

**BEFORE THE ILLINOIS POLLUTION CONTROL BOARD**

IN THE MATTER OF:

# PROPOSED CLEAN CAR AND TRUCK STANDARDS

R2024-017

(Rulemaking – Air)

## NOTICE OF FILING

TO:

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Please take notice that I have today filed with the Illinois Pollution Control Board the following documents: Rule Proponents' Supplemental Response to Question #10 Posed During the December 2–3, 2024 Hearing Before the Illinois Pollution Control Board and Certificate of Service, a copy of which is served upon you.

Date: March 6, 2025

Respectfully submitted,



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**BEFORE THE ILLINOIS POLLUTION CONTROL BOARD**

IN THE MATTER OF:

PROPOSED CLEAN CAR AND  
TRUCK STANDARDS

R2024-017

(Rulemaking – Air)

**RULE PROPONENTS' SUPPLEMENTAL RESPONSE TO QUESTION #10 POSED  
DURING THE DECEMBER 2–3, 2024 HEARING BEFORE THE ILLINOIS  
POLLUTION CONTROL BOARD**

On January 13, 2025, pursuant to the Hearing Officer's December 6, 2024 Order in the above-captioned matter, Petitioners Sierra Club, National Resources Defense Council, Environmental Defense Fund, Respiratory Health Association, Chicago Environmental Justice Network, and Center for Neighborhood Technology ("Rule Proponents") provided written responses to certain questions posed during the hearing on December 2 and 3, 2024.<sup>1</sup> Question 10, posed by the Board and Illinois EPA, asked whether Rule Proponents would "provide for all participants' review" an analysis of Illinois fuel tax revenues with adoption of the Proposed Rules.<sup>2</sup> As part of our response, Rule Proponents committed to provide any information produced by the Illinois Department of Transportation ("IDOT") in response to Rule Proponents' records request for "underlying studies and data referenced" in a publicly-available IDOT study of Illinois' motor fuel tax, and, "if feasible as a matter of timing and cost, [to commission a] review of the IDOT study to assess its assumptions and underlying data (pending receipt of that information) and make it available for the Board's review in advance of the March hearing dates."<sup>3</sup> In consideration of those commitments, Rule Proponents now file this supplement to their answer to question number 10.

First, in providing this supplemental response, Rule Proponents reiterate our previous answer to question 10, which identifies the limitations associated with an analysis of the kind described in the question and maintains that the cost-benefit analysis presented with Rule Proponents' regulatory proposal constitutes a complete review of the direct impacts of the Proposed Rules.<sup>4</sup> Second, Rule Proponents note that, while IDOT identified records responsive to our Illinois Freedom of Information Act request for the information that formed the basis of IDOT's study, the agency "withheld [the documents] in full pursuant to 5 ILCS 140/7(1)(f), which exempts preliminary drafts and other records in which opinions are expressed or policies

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<sup>1</sup> See Hearing Officer Order (Dec. 6, 2024) at 1; Rule Proponents' Post-Hearing Responses to Questions Posed During the December 2-3, 2024 Hearing Before the Illinois Pollution Control Board (Jan. 13, 2025) ("Rule Proponents' Post-Hearing Responses").

<sup>2</sup> Rule Proponents' Post-Hearing Responses at 10 (Question #10).

<sup>3</sup> *Id.* at 10-11 (Question #10).

<sup>4</sup> *Id.*

or actions are formulated.”<sup>5</sup> Third, in response to the Board’s request, Rule Proponents commissioned an outside analysis of IDOT’s study by Environmental Resources Management, Inc. (ERM), which is attached hereto as Exhibit A. ERM’s analysis: (1) assesses Illinois’ motor fuel tax with adoption of the Proposed Rules; (2) explains fundamental shortcomings and limitations of the IDOT study; and (3) summarizes a policy solution that, if adopted by the legislature, would modernize the current motor fuel tax, providing a comprehensive, sustainable framework for transportation infrastructure funding in Illinois.

Respectfully submitted,



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<sup>5</sup> See Email from DOT FOIA Officer to R. Weinstock, re: FOIA Request 24-0653 (Jan. 15, 2025), attached hereto as Exhibit B.

# Exhibit A

## ERM Analysis



## Impacts of Electric Vehicle Adoption and Revenue Policies on Illinois Highway Funding

### LEAD AUTHORS

Luke Hellgren and Mackay Miller

### ACKNOWLEDGEMENTS

This report was developed by ERM. The work was supported by Sierra Club and NRDC, but the views and information provided come solely from the authors.

## 1. EXECUTIVE SUMMARY AND KEY FINDINGS

Illinois, like other states, needs to develop a self-sustaining framework for adequately funding transportation infrastructure. Revenues from taxes on motor vehicle fuel sales have consistently and increasingly fallen behind the investments needed to maintain infrastructure, primarily driven by lack of inflation-indexed fees, improvements in fuel economy, and more recently, by electric vehicle (EV) adoption. Revenues derived from gasoline and diesel sales will continue to fall behind **the state's transportation funding priorities** if sustainable solutions that ensure all vehicles contribute are not put in place.

Recognizing the need for comprehensive policy solutions, in 2021, as part of the Climate and Equitable Jobs Act, the Illinois General Assembly directed the Illinois Department of Transportation ("IDOT") to assess transportation funding impacts of increased EV adoption.<sup>1</sup> In response, IDOT issued its *Memorandum on Illinois Sources of Transportation Funding* (the "IDOT Memo"), which summarized the findings of a study that projected transportation revenues through 2050. The IDOT Memo compared what is described as low, moderate, and high EV adoption forecasts for light-duty vehicles in Illinois to a "baseline" scenario that assumes no new EV adoption or fuel economy improvements from 2023 through 2050.<sup>2</sup> The IDOT Memo did not address medium- and heavy-duty vehicles, project future revenue needs, or discuss policy options to establish sustainable transportation funding.

In response to a request by the Illinois Pollution Control Board,<sup>3</sup> NRDC and Sierra Club asked ERM to assess transportation revenue in Illinois with the adoption of the Advanced Clean Cars II (ACC II), Advanced Clean Trucks (ACT), and the Low-NOx rules.<sup>4</sup> ERM previously studied the costs and

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<sup>1</sup> IDOT, "Memorandum on Illinois Sources of Transportation Funding," page 24 (Jan. 2024) (Hereafter, "IDOT Memo." Available at [https://idot.illinois.gov/content/dam/soi/en/web/idot/documents/transportation-system/planning/blue-ribbon-commission/IDOT\\_Transportation\\_Funding\\_Background\\_FINAL.pdf](https://idot.illinois.gov/content/dam/soi/en/web/idot/documents/transportation-system/planning/blue-ribbon-commission/IDOT_Transportation_Funding_Background_FINAL.pdf).

<sup>2</sup> IDOT uses conflicting language when discussing baseline fuel economy assumptions but its analysis indicates fuel economy is indeed assumed to stay constant. Compare IDOT Memo at 23 (discussing the results of IDOT's EV adoption scenarios "compared to the scenario in which vehicle fuel economy stays constant") with id. at 27 ("Under baseline conditions, the model assumes that light-duty vehicle fuel economy improves through 2050....").

<sup>3</sup> Illinois Pollution Control Board, In the Matter of: Clean Car and Truck Standards, Case No. 2024-017, Hearing Transcript, Vol. 1, 59:15–17; Rule Proponents' Post-Hearing Responses to Questions Posed During the December 2-3 Hearing Before the Illinois Pollution Control Board, at 10-11 (Jan. 13, 2024).

<sup>4</sup> This report examines the implications of adopting ACC II and ACT in Illinois, as those rules are designed to accelerate the adoption of zero-emission vehicles, including EVs. It is not anticipated that the Low-NOx rule would meaningfully impact EV adoption or motor fuel tax revenues.

benefits of adopting these rules in Illinois, finding up to \$86.4 billion in net societal benefits through 2050.<sup>5</sup> **Sierra Club, NRDC, and other organizations provided ERM's previous analysis to the Pollution Control Board as part of a rulemaking petition urging adoption of the rules.**

In preparing this new report, ERM reviewed the assumptions, methodology, and conclusions identified in the IDOT Memo as a reference point for the light-duty vehicle (LDV) revenue analysis, and prepared its own study of transportation revenues across light-, medium-, and heavy-duty vehicles (MHDVs). In developing its study, ERM employed approaches that can improve the basis for policy decision-making and avoid the significant analytical gaps and unsound assumptions of **the IDOT Memo. First, ERM used EPA's** publicly accessible state-of-the-science Motor Vehicle Emission Simulator (MOVES) model, which accounts for relevant factors such as future vehicle fleet composition, average vehicle miles travelled, and fuel type-specific energy consumption, among others. Second, ERM comprehensively accounted for revenue generation by including **Illinois' annual vehicle registration fees, motor fuels tax, and cent-per-gallon sales tax on motor fuels for all vehicles (not just LDVs).** This approach allowed for the development of outputs for all LDV and MHDV roadway vehicles, and enabled more comprehensive revenue forecasts.<sup>6</sup>

Furthermore, in this study ERM evaluated revenues associated with a policy solution that, if adopted by the General Assembly, would update the way Illinois collects transportation revenues by applying a fuel tax applicable to both internal combustion engine (ICE) vehicles and EVs that is indexed to inflation and total fuel consumption, thereby establishing a sustainable source of transportation funding. This policy design, and its revenue impacts, are described in detail in the body of the report. The key findings of this study are below, followed by a detailed discussion of background, analysis, and results. A detailed description of the methodology can be found in the Appendix.

### KEY FINDINGS

- **IDOT's analysis rests on a "baseline" scenario that significantly overstates future revenue collection by failing to appropriately account for fuel economy improvements and EV adoption.**
  - **IDOT's projected "no-change" baseline scenario projects future revenues using two unreasonable assumptions:** (1) that no EVs are sold after 2022 and (2) that average fleet-wide fuel economy remains constant from 2023 to 2050.
  - The resulting baseline scenario does not represent a realistic benchmark for comparison when evaluating the impacts of policy interventions like ACC II and ACT.
- Compared to a more realistic baseline scenario that assumes some degree of future EV sales and fuel economy improvements, adopting ACC II and ACT would have only marginal impacts on Illinois revenues, especially in the near-term. This analysis affirms that there is time for the General Assembly to implement a more robust policy solution.
  - **ERM created a more plausible baseline scenario ("EPA Baseline") that reflects current federal regulations and market conditions and provides a more appropriate benchmark against which ACC II and ACT impacts can be assessed.**
  - Under current revenue policies and compared to the EPA Baseline, ERM estimates Illinois adoption of ACC II would result in annual LDV revenue approximately 2% lower in 2030 and 13% lower in 2040; adoption of ACT would result in annual MHDV revenue approximately 2% lower in 2030 and 9% lower in 2040.

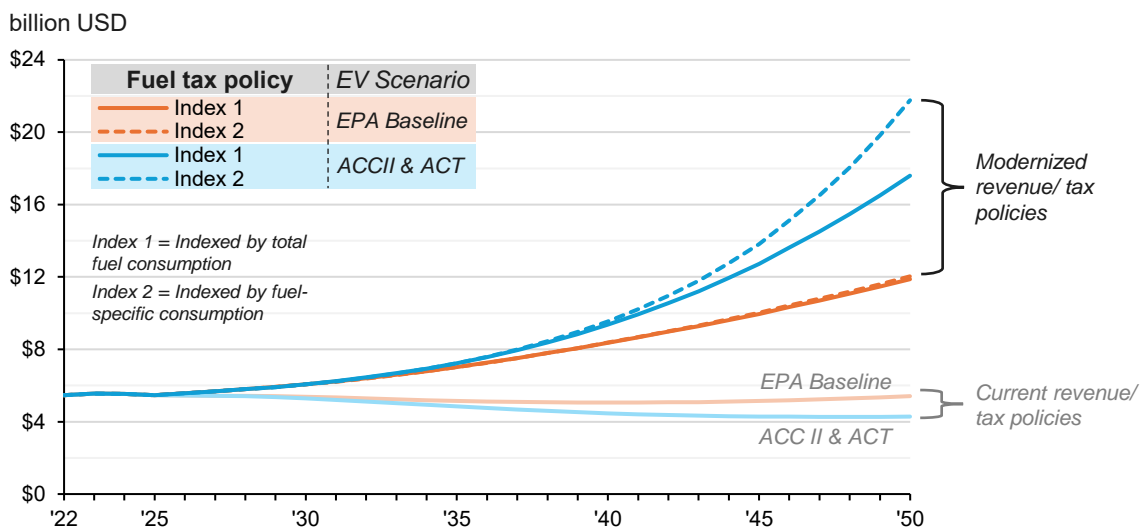
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<sup>5</sup> See Illinois Pollution Control Board, In the Matter of: Clean Car and Truck Standards, Case No. 2024-017, **Rulemaking Proponents' Statement of Reasons at 12 (June 27, 2024) (citing ERM, Analysis Update: Illinois Clean Trucks Program (June 2024); ERM, Analysis Update: Illinois Advanced Clean Cars II Program (June 2024).**

<sup>6</sup> IDOT Memo revenue forecasts assumed to be in nominal U.S. dollars (all revenue results from ERM analysis also provided in nominal U.S. dollars); **LDV results were directly compared to the IDOT Memo's findings.**

- Policy solutions that better account for inflation and better apply to all vehicle fuel types would **modernize Illinois' motor fuel tax and future-proof** its transportation funding.
  - Although inflation represents a large source of potential revenue losses, only a portion **of Illinois' motor fuel tax is currently indexed to inflation. Any policy solution must be** more comprehensively indexed to inflation to be appropriately future-proofed.
  - Because a component of Illinois' motor fuel tax is a function of fuel prices, annual** revenue can fluctuate significantly and be difficult to forecast. Any policy solution must be decoupled from fuel *prices* and instead indexed to fuel *consumption* to ensure more predictable, consistent revenue.
  - Instead of charging EV drivers a flat registration surcharge fee, which could be increased as another policy response available to the General Assembly, a modernized fuel tax that treats EVs the same as ICE vehicles – that is, proportionate to energy efficiency – can appropriately incentivize EV ownership without sacrificing total revenue, independent of the level of EV penetration.
- The **ERM analysis describes and assesses a potential solution to modernize Illinois' revenue** policy. Specifically, this policy solution proposes: (1) indexing the gas tax to inflation and fuel consumption for ICE vehicles, and (2) charging EVs an annual tax based on average vehicle miles travelled and miles per gallon gasoline equivalent to better reflect what EV drivers would pay in fuel taxes if they drove an ICE vehicle.
  - By making the gas tax apply to all vehicles and indexing it to both fuel consumption and inflation, revenue collected from EV fees would naturally increase over time. In all realistic EV adoption scenarios (including those with adoption of ACC II and/or ACT), these modernized policies would generate significantly more cumulative revenue than if current policies were maintained.
  - In scenarios where Illinois adopts the modernized revenue policy detailed below, state transportation revenues are highest when Illinois also adopts ACC II and ACT. In these scenarios, state transportation revenues would exceed those forecast by IDOT in its "no-change" baseline in which no new EV sales are forecast and vehicle fuel economy is held constant. The figure below (ES1) compares the annual total revenue from all vehicles (i.e., LDVs and M/HDVs) under current and modernized revenue policies for both the ERM EPA Baseline and the ACC II & ACT adoption scenario.<sup>7</sup>

Figure ES1: Annual revenue, by scenario (all vehicles)



<sup>7</sup> Modernized revenue/fuel tax policies (i.e., Index 1 and 2) reflect different calculation methods for indexing motor fuel/state sales tax to inflation and fuel consumption; methods described in "Section 3: ERM Analysis."



