



CITIZENS UTILITY BOARD OF OHIO

Interested Party Testimony of Dan Gray on House Bill 74 President, Citizens Utility Board of Ohio Senate Transportation Committee March 17, 2021

Chair Kunze, Vice-Chair Reineke, Ranking Member Antonio and members of the Senate Transportation Committee, thank you for the opportunity to submit testimony on House Bill 74, the next State Transportation Budget. My name is Dan Gray, and I am president of the Citizens Utility Board of Ohio (CUB Ohio).

CUB Ohio is a nonprofit, nonpartisan consumer watchdog with members across the state that advocates for residential and small business utility customers. Our mission is to educate consumers to reduce their utility bills as well as to work for transparency and for energy that is affordable, reliable, and clean.

CUB Ohio educates consumers on how to save energy, keep their bills low, and get a fair deal from utilities. We also conduct public education about policies that support utility customers and improve their cost and quality of service. These include cost-saving strategies such as improving efficiency, lowering peak demand, and shifting usage to off-peak hours, which lowers costs for everyone.

One such strategy—increased adoption of electric vehicles (EVs)—can be done in a manner that lowers consumer costs, and, since it will soon to be the automotive industry standard, planning now for successful adoption would serve state government and Ohio consumers well.

Given that a unit of electric fuel cost half to a third as much as traditional petroleum fuel, electric-powered vehicles hold the promise of lowering consumer costs while improving air quality. But a major barrier to adoption is the current registration fee levels for electric vehicle (EV), plug-in hybrid vehicle (PHEV), and hybrid electric vehicle (HEV), which were set in the last transportation budget (H.B. 62) at \$200 for EV and PHEV, and \$100 for HEV registrations.

These fee levels overcharge consumers (up front) for more than their fair share of road usage. In addition, since EV-owning consumers are already paying state-approved utility charges on the electricity they buy to fuel their vehicles, they are in effect taxed twice—an inequity compared to consumers driving petroleum-fueled vehicles.

A study by the University of California, Davis found that registration fees of \$85 or more can slow EV adoption as much as 20 percent over the first few years.

Rather than slowing adoption, the General Assembly and the State of Ohio should allow for consumers to access the cost-saving benefits of EVs as well as their other benefits: lower transportation costs, cleaner air, and quieter neighborhoods.

Fairer registration rate levels would be \$100 for battery electric vehicles, \$50 for plug-in hybrid vehicles, and \$0 for hybrid vehicles.

Thank you for the opportunity to testify.