

February 3, 2021

House Committee on Energy and Environment

Dear Chair Marsh and Members of the Committee:

Thank you for the opportunity to provide public testimony on HB 2165, which will require electric companies to collect funds from all retail electricity consumers to support transportation electrification. Cascade Policy Institute is a nonpartisan, nonprofit research and education organization that is committed to protecting Oregon ratepayers from excessive and needless rate increases. Cascade Policy Institute opposes HB 2165.

Utilities should not be allowed to use ratepayer funds to own and operate electric vehicle chargers, nor should they be allowed to recover costs for electric vehicle infrastructure measures from all ratepayers. This is especially true during a pandemic and a recession. Arrears (when utility bill payment is 31 days past due or more) have gone up since the start of the pandemic. Those struggling to pay their current bill cannot afford an additional charge.

Further, allowing utilities to build and own charging infrastructure would stifle private competition. Ratepayer funds should not be used to undercut competitors and eliminate private industries' ability to provide these services at competitive prices to those who will use them. There are other alternative low- or zero-carbon vehicle fuels, such as Toyota's up-and-coming renewable hydrogen fuel cell vehicles, that will be unfairly disadvantaged in our state because of this bill. Legislators should not prematurely select lithium-ion electric vehicles as the "winning horse," as doing so could jeopardize critical investments in other clean fuels. For some Oregonians, electric vehicles are a great option. However, they should not be the only option.

This bill also brings up both equity and free-ridership issues. According to the Oregon Department of Energy's EV dashboard in November 2020, the most commonly purchased EV was a Tesla (accounting for around 27% of all EVs registered in Oregon) and the majority of EVs were located in the Portland metro area. One could argue that more EVs are in the Portland metro area due to its larger population size. However, data from the dashboard shows that EV adoption grows as a county's wealth increases even when accounting for population size.

Low-income ratepayers and those living in rural areas should not be subsidizing infrastructure or vehicle rebates for those living in more urban areas with the means to purchase an EV on their own dime. This bill will force everyone to pay for a luxury service that very few will use.

Perhaps instead we should follow in Kentucky's footsteps. Kentucky utilities are allowed to build and operate EV infrastructure, but only customers who use them are charged for the service. Utilities recoup costs by charging customers a small hourly fee. Electricity customers who do not and will not utilize this infrastructure should not pay for its implementation.

Cascade Policy Institute respectfully requests members of the committee reject HB 2165.

Sincerely,

Rachel Dawson
Cascade Policy Institute