GREEN ENERGY CONSUMERS ALLIANCE

Representative Solomon, Chair **March 7th, 2024**
House Corporations Committee
Rhode Island House of Representatives
Providence, RI 02908

RE: House Resolution H7353 – Respectfully requesting Rhode Island Energy submit a proposal for new, multi-year electric vehicle programming

Dear Chair Solomon and members of the committee,

On behalf of Green Energy Consumers Alliance and our thousands of members across Rhode Island, **I write in support of House Resolution H7353.** Green Energy Consumers Alliance is a nonprofit based in Boston, MA and Providence, RI working to speed the transition to a zero-carbon future.

Green Energy Consumers Alliance has been attending Rhode Island Energy's (RIE's) quarterly Power Sector Transformation sessions for a few years to learn about and advise on electrification initiatives in the state. At these sessions, we have gotten a look at Rhode Island Energy's draft plans for their Electric Vehicle (EV) Program Filing with the PUC (Public Utilities Commission), now expected this Spring. Given that transportation is the largest source of Greenhouse Gas (GHG) emissions in the state (38%), RIE's EV programming will be a key piece of Rhode Island's approach to meeting the emissions reduction mandate of the Act on Climate. Recognizing this important role, we worked with Representative McGaw to file a resolution requesting key elements that we think RIE EV programs must include to result in adequate emissions reductions. Below are the three keys asks in the resolution, and why we made them:

1. **Include Make Ready and EV Charging Station Incentives in *All* Segments, with greater incentives for low-income individuals**

From what we've seen of their draft plan, we applaud RIE for considering both Make Ready and Electric Vehicle Supply Equipment (EVSE) incentives, with a special emphasis on supporting low-and moderate-income consumers. However, extending similar incentives to the public, workplace, and fleet segments is essential to further accelerate EV adoption. By doing so, RIE can empower cities, towns, nonprofits, fleets, multi-unit dwellings, employers, and businesses to install charging infrastructure, which is crucial for widespread EV adoption. In Massachusetts, the Department of Public Utilities last year approved budgets totaling nearly $400 million for National Grid, Eversource, and Unitil to offer such incentives in these segments. See our blog for more details. Additionally, analysis by Synapse Energy Economics, indicates that the revenue generated from increased EV charging outweighs the costs of such programs, benefiting all ratepayers.

2. **Include Off-Peak Charging Rebates That Account for *All* Benefits**

Off-peak charging rebates are a powerful tool to incentivize EV adoption and prevent grid congestion during peak hours. These rebates must account for ***all*** the benefits of off-peak charging. Previous off-peak charging programs under National Grid only considered the difference in supply or generation costs between peak and off-peak times when calculating the rebate. However, there are numerous additional benefits to shifting load off-peak, including avoided transmission and distribution costs, reduced emissions and emission costs, enhanced

grid reliability, and more. Accounting for these benefits could significantly increase the rebate amount, creating a stronger incentive for consumers to charge their EVs during off-peak hours.

The following table shows an analysis of off-peak charging conducted by Applied Economics Clinic on behalf of Green Energy Consumers relative to a proposal by National Grid in Massachusetts in 2022. While the numbers may be different this year for Rhode Island Energy, the analysis supports our view that EV drivers who charge off-peak should receive a discount large enough to account for all avoided costs. This same point applies to Rhode Island Energy and the Ocean State!

	National Grid calculated off-peak rebate (¢/kWh)	Applied Economics Clinic calculated off-peak rebate (¢/kWh)
Energy cost reduction	2.0	1.2
Capacity cost reduction	3.0	3.0
Transmission cost reduction	0	2.7
Distribution cost reduction	0	3.2
Reliability cost reduction	0	0.8
Capacity DRIPE cost reduction	0	1.4
Emissions cost reduction	0	1.8
Total	**5 cents / kWh in the summer**	**14.1 cents / kWh in the summer**

3. **Programs for Pole-Mounted Chargers**

Recognizing the diverse needs of Rhode Island residents, RIE's plan must include offerings to make charging more available to residents who lack off-street parking and rely on public charging infrastructure to make the switch to EVs. Pole-mounted chargers offer a practical solution to bring charging closer to urban areas and communities without off-street parking options.

Response to Rhode Island Energy

In Rhode Island Energy's testimony regarding this resolution, they state that electric ratepayers alone cannot meet all the state's EV charging infrastructure needs. While it is true that the state must also create charging incentive programs, utility programs to support EV adoption benefit *all ratepayers*, whether they drive electric or not. This is because **the increased revenue from EV charging that the utility programs would support would put a downward pressure on rates.** Data from jurisdictions with a higher level of EV adoption than RI shows that EV drivers pay more into the system than they cost and can push electricity rates down for EV drivers and non-EV drivers.

