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For a thriving New England

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May 13, 2019

Ms. Judith Whitney, Clerk
Vermont Public Utility Commission
112 State Street
Montpelier, VT 05602

Filed electronically on e-PUC

Re: **Case No. 18-2660-INV** Investigation into promoting the ownership and use of electric vehicles in the State of Vermont

Dear Ms. Whitney,

Conservation Law Foundation (CLF) submits the following recommendations regarding the Vermont Public Utility Commission's (Commission or PUC) Act 158 report to the Vermont Legislature concerning issues related to the charging of electric vehicles (EVs).

1. **Removal or mitigation of barriers to EV charging.**

As highlighted in CLF's workshop presentation on October 1, 2019, there are nine vital steps for the success of accelerating electric vehicle adoption. These include:

1. High-level task forces or commissions to provide state-level leadership and coordination.
2. Consumer incentives to make EVs less expensive and more convenient.
3. Programs to make EVs more accessible to low-income residents.
4. Utility programs and investments that incentivize EV adoption as part of a modernized grid.
5. Policies to promote widespread availability of consumer-friendly charging stations.
6. State and local governments leading by example by integrating EVs into their fleets and other programs.
7. Increased efforts by automakers to manufacture EVs that appeal to a broad range of consumers, and to market and sell them aggressively in and beyond California.
8. Auto dealership programs that promote EVs
9. Public education and outreach to ensure the vast majority of consumers view EVs as a viable and desirable option.[1]

[1] Charging Up: The Role of States, Utilities, and the Auto Industry in Dramatically Accelerating Electric Vehicle Adoption in Northeast and Mid-Atlantic States, at 1 (CLF, Sierra Club, Acadia Center 2015) available at: https://www.clf.org/wp-content/uploads/2015/10/ChargingUp_DIGITAL_ElectricVehicleReport_Oct2015.pdf

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The PUC report should adopt these nine key steps to success and confirm that the recommendations from the PUC align with advancing these objectives.

Specifically, consumer interests should be incorporated into the report to ensure the broad access and support of electric vehicles and increase the opportunities for a broad range of Vermonters to use electric vehicles.

Low income communities across the globe suffer more from climate change impacts and more broadly from the negative impacts of industrialization and fossil fuel use. If vehicle electrification becomes a solution that is only available to the wealthy, it will fail and Vermont will not achieve its goals to reduce GHG emissions, nor will it provide a clean environment for ourselves and future generations.

To ensure equity, EV programs should build on the success of Vermont's energy efficiency programs. A key feature in the broad success of VT's energy efficiency programs is that investments must be made to benefit low income and middle class Vermonters. That feature ensures broad participation, and broad support and helps everyone in Vermont be part of the solution. Those same features need to be in place for EVs. Since EVs are themselves an electric appliance, the energy efficiency programs should include incentives and support to reduce barriers for electric vehicle use in Vermont.

2. EV charging stations.

Charging stations should be treated like an appliance in terms of their access to the power grid. In exchange for access to the power grid, there should be provisions for charging stations to:

1. post real-time rates for charging so any consumer knows in advance what the cost will be;
2. be available for use by members of the public if the charging station is in a public location;
3. provide load management capability; and be able to be compensated for any ancillary benefits associated with providing load management services;
4. share physical location and charging data on a publicly available platform.

Charging station owners should have the flexibility to set fees for charging services. The stations should have the same access to electricity rates as any other user on the system. If Time of Use rates or EV charging rates are available, they should be available for all charging stations in the utility service territory. If the utility has location differentiated rates, they should also be available to charging stations.

3. Payment toward state infrastructure.

Any payment toward infrastructure should be on equal footing with gasoline powered vehicles. The current low level of EVs on the road in Vermont does not cost-justify creating some additional revenue stream that would apply only to EVs. Also, as Vermont seeks to reduce barriers to EVs and to provide incentives to encourage more EV use, it should not at the same time be creating additional burdens, in the form of new taxes or fees for EVs.

The preferred method to generate revenue would be based on vehicle miles travelled (VMT), which would put electric vehicles and gas powered vehicles on equal footing in terms of contributing to the cost of roadways. Since use of roadways is a factor or wear and tear and need for maintenance, it also better aligns revenue source with use of the facilities it funds.

Oregon and California each have a VMT fee. The California pilot program provided for a variety of reporting methods. A summary of the California program can be found here: http://www.dot.ca.gov/road_charge/resources/final-report/docs/summary.pdf

Some research at the federal level, including one recent study by the Brookings Institute entitled "Ditching the gas tax: Switching to a vehicle miles traveled tax to save the Highway Trust Fund." Available at https://www.brookings.edu/research/ditching-the-gas-tax-switching-to-a-vehicle-miles-traveled-tax-to-save-the-highway-trust-fund/ also provides some helpful information on implementation.

The Oregon mileage fee varies by weight. Heavier vehicles have more impact on roadways and thus contribute more to the cost of infrastructure. A summary of the rates is available here: https://www.oregon.gov/ODOT/Forms/Motcarr/9928-2018.pdf

The PUC should reject a per kWh fee assessed on EV charging. This creates an entirely different structure that does not correspond with impact on infrastructure and may be difficult to treat equal impacts equally. It would require re-adjustments as usage changes and/or the efficiency of vehicles change. It also creates an unnecessary and not cost-justified additional burden that discourages greater EV adoption.

Similarly, the PUC should reject an annual registration fee for EVs. It creates an entirely different structure that does not correspond with impact on infrastructure and may be difficult to treat equal impacts equally. It would place a high price on ownership that creates an additional hurdle and barrier to acquiring EVs at a time when state policy would encourage EV adoption.

4. **Encouraging EV usage at pace needed to achieve needed greenhouse gas emissions reductions.**

Despite progress on EV adoption, Vermont still has far to go before EV adoption is in line with what is needed to reduce greenhouse gas emissions. CLF supports the recommendations included in the presentation provided by Vermont Energy Investment Corporation at the April 23, 2019 workshop, including:

EV Incentive Recommendations

1. Easy to understand and market
2. Delivered via point-of-sale voucher or instant rebate
3. Considers role of dealership

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4. Consistently available for more than one year
5. MSRP price caps to avoid free-ridership
6. Potential added incentives for low-to-moderate income

Charging Infrastructure

1. Investments need to keep pace with EV adoption
2. Rental and multifamily housing challenges
3. Building energy stretch code requirements
4. VW settlement funded state grant program
5. VTrans park & ride EV charging grants
6. Private investment

Thank you for the opportunity to provide comments.

Sincerely,

s/ Sandra Levine

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