

Testimony on LD 347 – An Act To Facilitate Maine's Climate Goals by Encouraging Use of Electric Vehicles

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Honorable Committee Chairs Senator Lawrence & Representative Berry and Members of the Energy, Utilities and Technology Committee.

Thank you for the opportunity to submit testimony on *LD 347 – An Act to Facilitate Maine's Climate Goals by Encouraging Use of Electric Vehicles*.

Acadia Center is a non-profit, research and advocacy organization incorporated in Maine and committed to advancing the clean energy future by offering real-world solutions to the climate crisis. Acadia Center tackles complex problems, identifies clear recommendations for reforms, and advocates to create significant change that supports a low-carbon economy across the Northeast which can be a model for application elsewhere. Acadia Center identifies regional, state, and local improvements that will dramatically reduce carbon pollution and improve quality of life throughout the Northeastern United States.

Acadia Center supports LD 347

Maine is nearly 100% dependent on petroleum to fuel rail, truck, bus, aerospace, marine, and automobile transportation vehicles. Gasoline and diesel fuel prices can be extremely volatile due to global, national, and regional constraints. Transportation accounts for more than half of the state's energy use, emissions, and costs. It is a relatively rural state, necessitating widespread travel within a limited transportation infrastructure base. Maine has few alternative transportation options, although electric vehicles (EVs) are making inroads. In a planned economy-wide transition to electrified transportation, EVs must be supported and incentivized with appropriate rate schedules that promote the installation and operation of EV charging stations throughout the State.

Maine's transportation system requires investment in clean infrastructure and technologies. To help reduce both its dependence on oil and its greenhouse gas and other air pollutant emissions, the State can address these challenges by seeking opportunities through public policy - including incentives for electric cars and trucks, electric vehicle charging infrastructure, better public transit, and more accessible communities for walking and biking. As with all energy and transportation policy decisions, Maine policymakers will always need to keep in mind equity issues when creating or revising clean-transportation programs. LD 347 is one possible policy option and requires Maine transmission and distribution utilities to submit to the Public Utilities Commission by November 2021 proposed incentive rate schedules "designed to align with and support relevant strategies of the State's climate action plan ... to help achieve the State's greenhouse gas emissions reduction levels" for approval by the Commission.

EVs are a small but growing part of the passenger vehicle market in Maine and we must constantly look at ways to lower the cost of EVs to consumers and to facilitate the deployment of publicly available charging infrastructure. Appropriate charging rates are necessary to ensure adequate access to publicly available charging stations to advance EV adoption. New business models and pricing alternatives will help foster publicly available EV charging services and expand private sector investment in EV charging throughout the State. By increasing the number of EV charging stations, Maine can also help to encourage the purchase EVs, which will reduce dependence on oil with volatile pricing and decrease CO₂ emissions in Maine from the transportation sector.

Deploying EV fast charging infrastructure will accelerate the transportation electrification needed to meet Maine's greenhouse gas emission reduction requirements. Demand charges, which were not designed for EV charging applications, can make EV fast chargers prohibitively expensive. As mentioned above, LD 347 requires electric utilities to propose alternatives to traditional, demand-based electricity rates for high-powered EV charging stations that are responsive to the new grid load necessary to achieve increased EV adoption. By instigating direct current (DC) fast charging, we can increase EV driver-range confidence, allow for increased community charging in areas without ready access to dedicated charging stations, support environmental justice goals in many of those areas, and ensure that Maine is a welcoming destination for EV-driving tourists. These alternative rates help meet the needs of EV drivers, the grid, businesses hosting DC fast chargers, and ratepayers. Regular electricity rates are not designed with EV fast charging in mind and can be a significant barrier to deploying faster charging stations. Owners and operators of DC fast chargers can face significant economic burdens through demand charges because of the few peak charging sessions each month that effectively penalize site hosts and station owner-operators for turning on their stations. Establishing alternatives to traditional, demand-based electricity rates would help ensure equitable and widespread access to EV options and benefits and improve the financial viability of DC fast charging.

Maine utilities are a key partner, and major beneficiary, of beneficial electrification. As such, they should offer alternative rate schedules to help offset high electricity prices based on the time of day and week that consumers use charging stations. Utilities already apply time-of-use pricing rate structures and will play a more critical role in accelerating adoption of EVs, as their profits will rise based on a strategic electrification approach to transportation. LD 347 allows for properly designed rates that send the appropriate price signals to customers.

Acadia Center urges the Committee to support LD 347 and looks forward to working on Maine's clean transportation policy, programs, and incentives.

Thank you again for the opportunity to provide testimony. Please do not hesitate to contact me if you have any questions.

For more information:

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