



March 16, 2021

The Honorable Stephanie Kunze  
Chair  
Senate Transportation Committee  
One Capitol Square  
Columbus, Ohio 43215

Chair Kunze and committee members:

I am writing to deliver interested party testimony for House Bill 74, the state's transportation budget. AEP Ohio is strongly committed to the increased deployment of plug-in electric vehicles (PEVs) and related infrastructure throughout Ohio and to the reduction of current barriers in state law that hamper investment.

In August 2018, our company implemented a \$10 million rebate program approved by the Public Utilities Commission of Ohio (PUCO) to encourage the installation of electric vehicle charging stations at public sites, workplaces and apartment complexes throughout our 66 county service territory. Our customers have recognized the benefits of this program by subscribing the entirety of the available funding two years before the conclusion of the program, demonstrating the large demand for EVs and EV charging stations and showing that utility involvement helps foster adoption across the state.

Earlier this month, AEP announced a partnership with five other electric utilities to add electric vehicle fast chargers throughout several regions of the country. While final charging locations have not yet been determined, the company anticipates these stations will be located along major highway routes and will be capable of returning drivers to the road in approximately 20-30 minutes.

As work starts on this program, AEP Ohio would like to bring the committee's attention to a current impediment to the success of these programs: Contribution in Aid of Construction (CIAC). The current rules around CIAC require Ohioans seeking to install electric vehicle charging infrastructure to pay for costly electric service upgrades, even though these upgrades benefit all electric customers through new investment in the grid.

We therefore encourage this committee to adopt the attached amendment into the transportation budget that changes Ohio's energy policy to ensure the Public Utilities Commission of Ohio crafts a more balanced approach to CIAC. This change is essential to ensuring Ohio facilitates a competitive environment for EV adoption.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Rajarajan", is written over a light blue horizontal line.

Raja Sundararajan, CFA  
President and COO, AEP Ohio

Sub. H. B. No. 74  
As Passed by the House

\_\_\_\_\_ moved to amend as follows:

In line 19 of the title, after "4519.60" insert ", 4928.02" 1

In line 49, after "4519.60" insert ", 4928.02" 2

After line 9454, insert: 3

"Sec. 4928.02. It is the policy of this state to do the 4  
following throughout this state: 5

(A) Ensure the availability to consumers of adequate, 6  
reliable, safe, efficient, nondiscriminatory, and reasonably 7  
priced retail electric service; 8

(B) Ensure the availability of unbundled and comparable 9  
retail electric service that provides consumers with the 10  
supplier, price, terms, conditions, and quality options they 11  
elect to meet their respective needs; 12

(C) Ensure diversity of electricity supplies and 13  
suppliers, by giving consumers effective choices over the 14  
selection of those supplies and suppliers and by encouraging the 15  
development of distributed and small generation facilities; 16

(D) Encourage innovation and market access for cost- 17



effective supply- and demand-side retail electric service	18
including, but not limited to, demand-side management, time-	19
differentiated pricing, waste energy recovery systems, smart	20
grid programs, and implementation of advanced metering	21
infrastructure;	22
(E) Encourage cost-effective and efficient access to	23
information regarding the operation of the transmission and	24
distribution systems of electric utilities in order to promote	25
both effective customer choice of retail electric service and	26
the development of performance standards and targets for service	27
quality for all consumers, including annual achievement reports	28
written in plain language;	29
(F) Ensure that an electric utility's transmission and	30
distribution systems are available to a customer-generator or	31
owner of distributed generation, so that the customer-generator	32
or owner can market and deliver the electricity it produces;	33
(G) Recognize the continuing emergence of competitive	34
electricity markets through the development and implementation	35
of flexible regulatory treatment;	36
(H) Ensure effective competition in the provision of	37
retail electric service by avoiding anticompetitive subsidies	38
flowing from a noncompetitive retail electric service to a	39
competitive retail electric service or to a product or service	40
other than retail electric service, and vice versa, including by	41
prohibiting the recovery of any generation-related costs through	42
distribution or transmission rates;	43
(I) Ensure retail electric service consumers protection	44
against unreasonable sales practices, market deficiencies, and	45
market power;	46

(J) Provide coherent, transparent means of giving	47
appropriate incentives to technologies that can adapt	48
successfully to potential environmental mandates;	49
(K) Encourage implementation of distributed generation	50
across customer classes through regular review and updating of	51
administrative rules governing critical issues such as, but not	52
limited to, interconnection standards, standby charges, and net	53
metering;	54
(L) Protect at-risk populations, including, but not	55
limited to, when considering the implementation of any new	56
advanced energy or renewable energy resource;	57
(M) Encourage the education of small business owners in	58
this state regarding the use of, and encourage the use of,	59
energy efficiency programs and alternative energy resources in	60
their businesses;	61
(N) Facilitate the state's effectiveness in the global	62
economy.	63
(O) Encourage cost-effective, timely, and efficient access	64
to and sharing of customer usage data with customers and	65
competitive suppliers to promote customer choice and grid	66
modernization.	67
(P) Ensure that a customer's data is provided in a	68
standard format and provided to third parties in as close to	69
real time as is economically justifiable in order to spur	70
economic investment and improve the energy options of individual	71
customers.	72
In carrying out this policy, the commission shall consider	73
rules as they apply to the costs of electric distribution	74

infrastructure, including, but not limited to, line extensions, 75  
for the purpose of development in this state. 76

(Q) Encourage the deployment of electric grid 77  
infrastructure by electric distribution utilities to support 78  
development of electric vehicle charging through promulgation of 79  
an updated regulatory policy for contribution in aid of 80  
construction that minimizes contributions toward the cost of 81  
such infrastructure by electric vehicle charging customers while 82  
enabling recovery of all prudently incurred costs of the utility 83  
through base distribution rates or rider rates. For purposes of 84  
this section, "electric grid infrastructure" includes additions 85  
and improvements to utility property that operate as part of the 86  
electric distribution grid." 87

In line 10066, after "4519.60" insert ", 4928.02" 88

The motion was \_\_\_\_\_ agreed to.

SYNOPSIS 89

**Vehicle charging infrastructure** 90

**R.C. 4928.02** 91

Adds to the state policy regarding retail electric service 92  
to encourage electric grid infrastructure deployment to support 93  
electric vehicle charging by minimizing the cost to electric 94  
vehicle charging customers and enabling recovery of all 95  
prudently incurred utility costs through base distribution rates 96  
or rider rates. 97