Electric Vehicle Trends & Key Issues

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KEY FACTS
- More than 1.1 million EVs are on the road in the U.S.
- Total EV sales for 2018 were up 81% compared to 2017.
- Q4 2018 was the best sales quarter ever with more than 120,000 EVs sold.

Price of Driving on Electricity (per gallon)

THE COST OF DRIVING ON ELECTRICITY IS LESS THAN GASOLINE

On average, it costs about $1.25 per gallon to charge a car with electricity based on the U.S. Department of Energy’s “eGallon” methodology, which compares a state’s average residential electricity rate with its average gasoline price. The cost will vary by state, from $0.83 per gallon in Louisiana to $2.95 per gallon in Hawaii.

Source: https://www.energy.gov/eere/electricvehicles/saving-fuel-and-vehicle-costs; Data updated January 26, 2019
Proposal
On December 21, 2018, Dayton Power & Light (DP&L) filed a distribution modernization plan with the Public Utility Commission of Ohio (PUCO). The plan is responsive to the PUCO’s PowerForward Roadmap issued in 2018 and includes $576 million in capital investment over the next decade. Included in this plan is a $7.2-million transportation electrification pilot. Over a three-year period, DP&L plans to install, own, and operate approximately 50 charging stations, which will be a mix of Level 2 and DC Fast Chargers, throughout its service area. The chargers will be located along the major interstate corridor and in retail stores, airport parking areas, and movie theater parking lots. In addition, DP&L will propose an intelligent charging rate for EV owners to encourage vehicle charging during off-peak hours. (Docket 18-1875-EL-GRD)

Approval
On December 20, 2018, the Pennsylvania Public Utility Commission approved Duquesne Light Company’s (Duquesne’s) settlement agreement authorizing approximately $1.5 million for an EV pilot. The settlement allocates $500,000 for make-ready infrastructure and DCFC stations for Duquesne fleet vehicles and for an electric bus evaluation project with the Port Authority of Allegheny County. The remaining funds will be used for make-ready infrastructure on Duquesne’s side of the meter and will provide rebates for customer-side-of-meter make-ready infrastructure installed to support Level 2 charging stations. Additional program components include a $60 credit (with a $70,000 annual max) to customers who register their EV with Duquesne, and $200,000 annual funding for customer education and outreach. (Docket R-2018-3000124)

Approval
On December 20, 2018, as part of its approval of the settlement agreement in PECO Energy Co.’s (PECO’s) 2018 electric distribution rate review, the Pennsylvania Public Utility Commission approved PECO’s five-year EV DCFC Pilot Rider (EV-FC). The rider, effective July 1, 2019, and available to applicable commercial or industrial customers that own at least one publicly available Level 3 DCFC, will provide a demand credit to the customer’s billed distribution demand. The credit, intended to encourage deployment of infrastructure to support vehicle electrification, will be equal to 50 percent of the combined maximum nameplate capacity rating for all DCFCs connected to the service. Eligible customers will receive the credit for up to 36 months or until the pilot ends, whichever comes first. (Docket R-2018-3000164).

Approval
On January 9, 2019, the Michigan Public Service Commission approved a settlement agreement authorizing a $10 million, three-year “PowerMIDrive” program proposed by Consumers Energy. Residential customers who purchase an approved charger and sign up for the new Nighttime Savers Rate, which encourages charging during the night, will receive a $500 rebate. Consumers Energy also will offer $5,000 rebates for the installation of up to 200 Level 2 charging stations at multi-unit dwellings, workplaces, and other publicly accessible locations, and up to $70,000 in rebates for the installation of 24 DC Fast Chargers (DCFC). The Commission issued a separate order approving regulatory asset treatment of the program costs, which was not resolved in the terms of the settlement. (Docket U-20134).
ELECTRIC VEHICLE TRENDS & KEY ISSUES

THE HIGHWAY TRUST FUND AND EVS

The Highway Trust Fund (Fund) is a federal account that collects revenues from taxes on motor fuels, with those funds supplementing state and local dollars for highway and mass transit projects. The Fund has had budget shortfalls for more than a decade, with that gap continuing to increase.

Outlays from the Fund are projected to exceed reserves starting in 2021 for multiple reasons: the gasoline tax is not indexed to inflation (it has been 18.4 cents per gallon since 1993), and overall increasing fuel efficiency means that all vehicles are paying less into the fund.

