



Industrial Energy Consumers of Pennsylvania

December 2, 2019

The Honorable Brad Roae
151 East Wing
PO Box 202006
Harrisburg, PA 17120-2006

Re: Senate Bill 596 regarding transportation fueling infrastructure development - AMEND

Dear Chairman Roae:

The Industrial Energy Consumers of Pennsylvania (IECPA) is a non-profit organization of the largest energy consumers in Pennsylvania. IECPA was formed in 1982 to address energy issues before appropriate government bodies and interested organizations. IECPA represents companies operating across Pennsylvania providing over 30,000 family-sustaining jobs.

We are writing to express our concerns with Senate Bill 596, now in your Committee, regarding transportation fueling infrastructure development. Senate Bill 596 adds additional non-core responsibilities to the electric utilities for developing a transportation infrastructure regional framework. Additionally, the utilities could establish a structure that further provides a competitive advantage for their ownership of EV charging equipment. This framework should be the responsibility of the Department of Transportation. Once that framework is developed then the appropriate electric distribution company(s) can develop the associated electrification infrastructure development plan.

We also encourage you to consider that electric vehicle (EV) charging station equipment is not a monopoly function that needs to be supplied by a regulated utility. There is an active competitive market for EV charging station equipment. Utilities should be providing the distribution system grid connection to the EV charging stations in their service area. Many times, utility ownership of EV charging stations provides an unfair advantage for the utility through monopoly ratemaking treatment for the associated costs from ratepayers. This could significantly limit the development of a competitive EV charging station market in Pennsylvania. "Missouri, Michigan and Kansas all have turned down utilities' requests to build charging stations with customers' money. Massachusetts allows utilities to build the underground infrastructure for a charging station but leaves the above-ground installation to a private company. This is an arrangement called a "make ready." As a result, the utility National Grid is proposing to spend \$24 million on 140 sites. This approach may relieve private companies of the fear that utilities will squeeze them out of the market. Kentucky is an example of one state that has implemented a compromise solution to allow utilities to install and operate charging infrastructure and only charge customers that use the service. Louisville Gas and Electric and Kentucky Utilities are allowed to install and operate up to 20 charging stations and can build and get paid for placing them on commercial properties. Costs will be recouped by charging customers a little under \$3 per hour to charge their car. Thus, electricity customers who do not utilize this infrastructure will not pay at all."¹

It has been demonstrated in Pennsylvania that the use of competition to drive down prices and spur innovation in the generation portion of the electric industry sector has provided the best results for consumers.

¹ "Who Should Pay For Electric Vehicle Chargers? Who Should Profit?" Constance Douris, Forbes, November 8, 2017



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Pennsylvania needs to focus on a structure that enables a robust competitive market for EV charging station installations and does not involve our regulated electric utilities in areas outside of the core mission of providing safe, adequate and reliable distribution service to customers.

We ask that you please modify this bill. Attached is a copy of SB 596 including the minimum edits (highlighted in yellow) that are needed to protect utility customers. Please contact me if you would like to discuss things further.

Sincerely,

Rod E. Williamson
IECPA Executive Director
Cell: 910-444-8883