



February 27, 2019

Senate Business, Labor, and Technology Committee  
 Colorado General Assembly  
 200 East Colfax Avenue  
 Denver, CO 80203

Re: Support for SB 19-077, Electric Motor Vehicles Public Utility Services

Dear Chair Williams and Committee Members,

On behalf of eMotorWerks, an electric vehicle (EV) charging station manufacturer and energy services provider, I respectfully write to urge your support for SB 19-077 pertaining to public utility investments in EV charging infrastructure. Electric utilities are extremely well positioned to serve as the primary backbone of an electrified transportation sector, by providing stable, low-risk capital for infrastructure build-out and by fostering a competitive marketplace for EV charging products and services. By allowing utilities to propose transportation electrification (TE) plans and earn a rate of return on TE infrastructure investments and customer rebates, this bill addresses a crucial barrier to the long-term growth of the EV market in Colorado.

Colorado is a national leader in the EV space, with the eighth-most EV sales of all US states in 2017 and the sixth-highest state-level EV market share in August 2018.<sup>1</sup> The state has taken multiple actions in support of its burgeoning EV market, including:

- Signing the Regional Electric Vehicle West Memorandum of Understanding to support coordinated corridor electrification between Intermountain West states;<sup>2</sup>
- Coordinating state agency activities to electrify key *intrastate* corridors in the Colorado EV Plan, which also set a goal of 940,000 EVs on the road by 2030;<sup>3</sup>
- Charge Ahead Colorado grants for community-based EV charging stations;<sup>4</sup>
- Investing \$68.7 million of VW settlement funds in vehicle electrification and charging infrastructure through Colorado's Beneficial Mitigation Plan; and
- Governor Polis' recent Executive Order outlining numerous state agency directives to support the transition to an electrified transportation sector.<sup>5</sup>

These initiatives signal Colorado's commitment to developing a robust EV market. Collectively, however, they will only provide a small fraction of the charging infrastructure needed to achieve widespread TE in pursuit of the state's greenhouse gas (GHG) reduction goals. It is imperative that the state engages its electric utilities as key partners in these efforts if it is to deliver on its ambitious TE and climate targets.

Utility investments are needed to catalyze electrification across multiple customer segments and vehicle types, especially in non-residential charging applications where the high up-front cost of "make-ready" infrastructure and EV service equipment (EVSE) proves too risky for customers to finance on their own. Further, utilities can leverage existing customer relationships to

<sup>1</sup> <https://evadoption.com/ev-market-share/ev-market-share-state/>

<sup>2</sup> [https://www.colorado.gov/governor/sites/default/files/rev\\_west\\_plan\\_mou\\_10\\_12\\_17\\_all\\_states\\_final\\_1.pdf](https://www.colorado.gov/governor/sites/default/files/rev_west_plan_mou_10_12_17_all_states_final_1.pdf)

<sup>3</sup> [https://www.colorado.gov/governor/sites/default/files/colorado\\_electric\\_vehicle\\_plan\\_-\\_january\\_2018.pdf](https://www.colorado.gov/governor/sites/default/files/colorado_electric_vehicle_plan_-_january_2018.pdf)

<sup>4</sup> <https://www.colorado.gov/pacific/energyoffice/charge-ahead-colorado>

<sup>5</sup> [https://www.colorado.gov/governor/sites/default/files/b\\_2019-002\\_zev.pdf](https://www.colorado.gov/governor/sites/default/files/b_2019-002_zev.pdf)

streamline outreach and lead generation activities, and can support competition among EV charging providers by pre-qualifying vendors and negotiating bulk EVSE purchases, which increase customer choice and drive down costs. Finally, utility TE programs can ensure equitable access to electrified transportation options within customer segments that are difficult for the private market to reach, including customers in low-income or disadvantaged communities.

Utility TE investments yield several benefits to EV drivers and non-adopters alike. Besides reducing GHG emissions and improving air quality, EV charging can decrease the cost of electricity for all utility customers by spreading the fixed costs of the system across greater volumes of electricity sales. Such “beneficial electrification” can be guaranteed through Time-of-Use rates and smart EV charging that ensure EV charging improves electric system utilization and avoids triggering costly grid upgrades. The bill’s guidelines for the Public Utilities Commission’s (PUC) review of utility TE applications will help guarantee that ratepayer-funded expenditures produce overall savings in light of the diverse array of potential utility investments that can be proposed and adopted.

The PUC recently issued an expansive EV Working Group Report<sup>6</sup> that examines several relevant policy issues for utility TE programs, including beneficial electrification, make-ready infrastructure, program design and rates for different customer segments, and marketing, education, and outreach. Before discussing these topics, however, the Report (at page 4) puts the following statement front-and-center as highlighted text in the Introduction:

“Every EV charging provider has a unique business model, ranging from manufacturing, owning, and operating EVSE, to manufacturing and selling EVSE and associated network services, to providing subscriptions to public charging stations, and to developing and providing associated software and network services. They are all, however, in universal agreement that an active partnership with the electric industry is necessary to expand the EV market. They have different opinions about what form that collaboration should take [with regards to the role of the utility and the types of utility infrastructure ownership that might be justified for certain customer segments], but they all view electric utilities as essential partners.”

The passage of SB 19-077 would thus represent an inflection point in the trajectory of Colorado’s EV market. Enabling electric utility TE investments will dramatically increase the availability of EV charging infrastructure in the state.

I appreciate the Committee’s consideration of these comments and again urge its passage of SB 19-077. Please let me know if I can provide further details on the issues raised herein.

Sincerely,

**/s/ Marc Monbouquette**

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<sup>6</sup> [http://www.dora.state.co.us/pls/efi/efi.show\\_document?p\\_dms\\_document\\_id=898175&p\\_session\\_id=](http://www.dora.state.co.us/pls/efi/efi.show_document?p_dms_document_id=898175&p_session_id=)