



N A R U C
National Association of Regulatory Utility Commissioners

December 16, 2022

The Honorable Jennifer M. Granholm
U.S. Department of Energy
1000 Independence Ave. SW
Washington, DC 20585

The Honorable Pete Buttigieg
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Gabe Klein
Executive Director
Joint Office of Energy and Transportation
Washington, DC

Re: NARUC's Resolution on the Urgency of Preparing for Widespread Transportation
Electrification

Dear Secretaries Granholm and Buttigieg, and Executive Director Klein:

On behalf of the National Association of Regulatory Utility Commissioners ("NARUC"), I am writing to share with you a resolution that our association recently passed at our Annual Meeting and Education Conference (please see attached). The *Resolution on the Urgency of Preparing for Widespread Transportation Electrification* recommends that your Departments and the Joint Office, and others, move swiftly to work with and support NARUC to develop resources and training programs to address the policy and planning issues presented by widespread adoption of electric-drive vehicles ("EVs"). The resolution further recommends that your Departments and the Joint Office, along with state officials, work with local utilities and other stakeholders to ensure that new investments are coordinated with existing programs and efforts, with the goal of managing EV usage to minimize cost to customers and deploying EV charging infrastructure and making related, necessary electric grid upgrades in the most effective, efficient, and equitable manner possible in light of specific community needs.

As noted in the resolution and, as you are all aware, the transition to electric-drive vehicles can provide substantial economic, environmental, and public health benefits for consumers and is a key strategy to decarbonizing the transportation sector for a growing number of states. The

influx of EV cars, trucks, buses, fleet vehicles planned by manufacturers by 2026, along with the hundreds of billions of dollars in investments demands our collective, immediate attention.

NARUC is a non-profit organization founded in 1889. Our members are the public utility commissions in all 50 states, the District of Columbia, and the U.S. territories. NARUC's mission is to serve the public interest by improving the quality and effectiveness of utility regulation. Our members regulate the retail rates and services of electric, gas, water, and telecommunications utilities. We are obligated under the laws of our respective states to assure that the establishment and maintenance of essential utility services as required by public convenience and necessity and to ensure that these services are provided under rates, terms, and conditions of service that are just, reasonable, and non-discriminatory.

We would like to continue this dialogue with members of your staff as we move forward to develop opportunities for states to address their electric transportation needs. Please let us know if you have any questions or wish to discuss these issues further. You can reach our Senior Director of Energy Policy and Senior Counsel, Jennifer Murphy, at jmurphy@naruc.org or 202-898-1350.

Thank you for your attention to these matters and for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael A. Caron". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Michael A. Caron
of Connecticut
NARUC President

Resolution on the Urgency of Preparing for Widespread Transportation Electrification

Whereas the transition to electric-drive vehicles can provide substantial economic, environmental, and public health benefits for consumers and is a key strategy to decarbonizing the transportation sector for a growing number of States;

Whereas automobile, truck and bus manufacturers have announced plans to offer more than 130 models of electric-drive vehicles by 2026, including more light-duty vehicles as well as fleet vehicles and medium- and heavy-duty trucks, and invest over \$330 billion dollars in electrification and associated research and development by 2025, making those vehicles more affordable and increasing their performance;

Whereas numerous States and cities have already taken significant actions and made binding commitments to speed the deployment of charging infrastructure and promote adoption of electric-drive light-, medium-, and heavy-duty vehicles, providing a foundation upon which national actions and collaborations can build;

Whereas many of America's investor-owned electric utilities have partnered with customers from the public and private sector to deploy electric vehicle ("EV") charging infrastructure, educated their customers about the benefits of EVs and fleet electrification, and received approval to implement rates and programs to encourage EV charging in a manner that improves grid utilization and helps integrate intermittent renewable generators, yielding benefits to all electric utility customers;

