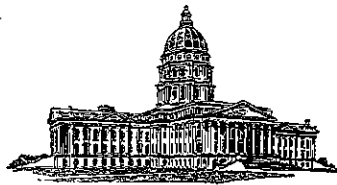


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Testimony on HB 2166 – Electric Vehicle Charging Stations Feb. 15, 2017

Mr. Chairman, Members of the Committee:

HB 2166 authorizes persons (individuals or businesses) to install electric vehicle charging stations at their place of business and collect a fee sufficient to pay for the infrastructure and electricity provided, without being considered an electric utility that is regulated by the Kansas Corporation Commission.

Currently, persons may install such charging stations, but they may not recover their costs. For example, Tesla has a charging station in Topeka that provides free electricity. While Tesla may try to recover its investment costs through higher prices for their cars, this is not a sustainable business model.

General Motors, Mercedes Benz, and many other manufacturers also have electric vehicles. Those manufacturers have common charging connections and rely on charging stations in vehicle owners' garages and in public areas. For example, Westar Energy has a charging station at the corner of 8th & Kansas. The electricity is free to the vehicle owner. But, electricity and the charging station are not free to Westar – either shareholders or electric customers are paying to subsidize electric vehicle owners.

HB 2166 is not a new idea. Multiple states, including Colorado, Utah, Oregon, Virginia, Illinois, Maryland, Washington, and California have similar laws.

Why is this important, can't the electric utilities provide these vehicle charging stations and charge for the electricity? Yes, KCPL has charging stations at the KC airport and charges for the electricity. But, not every electric utility may have that business model and it can be expensive for non-electric vehicle owners.

For example, Rural Electric Cooperatives may not choose to install electric vehicle charging stations, but Casey's convenience stores may want to do so. So too might a shopping mall, grocery store chain, or any other business that sees an opportunity to attract customers from competitor businesses.

KCPL sought KCC approval to include charging stations in the company's rate base. California utilities are seeking approval to rate base \$1.2 billion in charging station costs. Anything in rate base means that all electric customers of that utility pay.

The alternative model is that private sector businesses (e.g., Hy-Vee) and investors install the charging stations and recover their investment by charging for the service. That means only persons owning electric vehicles will pay for the infrastructure and electricity necessary to operate their vehicles.

Before any individual or business makes such an investment, they must be assured that they will not be regulated by the KCC as a public utility. HB 2166 states that the legal term “retail electric supplier” does not include vehicle charging stations.

Relatively speaking, there are few electric vehicles in Kansas; but more are being sold every day. As legislators, we have a choice, we can let the free market work and those individuals and companies that want to install vehicle charging stations can do so and recover their investments; such action does not prevent electric utilities from making similar investments.

Alternatively, we can choose not to act and either have fewer locations where vehicles can be charged or the electric utilities can put the infrastructure and energy costs for charging stations in the rate base that all electric customers pay.

I prefer to let the free market work and hope that you do also.

As I write this testimony, it is my understanding that the electric utilities will be neutral on this bill. I assure you that based on conversations with the companies’ representatives, I offered possible amendments to positively address their concerns. The suggestions and proposals were appreciated, but did not address their concern that the bill is premature.

Electric vehicles are being sold every day. Charging station installations are needed to serve the market. A competitive marketplace between utilities and private sector interests does not lock anyone out of the market and serves consumers. Private sector investment and the ability to recover on those investments means that charging stations will not be in the electric utilities’ rate bases.

Thank you for your thoughtful consideration of HB 2166. I ask for your support and will respond to questions.