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Testimony of Representative Nicole Grohoski
In Support of LD 347, *An Act To Facilitate Maine's Climate Goals*
by Encouraging Use of Electric Vehicles

Before the Committee on Energy, Utilities and Technology
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Good morning fellow members of the Committee on Energy, Utilities, and Technology. I am Nicole Grohoski, and I represent the communities of Ellsworth and Trenton in the Maine House. I appreciate the opportunity to speak in support of LD 347, *An Act To Facilitate Maine's Climate Goals by Encouraging Use of Electric Vehicles* and to urge your support for this timely bill.

The Maine Department of Environmental Protection provides emissions estimates of greenhouse gases from various sectors of the Maine economy. It won't surprise members of this committee that some sectors, which have been able to switch to lower-carbon fuels and increase their energy efficiency, have been able to reduce their emissions since 1990. Others have not. DEP has recently estimated that the transportation sector accounts for 54% of Maine's greenhouse gas emissions. As emissions in other areas declined in recent decades, transportation-related emissions increased, up from 44% in 1990. Maine's transportation-related emissions are 86% from light-duty passenger cars and trucks and medium and heavy-duty trucks. LD 347 is focused on reducing emissions from these sources.

The Maine Climate Action Plan's first transportation-related strategy is to accelerate Maine's transition to electric vehicles, or EVs. With more than 54% of emissions associated with climate change attributed to the transportation sector there are tremendous public health, economic and environmental benefits to pursuing aggressive EV adoption and charging access policies. This bill proposes to take a simple, yet meaningful step to address emissions from Maine's most significant remaining source of greenhouse gas emissions – and it does so not by a directive, but by reducing a barrier to voluntary action.

LD 347 requires that electric utilities establish alternatives to traditional, demand-based electricity rates for electric vehicles (EVs) that are responsive to the new grid load caused by the increase in EV adoption. These proposals will be available to the public to review and comment upon, and will be approved by the Public Utilities Commission before adoption. The

bill is focused on alternatives to traditional demand charges to facilitate higher-power charging, longer-distance travel, and fleet applications for light- and heavier-duty EVs.

A successful EV adoption strategy must allow for multiple types of charging to meet the needs of drivers, the grid, municipalities, public transit, and ratepayers. Since most EV charging takes place over longer time periods at home and the workplace, these lower-powered charging stations can be supported through the adoption of other alternative rate structures (such as time of use rates). LD 347 is intended to encourage faster, higher-powered direct current fast charging (DCFC) stations, which are vital components of a successful and responsible EV adoption strategy.

DCFC increases EV driver range confidence with fast charging along highways and enables the electrification of medium- and heavy-duty fleets for public (e.g., school buses, public transit) and private entities (e.g., last-mile delivery, transportation-networking companies). However, traditional electricity rates were not designed with DCFC charging in mind and are a significant barrier to deploying these faster-charging stations.

Demand charges are typically based on the highest average 15 minutes of energy use in a monthly billing cycle. DCFC stations are used sporadically with very high energy output. Just one DCFC session can trigger high “peak demand” for site hosts, which can account for 90% of an operator’s electricity bill, resulting in effective per-kWh rates many times higher than what other commercial customers pay. This means that DCFC site hosts and station owners face high demand charges due to the few peak charging sessions that occur each month, effectively penalizing site hosts for turning on their stations.

States around the country including CA, WA, NV, AZ, CO, MA, MN, WI, PA, NJ, CT, VA and HI have introduced and approved electricity rates that are designed to reflect the cost of service without penalizing DCFC site hosts and fleet operators.

It is worth noting that the PUC approved one pilot project related to EV rate design that is currently being conducted by Central Maine Power. It does not require review until December 2022. I do not see a need to wait for this pilot to run its full course before acting because we can use lessons learned from all of the other states already tackling this issue. There are no one-size-fits-all use cases or rate designs, so it is not necessary to wait for one data point from one portion of Maine. If the pilot outcome finds that further adjustments to the rate design are warranted, they can be incorporated in the first three-year revision the bill calls for.

Establishing alternative electricity rate structures for DCFC charging is an opportunity to encourage voluntary action to help achieve Maine’s climate goals and to ensure that the increased energy use associated with greater EV adoption works for ratepayers, municipalities, public transit, EV drivers, fleet operators and the grid. The benefits and cost-competitiveness of EVs are now well known, but range anxiety in a rural state remains a larger barrier to adoption. LD 347 seeks to address the “chicken and egg” scenario we find ourselves in; namely, people won’t purchase EVs until there are enough charging options, but charging stations won’t be lucrative to install until there are more EVs.

I want to thank you all for listening attentively to my testimony in support of LD 347. I look forward to working with you on policy to meet Maine's carbon reduction goals in the transportation sector.