

### Summary

The Energy Secure Cities Coalition (ESCC) is a project to transition municipal fleets from vehicles powered exclusively by gasoline to ones powered by other fuels, primarily electricity in every vehicle category for which a suitable electric vehicle (EV) is commercially available, leading to the retirement by 2025 of some 50,000 petroleum vehicles and displacing 500,000 barrels of oil annually.

The project is unprecedented in scope. While a recent Chinese policy aims to transition 30 percent of state fleets to EVs, the ESCC will transition nearly 90 percent of participating fleets to EVs by 2025.

In addition, the relatively small investment the ESCC will make by providing technical and media support to an initial cohort of 25 cities is likely to catalyze much broader municipal adoption of EVs. The Conference of Mayors Climate Protection Agreement, by way of comparison, quickly grew beyond its 200 signatory goal to more than 1,000 mayors signing on. With respect to fleet transition, EVs will accrue significant cost savings, beyond their energy security benefits, making adoption, once demonstrated, powerfully compelling.

## 1. Project Rationale

### The Current Problem

America is dependent on oil due to the near total reliance of transportation on oil as a single source of fuel. This dependence threatens the country's economic and national security by linking our financial health to a commodity whose price is set on an often volatile, cartel-controlled global oil market. The United States spends as much as \$83 billion annually to secure global oil supply, often in politically unstable regions, putting American lives at risk.

As 70 percent of American oil demand feeds directly into the transportation sector, which is in turn 92 percent powered by oil, the only long-term solution to this dependence is the electrification of transportation. Municipal fleets, major automobile purchasers in their own right, represent a critical opportunity to begin the shift towards mass adoption of electric vehicles, all while saving taxpayers money and serving as an example for consumers.

The ESCC addresses one of the primary barriers to EV adoption: initial capital cost. While a recent Goldman Sachs analysis found that EVs provide as much as a 17 percent return on investment over internal combustion engine vehicles over their lifecycle, the initial cost premium is a significant disincentive to consumer and government adoption. The innovative finance model that will be deployed in ESCC cities allows municipalities to realize cost savings up front, as well as during the vehicle's service life. This unique value proposition differentiates the ESCC from other municipal fleet electrification initiatives, but also allows it to complement numerous ongoing pilot projects focused on EV finance.

## 2. The Opportunity

Based on the success of several Electrification Coalition (EC) projects, we have the tools and capability to coordinate and manage a range of ambitious fleet transition projects in cities across the United States. Through our partnership with Indianapolis Mayor Greg Ballard, who initially made the pledge to stop using oil by 2025 and has started the transition by securing the integration of 425 EV sedans into the city's fleet, we will have the network of partnerships and relationships necessary to encourage widespread EV fleet deployment. Furthermore, we will be able to provide additional assistance via financing partners, such as Vision Fleet Capital, who can support municipal fleet transitions with financing models that generate savings from launch throughout the vehicle lifecycle.

### Theory of Change

To achieve meaningful EV adoption rates nationally, change must begin with local leadership. Mayors and cities are capable of catalyzing a national EV transition by demonstrating through action that EVs are here today, cost-effective, reliable, and fun to drive. Further, success will breed success: The initial mayors that successfully take the 2025 pledge and deploy vehicles will attract other mayors to make and implement similar commitments. As the movement grows, we will introduce EVs to communities throughout the country, with broad spillover effects beyond just the city fleet. Moreover, we think mayors taking bold action to address oil dependence will help foster a culture of empowerment among public officials and the country more broadly.

### 3. The Energy Secure Cities Coalition

The ESCC aims to secure the commitment of a pilot group of 25 cities to transition their municipal fleets off oil by 2025. These cities will serve as an example to others, catalyzing the mass adoption of EVs in fleets and demonstrating the versatility and cost-effectiveness of EVs to consumers and the private sector.

#### Project Goals

The project's goal structure is divided into three distinct periods. In the short-term period (12 months), the ESCC aims to secure commitments from 10 cities to replace petroleum vehicles with EVs in all suitable fleet categories by 2025. The ESCC will create a transition plan and timetable for these cities, identifying vehicles slated for transition, EV models to replace them, and the infrastructure to support them. The Electrification Coalition will secure and coordinate resources from both the ESCC and outside financing agents to implement transition plans, which include a goal of 1,000 EVs in fleets or committed in the first 12 months. The Electrification Coalition will orchestrate a local and national media campaign with major news organizations, earned media in national, local, and industry publications, web advertising, and a dedicated ESCC website.

In the intermediate term (36 months), the project will achieve commitments from 25 cities to phase out all petroleum vehicles by 2025. Initial partner cities will have placed 7,500 EVs in service in their municipal fleets. At this point in the project, the coalition will have collected enough data to publish case studies and best practices on initial deployments, as well as a publicly-available website to highlight project impacts using data collected from fleets (including daily miles traveled, share of electric miles traveled, fuel and cost savings, etc.).

In the long-term period, commitments from 25 cities with a bi-partisan array of mayors to achieve full fleet transition by 2025 will demonstrate to the nation that bold action is possible and energize participating cities to take leadership roles. In particular, the advocacy of Republican mayors will transform the political conversation about and perception of EVs, underscoring their often-overlooked role in economic and national security, and helping to build broad national consensus supporting EV adoption.

The Electrification Coalition will provide overall project management, supporting ESCC cities, advising and assisting problem solving, and coordinating ongoing evaluation and learning. EC responsibilities will include project management of the ESCC effort, including partner selection, strategy, and program evaluation. It will provide additional assistance via its partners, such as Vision Fleet Capital, who can support municipal fleet transitions with financing models that generate savings from launch throughout the vehicle lifecycle. The EC will also support collaborative learning processes, facilitating the exchange of knowledge among ESCC cities, including through regular conference calls and on-line meetings. A detailed blueprint developed with and based on the Indianapolis experience will serve as the primary benchmark.