

September 2021

**CEVA Members:**

Amazon  
American Airlines Group, Inc.  
AT&T, Inc.  
Best Buy Co, Inc.  
CBRE  
Centrica Business Solutions  
Clif Bar & Company  
Consumers Energy  
DHL  
Edison International  
Exelon Corporation  
Genentech, Inc.  
Heritage Environmental Services, LLC  
Hertz Global Holdings, Inc.  
IKEA USA  
JLL  
LeasePlan  
Lime  
Lyft  
Merchants Fleet  
National Grid  
Schindler Elevator Corp.  
Siemens  
T-Mobile  
TK Elevator  
Uber  
UNFI

Dear Auto/Truck Manufacturer,

I am writing to you on behalf of the [Corporate Electric Vehicle Alliance \(CEVA\)](#), a coalition of 27 major global and U.S. companies and fleet operators across the U.S. working to accelerate the corporate transition to zero emission vehicles (ZEVs).<sup>1</sup> Together, we represent more than \$1 trillion in annual revenue and collectively own, lease, or operate over 1.3 million on-road fleet vehicles in the U.S. alone, representing significant available capital for vehicle procurement and a strong interest in acquiring fuel efficient, cost effective, and zero emission models.

This letter is a follow-up to the [introduction](#) I sent on behalf of CEVA members in September 2020. In that letter, we shared our vision for, and ask of, the U.S. automotive and trucking industry, and promised forthcoming details on our aggregated ZEV procurement plans and desired configurations. We are pleased to provide this critical information, and hope it will help you plan your future model offerings.

As a reminder, CEVA's vision is a vehicle market where light-, medium-, and heavy-duty ZEV models are available to meet all commercial and vocational needs, are cost-competitive with internal combustion engine vehicles, and are accessible to companies across their U.S. operations.

While the market is moving closer to meeting our needs, ZEVs are still, on average, more expensive than their conventional counterparts, and the current U.S. vehicle market is not providing the diversity and volume of ZEV models that fleet operators need to meet their varied use cases.

To achieve our sustainability, climate, and financial goals, we need support from vehicle manufacturers to produce vehicles that reduce greenhouse gas (GHG) and air-polluting emissions while also meeting the demands of our varied drive- and duty-cycles. CEVA's [principles](#) outline steps that ZEV stakeholders, including auto and truck manufacturers, policymakers, and utilities, can take to accelerate ZEV deployment in the U.S. at the speed and scale necessary to meet our goals and the demands of the global climate and public health crises. We understand that, in order to design and produce new ZEV models outside of your current production plans, you need strong evidence of customer demand and a clear business case. We're hoping to provide just that.

**CEVA ZEV Demand Aggregation Results**

I am pleased to share the initial results of the ZEV demand aggregation survey our membership completed this past spring. **Within the next five years, CEVA members alone plan to acquire and deploy more than 377,750 new ZEV models (Class 1 to Class 8 vehicles) on U.S. roads.** While our

<sup>1</sup> CEVA is led by [Ceres](#), a national sustainability non-profit organization.

demand for clean vehicles is substantial, it is important to emphasize that this number represents only a portion of the rising demand for ZEVs in the U.S., and indicates a seismic shift in the procurement criteria of large businesses. In fact, plug-in electric vehicles are projected to reach 10% of U.S. sales by 2030.<sup>2</sup>

In addition, CEVA is pleased to provide manufacturers with clear and aggregate information on our desired specifications for new ZEV models, including minimum electric range and other commercial requirements (e.g., minimum towing capacity, gross vehicle weight rating, and cargo space) by vehicle segment.<sup>3</sup> CEVA members represent numerous industries including shipping and logistics, e-commerce, electric power, telecommunications and more. While our vehicle needs may not necessarily be representative of all fleets across all industries, many of our peers do operate under similar use cases. By demonstrating the significant demand among our members for existing, new, and diverse ZEV models, we hope to provide the proof points you need to fill gaps in the current market and meet the needs of some of your largest customers.

To provide manufacturers the full results of the CEVA ZEV demand aggregation survey, and to encourage deep discussion around members' desired ZEV configurations, **we invite you to join us for a Ceres-led two-part manufacturer listening session and workshop this fall (2021)**. Prior to the event, we will distribute pre-reads with charts showing detailed survey results. In advance of these sessions, we would like to share a few topline results below.

### *Brand Loyalty*

Of particular note, **95% of CEVA respondents noted that they would be willing to switch vehicle brands in order to procure their desired ZEV configuration.** As global manufacturers race to compete for a place in the future global automotive and trucking industry, it will become increasingly critical for manufacturers to be both responsive and proactive to the rising demand for zero emission models in order to remain competitive.

