification

CONTENTS

Appropriations Language	2
Program Description	2
Program Financing.....	2
Summary of the Request	2
Program Benefits	3
Amounts Available for Transfer	5
Explanation of Changes, Appropriated Dollars	5
Obligations by Object Classification	5

Appropriations Language

There is appropriated to the General Services Administration (GSA) \$50,000,000, to remain available until expended, for the purchase of zero emission motor vehicles and supporting charging or fueling infrastructure, notwithstanding 42 U.S.C. 13212(c) and in addition to amounts otherwise available for such purposes: Provided, That amounts available under this heading may be transferred to and merged with appropriations at other federal agencies, at the discretion of the Administrator, for carrying out the purposes under this heading.

Program Description

The Electric Vehicles Fund (EVF) enables the U.S. General Services Administration (GSA) to support the Administration's goal of electrifying the federal fleet by providing the mechanism for GSA to procure zero emission vehicles (ZEV) and the associated charging infrastructure on behalf of federal agencies.

Program Financing

The funds appropriated will be transferred and merged with the funds of federal agencies, such as the Acquisition Services Fund (ASF) and other agency funds, at the discretion of the Administrator. The funds will be used to procure zero emission and electric vehicles and the associated charging infrastructure necessary for agencies to operate those ZEVs and electric vehicles.

Summary of the Request

The President's FY 2024 Budget invests \$801 million for zero emission fleet vehicles and supporting charging or fueling infrastructure in the individual budgets of 21 federal agencies to provide an immediate, clear, and stable source of demand to help accelerate American industrial capacity to produce clean vehicles and components. This includes \$50 million for the EVF at GSA to procure ZEVs and the associated charging infrastructure to support the Administration's goal of electrifying the federal fleet. Although the Budget reduces funds requested centrally at GSA when compared to the 2023 Budget, it increases the government-wide total by \$44 million, reflecting a strategic shift of resources to agency fleets that need it the most. These funds are critical for agencies to achieve the Administration's goals for transitioning the fleet.

Based on industry and consumer data, the lifecycle cost of maintaining ZEVs is often a savings over conventionally fueled vehicles. However, historically and despite these potential long-term savings, the upfront acquisition cost of ZEVs is higher than that of similar conventionally fueled models, which has made it difficult for the federal fleet to adopt electric vehicles and the associated infrastructure. This funding will allow the Federal Government to replace portions of its fleet in a manner that would have a meaningful impact on the environment and transform the United States into a leadership position in electric vehicle manufacturing, creating good jobs

across the country. GSA will use the provided funding for the additional upfront cost of ZEVs on behalf of federal leasing agencies, particularly those with relatively small fleets who do not have a specific ZEV funding allocation in the Budget, as well as fund the procurement and installation of the charging infrastructure that is critical for agencies to operate zero emission and electric vehicles.

GSA will transfer and merge a portion of the funding with the ASF to enable GSA to procure ZEVs to replace fossil-fuel vehicles on an ongoing basis as ZEVs become commercially available. Additionally, GSA may transfer and merge a portion of this appropriation to other federal agency funds, including GSA's Federal Buildings Fund, to enable those agencies to procure the charging infrastructure necessary for agencies to operate these ZEVs.

Program Benefits

Managing \$50 million centrally in the EVF will enable GSA to provide standardized guidance and direction, encourage consolidations into GSA's leased fleet, create efficiencies in federal fleet operations, and promote a coordinated and accelerated conversion of fleet vehicles from internal combustion engine (ICE) vehicles to ZEVs. Centralizing this fleet electrification funding at GSA will allow GSA to drive down government-wide fleet management costs while also fighting the climate crisis through fleet electrification. Agencies that consolidate their agency owned vehicles with GSA will realize an average of 10 cents per mile immediate savings on ICE vehicles, as self-reported by agencies as part of their [annual fleet reporting](#). The agency will receive a new vehicle based on GSA's replacement criteria, resulting in agencies receiving a refreshed and modern asset prior to when they normally would be able to replace the asset as an agency-owned vehicle. Agencies leasing from GSA will also be well positioned to convert to and adopt ZEVs as GSA brings ZEVs into the GSA leased fleet. In FY 2022, over 11 percent of new GSA leased vehicles orders were ZEVs compared to just over 2 percent of agency owned total purchases. In FY 2023, GSA Fleet has already surpassed FY 2022 ZEV order quantities as agencies continue to have strong demand for ZEV offerings.

Funding provided to GSA to support federal partners would be used to invest in both ZEVs and the charging infrastructure to support operating those vehicles. It is estimated that this funding could support purchasing approximately 1,850 ZEVs and 925 charging stations across the Federal Government to cover non-complex installations (not inclusive of electrical upgrades or building retrofits).¹

Increasing the deployment rate of ZEVs will serve as a catalyst for industry and stimulate job growth in green markets. In 2021, jobs in net-zero emissions aligned areas made up approximately 40 percent of total energy jobs. In particular, electric vehicle jobs increased by

¹ Assumes \$20,000 incremental cost (difference in acquisition cost of ZEV vs. its gasoline equivalent) on each zero-emission vehicle and \$14,000 for a dual port charger, installed to support vehicles with a dedicated port for each vehicle. Costs for charging station installation and the necessary building modifications to support the infrastructure vary dramatically between projects, depending on the site. Many federal buildings tend to be historic and have outdated or maxed out electrical capacity. GSA recognizes this effort may require extensive electrical upgrades to much of the federal building portfolio.

