



29TH ANNUAL

Automotive
Insights
Symposium

JANUARY 10-12, 2023

INDUSTRIAL POLICY

The Inflation Reduction Act is aimed at improving EV affordability: New incentives for new & used vehicles

2022

- \$7,500 if...
 - North American assembled
 - Not GM or Tesla
 - Adds FCEV to the program

Starting 1 January 2023

- \$3,750/\$3,750 if...
 - Battery components & critical minerals content requirements met
 - MSRP < \$55K cars/ \$80K trucks/vans/SUVs
 - AGI cap \$300K/225K/150K
 - 7 kWh minimum
- \$4,000 or 30% of sales price for used EVs <\$25K & 2+ years old with AGI \$150K/112.5K/75K

Starting 1 January 2024

- No “entity of concern” battery components (China, Russia, Iran, North Korea)

Starting 1 January 2025

- No “entity of concern” battery components or critical minerals

New *Commercial* Clean Vehicle Tax Credits

- Up to \$7,500 for GVW <14K pounds and \$40K for GVW >14K pounds
- It appears there are no North American assembly, critical minerals or battery component content requirements
- Leases qualify

INDUSTRIAL POLICY

The Inflation Reduction Act aims to lower producer costs, too

Manufacturing Tax Credits

- \$35/kWh for battery cells produced
- \$10/kWh for battery modules
- 10% of cost incurred for critical minerals

Domestic Manufacturing Conversion Grants

- Grants for re-equipping, expanding, or establishing a U.S. manufacturing facility to produce BEV, PHEV, PEV, or FCEVs

Advanced Energy Project Credit

- For establishing, expanding, or re-equipping facilities for producing a wide array of clean energy products including advanced light-, medium-, & heavy-duty vehicles, energy storage (batteries), & fuel cell equipment

Advanced Technology Vehicle Manufacturing

- Adds funding to program to make direct loans for the cost of establishing or expanding U.S. manufacturing facilities that produce low or zero GHG vehicles or components

Infrastructure Investment & Jobs Act

- \$7.5B in formula & competitive grants to incentivize EV charging build-out
- Funding for grid upgrades & resilience
- \$9.5B in clean hydrogen manufacturing programs



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