## 2. BACKGROUND AND IDOT MEMO ANALYSIS

### CURRENT ILLINOIS TRANSPORTATION FUNDING SOURCES

Illinois' two primary sources of highway funding are an annual vehicle registration fee and a motor fuel tax, which includes a sales tax component:

- Vehicle registration fee
  - All LDVs (regardless of powertrain) are subject to an annual registration fee (currently \$151);
  - EVs are subject to an additional annual surcharge/fee (currently \$100).<sup>8</sup>
- Motor fuel tax (MFT)
  - State motor fuel tax
    - Base rate of \$0.19 per gallon of gasoline or diesel;
      - Diesel fuel subject to an additional \$0.075 per gallon;
    - Additional rate that is annually indexed to inflation (currently \$0.28 per gallon of gasoline or diesel through June 2025);
  - State sales tax
    - 6.25 percent of cost per gallon of gasoline or diesel, levied on a cent per gallon basis calculated every six months.

### IDOT MEMO ANALYSIS

The IDOT Memo focused exclusively on light duty vehicles (passenger cars and light trucks) and evaluated three potential EV adoption scenarios:<sup>9</sup>

- "Low EV Adoption," based on U.S. Energy Information Administration (EIA) Annual Energy Outlook (AEO) 2022;
- "Medium EV Adoption," based on Bloomberg New Energy Finance (BNEF) Electric Vehicle Outlook 2022;
- "High EV Adoption," based on ACC II regulation requiring 100 percent ZEV sales by 2035.

IDOT compares the revenues of these scenarios against its "baseline revenue forecast" to estimate the revenue impacts of vehicle electrification through 2050. This baseline forecast was based on "baseline conditions" that assumed growth in onroad vehicle population and vehicle miles traveled but holds fuel economy and EV penetration constant at 2022 levels. As explained below, a baseline with these assumptions does not provide a realistic measure for comparison as it significantly overestimates future revenues. To reflect the IDOT baseline's exclusion of EV adoption and fuel economy improvements, and to distinguish the IDOT baseline from ERM's more realistic baseline scenarios, this memo refers to the IDOT Memo's "baseline revenue forecast" as the "IDOT no-change baseline."

### IDOT MEMO TAKEAWAYS

Compared to the IDOT no-change baseline scenario that overestimates future revenues, IDOT's three EV adoption scenarios result in significantly lower revenue on an annual, and cumulative, basis. In general, the IDOT Memo concludes that as EV adoption increases, the decline in MFT

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<sup>8</sup> While not a source of revenue for state transportation funding, it should also be noted that electricity is generally subject to local utility taxes that fund local services, including the maintenance of local roads where approximately a third of all VMT occur. As a result, increased EV adoption will increase that source of local funding.

<sup>9</sup> In addition to these EV forecasts, in these adoption scenarios – but apparently not in its "baseline" – IDOT assumed the fuel efficiency of new vehicles with internal combustion engine (ICE) powertrains improved over time.

revenue is more substantial than the increase in vehicle registration revenues.<sup>10</sup> Improved ICE vehicle fuel economy and EV penetration are responsible for similar levels of MFT revenue decline in IDOT's "Low EV Adoption" scenario, while in the "Medium" and "High EV Adoption" scenarios, MFT revenue decline is disproportionally caused by EV penetration and the corresponding impact on gasoline/diesel consumption.

The IDOT Memo suggests that under current revenue and tax policies, the combination of increased EV adoption and improved ICE fuel economy results in cumulative revenue (2022-2050) \$24-44 billion lower than the no-change baseline scenario, depending on the level of EV adoption. As shown in Table 1 below, the annual revenues associated with the three EV adoption scenarios **fall below IDOT's no-change baseline**; the difference in revenue<sup>11</sup> increases through the analysis timeline and range from \$2-3.5 billion in 2050.

Table 1. IDOT annual revenue reduction compared to IDOT No-Change Baseline, by scenario (billion USD)

| Year | Low EV | Medium EV | High EV |
|------|--------|-----------|---------|
| 2030 | -\$0.4 | -\$0.5    | -\$0.6  |
| 2040 | -\$1.0 | -\$1.5    | -\$2.0  |
| 2050 | -\$2.0 | -\$3.4    | -\$3.5  |

## REVIEW OF IDOT SCENARIOS

Since the IDOT Memo release in 2023, new federal emissions standards were finalized and EV forecasts have been updated. **ERM evaluated IDOT's analytical approach and primary assumptions** of each scenario to identify components that could be updated to make projections more realistic or were not considered by IDOT.

The IDOT Memo includes four scenarios<sup>12</sup> that appear to maintain several inputs/assumptions across each case, including:

- Vehicle scope (LDVs only)
- Projected LDV sales, total onroad LDV fleet/population, and vehicle miles traveled (VMT)
- Revenue policies (i.e., registration fee and MFT)

### Baseline Scenario

The no-change baseline scenario of the IDOT Memo assumes that the fuel economy of the ICE vehicle fleet remains constant and no additional EVs enter the LDV fleet after 2022 (base year).<sup>13</sup> **Combined with IDOT's forecasts associated with annual LDV sales, vehicle turnover, and VMT**, these assumptions correspond with increasing registration revenue (via LDV fleet growth) and increasing revenue from motor fuel taxes. **IDOT's no-change baseline revenue forecast** shows relatively linear growth in annual revenue, from around \$3.3 billion in 2022 to \$6.3 billion in 2050, resulting in approximately \$140 billion in cumulative revenue during the analysis timeframe (2022-2050).

<sup>10</sup> Annual onroad vehicle population assumed to be equal across all scenarios, but annual EV surcharge/fee (additional to annual vehicle registration fee) results in total registration revenue increasing as more EVs enter the onroad vehicle population.

<sup>11</sup> Annual baseline revenue in Table 1 is reported directly from IDOT Memo (pages 28-30).

<sup>12</sup> Includes a baseline scenario that assumes no EV sales beyond 2022 and three additional EV adoption scenarios.

<sup>13</sup> IDOT Memo (page 23; comparing three EV adoption scenarios to "the scenario in which vehicle fuel economy stays constant.")

#### Low EV Adoption Scenario

This scenario relies on national EIA AEO 2022 forecasts that were modified to align with historical EV sales share in Illinois compared to the national average. AEO forecasts are largely contingent on then-existing policies/regulations, but as mentioned in the IDOT memo, these data points were **released in March 2022 and "largely predate the adoption of California's ZEV mandate, EV incentives provided in the Inflation Reduction Act, EV charging infrastructure funding included in the Infrastructure Investment and Jobs Act, and higher corporate average fuel economy standards adopted in August 2021."**<sup>14</sup> Furthermore, final U.S. EPA emission standards for light-duty vehicles<sup>15</sup> are also not included. This scenario represents an EV adoption forecast that no longer reflects the regulatory and policy landscape, and very likely significantly underestimates future EV adoption.

#### Medium EV Adoption Forecast

This scenario relies on BNEF forecasts (through 2040) that were modified to align with historical EV sales share in Illinois compared to the national average; forecasts were extended through the analysis timeframe using the average growth rate in EV sales share between 2035 and 2040. Similar to AEO, BNEF forecasts consider existing regulations and market trends; however, BNEF also incorporates expected changes in policy and investments, and applies more optimistic assumptions around EV technology costs and consumer behavior/demand that lead to increased adoption. **BNEF's EV adoption outlook is similar to that implied by EPA's final vehicle emission standards for LDVs and consequently likely reflects a national EV sales forecast that would closely align with an up-to-date AEO forecast.**

#### High EV Adoption Forecast

This scenario is based on adoption of ACC II, which requires 100 percent of new LDV sales in 2035 to be ZEVs. As of February 2025, twelve states (and District of Columbia) have adopted ACC II. Although this policy has not changed since spring 2023, if Illinois adopts ACC II in 2025, it would go into effect in model year 2029 rather than model year 2026 as assumed in the IDOT Memo.<sup>16</sup>

### OTHER CONSIDERATIONS

#### Medium- and Heavy-Duty Vehicles

As mentioned above, the IDOT Memo only includes revenue associated with LDVs. However, ERM analysis indicates that revenues from M/HDV currently contribute approximately one-third of highway funding (i.e., roughly half the level of LDV revenue). For a comprehensive analysis into the impacts of vehicle electrification and fuel economy improvements on highway funding, the changing composition of the M/HDV fleet also needs to be evaluated.

#### Revenue Policies

The IDOT Memo establishes that under current revenue and tax policies improving vehicle fuel economy and EV adoption will lead to lower annual revenues than its no-change baseline scenario. However, because EV adoption is unavoidable and potentially significant, alternative revenue policies must be explored to future-proof revenue levels and limit volatility. As discussed in following sections, ERM applies two strategies in this policy case – 1) indexing motor fuel tax to inflation and fuel consumption, and 2) taxing EVs using their gasoline-equivalent fuel economy – to illustrate how highway funding can be maintained if revenue policies are adapted to more appropriately account for a changing vehicle fleet. In the policy case, all vehicles are taxed on an annual basis using average vehicle miles travelled (VMT), which captures public and home EV charging without the privacy concerns associated with individual VMT reporting to the state.

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<sup>14</sup> IDOT Memo (page 24).

<sup>15</sup> <https://www.epa.gov/regulations-emissions-vehicles-and-engines/final-rule-multi-pollutant-emissions-standards-model>

<sup>16</sup> ACC II corresponds with annual EV sales share requirements between model years 2026 and 2035; the IDOT Memo does not specify assumptions around when Illinois adopts ACC II. If Illinois does adopt ACC II in 2025, it will not begin complying with annual sales share requirements until model year 2029.

### 3. ERM ANALYSIS

ERM developed a supplementary analysis to be used for comparisons against IDOT Memo outputs. In addition, this analysis represents an expansion of the IDOT Memo scope and considers other factors that help provide a more comprehensive basis for adequately funding Illinois transportation infrastructure.

#### METHODOLOGY

Although ERM generally used the same foundational approach that was applied to EV adoption scenarios in the IDOT Memo, ERM included refreshed and expanded data, evaluated all roadway vehicles (rather than only LDVs), incorporated the impacts of new regulations (e.g., EPA vehicle emission standards), and considered potential alternative revenue/tax strategies.

##### Vehicle Forecasts

As mentioned earlier, ERM utilized the most recent release of EPA's MOVES model<sup>17</sup> to enable detailed annual vehicle forecasts by model year, regulatory class, and fuel type. The MOVES model was developed to estimate and forecast emissions from mobile sources at different geographic resolutions, and thus requires annual vehicle inventories that account for vehicle model year, vehicle type/regulatory class, fuel type, VMT, fuel consumption, efficiency degradation, and vehicle age distributions. The current version of MOVES accounts for both EPA vehicle emission standard rules<sup>18</sup> finalized in 2024, accounts for over four decades of vehicle model years for each calendar year, and incorporates the latest data and research on VMT, vehicle populations, and age and fuel distributions.

##### Revenue Policies

To evaluate the impacts of implementing new revenue and tax strategies, ERM applied two policies to each EV adoption scenario:

- **Current policies (described in "IDOT Summary" section), including**
  - Registration fee (by vehicle type) and EV surcharge<sup>19</sup>
  - Motor fuel tax and state sales tax<sup>20</sup>
- **Alternative policies,<sup>21</sup> including**
  - Registration fee (by vehicle type; same as current fee)
  - No EV surcharge
  - Indexed fuel tax
    - Motor fuel tax and state sales tax that are indexed to inflation and fuel consumption<sup>22</sup> using two calculation methods:
      - Index 1: Annual inflation minus annual change in total gasoline and diesel consumption (e.g., 2 percent inflation and 2 percent reduction in fuel consumption results in 4 percent increase of all tax components)

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<sup>17</sup> MOVE5, released November 2024.

<sup>18</sup> Light- and Medium-Duty Multi-Pollutant Rule and Heavy-Duty Greenhouse Gas Emissions – Phase 3 Rule.

<sup>19</sup> \$100 additional annual fee assumed to be applied to all EVs, regardless of type/class.

<sup>20</sup> Cost per gallon subject to sales tax calculated as sum of wholesale price, distribution cost, and federal tax (forecasts from AEO 2023); because compressed natural gas (CNG) and ethanol (E-85) consumption are negligible, sales are ignored for all evaluated scenarios (regardless of revenue policy)

<sup>21</sup> Additional details on motor fuel tax index and EV tax: <https://www.nrdc.org/bio/max-baumhefner/simple-way-fix-gas-tax-forever>.

