



Testimony of Carly Michiels
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Assembly Committee on Energy and Utilities
Assembly Bill 233 – Charging Facility Grant Program
May 28, 2019

Thank you, Committee Chair Representative Kuglitsch, for the opportunity to provide testimony on Assembly Bill 233 relating to charging facility grant program introduced by Representatives Neylon, yourself, Allen, Kitchens, Kulp, Mursau, Petryk, Skowronski, Spiros, and Tauchen.

Clean Wisconsin is a non-profit environmental advocacy group focused on clean water, clean air, and clean energy issues. We were founded almost fifty years ago and have 20,000 members and supporters around the state. We've been working on clean energy issues in Wisconsin since our founding, and while some of the particulars have changed, Wisconsin remains a state with abundant opportunity for renewable resource growth and electrification. Clean Wisconsin employs scientists, policy experts, and legal staff to bring all the tools at our disposal to protect and improve our air and clean energy resources.

As we all know, powering our transportation sector is still very carbon intensive. In 2017, transportation accounted for 27 percent of all carbon emissions in the US. Powering our cars, trucks, busses and other modes of transportation with electricity is critical to cutting carbon emissions. We need our state to lead the way in encouraging electric vehicle (EV) use by helping to lay the groundwork for an easy and fast network of charging stations across the state.

The market is good for electrification. EVs are cheaper and more efficient to operate than gas and diesel vehicles, and as gas prices continue to increase, EVs are even more competitive. As demand increases for renewable energy and wind and solar continue to replace fossil fuels for electricity generation, EV emissions will be even less carbon intensive moving forward. EVs are healthier for our communities than gas and diesel vehicles because fewer combustion engine emissions means less hazardous pollutants and particulate matter.

However, there are things that keep people from buying, using, and traveling with EVs in Wisconsin. For example, there is a lack of a robust network of charging stations to allow people to confidently travel long distances around the state. EVs are often a least cost option, and production is ramping up – we need to take advantage of this opportunity.

The Volkswagen (VW) emissions settlement money is this opportunity. This money was distributed among states from an Environmental Mitigation Trust. It is money for the state of Wisconsin to use to offset emissions of nitrogen oxide (NOx). This bill designates a little over \$10 million of the VW money for matching grants for the installation of public electric vehicle charging stations. Interconnectivity is a key component of this bill as it has the PSC designate a clean energy corridor consisting of contiguous state trunk highways connecting Wisconsin to Minnesota, Michigan, Iowa, and Illinois.

The heart of this bill is well-intentioned, and we appreciate the initiative from the legislators who introduced and support this bill. Governor Tony Evers also included a similar proposal in the budget bill currently being debated. Both utilize \$10 million of the VW settlement money for EV charging infrastructure. While the two proposals have some differences and some components of both proposals need to be worked out, it is great that this issue is receiving bipartisan support. Everyone seems to agree that we need to continue building our EV charging infrastructure to incentivize electric vehicles coming to Wisconsin.

We advocate Wisconsin having an active role in facilitating the transition to a clean energy economy, especially in this way utilizing the VW settlement money. Clean Wisconsin submits the following observations and questions concerning certain aspects of AB 233:

- Utilities that receive revenue collected from the charging facilities shall remit to the PSC 20% of that revenue, who will then deposit it into the state transportation fund. The 20% remittance for transportation likely results in some type of surcharge or perceived tax on EV consumers. We acknowledge as fuel efficiency improves for both combustion and EVs new approaches are necessary to address the traditional funding of transportation through things like gasoline taxes charged on a per gallon basis. Wisconsin already did increase EV registration fees by \$100. Instead of a 20% remittance, Clean Wisconsin advocates for a transparent market-based pricing structure like a tax charged on a per kilowatt hour basis. This is similar to the existing gas tax and would be similar to current market pricing structures where you have the cost of the commodity and excise/sales taxes added on top. We believe this provides comparable market signals where there is one price, at one time, at one point resulting in more simplicity at the time of the transaction and avoids unnecessary regulatory proceedings in front of the PSC.
- On the same note, the grant recipients may charge a parking fee to consumers. The parking fee is based on the time of use and not on the amount of electricity consumed by the user. The parking fee being charged this way seems to be an attempt to address the sale of electricity issue and for it to be unrelated to the actual volume of energy used. It is unclear if this parking fee would be additive to the cost of charging or if it would be in lieu of the cost of charging. Again, Clean Wisconsin advocates for a transparent pricing structure which allows EV owners to be charged for the service being provided.
- Multiple added charges like a 1). 20% tax, 2). parking fee, and 3). the cost to charge the vehicle, in addition to any other increase in things like the 4). EV registration fees could quickly price them out of the market. This would no longer make EVs a competitive alternative. It is important to keep in mind a balance is preserved in incentivizing EVs in Wisconsin, especially in the early stages. We want to avoid so many taxes and fees accruing that they are no longer a reasonable option.
- In addition, as Wisconsin looks for a long-term solution to the transportation funding issue, we encourage the DOT, the legislature, and the Evers administration to consider funding mechanisms which are correlated to public infrastructure use, such as fees charged based on miles traveled and vehicle weights. These options could be more like user fees and again, provide a more transparent pricing structure.

Clean Wisconsin appreciates the significant investment in EV charging infrastructure both in AB 233 and in the Governor's budget. It is our hope that some of the differences between the two proposals and addressing some of the concerns highlighted can produce broad bipartisan support. Again, we are pleased to see the increased attention on electrification and working together toward a clean energy economy.

Thank you.