Currently, battery electric vehicles and plug-in hybrids (operating in all-electric mode) do not contribute to the Highway Trust Fund today. All vehicles should help fund infrastructure maintenance and improvements fairly and proportionally. From 2011 through 2016, EVs are estimated to have displaced about 391 million gallons of fuel, the equivalent of about $72 million in revenue to the fund. (More detail: ANL)

OUR TAKE

STATE POLICY

- On December 18, 2018, the Arizona Corporation Commission (ACC) adopted an all-encompassing EV policy statement intended to encourage regulated electric companies to invest in infrastructure and to develop programs to support the growth of electric transportation. Suggested actions included: the proposal of pilot programs for information gathering; designing of optional rates for encouraging off-peak charging; and the development of customer education and outreach programs. The ACC also requested information pertaining to the proliferation of an electrified transportation system’s impact on the energy grid to be included in future Integrated Resource Plans. (More detail: ACC EV Policy Statement)

- On January 17, 2019, Colorado’s Governor Jared Polis issued an Executive Order directing the Colorado Department of Public Health and Environment to develop a rule establishing the Colorado Zero Emission Vehicle (ZEV) program. If adopted, Colorado would become the 10th state to adopt California’s ZEV program, increasing the share of the U.S. auto market subject to the ZEV program to about 30 percent. (More detail: Executive Order B 2019 002)

- DC Mayor Muriel Bowser signed the CleanEnergy DC Omnibus Amendment Act of 2018 on January 18, 2019, which requires 100 percent of public buses, privately owned fleets, and taxis licensed to operate in the District to be zero-emission by 2045. No later than July 2021, the DC Department of Transportation will be required to submit a comprehensive clean vehicle transition plan with policy recommendations to achieve at least 25 percent zero-emission vehicle registrations by 2030. The Department of Motor Vehicles also will revise the vehicle excise tax amount to depend upon a vehicle’s fuel efficiency. (More detail: Clean Energy Omnibus)

APPROVAL

On January 14, 2019, the Maryland Public Service Commission issued an order authorizing Baltimore Gas & Electric, Pepco, Delmarva Power, and Potomac Edison Co. to proceed with a modified five-year pilot program to support the deployment of 5,000 chargers. The program includes a $300 rebate to residential customers who install Level 2 smart chargers; incentives for the installation of chargers at multi-unit dwellings; electric company-owned and operated charging stations at government-owned locations; and the development of a residential EV-only time-of-use rate. In addition, up to five percent of program costs can be allocated to education and outreach and costs. (Docket 9478)

POLICY UPDATE (CONT.)
MEMBER SPOTLIGHT: EDUCATION AND OUTREACH ABOUT EVS

PACIFIC POWER

Pacific Power’s three-year outreach and education pilot program aims to increase customer exposure to and understanding of electric transportation and its benefits across its Washington, Oregon, and California service areas. The pilot program includes communicating with customers through advertising and newsletters; developing self-service resources that will allow customers to locate tailored information about EVs easily; coordinating and promoting community events including ride-and-drives; and providing technical assistance to non-residential customers interested in installing EV charging infrastructure by performing on-site charging feasibility assessments. Throughout the duration of the pilot, from 2017 to 2019, Pacific Power is collecting and analyzing program data and metrics to help inform future program development. (Docket UM-1810, OR; A17-06-031, CA; UE-180757, WA)

XCEL ENERGY

To raise awareness about EVs and learn about what approaches resonate the most with customers in Minnesota, Xcel Energy recently began to roll out education and outreach for its Residential EV Service Pilot Program. A combination of targeted marketing and social media are being used to encourage customers to participate in the pilot. Additionally, Xcel Energy will be evaluating the pilot to further enhance its customer offerings and compile materials for peer-to-peer recommendations and sharing of information. Lastly, to encourage auto dealers to promote the pilot program, Xcel Energy is providing a $100 payment to auto dealers for each customer who participates in the pilot. (Docket M-17-817)

TAMPA ELECTRIC, AN EMERA COMPANY

Recognizing the importance of informing customers – or in this case future customers – about EVs, Tampa Electric Company has partnered with high school driver’s education programs to teach students about the operation, maintenance, and ownership of EVs. The curriculum includes: proper driving skills to maximize the efficiency of driving an EV; different types of charging technologies; and information about how electric rates are set and when charging is least expensive. The program is expected to have more than 5,600 participants. (Docket 170015-EI)

MAUI ELECTRIC COMPANY

Through an ongoing initiative, Maui Electric Company is engaging middle and high school science, technology, engineering, and mathematics students at company-hosted EV fairs across the island. Students aid attendees, typically Maui Electric customers, by helping them to navigate the company’s EV Wattplan, a tool that helps potential buyers make informed decisions when purchasing an EV. This provides students with the opportunity to share their knowledge about the benefits of EVs with Maui Electric customers.