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H.778

Introduced by Representatives Burke of Brattleboro, Chesnut-Tangerman of
Middletown Springs, Masland of Thetford, McCormack of
Burlington, and Sullivan of Burlington

Referred to Committee on

Date:

Subject: Taxation; public service; transportation; electric vehicles (EVs);
motor vehicle purchase and use tax; income tax; incentives for EVs
and charging stations; electric utility rates and charges for EVs;
strategic planning, EV charging infrastructure; park and rides;
Volkswagen mitigation trust

Statement of purpose of bill as introduced: This bill proposes to:

- (1) exempt purchases of electric vehicles from the motor vehicle purchase and use tax;
- (2) provide an income tax credit for the construction of electric vehicle (EV) charging stations;
- (3) enable the establishment of and direct the Public Utility Commission to conduct an investigation into reduced rates for on-premise charging of EVs by electric customers;

1 (1) the property is of a character subject to the federal allowance for
2 depreciation;

3 (2) the original use of the property begins with the taxpayer; and

4 (3) the property is for the recharging with electricity of electric vehicles,
5 but only if the property is located at the point where the electric vehicles are
6 recharged.

7 (b) A credit against the tax imposed by section 5822 or 5832 of this title is
8 provided in the amount of 7.2 percent of the cost or \$7,200.00, whichever is
9 less, spent by a taxpayer to build an electric vehicle charging station in the
10 State of Vermont.

11 (c) The taxpayer may claim the credit in the tax year after the expenditure
12 was made. A credit under this section shall not be refundable and shall not be
13 carried forward. The Department of Taxes shall issue any guidance, rules, or
14 forms necessary to allow taxpayers to claim this credit.

15 * * * Rate Schedules for Customer Charging of Electric Vehicles * * *

16 Sec. 4. 30 V.S.A. § 218(h) is added to read:

17 (h) Reduced rate schedules for electric vehicles. A company may propose
18 and the Commission may approve or require the adoption of a rate schedule
19 under which a customer as defined in section 8002 of this title may charge the
20 customer's plug-in electric vehicle (EV) on the customer's premises at a rate
21 that is reduced from what the customer otherwise would pay the company for

1 consuming electric energy. The Commission shall provide notice and
2 opportunity for hearing prior to approving or requiring such a rate schedule.
3 The Commission may approve or require such a schedule after finding all of
4 the following:

5 (1) The schedule will provide benefits to the company's transmission or
6 distribution system, or both, such as increasing the efficient use of the system
7 through encouraging nighttime charging of EVs.

8 (2) The schedule will provide benefits to the ratepayers of the company
9 that outweigh any costs to those ratepayers.

10 Sec. 5. INVESTIGATION; ELECTRIC VEHICLE RATE SCHEDULES

11 (a) On or before July 1, 2019, the Public Utility Commission shall open
12 and complete an investigation and issue a final order concerning the
13 establishment of rate schedules under which a customer may charge the
14 customer's plug-in electric vehicle on the customer's premises, on-premise
15 charging, at a rate that is reduced from what the customer otherwise would pay
16 a Vermont retail electricity provider for consuming electric energy.

17 (1) Terms used in this section that are defined in 30 V.S.A. § 8002 shall
18 have the same meaning as in that statute.

19 (2) Parties to the investigation shall include the Department of Public
20 Service and the Vermont retail electricity providers.

1 (b) Issues addressed in the Commission’s final order in this investigation
2 shall include:

3 (1) The potential existence and amount of economic benefit to the
4 Vermont transmission and distribution system that may be obtained from
5 encouraging on-premise charging.

6 (2) The parameters of a rate schedule that would be needed to encourage
7 on-premise charging in a manner that captures the benefits described in
8 subdivision (1) of this subsection and avoids or reduces the imposition of costs
9 on ratepayers who do not engage in such charging.

10 (c) If, after consideration of the issues identified in subsection (b) of this
11 section, the Commission finds that reduced rate schedules for on-premise
12 charging should be instituted, the Commission’s final order shall require each
13 Vermont retail electricity provider to submit a timeline for implementation
14 and, by a date certain, a proposed rate schedule that complies with 30 V.S.A.
15 § 218(h).

16 * * * Charge on Electricity Used to Power Electric Vehicles * * *
17 Sec. 6. 30 V.S.A. § 218(i) is added to read:

18 (i) Electric vehicles; charge to support Transportation Fund. There shall be
19 a charge of \$0.01 per each kilowatt hour (kWh) delivered in Vermont to a
20 plug-in electric vehicle (EV).

1 (1) Each electric distribution company subject to rate regulation under
2 this chapter shall assess the charge on its periodic bill to each customer that
3 owns an EV and to each customer that owns or operates an EV charging
4 station. Each such company also shall assess the charge on each kWh
5 delivered to an EV by the company at a charging station owned or operated by
6 the company. The company shall remit the proceeds of the charge to the
7 Transportation Fund under 19 V.S.A. § 11.

8 (2) The company shall offer each customer an option for the installation
9 of a meter that counts separately the kWh delivered to an EV. In the absence
10 of such a meter, the company shall estimate on each bill the amount of kWh
11 delivered to an EV, based on a method to be prescribed by the Commission.

12 (3) Annually, the Commissioner of Motor Vehicles shall provide a list
13 to each company required to assess the charge under this subsection, which the
14 company shall not disclose to others except by order of a court or the
15 Commission. The list shall identify, by name and address, each Vermont
16 resident in the company's service territory to which an EV is registered. To
17 effect this requirement, the Commissioner of Motor Vehicles shall have the
18 right to obtain from each company a precise description of its service territory.

