

MEMORANDUM

To: Vermont Public Utility Commission

From: Michele Boomhower; Director of Policy, Planning, and Intermodal Development; MB
Agency of Transportation

William Coster, Director of Planning, Agency of Natural Resources
Dan Potter, Senior Energy Policy and Program Analyst, Department of Public Service PP

Date: February 14, 2019

Re: Case No. 18-2660-INV

Investigation into promoting the ownership and use of electric vehicles in the State of Vermont

Joint Responses of Agency of Transportation, Agency of Natural Resources, and Department of Public Service to the Public Utility Commission's Information Request Re: Per kWh Fees on EV Charging

The Department of Public Service worked collaboratively with the Agencies of Transportation and Natural Resources in developing these responses.

- 1) The costs and requirements that are expected to be incurred by Vermont distribution utilities if the State of Vermont were to impose a tax or fee on EV charging on a kWh basis and if Vermont Distribution utilities were required to calculate, bill, and collect that tax or fee.

The Agencies believe that the distribution utilities are in a better position to respond than the Agencies. The Agencies understand that there will need to be some software improvements for better integration of back-end billing systems that may come with time. In the near term, the billing system work-arounds may involve more complexity and effort. The Agencies expect these costs to be material, but they should not prove to be a barrier to progress; Vermont utilities have already demonstrated their capacity to work through formidable billing challenges like group net metering, time varying rates, and taxes and fees to fund weatherization, regulatory services, and energy efficiency programs. Two of our larger utilities already offer end-use specific rates for EVs.

- 2) For any Vermont utility that currently has in place a program or tariff that provided a rate specific to EV charging, an explanation of how EV charging is tracked and accounted for when billing a customer using that rate and whether such tracking could also be used for calculating and billing for a kWh tax or fee applied to that same usage. Please explain any differences in your response for at-home charging versus charging at a public charging station, and any differences based on the use of Level 1, Level 2, or DC fast-charging facilities.

N/A

- 3) Any information or reference materials on other jurisdictions that have implemented, whether by pilot program, statute, or otherwise, a kWh fee on EV charging for the purpose of collecting contributions from EV users. Information explaining how such a tax or fee was implemented and collected and how successful the program has been would be particularly useful.

A recent report prepared by the Iowa Department of Transportation recommended a per kWh fee as part of a strategy to address the impact of EVs to their Road Use Tax Fund.¹ The Agencies are not aware of any jurisdiction that has implemented such an approach.

¹ Iowa Department of Transportation, *2018 Report on the Impact of Electric Vehicles to the Road Use Tax Fund: A Report to the Iowa Legislature, pursuant to Iowa Acts Chapter 1077 Section 3 – 87 (2018 Regular General Assembly, December 310, 2018*. Available at: <http://publications.iowa.gov/29142/1/EV%20RUTF%20Impact%20Report%20123118.pdf>