

Legislative Analysis



ELECTRIC VEHICLE CHARGING SERVICES

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4801 as introduced
Sponsor: Rep. Andrea K. Schroeder

Analysis available at
<http://www.legislature.mi.gov>

House Bill 4802 as introduced
Sponsor: Rep. Padma Kuppaa

House Bill 4804 as introduced
Sponsor: Rep. David LaGrand

House Bill 4803 as introduced
Sponsor: Rep. Joseph N. Bellino, Jr.

House Bill 4805 as introduced
Sponsor: Rep. John N. Damoose

Committee: Energy
Complete to 6-8-21

BRIEF SUMMARY:

House Bill 4801 would create a new act to require the Michigan Department of Agriculture and Rural Development (MDARD) to establish a registration procedure for persons providing electric vehicle (EV) charging services, allow registrants to charge for providing EV charging services, and provide exemptions from the registration requirements.

House Bill 4802 would amend provisions in the act regulating public utilities that would otherwise conflict with HB 4801, prohibit an unregistered person from providing EV charging services, and provide exemptions from the requirement to register under HB 4801.

House Bill 4803 would allow the Michigan Department of Transportation (MDOT) to install, operate, and maintain an EV charging station at a state highway rest stop or travel information center (or issue a permit to a person to do the same) without local approval.

House Bill 4804 would allow MDOT to enter into a lease for the installation or operation of an EV charging station at a state highway rest stop or travel information center.

House Bill 4805 would allow funds from 1951 PA 51, the act that governs most state transportation programs and funds, to be used to construct, maintain, and operate an EV charging station on a limited access highway rest area or welcome center.

DETAILED SUMMARY:

House Bill 4801 would create the Electric Vehicle Charging Services Registration Act to require MDARD to allow a person that provides *electric vehicle charging services* to charge for providing those services and also require MDARD to issue orders establishing a registration procedure, with some exceptions, for persons that provide EV charging services.

Electric vehicle charging services would mean the transfer of electric energy from electric vehicle service equipment to a battery or other storage device in an *electric vehicle* and the provision of billing services, networking, and operation and maintenance related to that transfer of electric energy to an electric vehicle.

Electric vehicle would mean a motor vehicle powered solely by a battery cell energy system.

Registration and fee

Any person offering EV charging services in Michigan would have to register with MDARD within 30 days after first beginning to offer such services. A person providing EV charging services before the bill's effective date would have to register within 90 days after MDARD establishes the registration process.

As part of the registration, MDARD would have to require the registrant do all of the following:

- Provide the name of the company providing EV charging services.
- Provide the location of each of that person's *electric vehicle charging stations* in the state and the number of the EV charging stations.
- Provide the name, email address, phone number, and mailing address of a designated contact individual.
- Provide the EV charging station model information. This would include the name of the manufacturer, EV supply equipment type, and additional information regarding the charging station as determined by the department.

Electric vehicle charging station would mean an electric component assembly or cluster of component assemblies designed specifically to charge batteries within an *electric vehicle* by permitting the transfer of electric energy to a battery or other storage device in an electric vehicle.

A registrant would have to update the registration by notifying MDARD, in a manner determined by the department, within 30 days after any of the information required above has changed.

MDARD could charge a one-time fee of up to \$75 for each person who registers. Any fees collected would have to be deposited into the state's general fund to the credit of MDARD and be used for the department's costs for oversight and registration of persons that provide EV charging services.

Requirements of EV charging services providers

Providers of EV charging services would be required to do all of the following:

- Maintain records MDARD considers necessary. This would include at least installation and maintenance of EV charging stations.
- Remain accessible to MDARD, consumers, and electric utilities in the state during normal hours of operation.
- Clearly display the cost to a consumer at the charging station. This requirement would not prohibit a person providing EV charging services from displaying other information to the customer or limit the means by which the cost information is displayed (including within the electric vehicle or on a mobile application).

Exceptions

The registration requirements and fee would not apply to any of the following:

- An electric utility, municipally owned electric utility, or cooperative electric utility.
- An independent transmission owner.
- A private owner of an EV charging station, or a nonretail provider of an EV charging station, if either of the following applies:
 - The EV charging station is not publicly accessible.
 - The private owner or nonretail provider will provide EV charging services at no cost to users of the EV charging station.

Hotline and rule promulgation

The bill would require MDARD to use the Motor Fuels Quality Hotline, or a similar hotline, and an online consumer complaint form to allow consumers to report issues with EV charging stations.

MDARD could promulgate rules under the Administrative Procedures Act necessary to implement and enforce the new act.

House Bill 4802 would amend 1939 PA 3, which provides for the regulation of public and private utilities and is the enabling act for the Michigan Public Service Commission, to prohibit, with specific exceptions, a person from providing electric vehicle charging services unless the person registers with MDARD under the Electric Vehicle Charging Services Registration Act proposed by HB 4801. The registration requirement would not apply to the following entities:

- An electric utility, municipally owned utility, or cooperative electric utility.
- An independent transmission owner.
- A private owner of an EV charging station, or a nonretail provider of an EV charging station, if either of the following applies:
 - The EV charging station is not publicly accessible.
 - The private owner or nonretail provider will provide EV charging services at no cost to users of the EV charging station.

The bill would also provide that a provision that restricts owning, constructing, or operating an electric distribution facility or electric meter equipment used in the distribution of electricity only to an investor-owned, cooperative, or municipally owned electric utility does not prohibit an entity that provides EV charging services from owning, constructing, or operating an EV charging station. In addition, an entity that provides EV charging services would not be considered a public utility, notwithstanding the basis on which the service is provided or billed. However, if the entity were otherwise considered a public utility under the act, or otherwise subject to regulation under the act, then that entity would continue to be subject to applicable provisions of the act.