### *Battery Capacity and Charging Infrastructure*

To successfully electrify our commercial fleets, we require access to both ZEV models with sufficient battery capacity and adequate charging infrastructure to meet the demands of our diverse drive- and duty-cycles. **Only 30% of our members' operations would allow for 8-10 hours of charging in all use cases, 50% would allow it in 3/4 of use cases, and 10% would allow it in both 1/2 or a 1/4 of use cases** (Figure 2). As major fleet operators, we need ZEVs that meet our minimum electric range and charge time requirements, while remaining cost-competitive with internal combustion engine vehicles.

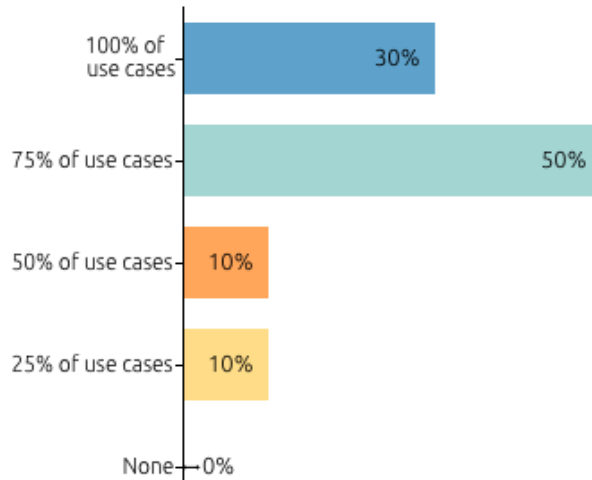
## **Figure 2: Commercial Fleet Dwell/Charge Time Restrictions**

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<sup>2</sup> IHS Markit, 2021. <https://ihsmarkit.com/research-analysis/ev-registrations-exceed-2-of-overall-us-market-share-in-decemb.html>

<sup>3</sup> CEVA's intention is not to replace or limit any individual conversations between companies and vehicle manufacturers, or to intervene on behalf of companies in any procurement decisions, but instead to facilitate conversations between CEVA (as a collective) and vehicle manufacturers to discuss broad needs and estimates of group demand for new ZEVs.

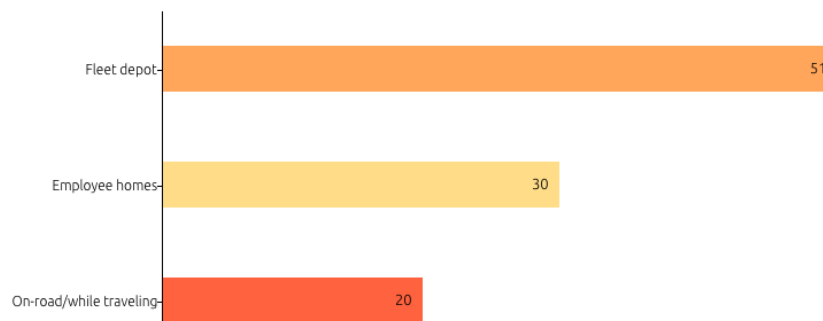
Approximately what percentage of your company's vehicle use cases **would likely allow overnight (or 8-10 hours of) charging?**



Outside of batteries that allow for faster charge times and increased energy storage, the availability of strategically placed, cost-effective, and interoperable charging infrastructure is also essential. **51% of CEVA members' charging is or will be done at a fleet depot, 30% at employees' homes, and 20% on-route or while travelling (Figure 3).** While the majority of fleet charging events will take place at depots or employee homes, this 20% of charging conducted while on-route will be critical to regional and long-haul use cases. We ask that manufacturers support the deployment of this critical infrastructure, in particular for medium- and heavy-duty ZEVs, and actively collaborate with industry peers to improve interoperability.

### Figure 3: Commercial Fleet Charging Locations

Approximately what percentage of your company's total vehicle charging (or hydrogen fueling) would likely be done at each of the following locations between calendar years 2022 - 2026? [ Average ]



### Upcoming Listening Sessions

We appreciate vehicle manufacturer efforts to date to deliver ZEVs to corporate customers like us, and hope this letter serves as a starting point for discussions this fall regarding the types of ZEVs we hope to see in the U.S. EV market. We look forward to continuing the conversation and will follow up shortly with more detailed information on the specific ZEV configurations and quantities we are looking for in the U.S.

auto and truck market, as well as an invitation to join our two-part listening session/workshop with CEVA members in fall 2021.

Thank you for your support and please contact me with any questions in the meantime.

Sincerely,

A handwritten signature in black ink, appearing to read "Sara Forni". The signature is fluid and cursive, with the first name "Sara" and last name "Forni" clearly distinguishable.

Sara Forni

On behalf of the Corporate EV Alliance (CEVA), led by Ceres  
Senior Manager, Clean Vehicles, Ceres