



Statement for the Record for Tesla, Inc.

Before the Energy, Utilities, and Telecommunications Committee

February 15, 2017

Tesla would like to thank Chairman Seiwert and other members of the Energy, Utilities, and Telecommunications Committee for the opportunity to submit written testimony on House Bill 2166. Tesla Motors supports this legislation.

I. Background

Tesla is an American manufacturer of all electric vehicles (EVs) and battery storage solutions. Founded in 2003 by five Silicon Valley engineers seeking to end our country's dependence on oil, particularly foreign oil— this U.S. company's core mission is to accelerate the world's transition to sustainable energy.

From the outset, Tesla's plan has been to capitalize the costs of our innovative new powertrain technology in higher end products with a goal of aggressively driving down costs as we iterate the technology in subsequent product offerings. Starting with the market-inspiring Tesla Roadster in 2008, a two-seat sport car, capable of 245 miles of range on a single charge, with a zero to 60mph time of 3.6 seconds and a starting price of \$109,000, we moved quickly to our next offering – the award-winning Model S. Released in 2012, less than a year after the conclusion of the Roadster program, the Model S is capable of achieving over 300 miles of range. With a starting price of \$66,000, Tesla cut in half the cost this next iteration vehicle, while providing vastly improved utility (i.e., seating for five adults and two children in optional rear facing child seats, class-leading storage, Supercharging capability, etc.) and performance (0-60mph times of as little as 2.34 seconds, improved range, driver selectable settings). The Model S has won numerous awards, including being named MotorTrend Magazine's 2013 Car of the Year; Automobile magazine's and Yahoo Automotive's automobile of the year; and more recently, being referred to by Consumer Reports as "the best car they ever tested" scoring 103 out of possible 100. In the third quarter of 2015, Tesla released the Model X, a cross-over vehicle with the seating for up to seven adults and other compelling features. Ramping up production at the end of 2017, Tesla will release the Model 3, the first car based on our third

generation platform, with a starting price of \$35,000 with at least 200 miles of range. This third generation electric vehicle will represent the market entry of a long range, all electric vehicle at a third of the price of the Roadster. Once achieved, this aggressive technology innovation and release will represent a feat in engineering that no other automobile manufacturer has ever matched.

II. Legislation

The current legislation before you, HB 2166, would create a regulatory exemption for electricity sold through electric vehicle supply equipment (EVSE). The exemption allows for EVSE operators to sell charging services by the kWh without the regulatory burden of registering and operating as a utility.

Tesla supports HB 2166 because we believe that EVs are the future to sustainable transport, and we are committed to ensuring consumers have access to fair and consistent charging infrastructure. Without this exemption, EVSE operators opt to sell a “charging service” on a per minute basis rather than sell a specific unit. Charging per kWh is more accurate and reduces confusion.

EV charging at direct current fast chargers (DCFCs) does not occur at a consistent rate across time. Typically, charging occurs quickly when the car is first plugged in, but then slows as the battery nears its full capacity. Thus, paying for a charging service on a per minute basis as currently occurs in Kansas is not an accurate proxy for the amount of electricity used by the consumer.

Most EVs are sold in states that enable non-utilities to sell electricity for purposes of EV charging. Updating Kansas’ statute to do the same would ensure travelers receive a consistent experience across borders. For example, Tesla customers currently pay \$0.13 per kWh to Supercharge in Limon, CO but then pay \$0.18 per minute to Supercharge in Goodland, KS. Consider the parallel to gasoline—it’s like customers pay \$3 per gallon for gasoline in Colorado but then pay \$10 per minute for gasoline in Kansas, which would be confusing to consumers.

Thank you for the opportunity to provide this testimony. We urge you to support House Bill 2166 so that consumers residing in and/or traveling through Kansas will have access to fair pricing for EV charging services.