

## EV Sales Set to Make All Time High New Co-op Program Could Help

### Key Findings

- Electric vehicle availability is inconsistent around the nation.
- New buying trends may make test drives a thing of the past.
- Creative co-op programs are filling the void left by dealers.

### What has changed?

Electric vehicles (EVs) are set to make another all times sales record. Through the first six months of 2018, EVs accounted for roughly 1.5 percent of new vehicle sales in the United States. It is expected that EV sales will continue to grab a larger market share each year for the next several years. However, new research is showing that one of the barriers to greater adoption may be the dealers themselves.

### What is the impact on cooperatives?

Several reports in late 2017 and throughout 2018 have reported that dealers often discourage buyers from purchasing an electric vehicle. The most commonly cited study of U.S. dealers was performed in 2017 by market research firm Ipsos RDA<sup>1</sup>. They sent secreted shoppers to over 140 dealerships to document the sales experience. The dealerships were in the largest EV markets in the country.

Key findings from the study are:

- Sales process for EVs is inconsistent from dealer to dealer
- Sales staff often reverted to selling gas powered cars when pushed “out of their comfort zone”
- Tesla sales staff were the most excited about EVs
- Many dealers do not have EVs on the lot for test drives

The study’s findings are similar to those of a Sierra Club study published in 2016.<sup>2</sup> The Sierra Club study found shocking practices, such as cars not being charged enough for a test drive and that half of salespeople were not equipped with enough knowledge to explain how to charge a car while traveling.

<sup>1</sup> <https://www.ipsos.com/en-us/news-polls/rda-finds-us-dealerships-not-prepared-ev-invasion>

<sup>2</sup> <https://content.sierraclub.org/press-releases/2016/08/first-ever-multi-state-study-electric-vehicle-shopping-experience>

## What do cooperatives need to know or do about it?

Today's Power (A fully owned subsidiary of Arkansas Electric Cooperatives, Inc.) has launched a new program to bring EVs to co-op markets. Today's Power partnered with McLarty Auto Group to establish a group purchase program. McLarty Auto Group owns six dealerships throughout the state of Arkansas and nine in Missouri.



Electric co-ops can order EVs from brands such as BMW, Honda, Volvo, Toyota, and Nissan through the Today's Power program. The program is available to all electric cooperatives. Today's Power has negotiated prices and is able to pass savings on to other co-ops. Their negotiation achieved offer prices that are below the standard fleet price discount. Today's Power is a for profit subsidiary of Arkansas Electric Cooperative, and they are able to help not for profit co-ops take advantage of applicable tax credits. Future plans include making the program available to co-op members. Information on the program can be found on the Today's Power website: <http://www.todayspower.com/pev/>. Co-ops that wish to work with a local dealer can still take advantage of tax credits by partnering with Today's Power. Contact Today's Power for more information.

The Today's Power program also allows co-ops to take advantage of the federal tax incentive, and they have financing available that can help co-ops increase the savings related to the EV. Today's Power also offers charging equipment for co-ops looking to provide public charging capabilities.

Programs such as this are a throwback to the early days of the electric cooperative movement. Many co-ops owned and operated appliance stores, selling the latest electric technology to their members. Over time, most co-ops left those businesses because other stores moved into the service territory to fill the need. Many co-ops do not have access to a wide array of electric vehicles from their local dealerships. Group purchase programs such as the one from Today's Power could be replicated on a G&T or statewide basis, or co-ops could partner with Today's Power on programs to get electric vehicles into the hands of co-op staff and members while dealerships continue to ramp up their sales processes.

## Additional Resources

[Residential Electric Vehicle Service Equipment \(EVSE\) Program Design for Co-ops](#)

[Electric Trucking Approaches Reality](#)

[Will Electric Vehicles Take Charge in Co-op Nation?](#)

[Keys to Developing a PEV Program for Your Electric Cooperative](#)

[Rate Options to Support EV Programs](#)

## Contact for Questions

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