



Pallone Bill Can Help Put Charge in Electric Vehicle Charging Stations | Risalvato

By: Sal Risalvato, February 17, 2020

Congress has struggled to achieve substantial wins on policies that reduce greenhouse gas emissions and address climate change. The New York Times has even pointed out that despite making climate change a top priority, the "record of legislative victories is thin" when it comes to this issue. Thankfully, our home-state congressman, Frank Pallone, is taking action.

Given his position as chairman of the House Energy and Commerce Committee, Pallone has a unique opportunity to lead on these issues. In January, he stood alongside his top Democratic colleagues on the committee and introduced a framework for legislation, called The CLEAN Future Act, which presents "sector-specific and economy-wide solutions to address the climate crisis."

The draft text of this legislation that was recently released incorporates many positive proposals that would make a meaningful difference in reducing greenhouse gasses. One critical component of this bill is the language regarding electric vehicle infrastructure. Electric vehicles are the future of our transportation system and can help address the biggest contributor to our country's carbon emissions, which is the transportation sector. As such, I have asked my members who own gas stations, an already existing and proven fueling infrastructure, to alter their thinking that they are not just in the gasoline business, but rather that "they are in the transportation energy business."

One of the biggest hurdles to transitioning to electric vehicles is the lack of charging stations. Thankfully, Pallone's bill encourages electric vehicle charging infrastructure deployment by supporting private-sector planning and investment in charging networks. It is critical that the private sector is included in this equation because it has already proven to be an effective source of fuel for traditional vehicles.

In addition, this bill would urge states to ensure that private companies that provide charging stations, like gas stations, aren't designated as utilities. This would remove a huge concern for small businesses, which are interested in building infrastructure to fuel electric vehicles, but are clearly not utility companies and shouldn't be regulated as such.

While this bill's electric vehicle infrastructure policies are headed in the right direction, unfortunately across the country we are seeing states and localities take the wrong approach — allowing utility companies to raise rates on all of their electricity customers to build charging stations.

In San Diego, San Diego Gas & Electric has spent \$70 million in funds not from electric vehicle owners, but from all its other customers to build thousands of chargers. This cost has been passed on to electricity customers across the board, regardless of whether they own an electric vehicle. And an increase in electric bills has disproportionate negative effects on low-income communities. In addition, this influx of cash on the backs of electricity customers will undoubtedly chase away private-sector investment because of the inability to fairly compete for customers.

Without private-sector investment, the end result will be fewer charging stations, the opposite of the policy goals of most Californians.

In New Jersey, a new law that passed recently set aside \$30 million to fund rebates for those who buy electric vehicles and provides additional incentives for people who install charging stations. That money will come from a surcharge on utility bills that residents and businesses currently pay and is typically used to help low-income residents pay their utility bills.

This plan reallocates some of those funds and is therefore not a new fee that utility customers have to pay — yet. But given that the program is limited to \$30 million, it will only cover roughly 7,500 electric vehicles, far short of the 330,000 the state wants to have on the road by 2025. Raising costs on poor people to pay for electric vehicles is the wrong way to go when the private sector is moving in that direction anyway. Hopefully, legislators won't let utility companies raise costs on all electricity customers, particularly on working-class families, to preempt private-sector investment and shrink the overall development of electric vehicle charging.

Here and across the country, states are debating how to handle transitioning our transportation system to prepare for an electric vehicle boom in the smartest way possible, and unfortunately some states are taking the wrong approach. Thankfully, The CLEAN Future Act encourages a competitive marketplace for electric vehicle charging infrastructure, which will effectively produce more charging stations, while not hurting working-class families.



Sal Risalvato (Photo: Courtesy of Sal Risalvato)

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