Andrew S. Johnston
Executive Secretary, Maryland Public Service Commission
William Donald Schafer Tower
6 St. Paul Street, 16th Floor,
Baltimore, Maryland 21202

RE**:** *Phase II EV Pilot Proposals* **–** Case No. 9478

Dear Mr. Johnston:

On December 18 and 20, 2024, the following utilities filed their Phase II EV Pilot proposals: Potomac Electric Power Company ("Pepco"), Delmarva Power and Light Company ("Delmarva Power"), Baltimore Gas and Electric Company ("BGE"), The Potomac Edison Company ("PE") and Southern Maryland Electric Cooperative, Inc. ("SMECO"). The Maryland Public Service Commission (Commission) issued a Notice of Hearing on January 21, 2025, which states that stakeholders are invited to submit comments by Friday, March 28, 2025 regarding the evaluation of the Phase II EV Pilot proposals. The Commission's notice also indicated that it will conduct a legislative-style hearing to review the comments filed by various parties on Wednesday, April 9, 2025. Charge Ahead Partnership (CAP) now files these narrowly tailored comments on electric utility ownership of public direct-current fast charging (DCFC) stations and the various requests in the Phase II proposals for cost recovery for maintenance and repairs for utility-owned charging stations.

About Charge Ahead Partnership

Charge Ahead Partnership's membership is comprised of businesses, organizations and individuals that share the common goal of expanding Maryland's EV charging network and ensuring Maryland is positioned to meet EV drivers' expectations of quality service, safety and the affordable, competitive pricing to which they have grown accustomed with the established refueling network. Our corporate members, from big box retailers to grocery stores and restaurants, to existing fuel retailers, own the real estate that is best suited for DCFC infrastructure. Many of these businesses are located along highway corridors and offer the amenities that drivers will demand while refueling.

The biggest challenge to widespread EV adoption in Maryland, and consequently also a barrier to Maryland's ambitious greenhouse gas reduction goals, is the lack of a robust, statewide DCFC network that is co-located with the services and amenities, such as food vendors, restrooms, lighting and security, that consumers have come to expect when they refuel. CAP believes that a competitive, market-based approach is the most efficient and economical way to build Maryland's EV charging network so that it promotes fair competition and encourages private investment in the EV charging business.

Comments on Utility Ownership and Phase II EV Pilot Proposals

In August of 2024 the Commission issued Order No. 91297 on the EV Pilot Phase I Evaluation which noted the concerns raised regarding unfair competition with utility-owned charging stations, and indicated that the Commission does not anticipate approving more utility-owned public charging stations in Phase II of the program, but may do so in areas determined to be "underserved." Additionally, in a notable shift the Commission also ordered the utilities to "cease developing new utility-owned charging stations as part of their Phase I programs, though they may complete construction of charging stations already in development." The order also directed the Commissions' EV Workgroup to work with the Maryland Department of Transportation (MDOT) and Maryland's Zero Emission EV Infrastructure Council to determine if the state has a process for determining ideal locations for public charging stations and to "develop a process for determining when it is appropriate to permit utility incentives for ownership of public charging stations." All of these recommendations from the Phase I Order represented significant steps forward for EV charging policy in Maryland and the beginnings of a much-needed shift away from utility domination of the EV charging market.

CAP is pleased to see that the Phase II EV Pilot Proposals align with the Commission's Phase I directive by not requesting ratepayer funds to build any new utility-owned public DCFC stations; however, every utility proposal seeks approval to use ratepayer dollars for expenses related to ongoing maintenance and operations of the existing utility-owned public DCFC. CAP believes that the Commission should reject these requests for additional ratepayer support to cover maintenance and repair costs for the utility-owned DCFC. These requests for additional ratepayer funded support are a perfect example of how utility-owned EV charging stations that are funded with ratepayer dollars can easily become stranded assets that habitually depend on ratepayer subsidies. Any other charging provider in the market, such as those in Maryland currently competing with utility-owned chargers for EV drivers' business, have to recover maintenance and operating costs from the EV driver or from other elements of their business, instead of socializing the cost to captive ratepayers.

While use of Maryland's utility-owned chargers has increased slightly as EV adoption rates continue to climb, utility reports show many being underutilized and continuing to rely on ratepayer funds for ongoing maintenance and operation, an option not available to any private competitor. Furthermore, despite requirements for utility-owned chargers to meet 97% uptime requirements and the current support of ratepayer dollars, studies of Maryland's utility-owned DCFC continue to find poor reliability, especially when compared to privately owned DCFC.[1] It would be counterproductive to continue to use ratepayer funds to support a charging network that has consistently failed to provide a reliable and convenient charging experience for EV drivers. Doing so will only further suppress private investment and shake confidence in the charging network for those considering adopting EVs.

[1] Testimony of Lanny Hartman before the Maryland Senate Education, Energy and Environment Committee, February 18, 2025. https://www.youtube.com/live/zXWZNUVBV-0?feature=shared&t=9960.

The Commission needs to implement regulatory policy that ensures these charging stations do not remain dependent on ratepayer funding in perpetuity. Other state PUC's have moved away from utility-owned charging station programs in a similar way to the Commission. For example, South Carolina is currently in the process of winding down Duke Energy's public DCFC program. While Duke winds down the program they are recovering operations and maintenance expenses from their charging revenues alone, while holding their general body of ratepayers unaffected.[2] CAP believes this approach is preferable for limiting the financial burden on ratepayers and it is not as offensive from a competitive standpoint for private charging providers, which as previously mentioned, can only recover maintenance and operating costs from the EV driver.

Conclusion

CAP believes that previous Commission action to limit any future utility-owned charging stations was a step in the right direction for encouraging the development of Maryland's competitive market. As the Commission considers the Phase II Programs, we encourage consideration of ways you can ensure the current utility-owned DCFC charging stations are subject to similar market conditions and risks that private operators must navigate. Approving further ratepayer funding to maintain utility-owned charging stations would serve to further exacerbate the negative impacts of the utility-owned charger programs and further commit Maryland ratepayers to supporting unreliable chargers that undercut the development of a robust EV charging market in Maryland. Maryland's EV charging market should be driven by competition and innovation and not ratepayer funding.

Sincerely,

/s/ Jay Smith
Jay Smith
Executive Director
Charge Ahead Partnership
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[2] South Carolina Public Service Commission. Docket No. 2018-322-E. January 12, 2025. "Update on Process of Winding Down DC Fast Charging Pilot Programs". https://dms.psc.sc.gov/Web/dockets/Detail/116874