Finally, the bill would exclude a provider of EV charging services from the definition of “alternative electric supplier.”

MCL 460.10g, 460.10h, and 460.10q

House Bill 4803 would amend a provision within the Michigan Vehicle Code that allows MDOT, with local approval, to issue a permit to a business to sell or display goods, wares, produce, fruit, vegetables, or merchandise within the right-of-way of a state trunkline highway if the permitted activities do not create an unsafe situation or interfere with transportation along the highway.

Under the bill, MDOT could install, operate, and maintain EV charging stations (or issue a permit as described above that allowed the installation, operation, and maintenance of EV charging stations) on limited access highway rest areas or travel information centers. MDOT would have to identify selected sites and could not require the municipality having jurisdiction over the site to pass a resolution authorizing the activities described above (the sale or display

of goods, etc.) or require that the municipality agree to enforce compliance with the permit. Revenue from the permit would be deposited into the State Trunkline Fund.

MCL 257.676a

House Bill 4804 would amend 1941 PA 205, which provides for the construction, improvement, and maintenance of limited access highways, to allow MDOT to install, operate, and maintain or allow the installation, operation, and maintenance of charging stations for electric vehicles at selected sites on limited access highway rest areas or travel information centers. MDOT could enter into a lease for the installation or operation of the charging station. Revenue from a lease would have to be deposited into the State Trunkline Fund. Specific sites best suited for EV charging stations would have to be identified by the department.

MCL 252.52

House Bill 4805 would amend 1951 PA 51, the act that governs most state transportation programs and funds, to allow funds allocated under the act to construct, maintain, and operate on EV charging station on a limited access highway rest area or welcome center.

MCL 247.651b

House Bills 4801 and 4802 are tie-barred to each other, which means that neither bill could take effect unless both bills were enacted.

BACKGROUND:

House Bills 4801 and 4802 are respectively virtually identical to HBs 5445 and 4806 of the 2019-20 legislative session as those bills were referred from the House Energy committee to the House Ways and Means committee.

FISCAL IMPACT:

House Bill 4801 establishes MDARD as the state department responsible for the electric vehicle charging station registration program. MDARD currently has regulatory authority over sales of *motor fuels* in two ways, under two statutes, with both of these activities carried out by staff in MDARD's Laboratory Division:

- The department tests service station fuel pumps for accuracy in distributing the correct volume of motor fuel under the Weights and Measures Act.
- The department performs motor fuel quality testing under the Motor Fuels Quality Act.

The regulatory responsibilities given to MDARD under HB 4801 are of a different character than its service station weights and measures and motor fuel quality activities. EV charging stations are not necessarily located at motor fuel service stations. The department anticipates that regulatory actions will be primarily complaint-driven, generated primarily from the motor fuel quality hotline or online consumer complaint forms.

The additional program responsibilities, and related program costs, cannot be readily estimated at this time.

The bill also authorizes the department to charge a one-time registration fee of not more than \$75 to each person that registers under the act. Since the number of registrants is not known at

this time, the amount of fee revenue, and whether fee revenue would be sufficient to offset program costs, cannot be readily estimated at this time.

House Bill 4802 would not have a fiscal impact on the Public Service Commission within the Department of Licensing and Regulatory Affairs.

House Bills 4803 and 4804 would amend two public acts dealing with the use of public highway rights-of-way to provide for the use of such rights-of-way for EV charging stations.

Specifically, House Bill 4803 would amend section 676a of the Michigan Vehicle Code, which deals with regulation of various activities within highway rights-of-way. Subsection (1) authorizes certain activities within state trunk line highway rights-of-way under a permit issued by the Michigan Department of Transportation (MDOT). Subsection (2) authorizes MDOT to charge a fee for issuing such a permit in an amount not greater than the administrative cost of issuing the permit.

HB 4803 would require that revenue from permits issued under subsection (2) be deposited into the State Trunkline Fund (STF) established under section 11 of 1951 PA 51 (“Act 51”).

The amount of STF revenue generated under this section would depend on the number of EV charging station permits issued by MDOT and cannot be readily estimated at this time. The section effectively limits permit fees, and permit fee revenue, to the cost of issuing permits.

Similarly, House Bill 4804 would amend 1941 PA 205, an act dealing with the use of limited access highways. The bill would add a new subsection (12) authorizing MDOT to install, operate, and maintain or allow the installation, operation, and maintenance of charging stations for electric vehicles at selected sites (as identified by MDOT) on limited access highway rest areas or travel information centers. The bill would also authorize MDOT to enter into a lease for the installation or operation of the charging station.

HB 4804 would require that revenue from leases entered into for the installation or operation of a charging station be deposited into the STF. The amount of lease revenue generated would depend on the number of limited access highway rest areas or travel information centers selected by MDOT for electric vehicle charging stations and the amount a private lessee or contractor would pay for the rights to install and operate such charging stations.

House Bill 4805 would amend section 1b of Act 51, the act that governs most state transportation programs and funds, to specifically authorize MDOT to use funds allocated under Act 51 to construct, maintain, and operate an electric vehicle charging station on a limited access highway rest area or welcome center. HB 4805 is authorizing only and does not impose any additional costs on MDOT or generate additional revenue.

Legislative Analyst: Susan Stutzky
Fiscal Analysts: Marcus Coffin
William E. Hamilton

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.