Whereas the Infrastructure Investment and Jobs Act ("IIJA") allocates \$7.5 billion to support deployment of EV charging within communities and along transportation corridors, including the \$5 billion National Electric Vehicle Formula ("NEVI") Program—which provides formula grant funds to all 50 States to acquire, install, operate, and maintain EV chargers, with the goal of building a national EV network—and \$2.5 billion in grant funding for community-based charging and alternative fuel corridors to be disbursed by the U.S. Department of Transportation ("DOT") via a competitive grant process that prioritizes rural areas, low- and moderate-income neighborhoods, and other communities with limited access to convenient charging, in addition to \$4.5 billion for port upgrades and electrification, \$5 billion to fund zero emission and clean school buses, more than \$5 billion to fund low- and no-emission transit buses, and \$3 billion in U.S. Department of Energy ("DOE") matching funding for Smart Grid technologies, including EV charging, and vehicle-to-grid technologies;

Whereas the IIJA creates a new Joint Office of Energy and Transportation ("Joint Office") to oversee disbursement of these monies;

Whereas the IIJA requires the DOT and DOE to issue guidance to the States that will address fostering enhanced, coordinated, public-private or private investment in EV charging infrastructure, and it directs the States to develop grant programs to disburse awarded funds, subject to DOT-issued guidelines;

Whereas the Inflation Reduction Act ("IRA") further commits nearly \$370 billion in direct federal investments in programs to address climate change and energy production, including new and extended tax credits for EVs and EV charging equipment;

Whereas State energy offices in every region of the nation are integrating electric distribution system and EV charging infrastructure planning and policy, coordinating with environmental agencies in the investment of \$2.9 billion in VW settlement funds, collaborating with utilities and local governments on EV infrastructure planning, and spearheading State and regional governor-designated EV infrastructure deployment actions and policies;

Whereas State departments of transportation are responsible for implementing certain IIJA programs, including the \$5 billion NEVI Program, that provide funding for EV infrastructure deployment, in partnership with utilities and other stakeholders;

Whereas timely and efficient administration of the funding allocated by the IIJA and other federal funding sources will require an unprecedented scope and a degree of collaboration and coordination between local, State and national government entities, regulators and electric utilities, utilities and the automotive industry, as well as a host of other relevant stakeholders;

Whereas EV charging can place significant new demands on local distribution systems, rapid innovation in charger and vehicle technology is steadily increasing the connected load of fleet depots and DC fast charging plazas, which together with the clustering of personal electric vehicle charging in residential areas could result in concentrated loads of several megawatts;

Whereas utility regulators in more than 30 States have already authorized electric companies to deploy more than \$3 billion for transportation electrification investments, of which more than \$800 million will be directed toward historically marginalized communities;

Whereas utility regulators have specific expertise in understanding the impacts of EV adoption on the power system and electric utility rates, regulators can apply their expertise in establishing policy and reviewing plans to serve EV charging load in a way that ensures it is done in a cost-effective manner that keeps pace with the speed of transportation electrification while maintaining reliability, resilience and safety, and without unduly burdening customers who do not drive or own electric vehicles; *and*

Whereas the IIJA also commits substantial federal dollars to grid investments and improvements, utility regulators can apply their expertise and decision-making processes to determine which utility investments present reliable value propositions that support the spirit of the IIJA; *now, therefore be it*

Resolved that the Board of Directors of the National Association of Regulatory Utility Commissioners (“NARUC”), convened at its Annual Meeting and Education Conference in New Orleans, Louisiana, recommends that the U.S. Department of Energy, U.S. Department of Transportation, Joint Office of Energy and Transportation, National Association of State Energy Officials, and State departments of transportation move swiftly to work with and support NARUC to develop resources and training programs to address the policy and planning issues presented by widespread adoption of electric-drive vehicles, including the timely and efficient deployment of federal funding, planning to accommodate the growth of EV charging on the grid, the costs and benefits of electric vehicle adoption, the equitable and cost-effective deployment of EV charging infrastructure, and rate design considerations for EV charging; *and be it further*

Resolved that NARUC also recommends that the aforementioned federal and State officials work with local utilities and other stakeholders to ensure that new investments are coordinated with existing programs and efforts with the goal of managing EV usage to minimize cost to customers and deploying EV charging infrastructure and making related, necessary electric grid upgrades in the most effective, efficient, and equitable manner possible in light of specific community needs.

*Sponsored by the Committee on Energy Resources and the Environment
Adopted by the NARUC Board of Directors on November 15, 2022*