

August 15, 2019

Ms. Judith C. Whitney, Clerk
Vermont Public Utility Commission
112 State Street, Drawer 20
Montpelier, VT 05620

Re: Case # 19-3009-INV - Investigation into potential fees associated with electric vehicle charging in Vermont in response to Act 59 of the 2019-2020 Vermont legislative session.

Dear Ms. Whitney,

We, the undersigned utilities, environmental organizations, and clean energy and charging providers, would like to advance to the Commission a set of key consensus positions among our organizations on one of the questions posed in this proceeding. In particular, we are united in our view that Vermont must make progress in reducing emissions in the transportation sector, which is our largest source of greenhouse gas emissions. In doing so, we see transportation electrification as a significant opportunity to reduce emissions and pollution, drawing on Vermont's largely renewable electric supply. We also see transportation electrification as a key opportunity to help Vermonters save money, keep more dollars in the local economy, and provide benefits to all ratepayers. With all of that in mind, we oppose implementation of new electric vehicle (EV) or EV charging taxes at this time.

We recognize the need for transportation infrastructure funding to maintain our roads, bridges, transit, and key assets. However, we agree with the findings in both the 2016 Agency of Transportation (AOT) report and the more recent 2019 report from the Commission that Vermont should not implement new taxes on EVs or EV charging until we make more progress with customer adoption of these technologies.¹ The AOT report recommended holding off on new EV taxes until EVs reached 15 percent of annual vehicle sales. As the Commission pointed out in its 2019 report, Vermont is currently well below

¹ <http://legislature.vermont.gov/assets/Legislative-Reports/2016-Legislative-EV-Study-FINAL-formatted.pdf>

that threshold.² In addition, the Commission report noted that currently, the transportation fund revenue loss from EVs is relatively low, and Vermont loses far more revenue from increased fuel efficiency standards from conventional vehicles than from EVs. With that in mind, the undersigned agree with the Commission's recommendation to wait until higher EV adoption levels before implementing new taxes, and specifically agree with waiting until EVs represent 15 percent of annual vehicle sales in Vermont.

As the Commission considers in this proceeding whether new kilowatt hour (kWh) taxes are appropriate, we note that as of March, 2019, approximately 30 states currently have no special taxes or fees on EVs, and the 20 that do have all chosen to implement annual registration fees ranging from \$50-\$200 according to the National Conference of State Legislatures.³ Vermont should not attempt to be the first state to implement new kWh taxes for EV charging at this time for several reasons, including:

- New EV charging taxes would discourage EV adoption, and work at cross-purposes with state policies designed to encourage EV adoption, including the recently passed state EV incentive program and existing utility EV rebate programs authorized under Vermont's Renewable Energy Standard;
- New EV charging taxes would erode the current relative fuel price advantage that cleaner electricity has in Vermont relative to fossil fuels such as gasoline;
- New EV charging taxes could discourage EV drivers from signing up for utility off-peak charging rates if they would then be subject to additional taxes, thereby reducing ratepayer benefits from additional EV adoption;
- Per kWh EV charging taxes are easily bypassable by drivers who choose to charge at home or at work using a charger or outlet that is not registered as part of a designated EV rate; and
- Per kWh EV charging taxes would be expensive to administer, requiring ratepayers to bear the burden of funding new hardware and/or software costs and billing system upgrades in order to accurately collect these new taxes.

Regarding the idea of instituting a new kWh fee to replace the Energy Efficiency Charge (EEC), we believe this is not necessary to advance state goals. A simpler and more productive approach to support additional transportation electrification and efficiency work would be to continue to collect the EEC as is currently done and estimate the percentage of revenue annually from the EEC that is derived from transportation. The

² https://puc.vermont.gov/sites/psbnew/files/doc_library/Electric%20vehicles%20report.pdf

³ <http://www.ncsl.org/research/energy/new-taxes-on-hybrid-and-electric-vehicles.aspx>

Commission could then, through the investigation currently being conducted in Case 19 – 2956 pursuant to Act 62, consider how to properly dedicate those EEC funds derived from transportation (at a minimum) to appropriate transportation efficiency and electrification purposes, including complementary measures in conjunction with existing utility EV and electric transportation programs to support EV adoption, electric bus deployment, and EV charging infrastructure.

The undersigned utilities, environmental organizations, and charging and clean energy providers greatly appreciate the Commission’s consideration of these comments in the context of this proceeding. We look forward to engaging in the proceeding in more detail to provide the Commission useful information and data to support the positions advanced above.

Thank You,

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Kevin George Miller
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Jen Duggan
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