Electric Vehicle Trends & Key Issues

June 2019

ELECTRIC VEHICLES ON THE ROAD

More Than 1.2 Million EVs Are on the Road in the U.S.

KEY FACTS
- More than 1.2 million electric vehicles (EVs) are on the road in the U.S. today
- In Q1 2019, more than 61,000 EVs were sold, a 10 percent increase over Q1 2018 sales.
- Total EV sales for 2018 were up 81 percent compared to 2017.

Sources: InsideEVs.com and HybridCars.com

TRENDS

EV Legislation by Category

KEY FACTS
- The 2019 state legislative sessions have been busy, with more than 145 bills related to electric transportation introduced.
- The most prevalent types of legislation include: EV driver fees; funds for EV infrastructure deployment; mandates related to building codes, EV charging parking allocation, and EV fleet adoption; and EV incentives.
STATE REGULATION

✓ Approved
On March 20, 2019, the Hawaii Public Utilities Commission approved Hawaiian Electric Companies’ electric bus charging rate pilot program. The five-year pilot program will allow for 20 bus fleet customers to participate in a time-of-use rate, which will encourage charging during the middle of the day when solar is most prevalent. By charging during the middle of the day, bus operators will pay as much as 25 percent less than the standard rate and will avoid demand charges. (Transmittal No. 18-06)

Proposal
On March 29, 2019, Duke Energy Carolinas (DEC) and Duke Energy Progress (DEP) filed a $76 million electric transportation pilot program with the North Carolina Utilities Commission. Components of the proposed pilot include: a $1,000 rebate for the installation of a Level 2 charging station available to approximately 800 residential customers; installation, ownership, and operation of more than 800 Level 2 and DC Fast Charging stations in public locations, including multi-family dwellings; and a $2,500 rebate available for up to 900 qualifying commercial and industrial customers that are transitioning their fleets to EVs. In addition, the companies will support the procurement of 85 electric school buses for which DEC and DEP will install and own the charging stations, and will have access to charging data, perform load management, and test bi-directional charging capabilities; and install and own more than 100 electric transit bus charging stations for transit agencies. (Docket Nos. E-2, Sub 1197 and E-7, Sub 1195)

Proposal
On April 5, 2019, as part of a larger rate review, CenterPoint Energy submitted a request to modify its line extension policy with the Public Utility Commission of Texas. CenterPoint is proposing to increase the allowance, up to $18,000, for facility extension costs to a public EV charging station, which would not be covered by the standard allowance. This request is CenterPoint’s response to a growing need for public charging infrastructure to reduce customers’ range anxiety, support cities with widespread electric transportation goals, and decrease the barriers to commercial customers looking to electrify their fleets. (Docket No. 49421)

✓ Approved
On April 11, 2019, Minnesota Public Utilities Commission approved Xcel Energy’s $24 million multi-element electric transportation pilot program, which includes an EV fleet service pilot and public charging pilots. The fleet pilot will provide advisory services and make-ready infrastructure to support its customers, including Metro Transit in its procurement of eight 60-foot electric buses and the Minnesota Department of Administration and the City of Minneapolis in their goals to electrify their fleets through the deployment of 290 ports. The public charging pilots will include a corridor pilot providing make-ready infrastructure for DC Fast Charging stations and a community infrastructure pilot, where Xcel will partner with Saint Paul and Minneapolis to build a network of community mobility hubs that will help expand a non-profit car sharing service that is intended to increase access to EVs and mobility services for low-income customers. (Docket No. 18-643)

✓ Approved
On April 15, 2019, the Public Service Commission of the District of Columbia approved Pepco’s deployment of make-ready infrastructure for 55 Level 2 and DC Fast Charging (DCFC) public stations; 12 Level 2 and DCFC charging stations to support taxis and rideshare services; and six charging stations to support electric buses. Additionally, a residential whole-house time-of-use rate was approved. (Docket Nos. FC1130 and FC1155)
EV USER FEES AND STATE GAS TAXES

As a result of increasing vehicle fuel efficiency standards and stagnate state gasoline taxes, funds to pay for roads have not kept up with costs. In order to make up for lost revenue, state legislatures are taking two actions: increasing state gasoline taxes and proposing additional fees for EV drivers.

Currently, 24 states have EV fees already in place, while 16 states are considering either imposing a fee or revising current fees. The EV fees proposed by state legislatures range from $50 to $300 annually. In states where an EV fee already exists, the amounts range from $50 to $248 annually.

Two states recently have passed legislation that imposes a new fee on EVs and, at the same time, increases the state gasoline tax:

- In Alabama, the Rebuild Alabama Act (HB2), increases the state gasoline tax by 6 cents per gallon beginning on August 31, 2019.
OUR TAKE

and increases 2 cents per gallon per year over the next two years. Beginning in 2023, the gasoline tax will be indexed to the National Highway Construction Cost Index. The enacted legislation also levies a $200 fee on battery EVs and a $100 fee on plug-in hybrid EVs. However, $50 from the battery EV fee and $25 from the plug-in hybrid EV fee will be appropriated to the newly created Electric Transportation Infrastructure Grant Program to support the deployment of electric transportation charging infrastructure throughout the state.

- On April 3, 2019, Ohio's Governor DeWine signed HB62 into law, which increases the state's gasoline tax by 10.5 cents per gallon, and the diesel tax by 19 cents per gallon. This increase results in a total tax of 38.5 cents per gallon for gasoline and 47 cents per gallon for diesel. Additionally, starting in July 2019, a $200 fee on battery and plug-in hybrid EVs and a $100 fee on gas hybrid vehicles will take effect. This legislation was a compromise, as Governor DeWine initially had proposed an increase of 18 cents per gallon on gasoline.

MEMBER SPOTLIGHT: ELECTRIC BUS PILOT PROGRAMS

DUQUESNE LIGHT COMPANY

In 2018, Duquesne Light Company (DLC) developed an electric bus evaluation pilot to support the Port Authority of Allegheny’s first two electric buses. The Company will own the make-ready infrastructure and DC Fast Charging stations to be used solely by DLC’s vehicles and the Port Authority. Detailed data to be collected and evaluated includes: charging duration; site-specific load management strategies; and equipment performance. The pilot not only enables DLC to understand system impacts better, but supports the Port Authority in meeting its electric transportation goals. (Docket No. R-2018-3000124)

BALTIMORE GAS AND ELECTRIC COMPANY

In Maryland, Baltimore Gas and Electric (BGE) has partnered with Proterra to deploy two electric buses that will shuttle employees between BGE’s downtown Baltimore headquarters and its Spring Gardens campus. The buses, partially funded by a $20,000 voucher from the Maryland Freedom Fleet Voucher program, were the first buses in the state to receive support from this program. The electric buses not only will transport BGE employees but also will provide important data and research for the electric company that will inform future decisions on EV fleet integration, interoperable charging infrastructure, and rate design. BGE is the first electric company to incorporate heavy-duty electric shuttle buses into its fleet.