<sup>22</sup> Index factor applied to all components of fuel tax (i.e., base MFT, variable MFT currently indexed to inflation, diesel surcharge, and state sales tax); because PHEV energy consumption is accounted for in ICE vehicles, annual/cumulative changes in fuel consumption are either underestimated or overestimated if PHEV share of ICE vehicles increases or decreases, respectively, relative to current share

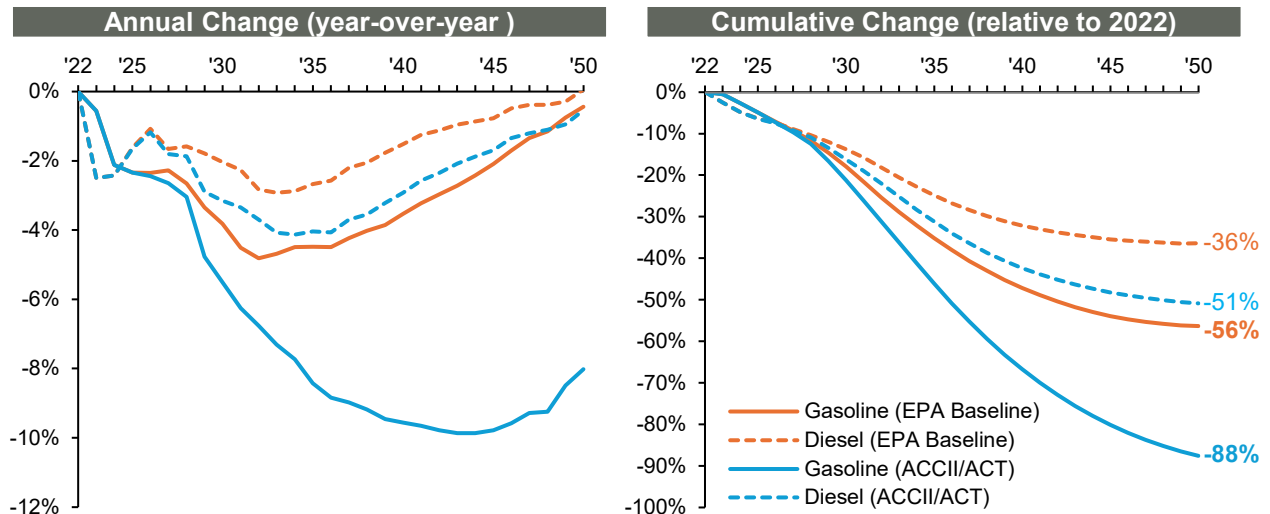
- Index 2: Annual inflation minus annual change in fuel type-specific consumption (i.e., separate index factors for gasoline and diesel)
- EV “gas” tax
  - Treats EVs as if they are a gasoline vehicle of equivalent energy efficiency: EVs pay annual tax based on their miles per gallon-equivalent (mpg-e) rating,<sup>23</sup> annual average VMT, and the current state indexed gas tax.

## IN DETAIL: ALTERNATIVE MODERNIZED REVENUE POLICIES EVALUATED IN THIS STUDY

ERM analysis examined the impact of an alternative fuel tax policy that apply the gas tax to all vehicles and indexes it to both fuel consumption and inflation. For example, if the rate of inflation is 1 percent and total fuel consumption drops by 1 percent over a year, fuel taxes would automatically increase by 2 percent to make up for the difference the next year. Or if the rate of inflation is 1 percent and total fuel consumption increases by 2 percent, fuel taxes would automatically decrease by 1 percent to avoid over-collecting revenue. Applying that to EVs, ERM also evaluated the impact of essentially taxing EVs as if they used gasoline, retaining the appropriate incentive inherent in the gas tax for consumers to buy more efficient vehicles and doing so in a way that does not favor one efficiency technology over the other. In other words, the miles per gallon-equivalent (mpg-e) rating and average annual VMT of an EV would combine **to estimate the EV’s annual energy consumption (in terms of gasoline gallon equivalent, GGE),** to which the gas tax would then be applied. For example, a Chevrolet Bolt EV with a 120 mpg-e rating that drives 12,000 miles would effectively pay a “gas” tax on 100 gallons.

While current revenue and tax policies are unaffected by EV adoption and changes in fuel consumption, this alternative policy approach more appropriately taxes EVs for their energy consumption and ensures more consistent revenue from gasoline and diesel fuel sales, regardless of changes in consumption. Figure 1 illustrates how gasoline and diesel consumption changes across each ERM scenario:

Figure 1: Change in gasoline & diesel consumption (gallon), by scenario



Declines in gasoline and diesel consumption partially result from improving fuel economy but are primarily caused by increasing EV adoption. Figure 2 shows EV energy consumption (in terms of GGE) changes across each scenario:

<sup>23</sup> Currently publicly available at [www.fueleconomy.gov](http://www.fueleconomy.gov)

Figure 2: Change in EV energy consumption (GGE), by scenario

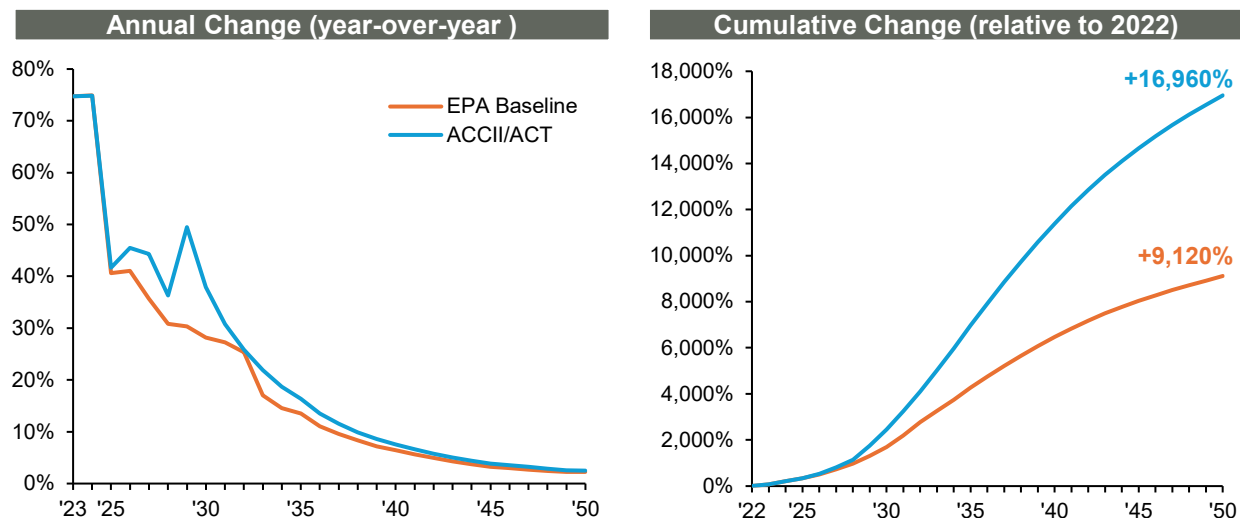
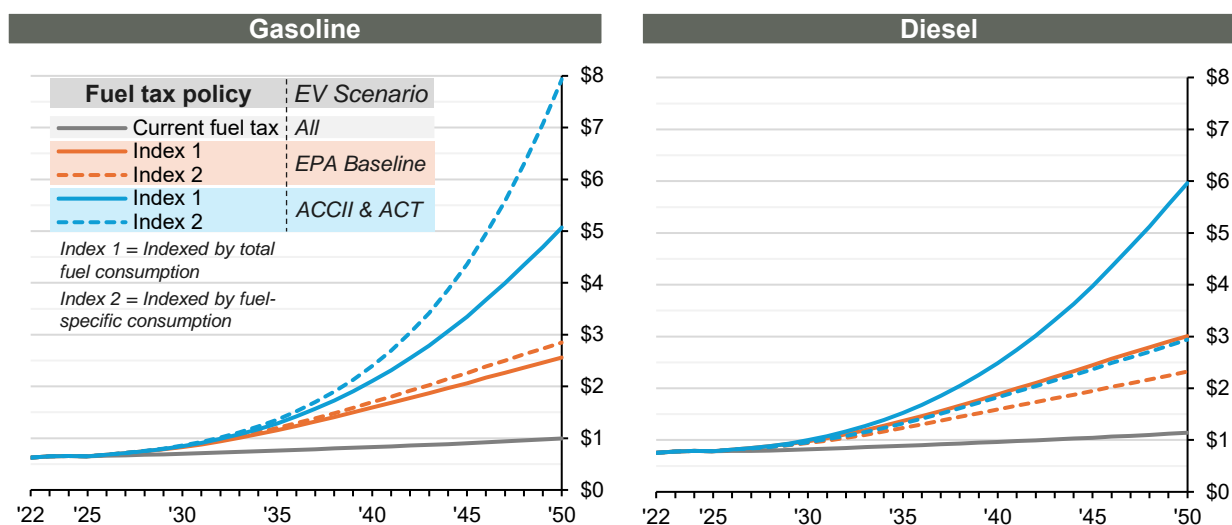


Figure 3 shows the alternative gasoline and diesel tax that results when these fuel consumption forecasts are paired with the modernized (i.e., indexed) fuel tax policies:

Figure 3: Estimated total motor fuel tax (USD per gallon), by scenario and indexing approach



## 4. DISCUSSION

ERM review of the IDOT Memo and further analysis indicate that if current revenue and tax policies are maintained, any level of incremental EV penetration will result in a revenue shortfall **when compared against IDOT's no-change baseline revenue conditions**. But this finding is driven **both by the ineffectiveness of current revenue policies as well as the nature of IDOT's no-change baseline scenario**. Regardless of the outlook on EV adoption, new approaches and strategies are required to prevent or limit this gap without unnecessarily suppressing EV sales or penalizing EV owners.

### BASELINE SCENARIOS

ERM analysis and the IDOT Memo consider scenarios that range from no future EV sales to all new LDVs being electric starting with model year 2035. As discussed, the IDOT no-change baseline forecast does not represent a realistic future due to its assumption that fleet-wide fuel economy

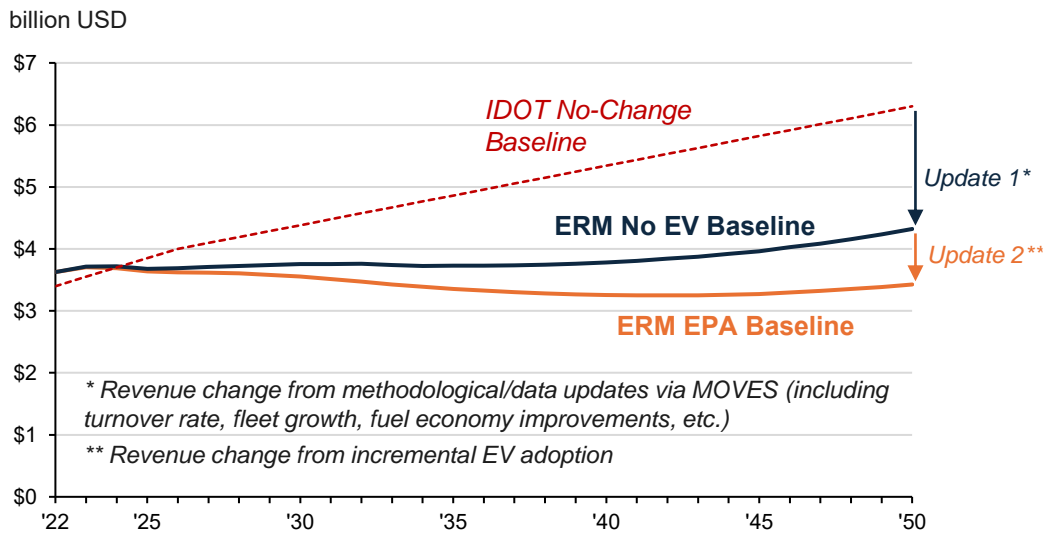


does not improve and no EVs are sold beyond 2022. However, in order to facilitate comparisons to the complete range of values reported in the IDOT Memo, ERM developed a scenario ("ERM No EV Baseline") that combines the key features of IDOT's no-change baseline (i.e., no new EV sales past 2022) with the assumptions and methodology used in ERM's other scenarios (i.e. updated fuel economy assumptions of new ICE vehicle sales and MOVES assumptions related to annual sales, VMT, and turnover rate). This "ERM No EV Baseline" scenario properly accounts for improving fleet-wide economy and provides results that can be directly compared to the IDOT no-change baseline.

To establish a vehicle market outlook that can be referenced as a more realistic baseline, ERM considered IDOT's "Medium EV Adoption"<sup>24</sup> scenario and EV sales projections developed by EPA to support its 2024 vehicle emission emissions standards. These two forecasts represent current market- and policy-driven outlooks and independently predict comparable levels of EV adoption.<sup>25</sup> Thus, ERM applied EPA's EV forecasts to develop the "EPA Baseline" scenario. Furthermore, because ERM's EPA Baseline scenario represents the most likely outcome under current policies, the conclusions discussed below focus on the EPA Baseline as the baseline for evaluating the effects of ACC II and ACT adoption and changes to Illinois' revenue policies.

To summarize, ERM's "No EV Baseline" scenario updates underlying assumptions and corrects the problematic fuel economy assumption associated with the IDOT no-change baseline, and ERM's "EPA Baseline" scenario further corrects for the lack of future EV adoption. Figure 4 shows how annual LDV revenue (under current policies) across these scenarios compare:<sup>26</sup>

**Figure 4: Annual LDV revenue from "baseline" scenarios (billion USD)**



#### Total Revenue: Current Policies

After establishing a more realistic baseline scenario, the revenue impact of ACC II and ACT adoption were then evaluated. Figure 5 shows annual revenue forecasts (under current policies) across different EV adoption scenarios.

<sup>24</sup> IDOT's other EV scenario, "Low EV Adoption," does not incorporate a number of impactful changes to policy and market trends; consequently, this scenario very likely underestimates future EV adoption and was not considered as a baseline/reference scenario.

<sup>25</sup> Although EPA's 2024 vehicle emission emissions standards are likely to be challenged and/or repealed by the current Trump Administration, the EV forecast used in IDOT's "Medium EV Adoption" scenario (BNEF) suggests that federal policy support is not necessary for similar levels of EV adoption to be achieved.

