

Testimony to the Senate Committee on Transportation

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**Fees for the Use of State-Owned or -Controlled Electric Vehicle
Supply Equipment (EVSE)**

Today I am following up on testimony I provided on February 27, 2019 on what are now sections 29, 30, and 31 of the Transportation Bill (H.529). These sections authorize state agencies to charge a fee to their employees or members of the public for charging their electric vehicles (EVs) at state-owned or -controlled charging stations, which are also known as electric vehicle supply equipment (EVSE).

Currently, agencies cannot charge the public fees that are not specifically authorized by law. VTrans, ANR, PSD, and BGS collaboratively drafted sections of the Transportation Bill that would authorize state agencies to charge a fee for the use of state-owned or -controlled EVSE.

VTrans has purchased two battery electric vehicles—a Nissan Leaf and a Chevy Bolt—and VTrans plans to purchase additional EVs going forward. VTrans has installed a level-two (L2) charging station at the Dill Building in Berlin and plans to install a direct current fast charging (DCFC) station at its garage in White River Junction. VTrans will purchase additional EVSE to keep its growing electric fleet charged.

VTrans would like to make its charging stations available to its employees to charge their own vehicles and to members of the public visiting VTrans facilities. However, to do so, VTrans needs to be able to charge a fee to help recover its costs. Sections 29 through 31 of the Transportation Bill would enable VTrans and all other agencies to do that. Other agencies have their own fleets, and BGS runs the state motor pool, which includes EVs and EVSE and which will continue to electrify.

Other situations may arise where a state agency may need to charge a fee for the use of EVSE. Although state agencies are not planning to enter the EV charging business, an agency may at times need to take over a public charging station. For example, Washington Electric Coop installed and currently runs the charging station at the Middlesex Park & Ride, but under the agreement between WEC and the State, that equipment will soon belong to VTrans. VTrans will need to be able to

charge for the use of this equipment unless and until VTrans finds another third party to operate it.

Other scenarios could arise where VTrans or another agency enters into a public-private partnership with a third-party providing EV charging on state land, with the State owning the EVSE at the end of the lease.

In the near term, VTrans and other agencies may not realistically be able to fully recover their costs from the use of their EVSE by their employees or the public. Full cost recovery may require charging prices to be set unreasonably high. The proposed legislation considers the changing economics around EVSE by allowing the agencies to charge below cost, at cost, or at the regional market rate. It could be difficult for state agencies to determine exactly what their costs would be in some situations. The regional market rate would act as a kind of cap on charging fees by the State and could be determined by looking at prices set by publicly available charging stations in the area.

By not limiting state agencies to charging only for their costs and by not requiring the agencies to go through a review process every time they want to change their charging fees, the proposed legislation would treat EV charging fees differently from other authorized fees. People have no choice when it comes to permits, transcripts, and other matters that fee statutes address. Linking fees to costs and requiring changes in fees to undergo legislative review for these matters is therefore appropriate. However, the State does not have a monopoly over EV charging—if people do not like an agency's price for a charge, they can charge elsewhere.

Allowing the State to charge up to the market rate for the use of EVSE it owns or controls is analogous to existing rules that require the State to obtain fair market value for leases of its land, except when the public interest or other relevant factors justify a lower rate. (See, e.g., 19 V.S.A. §26a(a).)

It makes sense to afford state agencies some discretion for how much they charge for the use of their chargers so the agencies can set prices at levels they determine will best advance vehicle electrification while also covering their costs to the extent practicable.

I testified to House Ways and Means about this subject on February 28—the day after I last testified about this here. House Ways and Means recommended to House Transportation that the authority for the State to charge for the use of its EVSE sunset after three years. The Transportation Bill passed by the House includes the sunset in Section 30. The agencies would prefer it if section 30 were not in the Bill

Senate Committee on Transportation
Daniel Dutcher, Environmental Policy Manager, VTrans
April 3, 2019
Page 3 of 3

because of the administrative burden of having to seek new authorization when the sunset takes effect, but the agencies can live with the sunset provision if this Committee agrees with it.

As I testified yesterday, VTrans recommends some minor changes to sections 29 through 31 to substitute the term electric vehicle supply equipment for the term electric vehicle charging stations. Otherwise, VTrans has no objections to the language in these sections of the Transportation Bill.