

# NATIONAL ASSOCIATION OF STATE UTILITY CONSUMER ADVOCATES

## Resolution 2018 - 02

### URGING THE ADOPTION OF POLICIES AND REGULATIONS TO PROTECT RATEPAYERS AS ELECTRIC VEHICLE ADOPTION RATES INCREASE

*Whereas*, the rate of adoption of electric vehicles<sup>1</sup> that utilize electricity from the grid to charge, whether at home, at a workplace, or at a charging station, is increasing;<sup>2</sup> and

*Whereas*, the purchase of electric vehicles may impact utilities' decisions regarding distribution system investments, the development of proposals for charging system infrastructure investment, and rate structures, and therefore may impact the electric rates paid by both electric vehicles owners and other ratepayers; and

*Whereas*, some project that electric vehicle adoption will continue to increase rapidly,<sup>3</sup> with some even projecting that 50% of new car sales in 2040 will be electric vehicles;<sup>4</sup> and

*Whereas*, electric vehicles add to overall electric load, but when coupled with effective consumer education, incentives, and rate design, might serve to mitigate the impact of electric vehicle charging on ratepayers through additional electric revenue and reducing the effect of electric vehicle charging on existing grid resources through peak shaving and shifting demand to times when capacity is plentiful; and

*Whereas*, some states and municipalities have adopted goals and plans to increase the adoption rate for electric vehicles to reduce the transportation sector's contribution to greenhouse gas emissions, without specifying the nature of the role of the public utility in electric vehicle adoption and whether ratepayers should be financially responsible for infrastructure investments;

*Whereas*, the core responsibilities of any public utility remain the same with the addition of any new load, including electric vehicle load, on a distribution system, which are to maintain the safety, reliability, and affordability of the electric system for the benefit of its ratepayers;

*Whereas*, some policymakers, utilities, and electric vehicle advocates are proposing various utility roles in order to promote electric vehicle adoption including rapid expansion in the electric vehicle

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<sup>1</sup> In this resolution, the term "electric vehicles" refers to both all-electric vehicles and plug-in electric hybrid vehicles.

<sup>2</sup> For instance, according to the Atlas EV Hub, the amount of U.S. electric vehicles purchased has increased from about 18,000 in 2011 to about 195,000 in 2017. Based on the most recently available quarterly data, about 54,000 electric vehicles were purchased between January 1, 2018 and March 31, 2018 as compared to about 41,000 electric vehicles purchased during the same time period in 2017. See [atlasevhub.com](http://atlasevhub.com) for additional information (the national EV sales data is from HybridCars.com, available at <http://www.hybridcars.com/market-dashboard>).

<sup>3</sup> February 2018 of the Edison Electric Institute entitled "Accelerating Electric Vehicle Adoption," available at: [http://www.eei.org/issuesandpolicy/electrictransportation/Documents/Accelerating\\_EV\\_Adoption\\_final\\_Feb2018.pdf](http://www.eei.org/issuesandpolicy/electrictransportation/Documents/Accelerating_EV_Adoption_final_Feb2018.pdf)

<sup>4</sup> See, e.g., Bloomberg New Energy Finance's report entitled "Electric Vehicle Outlook 2018," which projects that 55% of new car sales in 2040 will be electric vehicles, and that at that point 33% of the global auto fleet will be electric.

charging infrastructure,<sup>5</sup> potentially funded at least in part by the ratepayers; and

***Now, therefore, be it resolved,*** that NASUCA encourages states to continue to evaluate and analyze key electric vehicle adoption issues with an emphasis on the core responsibilities of public utilities, a specific focus on the efficient integration of electric vehicles and charging infrastructure into their systems, the avoidance of adverse impacts on the system from electric vehicle loads, the development of alternative rate designs if appropriate, the adaptation of distribution planning to minimize system risks and provide the opportunity for longer term system and cost benefits for their ratepayers, and the equitable sharing of any costs and benefits;

***Be it further resolved,*** that NASUCA encourages dialogue in each state among stakeholders with the goal of developing consensus policy solutions for electric vehicles that protect the interests of all ratepayers; and

***Be it further resolved,*** that NASUCA recommends, in accordance with and to the extent allowed by federal and state laws, that neighboring states should work jointly together on developing compatible regional policies; and

***Be it further resolved,*** that while policy design may differ between states, NASUCA maintains that managing the demand of electric vehicle owners for electricity with the goal of creating a more efficient, reliable, equitable, environmentally responsible, and less costly electric system should be at the center of all electric vehicle policy discussions; and

***Be it further resolved,*** that NASUCA maintains, to the extent the transportation system electrifies, it will be important to recognize that charging patterns will impact system load shape and could result in costs or benefits to the utility system. Accordingly, NASUCA encourages states to consider developing tools like time-based rate options or other appropriate rate designs for customers charging electric vehicles, separate tariffs for electric vehicle charging, smart charging programs where the utility and customers coordinate to shift electric vehicle charging loads to appropriate times, load management practices, demand response, and other innovative applications, such that electric vehicle loads will be managed in the interest of all ratepayers; and

***Be it further resolved,*** that NASUCA maintains that any rate options, rate design changes, applications developed for customer use, or any other utility-related programs for electric vehicle owners must be accompanied by appropriate consumer protections, including robust consumer education materials and data privacy requirements and to the extent they would be adversely affected additional protections for disadvantaged or low income ratepayers; and

***Be it further resolved,*** that NASUCA maintains that any utility proposals to develop electric vehicle infrastructure through ratepayer charges must be supported by a rigorous analysis of the benefits and costs for the ratepayer, including the benefits and costs for disadvantaged or low-income ratepayers, with each state determining the type and scope of the benefits, costs and risks that are taken into account; and

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<sup>5</sup> *Id.*

***Be it further resolved,*** that NASUCA recommends states consider whether public utility involvement in the development of electric vehicle charging stations might limit entrance or competition that might otherwise benefit consumers and whether that involvement might cause ratepayers to take on risks that could or should more appropriately and cost-effectively be borne by private enterprise; and

***Be it further resolved,*** that NASUCA maintains that any utility proposals to promote electric vehicle adoption and/or develop electric vehicle infrastructure through ratepayer investments must leverage all related private, state and federal funding sources; and

***Be it further resolved,*** that NASUCA recommends to protect monopoly distribution customers from subsidizing competitive services that any tariffs for electric vehicle charging should be cost-based, without reliance on cross-subsidies from other ratepayers; and

***Be it further resolved,*** that NASUCA recommends the costs associated with the promotion and development of the electric vehicle industry be borne by the transportation sector, consistent with principles of cost causation; and

***Be it further resolved,*** that for electric vehicle charging stations supported by utility rates, NASUCA encourages policies that ensure compatibility with all commercially available makes of electric vehicles; and

***Be it further resolved,*** that NASUCA authorizes its Executive Committee to develop specific positions and to take appropriate actions, including litigation, consistent with the terms of this resolution. The Executive Committee shall advise the membership of any proposed action prior to taking such action, if possible. In any event, the Executive Committee shall notify the membership of any action taken pursuant to the resolution.

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Submitted by the DER Committee and the Electric Committee

Adopted by the Membership  
Minneapolis, Minnesota  
June 24, 2018