



October 22, 2020

Steve Kahl  
Executive Secretary  
North Dakota Public Service Commission  
600 East Boulevard, Dept 408  
Bismarck, ND 58505-0480

**Re: Public Service Commission EV Charging Stations Investigation; Case No. PU-20-388.**

**COMMENTS OF THE NORTH DAKOTA PROPANE GAS ASSOCIATION**

On behalf of the North Dakota Propane Gas Association (NDPGA), which represents propane marketers and suppliers across North Dakota, we appreciate the opportunity to provide comments in this proceeding, which is investigating electric vehicle (EV) charging stations. Our members provide clean-burning and critical energy to residential, commercial, and agricultural customers in the state. North Dakota's propane industry generates more than \$1.3 billion in economic activity annually.

While North Dakota's propane marketers are electric ratepayers, they also furnish public and private fleets with propane autogas vehicles. Propane, like electricity, is a federally-designated alternative transportation fuel that reduces emissions and improves air quality. However, propane's refueling infrastructure is financed only by the industry and the customers who utilize it. If a proposed refueling station is of questionable economic value, it likely will not be built. This fact is important and in contrast to some EV charging infrastructure that has come to fruition with the help of electric ratepayers. Given this, NDPGA has a unique interest in plans to promote the electrification of the transportation sector and this docket.

Earlier this year, the Public Service Commission hosted a workshop with the state's three regulated, investor-owned electric utilities: Otter Tail Power, Montana-Dakota Utilities, and Northern States Power to gain a better understanding of the issues surrounding electric vehicles and charging stations. NDPGA is particularly interested in utility proposals for serving, owning, and operating public vehicle charging equipment.

In its presentation, Otter Tail Power stated that utilities will likely play a prominent role in developing direct current fast charging (DCFC) networks in rural areas, as the necessary private investment has not and is unlikely to materialize. And at least in the short-term, the utility thinks it is necessary to own and operate EV charging stations to provide sufficient coverage for rural residents. In addition, Northern States Power believes that full utility ownership of vehicle charging equipment is a solution to support EV customers. In the near-term, Montana-Dakota does not plan to own or operate EV chargers (except those for its own fleet).

The Commission should not permit a utility to operate public charging stations if it intends to treat them as typical utility assets akin to substations or power lines on which they can earn a full rate of return, courtesy of their customers' bills. Clearly drivers of traditional cars, who would not utilize EV refueling infrastructure, would not cause or be responsible for the costs utilities would incur from their deployment and operation.

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Comments  
North Dakota Propane Gas Association (NDPGA)  
Mike Rud, Executive Director

Making incumbent customers, including households of limited means and those on fixed incomes, pay increased energy bills to finance the expansion of a public charging network that has no value to them is, from a utility perspective, wrong and not in the public interest. And because utilities operate as monopolies in defined geographic areas, energy consumers cannot shop around for competing service.

In 2018, there were 899,953 vehicles registered in North Dakota; however, only 170 or .01 percent were EVs. In other words, 99.99 percent of vehicles registered that year were not electric.

Nationally, more than two-thirds of battery electric and plug-in hybrid electric vehicles are owned by households with incomes over \$100,000. This is not surprising given the price difference between electric and conventional vehicles. Moreover, the used car market, which is critical to households of lesser means, is composed overwhelming of cars and trucks powered by combustion. Lower-income North Dakotans should not be forced to subsidize the deployment of EV charging stations that will disproportionately be used by and benefit affluent individuals.

Before a utility is authorized to own and operate public charging equipment, the Commission must be assured that any associated costs will not be passed along to incumbent utility customers. Rather, these costs should be embedded in the electric rates paid by EV drivers when they charge their cars at public stations. This way, electric vehicle owners pay for the electricity they consume, but also for the public refueling infrastructure they utilize. This financing model will ensure that there are at least some market forces at play. Our members have no quarrels with utility involvement in this sphere so long as EV drivers pay their own way, just like propane autogas customers do. The Commission should draw a line in the sand on this point, as utilities do not need to operate public charging stations to ensure their existence. Now, if a utility wants to use shareholder capital to deploy a network of uneconomic vehicle charging stations, that is its prerogative, and we would have no issues.

Drivers of traditional vehicles should not be forced to subsidize the deployment of electric refueling equipment for the convenience of a few. These subsidies are unfair and place an unreasonable burden on utility customers. But they are also anticompetitive and distort the marketplace for other clean transportation fuels, because the propane industry does not socialize the costs of its vehicle refueling infrastructure among non-users.

Thank you again for the opportunity to provide comment.

Respectfully submitted,



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