



Testimony of the Efficiency Maine Trust
Michael D. Stoddard, Executive Director

NEITHER FOR NOR AGAINST
LD 347 - An Act To Facilitate Maine's Climate Goals by Encouraging Use of Electric Vehicles

Presented to the Joint Committee on Energy, Utilities and Technology (EUT)

February 25, 2021

Senator Lawrence, Representative Berry, and Members of the Committee on Energy, Utilities and Technology,

The Efficiency Maine Trust (the Trust) appreciates the opportunity to testify today neither for nor against *LD 347 - An Act To Facilitate Maine's Climate Goals by Encouraging Use of Electric Vehicles*.

Background of Efficiency Maine Trust Involvement with EV Chargers

Since 2018, the Trust has been actively working to facilitate Maine's access to cleaner, more affordable transportation through a transition to electric vehicles (EVs). We are proud to have contributed to Maine's recent ranking as the 9th best state in the U.S. for initiatives to support EVs.¹

Governor Mills' Administration's strong support for electrification of transportation is well known, and the Maine Climate Council's report to this body has reinforced the importance of EVs in Maine's transportation future.

Maine's support for a transition to EVs is bipartisan. It should not be forgotten that former Governor LePage also supported the development of EV infrastructure in Maine. On March 9, 2016, Governor LePage jointly announced with Premier Couillard an initiative to build a public-private partnership to expand EV infrastructure between the State of Maine and Quebec. In the press release, Governor LePage said,

"Tourism is our biggest industry, and it is critical that we ensure we have the electric vehicle infrastructure to ensure that the people of Quebec can continue to visit our beautiful state. The history of the Quebec and Maine relationship is strong, and we must maintain our connectivity with modern transportation infrastructure. Electric vehicles have made significant progress and are coming to Maine. It's vital we have a plan to make Maine open to this important technological change."²

¹ Plug-In America, *Top 25 States Supporting the EV Driver*, February 2021.

² Press Release, "Governor LePage and Quebec Premier Couillard Announce Electric Vehicle Corridor Initiative," March 9, 2016.

Since 2018, the Trust has been fully committed to advancing Maine’s initiatives to establish a public network of EV chargers. Using only Volkswagen (VW) settlement funds, and no taxpayer funding, the Trust provided more than \$2 million in grants for the development of high-speed chargers (“Level 3” or “Direct-Current Fast Charging [DCFC]”) in locations along strategic corridors connecting Quebec, New Hampshire, Massachusetts and Maine. These chargers are located at:

- the Turnpike Plazas at
 - Kennebunk Northbound;
 - Kennebunk Southbound; and
 - West Gardiner;
- the Hannaford supermarkets in
 - North Windham on Route 302;
 - Farmington at the intersection of Routes 2 and 27; and
 - Skowhegan serving Routes 2 and 201; and
- the Trailside One Stop (Gulf) in Jackman on Route 201.

On February 5, 2021, the Trust issued its second solicitation³ high-speed EV chargers, seeking bids for installations in the following target areas:

- I-95 from Waterville to Bangor/Brewer (inclusive);
- Route 1 from Rockland to Ellsworth (inclusive); and
- I-95 in Lewiston-Auburn.

We will finalize contracts through this process in the early summer and hope to see the EV chargers installed before year-end. The budget of \$2 million for these chargers comprises \$1 million from VW settlement funds and \$1 million from the settlement of the New England Clean Energy Connect (NECEC) project. Bids are due April 21, 2021. According to the US DOE’s online calculator tool “EVI Pro Lite”, when the completed projects from this solicitation are added to high-speed chargers already installed around the state, there will be sufficient high-speed charger capacity to serve approximately 30,000 EVs. We are making excellent progress.

In addition to high-speed chargers, the Trust has also been promoting expansion of mid-speed (Level 2) Community Chargers. Through three rounds of competitive bidding, the Trust has awarded grants to develop 128 mid-speed EV chargers at workplaces, retail establishments, apartment complexes, and municipal parking areas from Northern Maine Medical Center in Fort Kent to the City of Auburn, and from Husson University to Unum. These grants are funded with money from the VW settlement and through a pilot project awarded by the Maine Public Utilities Commission (the Commission) pursuant to LD 1464, passed in the 129th Legislature.⁴

Related to the development of the EV charger network, the Trust’s initiatives include the launch of a statewide EV rebate program – the “EV Accelerator” -- and a public information and outreach campaign. The EV Accelerator has provided incentives on nearly 900 new all-electric and plug-in electric vehicles sold in Maine. The Trust remains committed to leveraging these funds to provide comprehensive, equitable incentive offerings that serve to accelerate Maine’s EV marketplace and thereby advance the state’s climate goals.

