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The Honorable, Chair Sara Coffey
The Honorable, Vice Chair Charles “Butch” Shaw
Members of the House Committee on Transportation

RE: H.479

Dear Chair Coffey, Vice Chair Shaw, and Members of the House Transportation Committee:

ChargePoint appreciate the opportunity to submit testimony today on H.479. By way of background, ChargePoint is the nation’s leading electric vehicle (“EV”) charging network. ChargePoint internally designs, develops, and deploys residential and commercial AC Level 2 (“L2”) and DC fast charging (“DCFC”) EV charging stations, cloud-based software applications, and related customer and driver services aimed at creating a robust EV charging ecosystem. ChargePoint’s primary business model is not to own and operate charging stations ourselves, but to provide smart, networked charging solutions directly to businesses and organizations.

ChargePoint is very supportive of ensuring that all drivers pay their fair share for roads and highways in a manner that makes it easy for businesses and municipalities to continue investing in EV charging infrastructure and maintains consistent funding for the state’s transportation system as whole. Since the early 2000s, states have been exploring ways to charge for road usage for EV drivers, both in state and out of state, through legislative action and pilot programs. The two programs that are most widely used are flat fee registrations and mileage-based user fees (MBUF). According to the [National Conference of State Legislatures](#), these two programs have been piloted in a variety of states and are currently being explored in many states around the country. We very much support the creation of a mileage-based user fee program in H.479.

We are concerned with the additional language in H.479, on page 35, line 6 which directs the General Assembly to work towards imposing a kWh tax on public charging stations to collect fees from EV drivers in Vermont. We believe that imposing an additional tax on EV charging assessed on a per-kwh basis presents challenges for site hosts, drivers, and the State. Some Vermont resident EV drivers would be subject to an inequitable, duplicative fee, especially those who live in multi-unit dwellings and rely on public charging stations, and it would place site hosts in the role of tax collector. Additionally, Vermont would become the only state in the New England region to administer such a tax. We would also like to make you aware of ongoing situation in Pennsylvania regarding their kWh tax on charging.

Inequitable Tax for Vermont Residents

As proposed in the bill currently, a per-kWh tax would only be assessed on EV drivers that use public charger stations. This penalizes Vermont’s EV drivers with higher rates that don’t have access to home charging. Residents that rent, live in an apartment building, or otherwise cannot install a home charger for various reasons, depend on public charging. If they cannot access affordable public charging, they will not be able to benefit from the energy cost savings of owning an EV and thus will depend on the higher price of gasoline for their transportation needs. Affluent drivers that charge at home will avoid the fee as they rarely use public chargers, and if they do, it will likely be on long distance trips out of

state. If the kWh tax was enacted in addition to the Mileage based used fee, as outlined in this bill, Vermont drivers are susceptible to two additional fees – a MBUF and an additional tax on any public stations that would use.

Regional Outlier

If Vermont were to implement the per kWh pricing tax on public stations, it would be the only state in the New England that does so. EV drivers from out of state may be deterred from stopping to charge in VT because of the additional per kWh fee. No surrounding states have implemented a fee of its kind on public chargers to date. EV drivers who have the option to charge tax free in nearby states may choose to do so.

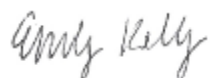
It is also very important to note that the state of Pennsylvania is currently trying to remove its per-kWh EVSE tax because the Pennsylvania Department of Transportation found that the fee fails to generate much road revenue. Vermont could run into this same issue. According to the Alternative Fuel Data Center, Vermont only has 43 DCFC public charging stations and 298 level 2 stations in the state.¹ If Pennsylvania, which has 154 DCFC station and 1,133 level 2 stations, is seeing low revenue collected from the kWh tax then Vermont will likely see the same results. Pennsylvania is hoping to replace the tax with a Mileage-Based User Fee or EV Registration fee and is currently running a bill to codify a MBUF pilot program.

Site Hosts Become Tax Collectors

Lastly, this bill would force businesses that own and operate charging stations to become tax collectors. Given ChargePoint's business model, any entity from a small convenience store to a municipality has the opportunity to own and operate and offer charging as an amenity to their customers. If this bill passes as drafted, the responsibility of dispensing and collecting this tax accurately and remitting them back to the state falls on that business owner. This could be very cumbersome for someone trying to run a business in Vermont.

In conclusion, ChargePoint believes there is a great proposed solution for replacing the gas tax revenue loss in H.497, which creates a mileage-based user fee. We believe it is the more straightforward and equitable approach for collecting road fees. I thank you for the opportunity to submit testimony. I can be reached at emily.kelly@chargepoint.com if there are any further questions.

Sincerely,



Emily Kelly
Manager, Public Policy - Eastern Region
ChargePoint

¹ <https://afdc.energy.gov/stations/#/find/nearest>