<sup>26</sup> Annual baseline revenue from IDOT Memo is approximated from charts (annual data not provided); note that other underlying methodological differences contribute to the annual revenue delta between the IDOT no-change baseline and ERM's No EV Scenario

Figure 5: Revenue forecast, by scenario and vehicle type (billion USD)

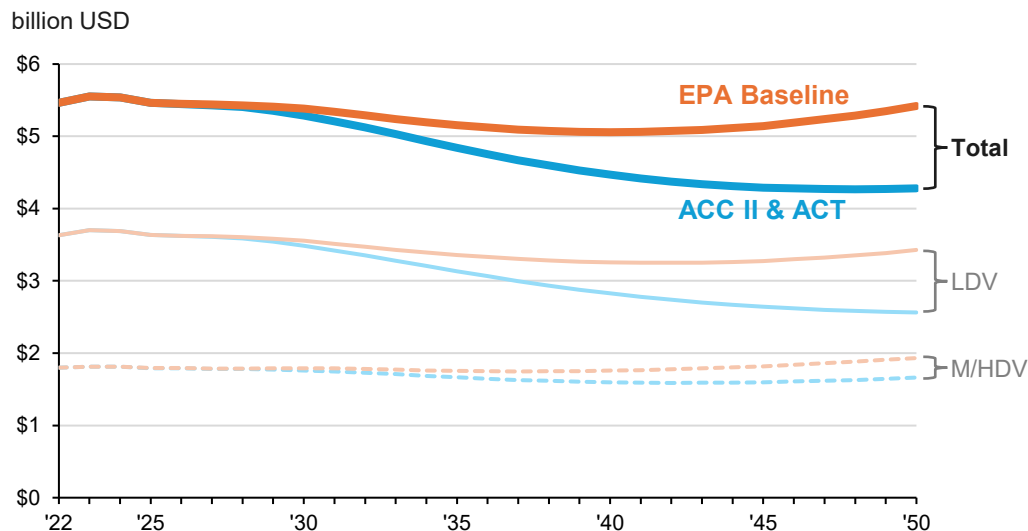


Table 2 provides cumulative revenue (2022-2050) and annual revenue snapshots associated with the different EV adoption scenarios:

Table 2. Annual and cumulative revenue forecasts, by scenario and vehicle type (current policies; billion USD)

| Year                          | LDV           |               | All Vehicles   |                |
|-------------------------------|---------------|---------------|----------------|----------------|
|                               | EPA Baseline  | ACC II        | EPA Baseline   | ACC II & ACT   |
| 2030                          | \$3.6         | \$3.5         | \$5.4          | \$5.3          |
| 2040                          | \$3.3         | \$2.8         | \$5.1          | \$4.5          |
| 2050                          | \$3.4         | \$2.6         | \$5.4          | \$4.3          |
| <b>Cumulative (2022-2050)</b> | <b>\$99.3</b> | <b>\$90.1</b> | <b>\$152.7</b> | <b>\$140.1</b> |

Note that the IDOT Memo analog scenarios, “Medium EV Adoption” and “High EV Adoption,” have similar cumulative LDV revenue estimates (within 10 percent). Table 3 shows the annual and cumulative revenue adjustments that occur under the ACC II/ACT scenario compared to the EPA baseline scenario. This table also provides the approximate annual and cumulative revenue adjustments that occur under IDOT’s “High EV Adoption” scenario compared to its “Medium EV Adoption” scenario to further highlight the similarities between these scenarios. Together, these values represent the likely incremental revenue adjustments (under current policies) from adopting ACC II and ACT relative to specific ERM and IDOT scenarios.



Table 3. Revenue adjustments from ACC II adoption (current policies; billion USD)

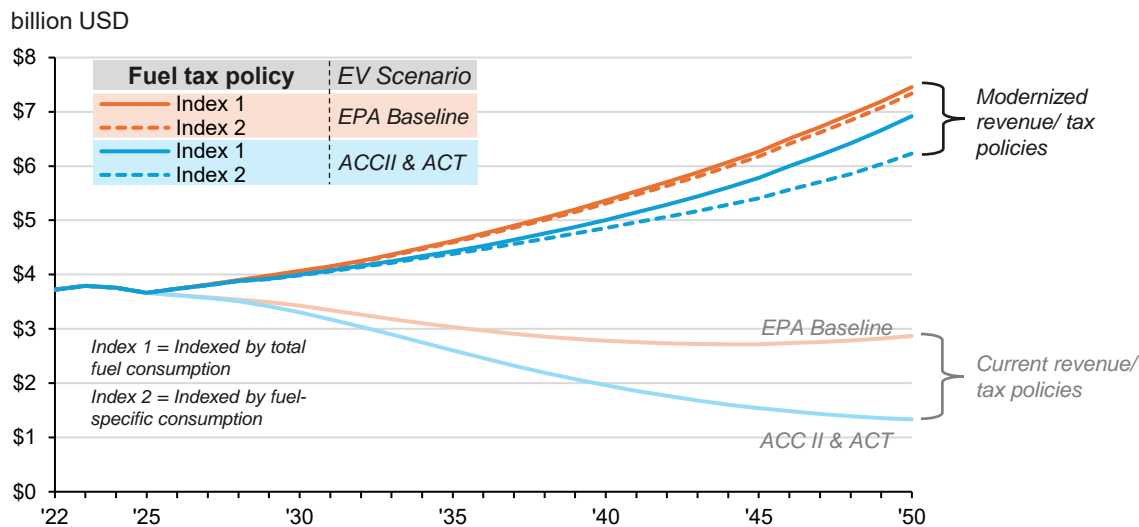
| Year                          | LDV                     |  | All Vehicles                  |                    |
|-------------------------------|-------------------------|--|-------------------------------|--------------------|
|                               | ACC II vs. EPA Baseline | IDOT "High EV Adoption" vs. "Medium EV Adoption" | ACC II & ACT vs. EPA Baseline | No IDOT Comparison |
| 2030                          | -\$0.1                  | -\$0.1   | -\$0.1                        |                    |
| 2040                          | -\$0.4                  | -\$0.5   | -\$0.6                        |                    |
| 2050                          | -\$0.9                  | -\$0.1   | -\$1.1                        |                    |
| <b>Cumulative (2022-2050)</b> | <b>-\$9.3</b>           | <b>-\$8.0</b>                                    | <b>-\$12.6</b>                |                    |

As implied above, ACC II and ACT adoption would result in additional, but relatively marginal, revenue adjustments compared to the EPA Baseline scenario, the most likely level of baseline EV adoption. As discussed, two policies were analyzed to determine how these likely revenue adjustments can be limited or prevented: 1) indexing the fuel tax to fuel consumption and inflation, and 2) implementing an EV "gas" tax.

### Indexed Fuel Tax Revenue

Regardless of scenario, gasoline and diesel fuel consumption is forecast to decline via fleet electrification and fuel economy improvements. To maintain a more consistent annual revenue from fuel consumption, year-over-year changes in inflation and fuel consumption were combined to create an annual adjustment/index factor<sup>27</sup> that was then applied to each applicable fuel tax. As discussed earlier, two calculation methods ("Index 1" and "Index 2") were utilized to derive this index factor. Figure 6 shows annual fuel tax revenue, by fuel tax and EV adoption scenario, associated with all roadway vehicles:

Figure 6: Revenue from motor fuel tax, by scenario and indexing approach (all vehicles)



As the above figure shows, revenue from motor fuel taxes experiences much less annual volatility when taxes are indexed and more closely track with inflation. However, the impact of an indexed fuel tax can vary by vehicle type. For instance, because gasoline consumption generally declines more rapidly than diesel in EV adoption scenarios (due to higher LDV electrification than M/HDV), **indexing gasoline and diesel fuel taxes separately (i.e., "Index 2" method) results in a much higher fuel tax levied on gasoline than diesel; consequently, this disproportionately affects LDVs.**

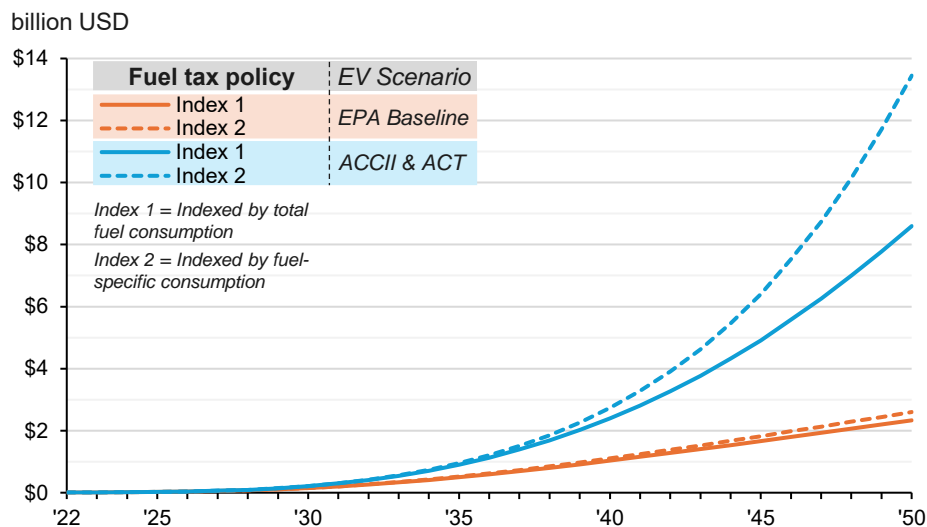
<sup>27</sup> Index factor applied to all components of fuel tax (i.e., base MFT, variable MFT currently indexed to inflation, diesel surcharge, and state sales tax).

Alternatively, fuel tax revenue from M/HDVs is higher when fuel taxes are indexed based on total fuel consumption ("Index 1") rather than fuel-specific consumption. Regardless of fuel tax policy, a supplementary source of revenue – such as an EV "gas" tax – is likely necessary to achieve revenues that increase by amounts comparable to IDOT's cumulative no-change baseline revenue projection.

### EV "Gas" Tax Revenue

Although EV registration surcharge fees have been implemented as short-term solutions to help recover lost motor fuel tax revenue, high levels of EV adoption result in a reduction in fuel consumption and associated revenue that cannot be adequately recovered by these fees. As an alternative to an EV surcharge, ERM analyzed a new source of revenue deriving from the battery efficiency of EVs, effectively taxing EVs on their energy consumption in a similar manner as ICE vehicles. By combining fleet-specific miles per gasoline gallon-equivalent ratings of EVs and typical annual VMT, the indexed gasoline tax (described above) can be applied to total EV energy consumption (in units of GGE) to estimate revenue that could be collected through an EV "gas" tax. Figure 7 shows EV "gas" tax revenues across each scenario and indexed fuel tax method:

Figure 7: Revenue from EV "gas" tax, by scenario and indexing approach (all vehicles)



It is important to note that the rate of EV adoption can have a compounding effect on EV "gas" tax revenue growth through its impact on the indexed gasoline tax (resulting from fuel consumption decline). In other words, the faster a fleet electrifies, the faster fuel consumption falls and the faster indexed fuel taxes increase.<sup>28</sup> This relationship is even more exaggerated under the fuel-specific indexing method ("Index 2") because gasoline consumption generally falls faster than diesel consumption; further evaluation to limit this dynamic is encouraged.

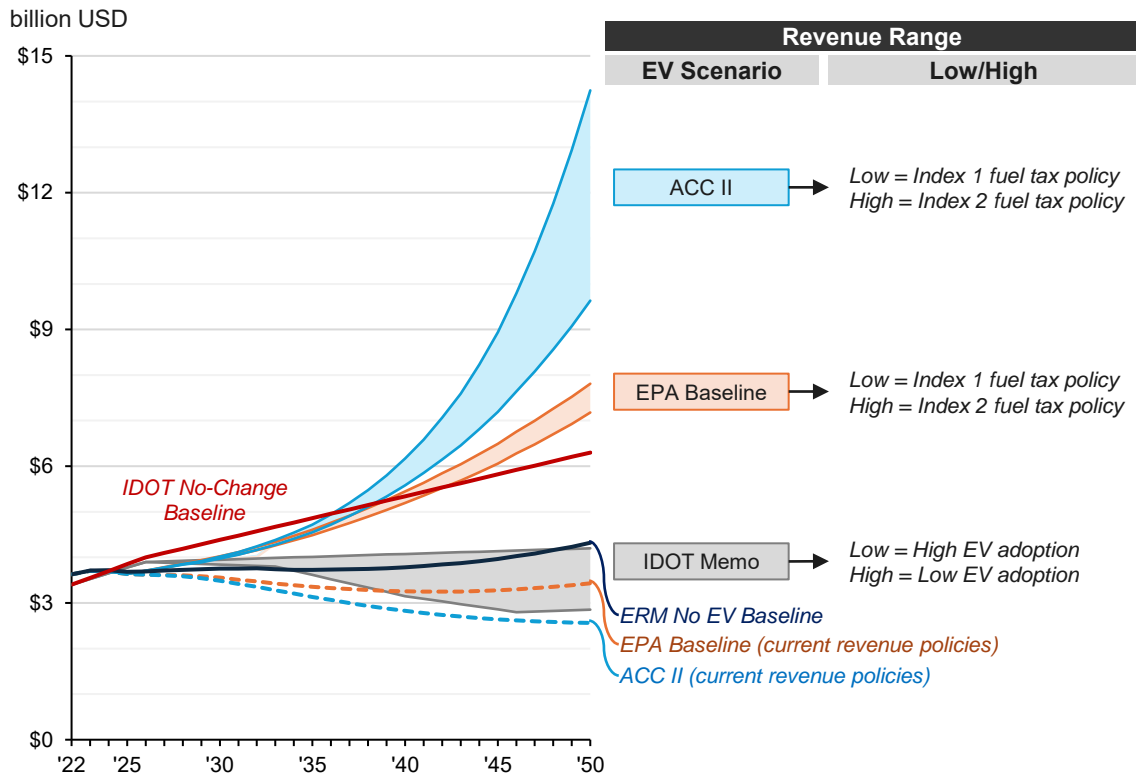
### Total LDV Revenue: Modernized Policies

Because the IDOT Memo is specific to LDVs,<sup>29</sup> ERM performed analysis at a vehicle type level to enable direct comparisons. Figure 8 compares annual LDV revenue from IDOT Memo scenarios (no-change baseline and three EV adoption scenarios) with ERM scenarios ("EPA Baseline" and "ACC II & ACT"):

<sup>28</sup> Rate of EV adoption only impacts the annual adjustment/index factor through its effect on fuel consumption.

<sup>29</sup> Motorcycles excluded from LDV data but included in "all vehicle" data.

Figure 8: Annual LDV revenue comparison of IDOT Memo &amp; ERM scenarios



As shown above and described earlier, revenue of ERM's "EPA Baseline" and "ACC II" scenarios that apply current revenue/tax policies are similar (albeit slightly lower) than that of the "Medium EV Adoption" and "High EV Adoption" scenarios, respectively, of the IDOT Memo. However, all ERM scenarios that apply modernized revenue policies (indexed fuel tax and EV "gas" tax) result in annual revenues that significantly exceed those of ERM's No EV Baseline; cumulative revenue from all ERM scenarios also exceeds those of the IDOT no-change baseline. Table 4 provides cumulative revenue (2022-2050) and annual revenue snapshots associated with the different EV adoption scenarios.