³ [RFP EM-010-2021 – Efficiency Maine Trust Request for Proposals for Electric Vehicle Charging Stations – Phase 3. February 5, 2021.](#)

⁴ Public Law, Chapter 365, 129th Maine State Legislature, First Regular Session. [LD 1464, An Act To Support Electrification of Certain Technologies for the Benefit of Maine Consumers and Utility Systems and the Environment.](#)

The Bill

LD 347 proposes to require the Commission to establish “incentive rates” for the installation and operation of EV charging stations. It directs utilities to file proposed incentive rates and directs the Commission to review and approve the proposals if they align with and support the State’s climate action plan. It further directs the Commission to evaluate the costs and benefits of the proposed incentive rates.

The Trust looks forward to working with the bill sponsor and other stakeholders to provide further clarification on how this legislation would work. Some questions we hope to better understand by the time of the Work Session include:

1. What is meant by “incentive rate?” Does the bill simply seek rate design that more fairly and accurately reflects the transmission and distribution (T&D) system cost impacts from EV chargers compared to the current design of demand charges? Or does the bill literally seek to provide a financial incentive that will use funds from other ratepayers to subsidize the cost of installing EV chargers?
2. Does the bill seek to address rates for all EV chargers, regardless of size and speed, including mid-speed (Level 2) chargers? Or is it intended to address only high-speed (Level 3 or DCFC) chargers?
3. Does the bill seek to address rates for EV chargers across all ownership and use categories, regardless of whether they are public or private, non-residential and residential?
4. Does the bill aim to encourage consideration of time of use rates to discourage on-peak charging and encourage off-peak charging?

With regard to mid-speed (Level 2) chargers for private use, the Trust is skeptical that this is an appropriate objective of ratepayer subsidy at this time. The price and operating costs of these chargers are not generally a steep barrier except for certain limited customer segments. Regarding mid-speed chargers for commercial or public use, some incentive is appropriate to ensure effective and equitable distribution of charging facilities across the state. But it is unclear why such an incentive is most appropriately paid by electricity ratepayers, nor why it is necessary at this time. If all of the NECEC settlement funds that have been agreed to come to fruition, the Trust estimates it will have sufficient funds to incentivize more than 500 new mid-speed chargers on top of the more than 400 already in place in Maine. This would be sufficient to serve approximately 15,000 EVs in the state (there are currently less than 5,000). (Also note, US DOE studies indicate that 80% of EV charging is done at private chargers at homes and businesses, usually overnight.)

With regard to high-speed (Level 3 or DCFC) chargers, it is certainly appropriate for the Commission to review utility rates to better understand if the current rates accurately reflect the principle of “cost causation.” Assuming that rates are put in place to reflect cost causation, it would also be appropriate to gather data and analysis to gauge whether developers of high-speed chargers: (a) need temporary relief from demand charges until there are enough EVs on the road from which to recover the operating costs of the chargers; (b) they need permanent relief on demand charges; (c) they need no relief at all. Any costs that EV chargers cause on the system that are not recovered through the rates paid by their operators will, we presume, be passed on to other ratepayers. Given the critical objectives of promoting increased purchase and use of low-cost heat pumps, heat pump water heaters, and EVs, the Trust believes it is essential that Maine keep electricity rates low and competitive. As such, adding further incentives through rates will tend to have a perverse incentive on the purchase and use of electric devices (and vehicles) and

should not be undertaken lightly.

As noted above, if the goal of this bill is to move beyond addressing unfair rate design to establish new financial incentives for fast chargers, it is not entirely clear to the Trust why electricity ratepayers are the most appropriate source of funding for this purpose. For one thing, if all of the NECEC settlement funds that have been agreed to come to fruition, the Trust estimates it will have sufficient funds to incentivize more than 50 new universal high-speed chargers (DCFC) on top of the more than 114 already in place in Maine. The appropriateness of incentivizing EV chargers through electricity rates should be weighed against the prospects for alternative sources of funding, such as federal government programs, manufacturer's promotions, or environmental regulations.

The Trust looks forward to participating in further discussions around this bill.

Respectfully,

/s/MDS

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