19 (4) The Commission shall have supervisory authority over the
20 implementation of this subsection by the companies.

1 (A) In consultation with the Commissioner of Motor Vehicles, the
2 Commission may adopt procedures to be followed by the companies to protect
3 from disclosure information they receive from the Commissioner.

4 (B) Notwithstanding any contrary provision of section 208 of this
5 title, each customer to which a charge is assessed under this subsection shall
6 have the right to petition the Commission for adjudication of a dispute with a
7 company respecting the charge.

8 Sec. 7. 19 V.S.A. § 11 is amended to read:

9 § 11. TRANSPORTATION FUND

10 The Transportation Fund shall comprise the following:

11 (1) all taxes, penalties, and fees received by the Commissioner of Motor
12 Vehicles except those relating to motorboats imposed under 23 V.S.A.
13 chapter 29 which shall be expended pursuant to 23 V.S.A. § 3319;

14 (2) the revenue derived from the taxes on motor fuel as provided for by
15 Title 23;

16 (3) all grants from the federal government and regional associations for
17 transportation purposes except for snowmobiles and motorboats;

18 (4) monies received from the sales and use tax on aviation jet fuel and
19 on natural gas used to propel a motor vehicle under 32 V.S.A. chapter 233;

20 (5) receipts from pilot and aircraft license fees;

21 (6) all penalties and fines imposed under this title and Titles 5 and 23;

1 (7) both statewide and departmental indirect cost recoveries from federal
2 sources by the Agency of Transportation;

3 (8) monies raised through the charge on electricity delivered to plug-in
4 electric vehicles established under 30 V.S.A. § 218;

5 (9) other miscellaneous sources, including the sale of maps, plans, and
6 reports, fees collected by the Travel Information Council, leases for property at
7 State-owned airports and railroads, proceeds from the sale of State surplus
8 property under the provisions of 29 V.S.A. §§ 1556 and 1557, and proceeds
9 from the sale of recycled materials.

10 * * * Electric Vehicle Charging Infrastructure * * *

11 Sec. 8. COMPREHENSIVE STRATEGIC PLAN FOR PUBLIC ELECTRIC
12 VEHICLE CHARGING INFRASTRUCTURE

13 (a) On or before January 15, 2019, the Secretary of Transportation, in
14 consultation with the Secretary of Natural Resources, the Secretary of
15 Commerce and Community Development, the Commissioner of Public
16 Service, and other interested persons, shall develop and submit to the General
17 Assembly a comprehensive strategic plan (Strategic Plan) for the installation of
18 public electric vehicle (EV) charging infrastructure in Vermont along major
19 transportation corridors, in downtowns and village centers designated by the
20 Vermont Downtown Development Board under 24 V.S.A. chapter 76A, at
21 workplaces, at multi-unit dwellings, and elsewhere in the State as needed to

1 promote and support the widespread adoption of EVs in Vermont. At a
2 minimum, the Strategic Plan shall:

3 (1) Identify current gaps and future needs with respect to public EV
4 charging infrastructure that must be addressed in order to promote and support
5 the widespread adoption of EVs in Vermont.

6 (2) Identify specific candidate locations on public and private property
7 needed to address the current gaps and future needs. In identifying these
8 locations, the Secretary of Transportation shall make use of the November 22,
9 2017 report entitled “Electric Vehicle DC Fast Charging on Vermont Highway
10 Corridors.”

11 (3) Establish criteria for prioritizing locations for EV charging
12 infrastructure. Those criteria shall include:

13 (A) projected demand for charging services;

14 (B) potential economic impact;

15 (C) the capacity of the electric grid and the nature of electric grid
16 services;

17 (D) potential to leverage private funding sources; and

18 (E) other criteria that the Secretary of Transportation deems
19 appropriate to consider.

1 (4) Apply the criteria established in subdivision (3) of this subsection in
2 order to establish priority ratings for EV charging infrastructure locations
3 throughout the State.

4 (5) Estimate the costs to the State, if any, associated with each location
5 identified in subdivision (4) of this subsection and identify potential sources of
6 funding. In identifying funding sources, the Strategic Plan shall specify the
7 expected amount, location, and timing of spending on EV charging
8 infrastructure from monies disbursed from the Volkswagen Mitigation Trust
9 Fund referenced in subsection (b) of this section.

10 (6) In accordance with the priority ratings established in subdivision (4)
11 of this subsection, provide a projected timeline for installation of EV charging
12 infrastructure in Vermont needed to address the current gaps and future needs.

13 (7) Identify any financial, regulatory, or legal barriers to implementation
14 of the Strategic Plan and propose solutions to address the barriers.

15 (b) The Agency of Natural Resources shall disburse monies from the
16 Mitigation Trust Fund established as of October 2, 2017 in the matter of *In re:*
17 *Volkswagen "Clean Diesel" Marketing, Sales Practices, and Products*
18 *Liability Litigation*, Case 3:16-cv-00295-CRB to advance priority EV charging
19 installations identified by the Strategic Plan, to the extent allowable under the
20 terms of the Mitigation Trust Fund.

- 1 (c) Secs. 6 (electric vehicles; charge to support Transportation Fund) and 7
- 2 (Transportation Fund) shall take effect on July 1, 2020.
- 3 (d) All remaining sections shall take effect on July 1, 2018.