Table 4. Annual and cumulative LDV revenue forecasts, by scenario and policy type (modernized policies; billion USD)

| Year                          | Index 1 + EV Gas Tax |                | Index 2 + EV Gas Tax |                |
|-------------------------------|----------------------|----------------|----------------------|----------------|
|                               | EPA Baseline         | ACC II         | EPA Baseline         | ACC II         |
| 2030                          | \$4.0                | \$4.0          | \$4.0                | \$4.0          |
| 2040                          | \$5.2                | \$5.6          | \$5.4                | \$6.2          |
| 2050                          | \$7.2                | \$9.6          | \$7.8                | \$14.2         |
| <b>Cumulative (2022-2050)</b> | <b>\$141.8</b>       | <b>\$156.4</b> | <b>\$147.8</b>       | <b>\$181.4</b> |

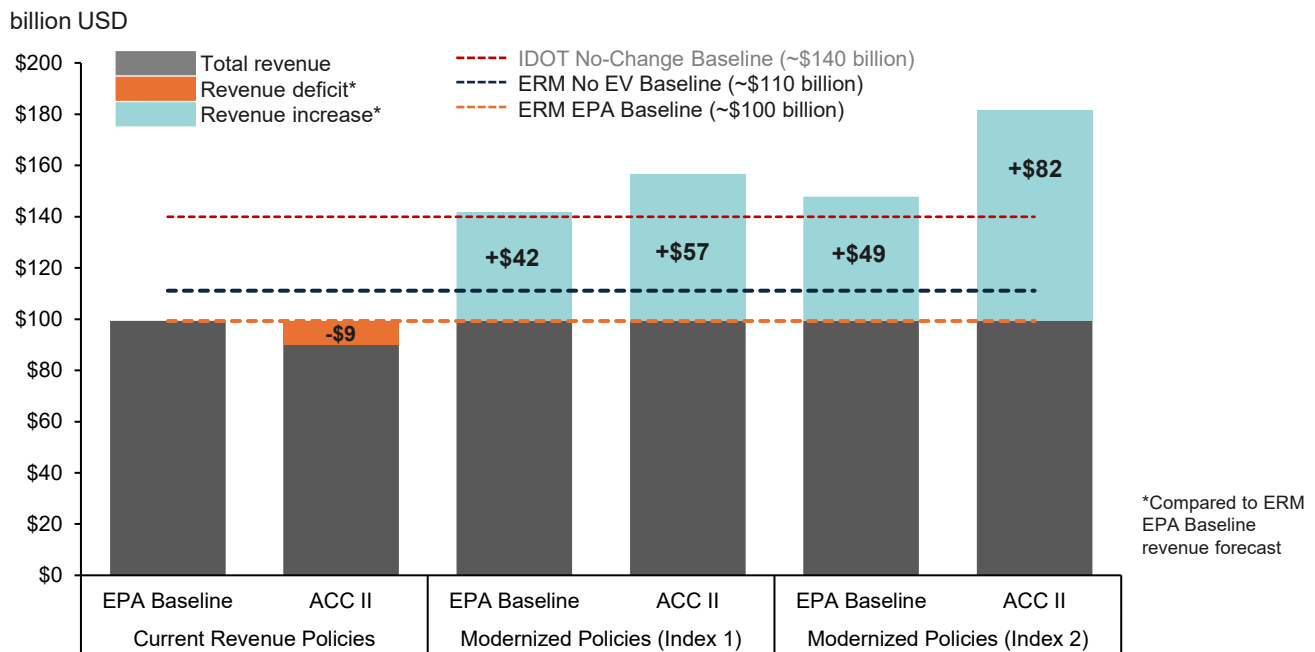
Table 5 shows the annual and cumulative revenue increase that occurs under the ACC II scenario compared to the EPA baseline scenario. Together, these values represent the likely incremental revenue increase (under modernized policies) from adopting ACC II.

Table 5. LDV revenue increase from ACC II adoption (modernized policies; billion USD)

| Year                          | Index 1 + EV Gas Tax    | Index 2 + EV Gas Tax    |
|-------------------------------|-------------------------|-------------------------|
|                               | ACC II vs. EPA Baseline | ACC II vs. EPA Baseline |
| 2030                          | \$0.0                   | \$0.0                   |
| 2040                          | +\$0.4                  | +\$0.7                  |
| 2050                          | +\$2.5                  | +\$6.4                  |
| <b>Cumulative (2022-2050)</b> | <b>+\$14.6</b>          | <b>+\$33.5</b>          |

Figure 9 compares cumulative LDV revenue across all ERM EV adoption and policy scenarios:

Figure 9: Cumulative LDV revenue comparison of IDOT Memo &amp; ERM scenarios (2022-2050)



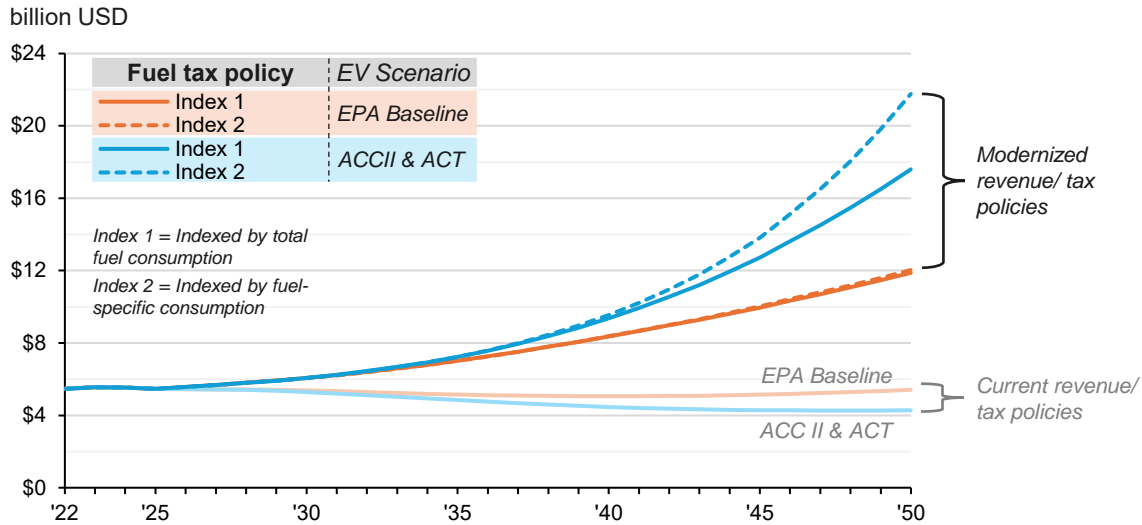
When comparing against the ERM EPA Baseline scenario that applied current revenue policies,<sup>30</sup> all scenarios that apply modernized revenue policies were found to have higher total revenue; even the "EPA Baseline" EV forecast results in more than \$42-49 billion in additional revenue (depending on the fuel tax index method). In "ACC II" scenarios that applied modernized revenue policies, cumulative LDV revenue exceeds that of the EPA Baseline (current revenue policies) by approximately \$57-82 billion, depending on the fuel tax index method.

#### Total Revenue (all vehicles): Modernized Policies

ERM combined LDV (described above) and M/HDV outputs to produce a comprehensive revenue forecast across each EV adoption and revenue policy scenario. Figure 10 displays the annual total revenue from ERM scenarios:

<sup>30</sup> As discussed earlier, ERM's updated analysis of the IDOT Memo baseline conditions corresponds with 25 percent less cumulative (2022-2050) revenues; for comparisons and discussions, ERM utilized the IDOT Memo no-change baseline scenario.

Figure 10: Annual revenue, by scenario (all vehicles)



Similar to the LDV-specific takeaway, if current revenue policies are not changed, cumulative revenue will decline as EV penetration increases. Indexing fuel tax and taxing EVs based on their energy consumption is a potential strategy to increase revenue in line with IDOT expectations and needs. Table 6 provides cumulative revenue (2022-2050) and annual revenue snapshots associated with the different EV adoption scenarios.

Table 6. Annual and cumulative revenue forecasts, by scenario and policy type (all vehicles; billion USD)

| Year                          | Current Policies |                | Index 1 + EV Gas Tax |                | Index 2 + EV Gas Tax |                |
|-------------------------------|------------------|----------------|----------------------|----------------|----------------------|----------------|
|                               | EPA Baseline     | ACC II & ACT   | EPA Baseline         | ACC II & ACT   | EPA Baseline         | ACC II & ACT   |
| 2030                          | \$5.4            | \$5.3          | \$6.1                | \$6.1          | \$6.1                | \$6.1          |
| 2040                          | \$5.1            | \$4.5          | \$8.4                | \$9.4          | \$8.4                | \$9.5          |
| 2050                          | \$5.4            | \$4.3          | \$11.9               | \$17.6         | \$12.0               | \$21.8         |
| <b>Cumulative (2022-2050)</b> | <b>\$152.7</b>   | <b>\$140.1</b> | <b>\$225.0</b>       | <b>\$260.7</b> | <b>\$225.8</b>       | <b>\$277.9</b> |

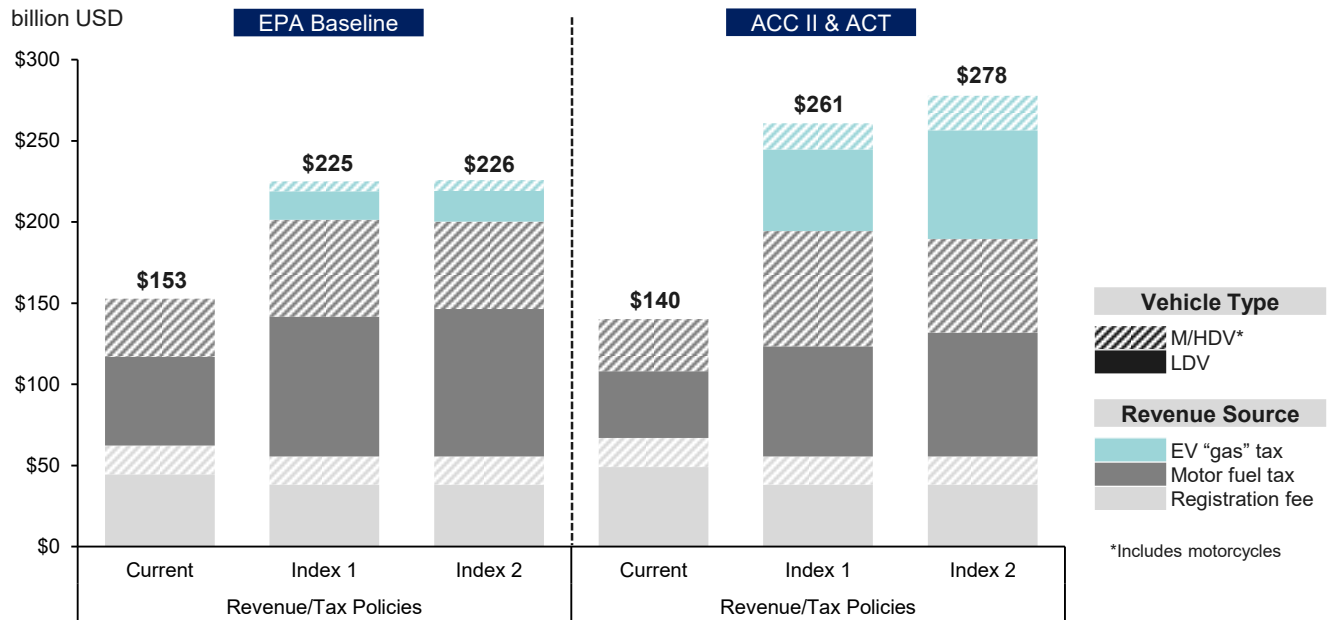
Table 7 shows the annual and cumulative revenue increase that occurs in ACC II and ACT scenarios compared to the EPA Baseline. These values represent the likely incremental revenue increase (under modernized policies) from adopting ACC II and ACT.

Table 7. Revenue increase from ACC II &amp; ACT adoption (all vehicles; modernized policies; billion USD)

| Year                          | Index 1 + EV Gas Tax        | Index 2 + EV Gas Tax        |
|-------------------------------|-----------------------------|-----------------------------|
|                               | ACC II/ACT vs. EPA Baseline | ACC II/ACT vs. EPA Baseline |
| 2030                          | \$0.0                       | \$0.0                       |
| 2040                          | +\$1.0                      | +\$1.2                      |
| 2050                          | +\$5.7                      | +\$9.7                      |
| <b>Cumulative (2022-2050)</b> | <b>+\$35.7</b>              | <b>+\$52.1</b>              |

Figure 11 provides a more detailed breakdown of cumulative revenue, by source, across all ERM EV adoption and revenue policy scenarios:

Figure 11: Cumulative revenue, by scenario, indexing approach, vehicle type, and revenue source



As Figure 11 shows, cumulative registration fee revenue experiences minimal change across scenarios and ranges from approximately \$55-\$60 billion. Revenue from fuel taxes, however, is increased significantly when an indexed fuel tax is applied; depending on the index method and EV adoption scenario, these fuel taxes impact gasoline and diesel vehicles differently. While current fuel tax policy results in approximately \$75-\$90 billion in revenue across the two EV adoption scenarios, applying an indexed fuel tax increases this revenue to around \$135-\$145 billion. **Further revenue is collected through the EV "gas" tax and represents a growing share of total revenue as EV adoption increases. An EV "gas" tax could result in around \$25 billion in cumulative revenue under "EPA Baseline" EV adoption, and could increase to around \$65-\$90 billion, depending on index method, at EV adoption levels associated with the "ACC II & ACT" scenario.**

## 5. CONCLUSION

As ERM's analysis demonstrates, the impacts of adopting ACC II and ACT in Illinois result in only marginal changes to the motor fuel tax revenues. Although the IDOT Memo summarizes potential revenue implications of light-duty EV adoption through 2050, those projections are based on an extremely unrealistic baseline and the unlikely assumption that the Illinois General Assembly takes no steps to improve the way in which Illinois funds transportation infrastructure over the next 25 years. Given the near-term implications of ACC II and ACT (which, if adopted this year, would not take effect until vehicle model year 2029 and have only marginal impacts over the next ten years), the Illinois General Assembly has time to consider, design, and implement policy solutions to address inflation, fuel economy improvements, and EV adoption. The analysis presented here both responds to the specific question posed to Rule Proponents by the Board and quantifies the economic benefits of reasonable policy solutions that the General Assembly could adopt to provide Illinois with a stable source of revenue for transportation infrastructure that would generate revenues that exceed those provided by the current motor fuel tax. **As ERM's analysis demonstrates, coupling these policy solutions with adoption of ACC II and ACT would prepare Illinois for higher levels of EV adoption and continued improvements in vehicle fuel economy, retain important consumer incentives for fuel efficiency, and improve the state's fiscal condition.**

## 6. APPENDIX

### EPA MOVES

The MOVES model was developed to estimate and forecast emissions from mobile sources at different geographic resolutions, and thus requires annual vehicle inventories that account for vehicle model year, vehicle type/regulatory class, fuel type, VMT, fuel consumption, efficiency degradation, and vehicle age distributions. The current version of MOVES accounts for both EPA vehicle emission standard rules<sup>31</sup> finalized in 2024, accounts for over four decades of vehicle model years for each calendar year, and incorporates the latest data and research on VMT, vehicle populations, and age and fuel distributions.

