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Testimony to the Oregon House Committee on Energy and Environment on House Bill 4036 Anne Smart, Director of Government Relations and Regulatory Affairs, ChargePoint February 2, 2016

Chair, Vice Chair, and Members of the Committee,

Thank you for the opportunity to provide comments today on HB 4036. ChargePoint fully supports the clean energy goals of this bill and the efforts of all parties involved in the negotiations to get this deal in front of you. However, as leaders in the electric vehicle (EV) charging industry, we believe that amendments are needed to strengthen the language in this legislation related to utilities and EV charging stations. Our position on HB 4036 is <u>support if amended</u> to protect competition, customer choice, and innovation.

Founded in 2008, ChargePoint is the world's largest and most open EV charging network with 26,000 level 2 and DC fast charging spots, including 255 ports in Oregon. We have sold charging stations to more than 5,000 customers, including major employers, municipalities, electric utilities, universities, real estate developers and parking garage facility owners and operators. Our charging stations sales in Oregon are supported by a local sales team and a network of in-state channel partners, resellers, and installers. In most cases, our customers operate and control the stations themselves, while we provide support services, billing services, and maintenance coverage.

There are several great parts of this bill.

- 1) ChargePoint strongly believes that transportation electrification will help to achieve GHG reductions and cleaner air.
- 2) We believe that utilities should have a role in transportation electrification.
- 3) We appreciate the intent language in the bill to stimulate innovation, competition, attract private capital and create high quality jobs in Oregon.
- 4) We also agree that it is important to promote charging in a manner that provides grid benefits, which may be achieved by enabling charging station hosts to use innovative technologies and the relationship with their drivers to encourage certain charging behavior.

Unfortunately, this language is primarily limited to the "intent" section of the bill, which provides limited, if any, legal backing at the Oregon Public Utilities Commission (OPUC) to require these elements be present in utility applications. The PUC made this point in their own oral testimony in this Committee on Tuesday.

We think a few small changes to the bill could drastically improve this section and ensure that the goals of this legislation are achieved:

1) <u>Open a proceeding at the OPUC:</u> This bill as written requires the OPUC to direct utilities to file applications to own and operate EV charging stations or to provide customer rebates for charging equipment. As a monopoly, utilities have the ability to rate-base charging stations and install them free of charge for customers. If designed poorly with limited regulatory oversight, these programs could have long term damaging impacts on competition and innovation in the EV charging industry, and subsequently the electric vehicle market. For this reason, we need a thoughtful OPUC process to review with prudence the appropriate role for the utility.

Furthermore, utilities are already able to file these applications under the 2012 OPUC Decision (Order 12013) to Docket UM 1461 so long as they meet a prudence test on competition and ratepayer benefits. To date, no utility applications have been filed. Instead of erasing this decision, ChargePoint believes the PUC should revisit and update its 2012 ruling in a proceeding that builds on the past record and allows for public comment and a review of the current market. ChargePoint

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has participated in similar proceedings as a party in other states, providing expert testimony, data, and market experience. We believe this process has led to the development of better utility programs and stronger partnerships between utilities and other stakeholders. In January 2016, the California Public Utilities Commission approved groundbreaking utility programs for Southern California Edison and San Diego Gas and Electric. ChargePoint had been a party to both applications.

- 2) Prioritize investments in low income communities: Though the bill identifies the intent to increase access to the use of electricity as a transportation fuel in low and moderate income communities, there are no requirements for utilities to actual site stations in these communities or leverage utility funding for education and outreach programs related to EV adoption. We believe that these elements should be a requirement not just an intent of any utility program.
- 3) Strengthen protections for competition and customer choice: Though the intent language in Section 18 supports "increased options in the use of charging equipment" there is no language ensuring that utility programs will allow site hosts to have their own choice of equipment and services. We believe that customer choice is vital to ensure a market of multiple players, which will strengthen the industry in the long run and reduce risk on ratepayers. We also firmly believe that site hosts should be able to choose the equipment and technology best for that site and that a competitive sales process helps to improve technology innovation and a better driver experience.

Again, intent is not a requirement. Therefore we are seeking an amendment to ensure that any utility program proposed at the Commission must reasonably protect competition and choice.

In order for these utility programs to be successful and for the state to meet its clean air goals, we need to build off of the Commission's leadership and have a policy framework that clearly enables consumer choice, allows for competition, and ensures that Oregon drivers have access to reliable and innovative products now and into the future.

We believe that these simple amendments will guide utility investment more effectively and lead to a better future for Oregon.

Thank you for your time.