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PRATT'S

# ENERGY LAW

## REPORT



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# State Investments in Electric Vehicle Charging Infrastructure

*By Jake Levine and Michael Rebuck\**

*The road to transportation electrification is officially under construction following several major state investments. The authors of this article explain the latest initiatives.*

Various studies indicate that an overall lack of charging infrastructure serves as an impediment to the widespread adoption of electric vehicles (“EVs”). However, the road to transportation electrification is officially under construction following several major state investments.

## CALIFORNIA

At the end of May, in the largest single state-level investment in EV charging infrastructure, the California Public Utilities Commission (“CPUC”) approved more than \$760 million worth of transportation electrification projects by the State’s three investor-owned utilities. The CPUC’s decision<sup>1</sup> authorized Pacific Gas and Electric Company (“PG&E”) and Southern California Edison (“SCE”) to install vehicle chargers at more than 1,500 sites supporting 15,000 medium or heavy-duty vehicles. Rebates were approved for San Diego Gas & Electric (“SDG&E”) residential customers for installing up to 60,000 240-volt charging stations at their homes. Moreover, PG&E was authorized to build 234 DC fast-charging stations.

Besides the total spend and resulting emissions reductions represented by the Commission’s action, the Proposed Decision is also notable for the policy priorities it advances. For instance, it clearly prioritizes the creation of electrification-related benefits for California’s disadvantaged communities (“DACs”).<sup>2</sup> Accordingly, the CPUC focused on promoting construction of charging infrastructure in DACs. For example, the PG&E fast charging program will

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<sup>1</sup> See A.17-01-020, Proposed Decision of ALJs Goldberg and Cook (May 31, 2018), <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M215/K380/215380424.PDF>.

<sup>2</sup> The authorizing legislation, SB 350, found that “[w]idespread transportation electrification requires increased access for disadvantaged communities . . . and increased use of [EVs] in those communities . . . to enhance air quality, lower greenhouse gases emissions, and promote overall benefits to those communities” § 740.12(a)(1)(C) (De Leon).

target construction in DACs by providing up to \$25,000 per DC fast charger in rebates to cover a portion of the charger cost for sites located in DACs.

The CPUC also prioritizes the survival of non-utility charging competition. For example, the Proposed Decision eliminates utility ownership of the charging infrastructure on the customer side of the meter in the SDG&E residential charging program. Additionally, for the PG&E and SCE's medium and heavy-duty programs, the utilities will own make-ready infrastructure, but not the Electric Vehicle Supply Equipment ("EVSE"). Instead, the utilities will allow customers to choose their own EVSE models, EVSE installation vendors, and any network services providers.

The CPUC noted several benefits of allowing the utility to own electrification infrastructure only up to the point of the EVSE stub. First, the Commission found that "[u]tility ownership of the charging infrastructure dramatically drives up costs, in comparison to alternative ownership models." Instead, restricting utility ownership of charging equipment will allow more charging infrastructure to be built at the same (or lower) cost to ratepayers. Second, it allows private parties to compete and innovate, which will improve charging technology and lower costs. Lastly, non-utility competition addresses "stranded cost" fears, since private parties will bear the risks of nascent charging technologies.

While California has made the largest commitment, other states have also joined the effort to pave a national road toward the widespread adoption of EVs.

## **NEW JERSEY**

In New Jersey, utility company PSE&G recently proposed spending \$300 million to set up a network of up to 50,000 charging stations. This investment would constitute a massive upgrade to New Jersey's charging infrastructure, which currently consists of less than 600 charging stations according to U.S. Department of Energy data. The proposed investment is part of a larger \$5.4 billion expansion in PSE&G's five-year infrastructure plan, and represents the first major proposal of New Jersey's largest utility to invest in EV infrastructure.

## **NEW YORK**

In New York, Governor Andrew Cuomo announced<sup>3</sup> a \$40 million commitment (that could grow to \$250 million by 2025) by the New York Power Authority for its EVolve NY initiative. The new funding will be used to build fast chargers and to support EV model communities. EVolve NY is a part

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<sup>3</sup> <https://www.governor.ny.gov/news/governor-cuomo-announces-250-million-initiative-expand-electric-vehicle-infrastructure-across>.

of the broader Charge NY 2.0 initiative, which advances electric car adoption by increasing the number of charging stations statewide. The new funding will aid New York as it aims to meet its particularly ambitious goal of 800,000 electric vehicles on the road by 2025.

### **MASSACHUSETTS**

Late last year, the Massachusetts Department of Public Utilities approved<sup>4</sup> a \$45 million charging station program by local utility, Eversource. The program includes investments to support the deployment of almost 4,000 “Level 2 Stations” and 72 DC Fast Charging stations. Even more investment could be on its way to Massachusetts as utility company National Grid has also proposed investing in charging station infrastructure.

### **MARYLAND**

And in Maryland, utility companies have proposed<sup>5</sup> spending \$104 million to build a network of 24,000 residential, workplace and public charging stations. The program, currently before the state’s Public Service Commission, would be a major part of Maryland’s effort to reach 300,000 electric vehicles on the road by 2025.

### **FEDERAL ACTION**

On the federal level, energy-related projects could be eligible for the \$20 billion “Transformative Projects Program” announced by the Trump administration in February. However, President Trump recently remarked that his infrastructure plan will likely have to wait until after this year’s midterm elections. In the meantime, states have shown that they are more than willing to take the lead in investing in transportation electrification infrastructure.

### **AND MORE . . .**

In related news, Colorado’s decision<sup>6</sup> to move toward adopting California’s greenhouse gas emissions standards for light-duty vehicles represents a parallel and noteworthy development, further indicating leadership and action from states focused on developing advanced vehicle technology. It is also notable that in addition to utility commission activity, states are also expressing support for advanced vehicle technology. While the states have certainly taken a lead, their investments also complement significant action in the private sector, including the recent effort to stand up the Transportation Electrification Accord.

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<sup>4</sup> <https://www.mass.gov/news/department-of-public-utilities-announces-final-order-for-energy-rates>.

<sup>5</sup> [http://www.psc.state.md.us/wp-content/uploads/ELECTRIC-VEHICLES\\_-Md.-group-submits-plans-for-utility-led-charger-expansion-Monday-January-29-2018-www.eenews.pdf](http://www.psc.state.md.us/wp-content/uploads/ELECTRIC-VEHICLES_-Md.-group-submits-plans-for-utility-led-charger-expansion-Monday-January-29-2018-www.eenews.pdf).

<sup>6</sup> <https://www.denverpost.com/2018/06/19/colorado-california-emission-vehicle-standards/>.