



NEWS RELEASE

Rural Electric Cooperatives to Benefit from Late Adoption of Electric Vehicles

Future advances in battery technology will make EVs more attractive to rural consumers and enable rural electric cooperatives to avoid costly infrastructure expenditures

DENVER (December 14, 2017) — Urban centers across the country are experiencing strong growth in electric vehicles, driven by high customer satisfaction and financial subsidies. However, the same level of interest has not translated to rural America, where range anxiety is a valid concern according to a new report from CoBank’s Knowledge Exchange Division.

Until electric vehicles can travel a minimum of 200 miles on a single charge and are priced similar to internal combustion engine vehicles, adoption in rural communities will likely remain muted.

“By 2025, penetration of EVs in rural America is expected to remain below one percent, but by the time it reaches three percent of new car sales in rural America, technology will be much better than it is today,” said Taylor Gunn, lead economist with CoBank. “Some rural electric cooperatives will have customers on the edge of urban and suburban America and may want to consider building public infrastructure. But for now – most rural electric cooperatives are unlikely to realize material growth in EVs, limiting any near-term EV-related growth in electricity sales.”

Future advances in battery technology will mean that EVs will travel hundreds of miles on a single charge, thereby reducing driver’s dependency on public charging infrastructure and reducing the costs shouldered by rural electric distribution cooperatives when deploying this infrastructure.

“The EV market and charging infrastructure will grow and co-evolve.” said Gunn. “When and if EV penetration rates justify a system-wide charging network, improved battery and charging technology will provide significant savings for the cost of this infrastructure to rural electric cooperatives.”

The report, “EVs and EDs: Rural electric co-ops to benefit from late adoption of electric vehicles,” is available to media on request. Taylor Gunn, CoBank’s lead economist on the power, energy and water industries, is available for interviews on request.

About CoBank

CoBank is a \$124 billion cooperative bank serving vital industries across rural America. The bank provides loans, leases, export financing and other financial services to agribusinesses and rural power, water and communications providers in all 50 states. The bank also provides wholesale loans and other financial services to affiliated Farm Credit associations serving more than 70,000 farmers, ranchers and other rural borrowers in 23 states around the country.

CoBank is a member of the Farm Credit System, a nationwide network of banks and retail lending associations chartered to support the borrowing needs of U.S. agriculture, rural infrastructure and rural

communities. Headquartered outside Denver, Colorado, CoBank serves customers from regional banking centers across the U.S. and also maintains an international representative office in Singapore.

For more information about CoBank, visit the bank's web site at www.cobank.com.

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