Although the EPA L/MDV and HDV rules are fleet-wide emission standards and do not explicitly mandate the adoption of any specific technology or strategy, EPA did model potential compliance **pathways, or “technology packages,” that support achievement of these standards. These technology packages reflect EPA’s primary outlook on EV adoption and considered costs, the relationship of vehicle use cases and technology, and product lead times.** Table A1 shows the national EV adoption rates<sup>32</sup> that have been integrated into MOVES:

Table A1. EV sales share associated with compliance of EPA vehicle emission standards<sup>33</sup>

| Model Year | LDV | MDV | Bus | Single Unit Truck | Combination Truck |
|------------|-----|-----|-----|-------------------|-------------------|
| 2022       | 5%  | 3%  | 4%  | 0%                | 0%                |
| 2023       | 10% | 0%  | 5%  | 0%                | 0%                |
| 2024       | 17% | 0%  | 1%  | 1%                | 0%                |
| 2025       | 16% | 1%  | 3%  | 3%                | 1%                |
| 2026       | 22% | 2%  | 4%  | 3%                | 1%                |
| 2027       | 26% | 3%  | 13% | 14%               | 2%                |
| 2028       | 30% | 4%  | 16% | 18%               | 3%                |
| 2029       | 38% | 15% | 19% | 23%               | 5%                |
| 2030       | 43% | 26% | 24% | 28%               | 12%               |
| 2031       | 50% | 35% | 37% | 39%               | 22%               |
| 2032+      | 55% | 39% | 49% | 51%               | 35%               |

ERM used default state-level MOVES activity outputs for Illinois (vehicle sales/population, VMT, and fuel consumption by year, type, and fuel type) as its foundational dataset for subsequent calculations.<sup>34</sup>

### ERM Analysis Scenarios

#### IDOT No-Change Scenario

ERM first attempted to recreate the IDOT no-change baseline by updating its “baseline revenue conditions.” Starting with the default state-level outputs (described above), ERM reallocated annual EV sales post-model year (MY) 2022 to ICE vehicles based on the composition of new ICE vehicle sales in the matching year.<sup>35</sup> To maintain the same annual total vehicle onroad population,

<sup>31</sup> Light- and Medium-Duty Multi-Pollutant Rule and Heavy-Duty Greenhouse Gas Emissions – Phase 3 Rule

<sup>32</sup> Running a default or baseline MOVES scenario at the state-level also utilizes national EV adoption rates

<sup>33</sup> For simplicity, MOVES vehicle types have been aggregated into five classes [LDV, MDV (class 2b-3), bus, single unit truck, and combination truck]; EPA standards only extend through MY2032; EV share of vehicle sales beyond 2032 assumed to follow EPA MOVES adoption rates (roughly constant between 2032-2050); EV refers to all-electric or zero-emitting vehicles, only [plug-in hybrid vehicles (PHEV) are not distinguished in MOVES outputs but are incorporated into ICE vehicles].

<sup>34</sup> Default state-level MOVES activity outputs are calculated using national average forecasts/growth rates; base year vehicle sales/population data are calculated using national data that has been prorated by county-level VMT data and aggregated to the state-level, and likely does not match actual registration data

<sup>35</sup> For example, if 90 and 10 percent of new ICE light trucks in 2025 are fueled by gasoline and diesel, respectively, 90 and 10 percent of new electric light trucks (as defined by MOVES) in 2025 are reallocated as new gasoline and diesel light trucks, respectively.



the turnover rate of these additional ICE vehicles was aligned with that of the EVs that were **"replaced" and removed from the population**. Because these additional ICE vehicles were effectively new ICE vehicle sales, applicable fuel efficiency and VMT assumptions were then applied. These changes resulted in a modified annual dataset that included vehicle sales, population, VMT, and fuel consumption (by model year, vehicle type, and fuel type) as if ICE vehicles were sold in place of all EVs beyond 2022.

#### EPA Baseline

Because default Illinois MOVES outputs assumed national EV adoption rates, ERM briefly explored the possibility of modifying these rates to be more specific to Illinois. ERM first created distinct EV adoption curves for states that have/have not adopted ACC II and ACT using the following steps:

1. Execute MOVES to create national database with annual sales, by vehicle and fuel type
2. Execute MOVES to create state-level outputs for all states that have adopted ACC II/ACT
3. Adjust EV adoption rates in ACC II/ACT states to align with ACC II/ACT regulation(s) to estimate corresponding annual EV sales, by vehicle type
4. Subtract annual EV sales of ACC II/ACT states from national EV sales, by vehicle type
5. Determine EV adoption rate, by vehicle type, in states that have not adopted ACC II/ACT

Similar to the IDOT Memo approach, ERM then modified this non-ACC II/ACT state EV adoption rate to be specific to Illinois by aligning historical EV sales in the state in relation to average EV sales in other states that have not adopted ACC II and/or ACT.<sup>36</sup> Figures A1 and A2 show the EV sales share of L/MDVs and HDVs at 1) the national level, 2) in states that have adopted ACC II and/or ACT, 3) in states that have not adopted ACC II and/or ACT, and 4) a "modified" Illinois-specific EV adoption rate:

Figure A1: EV sales share of L/MDVs (2022-2050)

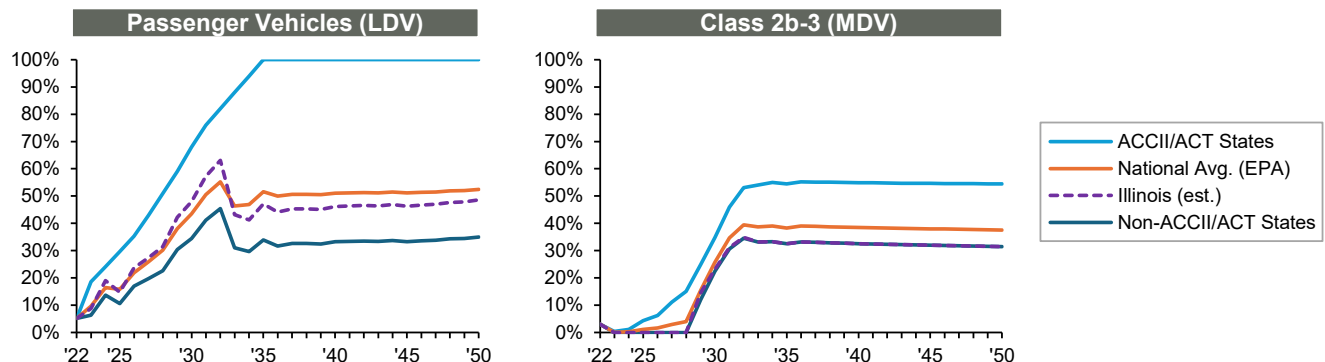
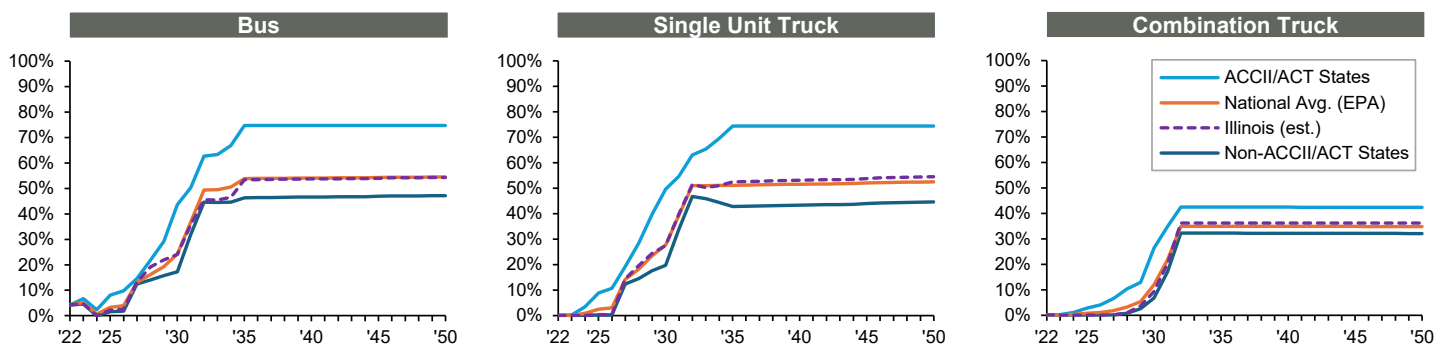


Figure A2: EV sales share of HDVs (2022-2050)



<sup>36</sup> The EV sales share of LDVs in Illinois in 2022 was approximately 40 percent higher than the weighted average of other states that have not adopted ACC II; due to lack of EV sales data associated with M/HDV, this relationship was also used for modifying M/HDV adoption rates



As Figures A1 and A2 illustrate, Illinois-specific EV adoption curves match very closely to the national average for all vehicle types.<sup>37</sup> Because of the similarity – and for simplicity in reproducibility – **the national EV sales share was utilized for the “EPA Baseline” scenario for Illinois.** As mentioned, this scenario also aligns closely with the LDV EV adoption rates from the **“Medium EV Adoption” scenario in the IDOT Memo.**

#### ACC II & ACT

For comparison against the EPA baseline, ERM applied ACC II and ACT EV sales share **requirements, generally consistent with the “High EV Adoption” scenario in the IDOT Memo;** Figures A1 and A2 (above) show the adoption rates associated with these regulations. ERM assumed the first applicable model year subject to compliance to be 2029 (i.e., annual EV sales shares of LDVs in Illinois prior to 2029 are assumed to be lower than those required by the regulations).

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<sup>37</sup> The largest discrepancy occurs with MDVs. Because this is the vehicle type with the smallest onroad population and fewest projected annual sales, applying the national average (instead of Illinois) does not have a significant impact on overall results.

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## ABOUT ERM

### **Sustainability is our business.**

As the largest global pure play sustainability consultancy, ERM partners with the world's leading organizations, creating innovative solutions to sustainability challenges and unlocking commercial opportunities that meet the needs of today while preserving opportunity for future generations.

ERM's diverse team of 8,000+ world-class experts in over 150 offices in 40 countries and territories combine strategic transformation and technical delivery to help clients operationalize sustainability at pace and scale. ERM calls this capability its "boots to boardroom" approach - a comprehensive service model that helps organizations to accelerate the integration of sustainability into their strategy and operations.