26.2 percent, or 21,961 from the year prior, and plug-in hybrid vehicle jobs increased 30.9 percent, adding 14,790 jobs.² It is predicted that if battery electric vehicles (BEV) rise to 50 percent of domestic auto sales by 2030, 150,000 jobs in the auto industry could be created with policy measures to shore up U.S. market share and domestic content in BEV production.

Accounting for the full \$801 million being requested by federal agencies in FY 2024 for the purposes of ZEVs and associated charging infrastructure would have an even greater impact, allowing GSA and federal agencies to support purchasing approximately 28,480 ZEVs and 14,240 additional charging stations (dependent upon industry resolving critical supply chain issues and ZEVs being available to purchase in needed quantities).

ZEVs are more efficient than traditional fueled vehicles, converting over 77 percent of the electrical energy from the grid to power the wheels. ICE vehicles on the other hand can only convert about 12 percent to 30 percent of the energy stored in gasoline to power the wheels.³ On average, it costs about 30 to 50 percent less to fuel an electric vehicle as it does a gasoline vehicle, creating a significant reduction in fuel cost. An American Automobile Association (AAA) study found the electricity required to drive 15,000 miles per year in a compact electric sedan costs an average of \$546, while the amount of gas required to drive the same distance costs \$1,255 (or 130 percent more). If maintained according to the automakers' recommendations, an AAA study found that annual maintenance, repair and tire costs for electric vehicles can cost \$330 less than a gas-powered car, a total of \$949 annually on average.⁴

Significantly, ZEVs also reduce tailpipe emissions that lead to harmful ozone depletion and pollution. Climate emissions from the manufacturing of ZEVs are slightly higher than those from manufacturing fossil fuel vehicles. However, a ZEV sedan reduces total lifetime emissions by 52 percent compared to the average gasoline sedan (32 MPG) and a ZEV pickup truck reduces lifetime emissions 57 percent compared with the average gasoline pickup. Accounting for upstream electricity generation, such as emissions that result from raw material extraction, transportation, and burning those fuels to generate energy, over 90 percent of people in the United States live where driving the average ZEV produces fewer global warming emissions than the most efficient gasoline vehicle (59 mpg).⁵

The \$50 million in funding would allow GSA to add 1,850 ZEVs to the fleet through the EVF, which would mitigate 8,586 Metric Tons of Carbon Dioxide (CO₂) and 996,120 gallons of

² The 2022 U.S. Energy and Employment Report . Accessed July 25, 2022. <https://www.energy.gov/policy/us-energy-employment-jobs-report-useer>

³ "All-Electric Vehicles." U.S. EPA's *Fueleconomy.gov* site. <https://www.fueleconomy.gov/feg/evtech.shtml>. Accessed February 21, 2023.

⁴ "AAA: Owning an Electric Vehicle is the Cure for Most Consumer Concerns." AAA. January 22, 2020. <https://newsroom.aaa.com/2020/01/aaa-owning-an-electric-vehicle-is-the-cure-for-most-consumer-concerns/> Accessed February 21, 2021.

⁵ Reichmuth, David. "What Are the Benefits of Switching from Gasoline-Powered Cars and Trucks to Electric?" *Union of Concerned Scientists*. February 21, 2022. <https://blog.ucsusa.org/dave-reichmuth/what-are-the-benefits-of-switching-from-gasoline-powered-cars-and-trucks-to-electric/>. Accessed July 27, 2022.

gasoline annually.⁶ The full \$801 million in funding being requested government-wide would allow the entire Federal Government to add 28,480 ZEVs, which would mitigate 129,949 Metric Tons of Carbon Dioxide (CO₂) and 14,622,364 gallons of gasoline annually⁷ and lead to approximately \$46 million annually in fuel savings.⁸

Amounts Available for Transfer

(Dollars in Thousands)

	FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request
Resources:			
Annual EVF Appropriation	\$ -	\$ -	\$ 50,000
Total Resources Available	\$ -	\$ -	\$ 50,000
Transfer Out for Electric Vehicles and Infrastructure	\$ -	\$ -	\$ (50,000)
Fund Balance	\$ -	\$ -	\$ -

Explanation of Changes, Appropriated Dollars

(Dollars in Thousands)

	FY 2022		FY 2023		FY 2024	
	FTE	Enacted	FTE	Enacted	FTE	Request
	0	\$ -	0	\$ -	0	\$ 50,000
Program Changes:						
Electric Vehicles and Infrastructure						\$ 50,000
Subtotal, Program Changes					0	\$ 50,000
Total Adjustments	0	\$ -	0	\$ -	0	\$ 50,000

Obligations by Object Classification

(Dollars in Thousands)

	FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request
94.0 Financial Transfers.....	\$ -	\$ -	\$ 50,000
99.0 Obligations, Appropriated.....	\$ -	\$ -	\$ 50,000

⁶ “Greenhouse Gas Equivalencies Calculator.” U. S. Environmental Protection Agency. March 2022. <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>. Accessed February 7, 2023.

⁷ “Greenhouse Gas Equivalencies Calculator.” U. S. Environmental Protection Agency. March 2022. <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>. Accessed February 7, 2023.

⁸ Assumes an average price of electricity of \$0.14 cents per kWh, average price of \$4.327 for a gallon of gasoline and an average battery capacity of 33.7 kW per 100 miles driven and an average MPG for gasoline vehicles of 25 MPG ([formula](#)).

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