



## Infrastructure Investment and Jobs Act - EV Charging

### Background

The Infrastructure Investment and Jobs Act (IIJA), signed into law in November 2021, included \$7.5 billion over five years for electric vehicle charging infrastructure. Of the \$7.5 billion, \$5 billion is allocated to states as part of the National Electric Vehicle Infrastructure Formula Program (NEVI). The NEVI Formula Program will provide dedicated funding to states to strategically deploy EV charging infrastructure and establish an interconnected network to facilitate data collection, access, and reliability. Funding under this program is designated to build out a network of EV chargers along Alternative Fuel Corridors particularly along the Interstate Highway System. Once this network is complete, any remaining funds can be used along public roads or in other publicly accessible locations.

The remaining \$2.5 billion is to be disbursed as competitive grants to promote the deployment of publicly accessible EV charging infrastructure along designated alternative fuel corridors and in communities. The \$2.5 billion is divided into two distinct \$1.25 billion grant programs to support EV charger deployment to strategically deploy publicly accessible EV charging infrastructure 1) along designated Alternative Fuel Corridors and 2) in communities including rural, underserved and overburdened communities. Under this program, where the federal cost share for projects is 80%; and private and state funds may be used to provide the remaining cost share.

### States Implementation of NEVI

The Departments of Transportation (DOT) and Energy (DOE) released guidance for how they will manage the \$5 billion in funds under the NEVI Formula Program. Under NEVI formula program, by August 1, 2022, states must submit deployment plans that meet defined policy requirements to access the funds. For example, the guidance document says states should place chargers every 50 miles along the Interstate Highway System, prioritizing placement first at locations within a mile of the highway with at least four fast chargers (150 kW DC chargers) and sufficient power supplies at each location. After the highway chargers are installed, additional installations can be prioritized along public roads at accessible locations like parking lots, public buildings and rest areas. \$615 million will be made available in FY 2022, although the distribution of these funds is contingent upon their submission of an EV Infrastructure Deployment Plan to the Joint Office of Energy and Transportation.

It is essential that EMA members engage your state DOT or other agencies identified by your state to oversee the deployment of EV Chargers to provide input and participate in both the NEVI program as well as the competitive grant program. EMA members have extensive experience in consumer habits and needs, as well as operation and maintenance issues

associated with vehicle refueling. We need to take every opportunity to encourage the states to take advantage of this expertise and experience during the development and implementation of their programs and the implementation of EV charging infrastructure in the states.

### **Talking points to support EMA State Association member companies inclusion as part of the national EV network**

- **Retail gasoline and truck stop facilities are strategically and conveniently located on Alternative Fuel Corridors as well as most federal and state highways.** Retail fuel stations are ubiquitous, familiar to consumers and conveniently located along federal and state highways nationwide. Locating EV charging at existing retail fuel stations is more cost effective than building out entirely new infrastructure. Also, the prime fueling sites along highway entrance and exit ramps are already taken by traditional retail fueling stations. New EV charging sites are likely to be located further from highway exits and entrance ramps than consumers are ordinarily willing to travel. The convenience of an existing EV charging station at an existing retail fueling station, already situated at highway entrance and exit ramps, along with the availability of restrooms, food, and drink, will prove far more desirable to travelers than EV charging stations located further down the road from the exit, without facilities or refreshments.
- **Fuel retailers compete with one another on price, speed, and quality of facilities and service every day.** To have any chance of being successful, the EV charging experience should be as similar as possible to today's refueling experience. The type of amenities and experience available to consumers while they charge their vehicle is critical. State DOTs should consider the time it takes to recharge an EV. Instead of a five minute "stop," this will be a 30-minute "experience."
- **Grants should provide set asides for small business energy marketers.** The NEVI Formula Program and the Charging and Fueling Infrastructure Grant Program should reserve at least 50 percent of total funding for small business energy marketers, with fewer than 500 employees who can diversify and ensure consumers pay a competitive price for EV charging.
- **EV charging stations should not be located within the interstate right of way (ROW), including rest areas.** EV charging options within the interstate right of way (ROW) undermines the significant investments small business energy marketers have made in communities and real estate directly off the U.S. Interstate System. When Congress created the Interstate Highway System in 1956, Congress specifically prohibited new Interstate rest areas from offering commercial services, such as food and convenience items offered at businesses along the highway exits. This prohibition on rest area commercialization has led to a thriving and competitive business environment along interstate exits. These businesses provide jobs, serve as an economic driver in the community, and make continued investments to provide consumers the best available

products. Diverting traffic from these highway exits would have a significant impact on existing retail fueling stations as well as other businesses located at Interstate exits.

- **Utilities that choose to install EV chargers should not be allowed to support the installation, operation and maintenance of EV chargers through utility rates.** State DOTs should prioritize grant applications that involve companies putting private capital at risk to own and operate charging stations. State DOTs should direct money toward projects that have a more competitive market structure, rather than projects where regulated utilities use ratepayer capital to generate a competitive advantage in retail charging operations.

Applications for grant funds from utilities that rely on ratepayer supported funding to own and operate EV charging stations should not receive grant money to cover the installation and operating costs, unless there are no other applicants seeking the money (in which case utilities could still step in to ensure an adequate build-out of the charging network.)

Varying electric rates base on time of use and whether costs may affect EV charging habits (e.g., charging during off-peak hours) or whether EV charging habits will affect off-peak periods must be addressed to ensure that small businesses are not unfairly forced out of the EV charging marketplace and hamper the deployment of charging stations. Consumers will look for the lowest cost option.

Utilities should be focused on providing adequate connections along with reasonable rate structure to support a competitive market. Retailers must be able to buy electricity at wholesale prices without punitive demand charges for the private market to work.

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