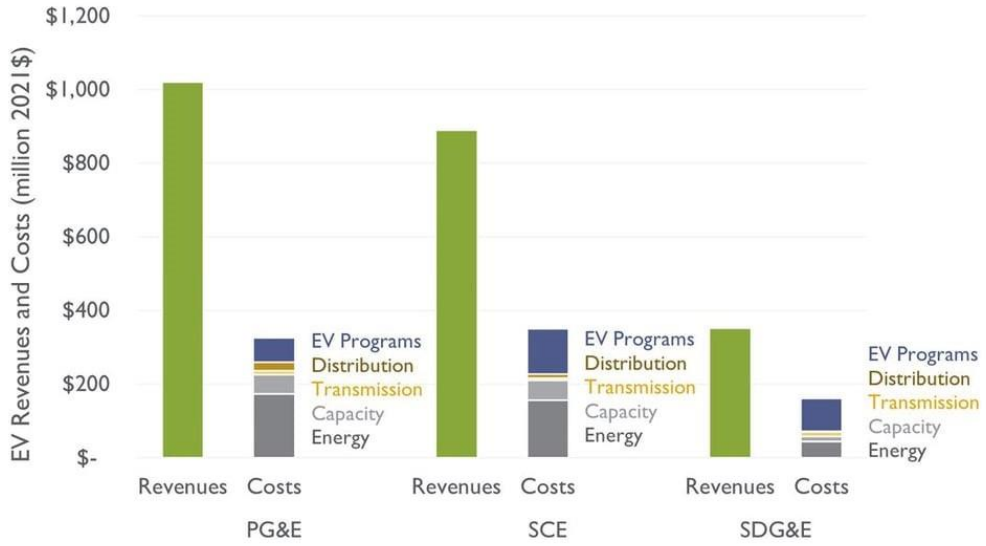
Here are some key studies to illustrate this point:

- This **2020 analysis** by Synapse Energy Economics considers the costs and revenues associated with EV adoption in the service areas of Pacific Gas & Electric (PGE) and

Southern California Edison (SCE) in California between 2012 and 2019. The territory covered by these two utilities has some of the highest EV adoption rates in the country, and Synapse finds that EV revenue exceeded costs by $806 million.

- A **2022 update** repeats this analysis, extending the time period from 2012 to 2021 and adding a third utility, San Diego Gas & Electric. This time, Synapse finds revenue exceeding costs by $1.7 *billion*. (Note that California is way ahead of Rhode Island on EV adoption, which suggests that our state is likely to experience the same results for at least a few more years.)

Figure 4. Revenues and Costs of EV Charging, 2012-2021



- Most recently, this **2023 update** of the Synapse study considers data from across the country, not just California. It finds that "across all regions in the United States, EVs have increased utility revenues more than they have increased utility costs, leading to downward pressure on electric rates for EV owners and non-EV owners alike." You'll note that the difference is the greatest in the West, where EV adoption is also the highest.

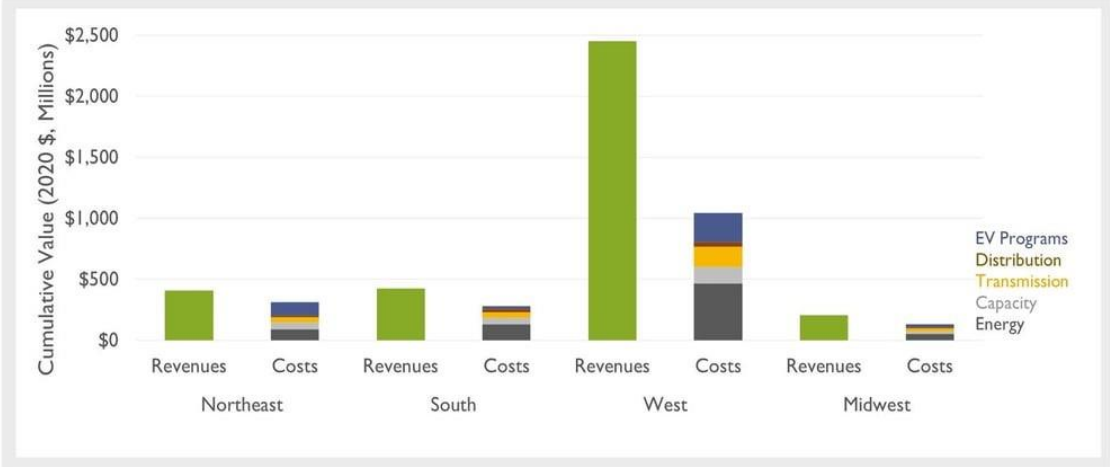


Figure 5. Total Revenues versus Total Costs of EV Charging across the United States by Region, 2011-2020.[15]

You can read our blog on Electric Cars and Cost to the Grid to learn more.

Federal Funding Does Not Go Far Enough

Furthermore, Rhode Island Energy states that they are committed to propose "limited solutions that fill gaps in the marketplace, while leveraging and layering other available funding streams wherever possible." However, federal funding goes nowhere near far enough. The National Electric Vehicle Infrastructure program is great, but it only covers DCFC (Direct Current Fast Charging) along highways, and we know most people want to charge at home. Additionally, the federal tax credit for charging stations is limited to residents in low income or non-urban census tracts.

Conclusion

The three measures requested in this resolution will not only support the state's goal of transitioning to cleaner transportation but also ensure that EV adoption is accessible to all, including lower-income individuals who may face barriers to installation and charging. By implementing these recommendations, Rhode Island can pave the way for a cleaner, more environmentally friendly, and economically sustainable transportation system. Thank you for your consideration of our comments.

Sincerely,

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