



TACIR

The Tennessee Advisory Commission
on Intergovernmental Relations



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MEMORANDUM

TO: Commission Members

FROM: Cliff Lippard *Cliff*
Executive Director

DATE: 2 Dec 2021

SUBJECT: Electric Vehicles and Other Issues Affecting Road and Highway Funding—
Update

There have been many electric vehicles (EV) developments since the last update at the June Commission meeting. In September, officials from Tennessee state government, Ford, and SK Innovation announced that Ford and SK Innovation will invest \$5.6 billion to build a 3,600-acre mega campus called Blue Oval City on the Memphis Regional Megasite, where production of next generation all-electric F-Series trucks will begin in 2025. The project is projected to result in the creation of 5,800 new jobs in West Tennessee. During the October special session dedicated to state investment in the project, the General Assembly approved \$884 million in state incentives.

Ford and SK Innovation officials said this will be the largest, most advanced, and most efficient Ford automotive production campus ever, including the Ford assembly plant, a supplier park and a battery manufacturing plant operated by BlueOvalSK—Ford and SK Innovation's joint venture. At the same time, Ford and SK Innovation also announced a \$5.8 billion, 1,500-acre BlueOvalSK battery manufacturing campus in Glendale, Kentucky, which is also targeted to begin production in 2025. Of note, the Kentucky campus is less than 100 miles north of the border with Tennessee on I-65.

Also in September, the Tesla Model 3 became not only the best-selling electric car in Europe, but the best-selling automobile there. In October, Hertz, the second-largest rental firm in the United States, announced it had placed an order for 100,000 Tesla cars for its fleet. Many automakers announced new electric vehicles, including Toyota, which had been slower to commit to electric vehicles than some competitors.