

June 20, 2023

Chairman McClain, Vice Chairman Dobos, Ranking Member Grim and Members of the House Transportation Committee, I wish to thank you for allowing Consumer Energy Alliance (CEA) the opportunity to offer proponent testimony on House Bill 201. My name is Chris Ventura, and I am the Executive Director of Consumer Energy Alliance-Midwest.

On behalf of CEA, I wish to share our strong support for HB 201 that has been introduced by Representatives Hillyer and Demetriou. We believe this legislation will offer important consumer protections for all Ohioans with mobility requirements, especially those struggling to get by and those living on fixed incomes.

CEA is the nation's leading consumer energy and environmental advocate – ensuring families, farmers, and local businesses have access to sustainably produced, affordable, reliable and environmentally responsible energy. Our diverse membership represents a cross-section of the economy, all of whom have been impacted by rising inflation and higher energy prices.

We support a rational, all-of-the-above energy policy that provides the options to utilize all our domestic natural resources – both traditional and renewable – while ensuring robust environmental protections are in place. And, quite simply, HB 201 is commonsense legislation that ensures consumers can continue to have options and choose vehicles that meet their mobility needs.

As consumers become more accepting of electric vehicles (EV), taxpayer-funded incentives expand, and automobile manufacturers produce a greater variety of models, EV purchases are expected to keep growing. Despite this, policymakers in several states have embarked on a regulatory regime designed to prematurely force a market transition without holistically examining the impacts these mandates will have on consumers.

Our latest report, *Freedom to Fuel: Consumer Choice in the Automotive Marketplace* reviewed several fundamental questions which policymakers in other states failed to consider – questions which must be asked to ensure consumer acceptance, reduce negative economic and societal impacts, and mitigate against consumer backlash against EVs. Some of these questions include:

- What is the true cost to consumers of moving from internal combustion engine-powered vehicles to electric vehicles?
- What electric generation requirements and transmission investments are necessary to power a move to electric vehicles?
- How does a transition and vehicle affordability affect equitable job growth in the United States?

Unfortunately, by not addressing these questions, consumers are driven to purchase products they aren't ready to accept, they can't afford to purchase, and that face significant supply-chain bottlenecks.

Looking at total cost of ownership, there is a \$16,360 upfront price difference between EV and ICE vehicles - more than two times the federal tax credit. As a result, the break-even point for families in the United States would be close to 24 years.

While the push to transition to EVs from ICE vehicles is an effort to shift to a low-carbon economy, the shift from a transportation system based on liquid fuels to one based on electricity is far more complicated and costly than most decision-makers in other states – and the federal government – have considered.

Nationally, there are about 250 million light-duty vehicles, clocking over 2.8 trillion miles every year. This would require over 1 trillion Kwh/year of new generation. To account just for the increase in electricity usage to power light-duty vehicles, over the next decade we would need to build the equivalent of 122 new nuclear stations, or almost 284,000 MW of onshore wind capacity.

More than generation, investments in transmission and distribution would also be required. Brattle identified \$15-\$25 billion in required upgrades for transmission and distribution systems, and another \$30-\$50 billion for charging infrastructure as automobiles to transition just 7% of the US light-duty vehicle fleet.

Some in the policy debate over EV mandates believe that the benefits of shifting the public to EVs is helpful to working-class and lower-income families. Typically, this focuses exclusively on lowering vehicle emissions which have indirect health benefits associated with environmental improvement. But, often ignored are the direct impacts on the practical use of EVs for a working-class family and how the benefits of an EV transition mostly flow to the wealthier segments of the population.

Charging infrastructure is a critical component for EV usage with access to chargers (and specifically fast chargers) a major consideration in purchasing an EV. Wealthier users are far more likely to live in single family homes where installation of a fast charger costing thousands of dollars is simply a matter of fact. Lower income families who are more likely to reside in apartments or rental properties do not have the option of installing their own personal dedicated fast chargers.

In fact, a recent MIT study on EVs and equity noted, “Black and Hispanic neighborhoods only had 0.7 times the access to public chargers.” The researchers further posited that public charging, when available to lower income communities, typically costs more than home charging stating, “This higher cost would disproportionately affect low-income households who already pay a higher proportion of their income towards transportation.”

Electric vehicles will play an important role in diversifying our vehicle mix, and, if integrated correctly, can help meet our shared environmental goals. Yet, it is increasingly clear that public officials and regulators in several states and at the federal level are either willfully ignoring or failing to fully consider all the implications of aggressively mandating EVs and banning ICE vehicles. Without adequately considering the impact this will have on consumers, acceptance of EVs will suffer as overall negative impacts on low- and middle- income earners will increase.

This is why HB 201 is critically important for consumers and why we urge the committee to pass this legislation.

Thank you, again, for the opportunity to provide comments on House Bill 201. I am happy to answer any questions the committee may have.