

# Legislative Analysis



## ELECTRIC VEHICLE CHARGING SERVICES

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<http://www.house.mi.gov/hfa>

**House Bill 4801 (H-3) as reported from committee**  
**Sponsor: Rep. Andrea K. Schroeder**

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

**House Bill 4802 (H-3) as reported from committee**  
**Sponsor: Rep. Padma Kuppa**

**Committee: Energy**  
**Complete to 6-25-21**

### 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 make complementary amendments to the act regulating public utilities.

**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. MDARD would have to record the site of the EV charging services on the Alternative Fuels Data Center.<sup>1</sup>

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 devices* in the state and the number of the EV charging devices.
- Provide the name, email address, phone number, and mailing address of a designated contact individual.

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<sup>1</sup> <https://afdc.energy.gov/>

- Provide the EV charging device model information. This would include the name of the manufacturer, EV supply equipment type, and additional information regarding the charging device as determined by MDARD.

*Electric vehicle charging device* 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 MDARD, 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 charging device. Any fees collected would have to be deposited into the Electric Vehicle Services Fund created under the act.

#### 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 the number of hours each EV charging device is fully operational and capable of charging an electric vehicle and, if it is not, the reasons why the device is not functioning.
- 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 EV charging device. This requirement would not prohibit a person providing EV charging services from displaying other information to the customer or prohibit means used to display the cost information, such as within the vehicle or on a mobile app.

#### 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 or nonretail provider of an EV charging device that is not publicly accessible.

#### Electric Vehicle Services Fund

The bill would create the Electric Vehicle Services Fund in the state treasury. The state treasurer could receive money or other assets for deposit into the fund and would have to direct the investment of the fund and credit to the fund interest and earnings from those investments. Money in the fund at the close of the fiscal year would remain in the fund and not lapse to the general fund. MDARD would have to expend money from the fund, upon appropriation, to implement the act.

#### 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 devices.

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 EV charging services unless the person registers with MDARD under the Electric Vehicle Charging Services Registration Act proposed by HB 4801. The requirement to register under the Electric Vehicle Charging Services Act would not apply to the following entities:

- An electric utility, municipally owned utility, or cooperative electric utility.
- An independent transmission owner.
- A private owner or nonretail provider of an EV charging device that is not publicly accessible.

The bill also would 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 device. 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. An entity that provides EV charging services would have to work with the applicable investor-owned, cooperative, or municipally owned electric utility to determine the appropriate method of distribution services for an EV charging device.

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

MCL 460.10g, 460.10h, and 460.10q

## **BACKGROUND:**

As introduced, House Bills 4801 and 4802 were 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 device 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 devices are not necessarily located at motor fuel service stations.

Additional program responsibilities, and related program costs, cannot be readily estimated at this time. The department indicates that program costs would include staffing (1.0 full-time equated metrologist position), in addition to the costs of maintaining a registry of electric charging device registrants. Other costs would depend on the scope of MDARD oversight responsibilities, i.e., whether program responsibilities were active or complaint-driven.

The bill as introduced provided for a one-time registration fee per licensee of \$75. Fee revenue under the bill as introduced would have been minimal. The H-3 substitute would assess the \$75 registration fee per charging station. This change would result in substantially more fee revenue although an estimate of potential fee revenue is not available at this time. It is not clear whether fee revenue would be sufficient to offset ongoing program costs.

The H-3 substitute would also establish a separate fund, the Electric Vehicle Services Fund in the state treasury.

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

## **POSITIONS:**

The following entities indicated support for the bills (6-8-21):

- ITC
- Rivian

The following entities indicated a neutral position on the bills:

- Michigan Environmental Council (6-8-21)
- Clean Fuels Michigan (6-17-21)

Tesla indicated a neutral position on House Bill 4081. (6-22-21)

Representatives of the following entities testified in opposition to the bills (6-17-21):

- Greenlots
- Chargepoint

Michigan EIBC indicated opposition to the bills. (6-17-21)

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■ 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.