| Scenario          | Vehicle Type | Revenue Source                           | Revenue Policy    | Unit                  | 2022    | 2023    | 2024    | 2025    | 2026    | 2027    | 2028    | 2029    | 2030    | 2031    | 2032    | 2033    | 2034    | 2035    | 2036    | 2037    | 2038    | 2039    | 2040    | 2041    | 2042    | 2043    | 2044    | 2045    | 2046    | 2047    | 2048     | 2049     | 2050     |         |
|-------------------|--------------|--|-------------------|-----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|---------|
| EPA Baseline LDV  | LDV          | Registration Fee (includes EV surcharge) | Current           | million USD (nominal) | \$1,211 | \$1,222 | \$1,239 | \$1,256 | \$1,276 | \$1,298 | \$1,320 | \$1,346 | \$1,373 | \$1,403 | \$1,433 | \$1,459 | \$1,483 | \$1,509 | \$1,535 | \$1,561 | \$1,587 | \$1,612 | \$1,639 | \$1,664 | \$1,689 | \$1,712 | \$1,736 | \$1,758 | \$1,779 | \$1,800 | \$1,819  | \$1,838  | \$1,857  |         |
| EPA Baseline LDV  | LDV          | Registration Fee (excludes EV surcharge) | Index 1 & Index 2 | million USD (nominal) | \$1,205 | \$1,212 | \$1,221 | \$1,230 | \$1,240 | \$1,250 | \$1,258 | \$1,266 | \$1,274 | \$1,281 | \$1,287 | \$1,293 | \$1,298 | \$1,303 | \$1,309 | \$1,315 | \$1,322 | \$1,329 | \$1,338 | \$1,346 | \$1,355 | \$1,364 | \$1,373 | \$1,383 | \$1,392 | \$1,401 | \$1,410  | \$1,419  | \$1,429  |         |
| EPA Baseline LDV  | LDV          | Motor Fuel Tax                           | Current           | million USD (nominal) | \$2,418 | \$2,481 | \$2,451 | \$2,381 | \$2,346 | \$2,318 | \$2,284 | \$2,238 | \$2,182 | \$2,109 | \$2,037 | \$1,969 | \$1,907 | \$1,847 | \$1,794 | \$1,742 | \$1,695 | \$1,653 | \$1,617 | \$1,586 | \$1,562 | \$1,538 | \$1,526 | \$1,516 | \$1,502 | \$1,491 | \$1,481  | \$1,471  | \$1,461  |         |
| EPA Baseline LDV  | LDV          | Motor Fuel Tax                           | Index 2           | million USD (nominal) | \$2,418 | \$2,481 | \$2,451 | \$2,381 | \$2,422 | \$2,468 | \$2,512 | \$2,546 | \$2,584 | \$2,609 | \$2,647 | \$2,686 | \$2,751 | \$2,801 | \$2,861 | \$2,918 | \$2,977 | \$3,036 | \$3,100 | \$3,165 | \$3,235 | \$3,299 | \$3,363 | \$3,466 | \$3,578 | \$3,674 | \$3,766  | \$3,853  | \$3,903  | \$4,039 |
| EPA Baseline LDV  | LDV          | Motor Fuel Tax                           | Index 1           | million USD (nominal) | \$6     | \$10    | \$19    | \$27    | \$39    | \$55    | \$75    | \$102   | \$134   | \$175   | \$224   | \$271   | \$324   | \$385   | \$451   | \$522   | \$597   | \$676   | \$759   | \$844   | \$933   | \$1,020 | \$1,114 | \$1,206 | \$1,300 | \$1,403 | \$1,504  | \$1,603  | \$1,708  | \$1,708 |
| EPA Baseline LDV  | LDV          | EV*Gas* Tax                              | Index 2           | million USD (nominal) | \$6     | \$10    | \$19    | \$27    | \$39    | \$56    | \$76    | \$102   | \$136   | \$178   | \$229   | \$279   | \$334   | \$400   | \$471   | \$547   | \$629   | \$716   | \$809   | \$906   | \$1,007 | \$1,107 | \$1,215 | \$1,322 | \$1,440 | \$1,550 | \$1,667  | \$1,781  | \$1,891  | \$1,901 |
| ACC II & ACT LDV  | LDV          | Registration Fee (includes EV surcharge) | Current           | million USD (nominal) | \$1,211 | \$1,222 | \$1,239 | \$1,256 | \$1,277 | \$1,301 | \$1,325 | \$1,361 | \$1,400 | \$1,442 | \$1,484 | \$1,529 | \$1,575 | \$1,623 | \$1,672 | \$1,720 | \$1,767 | \$1,814 | \$1,861 | \$1,906 | \$1,951 | \$1,993 | \$2,034 | \$2,073 | \$2,111 | \$2,146 | \$2,179  | \$2,210  | \$2,241  |         |
| ACC II & ACT LDV  | LDV          | Registration Fee (excludes EV surcharge) | Index 1 & Index 2 | million USD (nominal) | \$1,205 | \$1,212 | \$1,221 | \$1,230 | \$1,240 | \$1,250 | \$1,258 | \$1,266 | \$1,274 | \$1,281 | \$1,287 | \$1,293 | \$1,298 | \$1,303 | \$1,309 | \$1,315 | \$1,322 | \$1,329 | \$1,338 | \$1,346 | \$1,355 | \$1,364 | \$1,373 | \$1,383 | \$1,392 | \$1,401 | \$1,410  | \$1,419  | \$1,429  |         |
| ACC II & ACT LDV  | LDV          | Motor Fuel Tax                           | Current           | million USD (nominal) | \$2,418 | \$2,481 | \$2,451 | \$2,381 | \$2,343 | \$2,318 | \$2,284 | \$2,238 | \$2,182 | \$2,097 | \$2,037 | \$1,969 | \$1,907 | \$1,847 | \$1,794 | \$1,742 | \$1,695 | \$1,653 | \$1,617 | \$1,586 | \$1,562 | \$1,538 | \$1,526 | \$1,516 | \$1,502 | \$1,491 | \$1,481  | \$1,471  | \$1,461  |         |
| ACC II & ACT LDV  | LDV          | Motor Fuel Tax                           | Index 1           | million USD (nominal) | \$2,418 | \$2,481 | \$2,451 | \$2,381 | \$2,420 | \$2,469 | \$2,513 | \$2,547 | \$2,582 | \$2,607 | \$2,646 | \$2,685 | \$2,750 | \$2,800 | \$2,860 | \$2,917 | \$2,976 | \$3,035 | \$3,100 | \$3,165 | \$3,236 | \$3,300 | \$3,364 | \$3,468 | \$3,579 | \$3,681 | \$3,777  | \$3,868  | \$3,959  | \$4,096 |
| ACC II & ACT LDV  | LDV          | EV*Gas* Tax                              | Index 2           | million USD (nominal) | \$6     | \$10    | \$19    | \$27    | \$40    | \$60    | \$84    | \$126   | \$170   | \$225   | \$282   | \$340   | \$409   | \$488   | \$567   | \$646   | \$725   | \$804   | \$883   | \$962   | \$1,041 | \$1,120 | \$1,200 | \$1,280 | \$1,360 | \$1,440 | \$1,520  | \$1,600  | \$1,680  | \$1,760 |
| ACC II & ACT LDV  | LDV          | EV*Gas* Tax                              | Index 1           | million USD (nominal) | \$6     | \$10    | \$19    | \$27    | \$40    | \$60    | \$84    | \$127   | \$182   | \$251   | \$326   | \$409   | \$500   | \$599   | \$706   | \$815   | \$926   | \$1,039 | \$1,154 | \$1,270 | \$1,387 | \$1,504 | \$1,621 | \$1,738 | \$1,855 | \$1,972 | \$2,089  | \$2,206  | \$2,323  | \$2,440 |
| EPA Baseline MHDV | MHDV         | Registration Fee (includes EV surcharge) | Current           | million USD (nominal) | \$515   | \$519   | \$526   | \$533   | \$539   | \$546   | \$553   | \$561   | \$567   | \$575   | \$581   | \$587   | \$591   | \$596   | \$598   | \$603   | \$605   | \$608   | \$612   | \$619   | \$625   | \$632   | \$639   | \$645   | \$651   | \$657   | \$663    | \$665    | \$673    | \$675   |
| EPA Baseline MHDV | MHDV         | Registration Fee (excludes EV surcharge) | Index 1 & Index 2 | million USD (nominal) | \$515   | \$519   | \$526   | \$533   | \$538   | \$545   | \$553   | \$559   | \$565   | \$571   | \$576   | \$580   | \$582   | \$587   | \$591   | \$594   | \$597   | \$600   | \$604   | \$607   | \$609   | \$612   | \$615   | \$622   | \$626   | \$631   | \$636    | \$637    | \$644    | \$645   |
| EPA Baseline MHDV | MHDV         | Motor Fuel Tax                           | Current           | million USD (nominal) | \$1,286 | \$1,292 | \$1,286 | \$1,260 | \$1,254 | \$1,241 | \$1,233 | \$1,230 | \$1,223 | \$1,215 | \$1,200 | \$1,185 | \$1,170 | \$1,157 | \$1,147 | \$1,140 | \$1,135 | \$1,132 | \$1,133 | \$1,138 | \$1,142 | \$1,146 | \$1,150 | \$1,157 | \$1,167 | \$1,184 | \$1,199  | \$1,217  | \$1,236  | \$1,259 |
| EPA Baseline MHDV | MHDV         | Motor Fuel Tax                           | Index 1           | million USD (nominal) | \$1,286 | \$1,292 | \$1,286 | \$1,260 | \$1,297 | \$1,325 | \$1,360 | \$1,406 | \$1,456 | \$1,512 | \$1,571 | \$1,636 | \$1,703 | \$1,777 | \$1,850 | \$1,934 | \$2,020 | \$2,110 | \$2,205 | \$2,307 | \$2,406 | \$2,512 | \$2,613 | \$2,720 | \$2,844 | \$2,966 | \$3,069  | \$3,186  | \$3,308  | \$3,430 |
| EPA Baseline MHDV | MHDV         | EV*Gas* Tax                              | Index 2           | million USD (nominal) | \$1     | \$1     | \$1     | \$1     | \$2     | \$3     | \$4     | \$7     | \$14    | \$24    | \$43    | \$64    | \$97    | \$114   | \$149   | \$182   | \$217   | \$255   | \$294   | \$335   | \$377   | \$417   | \$459   | \$500   | \$543   | \$581   | \$621    | \$659    | \$701    | \$741   |
| ACC II & ACT MHDV | MHDV         | Registration Fee (includes EV surcharge) | Current           | million USD (nominal) | \$515   | \$519   | \$526   | \$533   | \$539   | \$546   | \$553   | \$561   | \$568   | \$576   | \$582   | \$589   | \$593   | \$600   | \$607   | \$612   | \$620   | \$625   | \$632   | \$636   | \$641   | \$648   | \$655   | \$662   | \$668   | \$675   | \$686    | \$698    | \$711    | \$724   |
| ACC II & ACT MHDV | MHDV         | Registration Fee (excludes EV surcharge) | Index 1 & Index 2 | million USD (nominal) | \$515   | \$519   | \$526   | \$533   | \$538   | \$545   | \$553   | \$559   | \$565   | \$571   | \$576   | \$580   | \$582   | \$587   | \$591   | \$594   | \$597   | \$600   | \$604   | \$607   | \$609   | \$612   | \$615   | \$622   | \$626   | \$631   | \$636    | \$637    | \$644    | \$645   |
| ACC II & ACT MHDV | MHDV         | Motor Fuel Tax                           | Current           | million USD (nominal) | \$1,286 | \$1,292 | \$1,286 | \$1,259 | \$1,252 | \$1,238 | \$1,226 | \$1,211 | \$1,192 | \$1,172 | \$1,148 | \$1,120 | \$1,092 | \$1,067 | \$1,039 | \$1,017 | \$987   | \$979   | \$965   | \$956   | \$947   | \$942   | \$937   | \$936   | \$941   | \$945   | \$952    | \$960    | \$971    | \$984   |
| ACC II & ACT MHDV | MHDV         | Motor Fuel Tax                           | Index 1           | million USD (nominal) | \$1,286 | \$1,292 | \$1,286 | \$1,259 | \$1,295 | \$1,323 | \$1,358 | \$1,394 | \$1,448 | \$1,510 | \$1,578 | \$1,650 | \$1,731 | \$1,825 | \$1,926 | \$2,046 | \$2,176 | \$2,321 | \$2,482 | \$2,665 | \$2,857 | \$3,073 | \$3,289 | \$3,545 | \$3,831 | \$4,112 | \$4,412  | \$4,730  | \$5,062  | \$5,406 |
| ACC II & ACT MHDV | MHDV         | Motor Fuel Tax                           | Index 2           | million USD (nominal) | \$1,286 | \$1,292 | \$1,286 | \$1,259 | \$1,290 | \$1,308 | \$1,337 | \$1,364 | \$1,402 | \$1,445 | \$1,487 | \$1,532 | \$1,582 | \$1,639 | \$1,695 | \$1,762 | \$1,831 | \$1,906 | \$1,987 | \$2,079 | \$2,172 | \$2,277 | \$2,386 | \$2,507 | \$2,655 | \$2,800 | \$2,963  | \$3,142  | \$3,339  | \$3,548 |
| ACC II & ACT MHDV | MHDV         | EV*Gas* Tax                              | Index 1           | million USD (nominal) | \$1     | \$1     | \$1     | \$1     | \$2     | \$5     | \$9     | \$20    | \$35    | \$56    | \$88    | \$127   | \$165   | \$216   | \$275   | \$343   | \$419   | \$504   | \$598   | \$702   | \$816   | \$936   | \$1,088 | \$1,205 | \$1,360 | \$1,514 | \$1,679  | \$1,851  | \$2,038  | \$2,231 |
| ACC II & ACT MHDV | MHDV         | EV*Gas* Tax                              | Index 2           | million USD (nominal) | \$1     | \$1     | \$1     | \$1     | \$2     | \$5     | \$9     | \$20    | \$36    | \$57    | \$88    | \$127   | \$173   | \$228   | \$294   | \$371   | \$460   | \$563   | \$682   | \$818   | \$974   | \$1,147 | \$1,348 | \$1,569 | \$1,832 | \$2,144 | \$2,434  | \$2,789  | \$3,189  | \$3,644 |
| EPA Baseline All  | All          | Registration Fee (includes EV surcharge) | Current           | million USD (nominal) | \$1,739 | \$1,754 | \$1,777 | \$1,801 | \$1,827 | \$1,856 | \$1,886 | \$1,919 | \$1,953 | \$1,990 | \$2,027 | \$2,068 | \$2,087 | \$2,119 | \$2,151 | \$2,182 | \$2,215 | \$2,245 | \$2,277 | \$2,306 | \$2,335 | \$2,365 | \$2,395 | \$2,423 | \$2,449 | \$2,477 | \$2,498  | \$2,525  | \$2,547  |         |
| EPA Baseline All  | All          | Registration Fee (excludes EV surcharge) | Index 1 & Index 2 | million USD (nominal) | \$1,733 | \$1,743 | \$1,759 | \$1,776 | \$1,791 | \$1,808 | \$1,824 | \$1,839 | \$1,852 | \$1,865 | \$1,876 | \$1,886 | \$1,893 | \$1,903 | \$1,913 | \$1,923 | \$1,936 | \$1,946 | \$1,958 | \$1,969 | \$1,981 | \$1,995 | \$2,009 | \$2,023 | \$2,036 | \$2,051 | \$2,061  | \$2,077  | \$2,088  | \$2,098 |
| EPA Baseline All  | All          | Motor Fuel Tax                           | Current           | million USD (nominal) | \$3,725 | \$3,795 | \$3,760 | \$3,663 | \$3,623 | \$3,582 | \$3,541 | \$3,492 | \$3,430 | \$3,349 | \$3,263 | \$3,180 | \$3,105 | \$3,034 | \$2,970 | \$2,911 | \$2,860 | \$2,817 | \$2,781 | \$2,756 | \$2,737 | \$2,722 | \$2,718 | \$2,714 | \$2,741 | \$2,760 | \$2,789  | \$2,823  | \$2,871  |         |
| EPA Baseline All  | All          | Motor Fuel Tax                           | Index 1           | million USD (nominal) | \$3,725 | \$3,795 | \$3,760 | \$3,663 | \$3,742 | \$3,816 | \$3,888 | \$3,960 | \$4,070 | \$4,152 | \$4,251 | \$4,368 | \$4,493 | \$4,620 | \$4,756 | \$4,902 | \$5,049 | \$5,202 | \$5,365 | \$5,536 | \$5,709 | \$5,882 | \$6,073 | \$6,267 | \$6,509 | \$6,721 | \$6,951  | \$7,189  | \$7,452  | \$7,811 |
| EPA Baseline All  | All          | Motor Fuel Tax                           | Index 2           | million USD (nominal) | \$6     | \$11    | \$20    | \$33    | \$41    | \$58    | \$80    | \$109   | \$148   | \$198   | \$267   | \$335   | \$411   | \$499   | \$594   | \$695   | \$803   | \$916   | \$1,035 | \$1,156 | \$1,282 | \$1,404 | \$1,535 | \$1,662 | \$1,781 | \$1,881 | \$1,929  | \$2,064  | \$2,196  | \$2,337 |
| ACC II & ACT All  | All          | Registration Fee (includes EV surcharge) | Current           | million USD (nominal) | \$6     | \$11    | \$20    | \$33    | \$41    | \$58    | \$80    | \$110   | \$150   | \$203   | \$273   | \$344   | \$425   | \$516   | \$620   | \$728   | \$847   | \$971   | \$1,104 | \$1,240 | \$1,383 | \$1,524 | \$1,675 | \$1,821 | \$1,963 | \$2,102 | \$2,246  | \$2,394  | \$2,547  | \$2,705 |
| ACC II & ACT All  | All          | Registration Fee (excludes EV surcharge) | Index 1 & Index 2 | million USD (nominal) | \$6     | \$11    | \$20    | \$33    | \$41    | \$58    | \$80    | \$110   | \$150   | \$203   | \$273   | \$344   | \$425   | \$516   | \$620   | \$728   | \$847   | \$971   | \$1,104 | \$1,240 | \$1,383 | \$1,524 | \$1,675 | \$1,821 | \$1,963 | \$2,102 | \$2,246  | \$2,394  | \$2,547  | \$2,705 |
| ACC II & ACT All  | All          | Motor Fuel Tax                           | Current           | million USD (nominal) | \$1,739 | \$1,754 | \$1,777 | \$1,801 | \$1,827 | \$1,856 | \$1,886 | \$1,919 | \$1,953 | \$1,990 | \$2,027 | \$2,068 | \$2,101 | \$2,138 | \$2,179 | \$2,223 | \$2,270 | \$2,320 | \$2,372 | \$2,426 | \$2,482 | \$2,540 | \$2,600 | \$2,661 | \$2,724 | \$2,789 | \$2,856  | \$2,925  | \$3,000  | \$3,071 |
| ACC II & ACT All  | All          | Motor Fuel Tax                           | Index 1           | million USD (nominal) | \$3,725 | \$3,795 | \$3,760 | \$3,663 | \$3,619 | \$3,567 | \$3,513 | \$3,417 | \$3,304 | \$3,174 | \$3,041 | \$2,897 | \$2,752 | \$2,603 | \$2,463 | \$2,324 | \$2,185 | \$2,046 | \$1,907 | \$1,768 | \$1,629 | \$1,490 | \$1,351 | \$1,212 | \$1,073 | \$934   | \$795    | \$656    | \$517    | \$378   |
| ACC II & ACT All  | All          | Motor Fuel Tax                           | Index 2           | million USD (nominal) | \$3,725 | \$3,795 | \$3,760 | \$3,663 | \$3,738 | \$3,806 | \$3,883 | \$3,924 | \$4,000 | \$4,074 | \$4,162 | \$4,246 | \$4,338 | \$4,427 | \$4,530 | \$4,644 | \$4,768 | \$4,877 | \$5,006 | \$5,147 | \$5,290 | \$5,441 | \$5,606 | \$5,781 | \$5,960 | \$6,149 | \$6,338  | \$6,527  | \$6,716  | \$6,905 |
| ACC II & ACT All  | All          | Motor Fuel Tax                           | Index 1           | million USD (nominal) | \$3,725 | \$3,795 | \$3,760 | \$3,663 | \$3,738 | \$3,804 | \$3,879 | \$3,918 | \$3,991 | \$4,060 | \$4,129 | \$4,219 | \$4,303 | \$4,381 | \$4,471 | \$4,567 | \$4,681 | \$4,795 | \$4,912 | \$5,032 | \$5,156 | \$5,283 | \$5,414 | \$5,549 | \$5,688 | \$5,830 | \$5,974  | \$6,120  | \$6,267  | \$6,415 |
| ACC II & ACT All  | All          | EV*Gas* Tax                              | Index 2           | million USD (nominal) | \$6     | \$11    | \$20    | \$32    | \$43    | \$64    | \$92    | \$145   | \$215   | \$302   | \$412   | \$546   | \$709   | \$904   | \$1,132 | \$1,393 | \$1,688 | \$2,022 | \$2,397 | \$2,813 | \$3,273 | \$3,767 | \$4,322 | \$4,910 | \$5,581 | \$6,259 | \$6,939  | \$7,688  | \$8,444  | \$9,203 |
| ACC II & ACT All  | All          | EV*Gas* Tax                              | Index 2           | million USD (nominal) | \$6     | \$11    | \$20    | \$32    | \$43    | \$65    | \$93    | \$147   | \$218   | \$308   | \$423   | \$566   | \$741   | \$953   | \$1,209 | \$1,507 | \$1,855 | \$2,260 | \$2,733 | \$3,277 | \$3,907 | \$4,618 | \$5,456 | \$6,397 | \$7,520 | \$8,741 | \$10,143 | \$11,703 | \$13,444 |         |

