

Laura Sherman  
Energy Innovation Business Council

October 23, 2019

Dear Chairman Bellino, Minority Vice Chair Lasinski, and members of the House Energy Committee:

Our organizations, representing businesses engaged in the electric vehicle and electric vehicle supply equipment industry, submit the following comments on HB 4806. The Michigan Energy Innovation Business Council, Clean Fuels Michigan, ChargePoint, Siemens, and TechNet are opposed to HB 4806 as written and the substitute thereof introduced by Rep. Schroeder. The bill would create a challenging environment for our companies to do business in Michigan and would stifle the growth of advanced mobility solutions in Michigan. Specifically, we are most concerned that the bill creates a licensing program housed at the Michigan Public Service Commission (MPSC), which could inadvertently lead to rate regulation of electric vehicle charging in Michigan.

We appreciate Representative Schroeder's efforts to engage stakeholders on this bill, including her coordination of a broad stakeholder workgroup and her willingness to discuss concerns and proposed changes. We are also supportive of the underlying intent of HB 4806, which is to codify recent MPSC Orders which allow for the resale of electricity by electric vehicle charging stations without subjecting them to rate regulation as a utility at the MPSC. The bill would extend those recent MPSC decisions beyond DTE Electric's and Consumers Energy's service territories to the entire state. Allowing for the sale of electricity by charging station operators without subjecting them to rate regulation will accelerate private market development and drive innovation, while providing the best services and pricing options to customers.

However, we are concerned that HB 4806 and its substitute – as written – may not achieve this intent and may stifle the electric vehicle charging market in Michigan. Our primary concerns with the bill as written are the following:

- **The bill places licensing authority at the Michigan Public Service Commission, a body which is empowered by statute to regulate utilities and set electricity rates.** Although not the intention of the bill, by creating a licensing process at the MPSC, HB 4806 opens the door for regulation by the MPSC by directing the Commission to establish a licensing process. The Commission may be limited by the tools at their disposal, which include primarily quasi-judicial processes to determine appropriate, equitable, electricity rates. The requirement to license charging stations with the Commission designated with regulating utilities would have a chilling effect on the deployment of electric vehicle charging stations in Michigan.
- **Additionally, the bill implies that the MPSC will be regulating the rates charged at electric vehicle charging stations.** The current language in the substitute bill provides that "The commission shall issue orders establishing a licensing procedure for electric vehicle charging station operators. The commission shall allow electric vehicle charging station operators to sell that electricity at a profit...". The MPSC, as a ratemaking body, may view the directive to "allow electric vehicle charging station operators to sell that

electricity at a profit” as a requirement that the Commission determine rates for electricity sold at charging stations.

- **The bill requires onerous licensing requirements.** Rather than simply allowing for the resale of electricity, HB 4806 proposes the creation of a licensing process that requires individual charging station operators – whether a third-party specializing in the provision of charging services or whether a locally-owned small business – to jump through various hurdles to be able to operate. It is unclear that these requirements will improve customer protections or transparency. As such, we are concerned about the addition of unnecessary bureaucratic red tape on a nascent industry in Michigan.
- **The bill does not apply standard licensing across the industry.** The bill exempts investor-owned utilities, municipally-owned utilities, and cooperate electric utilities from the licensing requirements. Without standardized licensing across the industry, the virtue of any licensing process for customer protection is lost. Instead, by applying additional burdens on independent operators, the bill could unfairly provide a leg-up to utility-owned electric vehicle charging stations at the expense of the free market.

To reiterate, our organizations support allowing charging stations to operate without subjecting them to rate regulation, which is critical to accelerate the market for electric vehicle charging in Michigan. However, as written, HB 4806 threatens to stifle the electric vehicle charging industry by undoing the regulatory decisions it was meant to codify and by creating onerous regulations.

We welcome the opportunity to continue to work with Representative Schroeder and other stakeholders to revise the legislation in a manner that removes licensing from under the purview of the MPSC. We also believe that it is important to make changes to the bill to ensure that electric vehicle charging stations will not be rate regulated or face onerous licensing procedures. Finally, there are a number of small inconsistencies in the bill that could have implications for implementation. We are prepared to work with the bill sponsor, this Committee and other stakeholders to make the necessary adjustments to ensure that this legislation will work for all parties involved.

We appreciate the opportunity to provide these comments and look forward to working with the Committee to make Michigan a leader in our advanced mobility future.

Regards,

Michigan Energy Innovation Business Council

Clean Fuels Michigan

ChargePoint

Siemens

TechNet