# Exhibit B

FOIA Request 24-0653

Electronic Filing: Received, Clerk's Office 03/06/2025

**From:** [DOT.FOIAOfficer](#)  
**To:** [Robert Adam Weinstock](#)  
**Subject:** FOIA Request 24-0653  
**Date:** Wednesday, January 15, 2025 10:30:07 AM  
**Attachments:** [24-0653 Initial request.pdf](#)

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This letter is in response to your Illinois Freedom of Information Act (FOIA) request received by the Illinois Department of Transportation. The Department conducted a search and found document(s) responsive to your request. The documents are being withheld in full pursuant to 5 ILCS 140/7(1)(f), which exempts preliminary drafts and other records in which opinions are expressed or policies or actions are formulated. The requested records are still in draft form and are preliminary until such time as they are approved and signed.

If you consider anything in this response to be an unwarranted denial of your FOIA request, you have the right to submit a request for review by the Public Access Counselor (PAC) at the Office of the Illinois Attorney General to:

Public Access Counselor  
Office of the Attorney General  
500 South 2nd Street  
Springfield, IL 62706  
Fax: 217-782-1396  
E-mail: [publicaccess@atg.state.il.us](mailto:publicaccess@atg.state.il.us)

If you choose to submit a request for review, you must do so within 60 days after the date of this response letter. The request for review must be in writing, signed by you, and include a copy of your FOIA request and this office's response. 5 ILCS 140/9.5(a). In addition, you have the right to seek judicial review of this response. 5 ILCS 140/11(a),(b).

Barb Smith  
Illinois Department of Transportation  
FOIA Officer, Room 313  
2300 S. Dirksen Parkway  
Springfield, IL 62764  
Office: 217-782-5633  
[Barbara.j.smith2@illinois.gov](mailto:Barbara.j.smith2@illinois.gov)  
[Dot.foiaofficer@illinois.gov](mailto:Dot.foiaofficer@illinois.gov)

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# Electronic Filing: Received, Clerk's Office 03/06/2025

**From:** [Robert Adam Weinstock](#)  
**To:** [DOT.FOIAOfficer](#)  
**Subject:** [External] FOIA Request Regarding Supporting documents in IDOT "Memorandum on Illinois Sources of Funding" (Jan. 2024)  
**Date:** Friday, December 13, 2024 10:05:11 AM

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Good morning,

This is a request for records pursuant to the Freedom of Information Act, 5 ILCS 140, from the Environmental Advocacy Center at Northwestern University Pritzker School of Law ("EAC").

We request the following documents:

- Please provide all data or documents referenced or relied upon in the Illinois Department of Transportation document entitled "Memorandum on Illinois Sources of Funding," dated January 2024 and publicly available at this url: [https://idot.illinois.gov/content/dam/soi/en/web/idot/documents/transportation-system/planning/blue-ribbon-commission/IDOT\\_Transportation\\_Funding\\_Background\\_FINAL.pdf](https://idot.illinois.gov/content/dam/soi/en/web/idot/documents/transportation-system/planning/blue-ribbon-commission/IDOT_Transportation_Funding_Background_FINAL.pdf).
- Specifically, please provide the document referenced as the "EV Revenue Options Study" on page 22 of that document and/or the "IDOT Revenue Options Study" referenced on pages, 23, 24 and 26 of that document. Please include all data or analyses referenced or underlying in that "EV Revenue Options Study" and/or "IDOT Revenue Options Study."

Pursuant to the Illinois Freedom of Information Act, 5 ILCS 140/6, we request a waiver of any and all fees, including fees for obtaining and photocopying records and information which may result from fulfilling this request. FOIA dictates that the requested records be provided without charge "if the principal purpose of the request is to access and disseminate information regarding the health, safety and welfare or the legal rights of the general public and is not for the principal purpose of personal or commercial benefit." 5 ILCS 140/6(c).

This request meets the requirements for a fee waiver. The purpose of this request is to understand impacts on state revenues associated with ongoing and potential changes in our transportation sector, matters of significant public concern that relate to the health, safety and welfare of the general public. The EAC at the Northwestern University Pritzker School of Law is a public interest organization, which advocates on behalf of the public on environmental matters. The Northwestern University Pritzker School of Law is a not-for-profit, educational organization in good standing with the Secretary of State of Illinois. The records are not requested in furtherance of any commercial interest. 5 ILCS 140/6(c).

If a fee waiver is not granted, please contact me at 312-503-1457 or [robert.weinstock@law.northwestern.edu](mailto:robert.weinstock@law.northwestern.edu) with an estimate of expenses and hold for approval before proceeding. If the fees are less than \$100, it is possible that to expedite disclosure, the EAC will, if needed and under protest, pay fees in accordance with IEPA's FOIA regulations at 5 ILCS 140/6(a).

If you cannot fulfill certain parts of this request or certain portions must be redacted, please provide any reasonable segregable portion of a requested record after removing or redacting those portions claimed to be exempt, explain in writing the justification for

redacting the record(s), indicate the extent of redaction on the portions of the record that is made available or published, and where technically feasible indicate on the redacted portion itself the specific exemption(s) claimed.

I am willing to consider reducing the scope of this request in order to expedite your response, as well as rolling production to ensure a prompt response regarding those documents that are readily identifiable and for which no exemption is claimed. Please contact me if you would like to discuss a reduction in the scope of the requested records and/or a sequenced schedule for your response.

Many thanks for your attention to this matter. I look forward to hearing from you soon and hope you have a wonderful holiday season.

Best,  
Rob

**Robert A. Weinstock**

*(he/him/his)*

Director, Environmental Advocacy Center

Clinical Associate Professor of Law

Northwestern Pritzker School of Law

375 E. Chicago Ave. | Chicago, IL 60611

[robert.weinstock@law.northwestern.edu](mailto:robert.weinstock@law.northwestern.edu)

(312) 503-1457

**BEFORE THE ILLINOIS POLLUTION CONTROL BOARD**

IN THE MATTER OF:

PROPOSED CLEAN CAR AND  
TRUCK STANDARDS

)  
)  
)  
)  
)  
)

R2024-017

(Rulemaking – Air)

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**CERTIFICATE OF SERVICE**

I, the undersigned, on affirmation state the following:

That I have served the attached Notice of Filing; Rule Proponents' Supplemental Response to Question #10 Posed During the December 2-3, 2024 Hearing Before the Illinois Pollution Control Board and Certificate of Service, by e-mail upon the following individuals listed at the e-mail addresses indicated:

TO:

|   |   |
|---|---|
| Don Brown<br>Clerk of the Board<br>Illinois Pollution Control Board<br>60 East Van Buren Street, Suite 630<br>Chicago, Illinois 60605<br><a href="mailto:don.brown@illinois.gov">don.brown@illinois.gov</a>   | Vanessa Horton & Carlie Leoni<br>Hearing Officers<br>Illinois Pollution Control Board<br>60 East Van Buren Street, Suite 630<br>Chicago, Illinois 60605<br><a href="mailto:Vanessa.Horton@Illinois.gov">Vanessa.Horton@Illinois.gov</a><br><a href="mailto:Carlie.Leoni@Illinois.Gov">Carlie.Leoni@Illinois.Gov</a> |
| Renee Snow<br>General Counsel<br>Illinois Department of Natural Resources<br>One Natural Resources Way<br>Springfield, Illinois 62702-1271<br><a href="mailto:renee.snow@illinois.gov">renee.snow@illinois.gov</a>  | Caitlin Kelly<br>Assistant Attorney General<br>Office of the Attorney General<br>69 West Washington Street, Suite 1800<br>Chicago, Illinois 60602<br><a href="mailto:Caitlin.Kelly@ilag.gov">Caitlin.Kelly@ilag.gov</a>   |
| Alec Messina<br>Melissa S. Brown<br>HeplerBroom LLC<br>4340 Acer Grove Drive<br>Springfield, Illinois 62711<br><a href="mailto:Alec.Messina@heplerbroom.com">Alec.Messina@heplerbroom.com</a><br><a href="mailto:Melissa.brown@heplerbroom.com">Melissa.brown@heplerbroom.com</a> | Gina Roccaforte, Dana Vetterhoffer & Sarah McKavetz<br>Assistant Counsel / Deputy General Counsel /<br>Assistant Counsel<br>Illinois Environmental Protection Agency<br>1021 North Grand Avenue East<br>P.O. Box 19276  |



|   |   |
|---|---|
|   | Springfield, Illinois 62794<br><a href="mailto:Gina.Roccaforte@Illinois.gov">Gina.Roccaforte@Illinois.gov</a><br><a href="mailto:dana.vetterhoffer@illinois.gov">dana.vetterhoffer@illinois.gov</a><br><a href="mailto:sarah.mckavetz@illinois.gov">sarah.mckavetz@illinois.gov</a>   |
| Jason E. James<br>Assistant Attorney General<br>Office of the Attorney General<br>201 West Point Drive, Suite 7<br>Belleville, Illinois 62226<br><a href="mailto:Jason.James@ilag.gov">Jason.James@ilag.gov</a> | Kara M. Principe<br>Michael J. McNally<br>Melissa L. Binetti<br>Indiana Illinois Iowa Foundation for Fair Contracting<br>6170 Joliet Road, Suite 200<br>Countryside, Illinois 60525<br><a href="mailto:kprincipe@iiffc.org">kprincipe@iiffc.org</a><br><a href="mailto:mmcnally@iiffc.org">mmcnally@iiffc.org</a><br><a href="mailto:mbinetti@iiffc.org">mbinetti@iiffc.org</a> |
| Lawrence Doll<br>Illinois Automobile Dealers Association<br>300 W. Edwards, Suite 400<br>Springfield, Illinois 62704<br><a href="mailto:ldoll@illinoisdealers.com">ldoll@illinoisdealers.com</a>                | Office of the Secretary of State<br>Jennifer Thompson - Legislative Affairs<br>Pamela Wright - General Counsel<br><a href="mailto:Jthompson@ilsos.gov">Jthompson@ilsos.gov</a><br><a href="mailto:Pwright@ilsos.gov">Pwright@ilsos.gov</a>  |

That my e-mail address is [robert.weinstock@law.northwestern.edu](mailto:robert.weinstock@law.northwestern.edu).

That the number of pages in the e-mail transmission is 33.

That the e-mail transmission took place before 5:00 p.m. on the date of March 6, 2025.

Date: March 6, 2025

Respectfully submitted,



Robert A. Weinstock  
ARDC # 6311441  
Northwestern Pritzker School of Law  
Environmental Advocacy Center  
357 E. Chicago Ave.  
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(312) 503-1457  
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