



November 29, 2022

Chair McColley, Vice Chair Schuring, Ranking Member Martin, and Members of the Senate Energy and Public Utilities Committee:

Thank you for the opportunity to provide proponent testimony for Senate Bill 307, and specifically the substitute bill.

My name is Adam Headlee, and I am the Manager of State Government Affairs for Clean Fuels Ohio. We are a clean transportation advocacy non-profit which seeks to improve air quality and health, reduce environmental pollution, and strengthen Ohio's economy by increasing the use of cleaner, domestic fuels and energy saving vehicles. We are supportive of SB 307 and this sub bill because it will help our state and our automobile industry make advances towards precisely those goals.

The substitute bill before you is the result of several months of interested party meetings with Senator Rulli and our fellow stakeholders in this legislation. In that time, there have been numerous conversations about the best way to move this bill forward and make a meaningful, positive impact to bolster Ohio's growing electric vehicle market, on both the supply and the demand side. This sub bill includes several important provisions which offer clarifications and refined definitions as to whom that market encapsulates under this legislation.

Six amendments produced through those conversations have been folded into this sub bill. As summarized by the Legislative Service Commission:

1. Removes the requirement that an individual who enrolls as a student or apprentice or participates as an employee in a training program be an Ohio resident for a training provider to be eligible to receive a reimbursement for the costs of providing a grant to the individual.

Absolves a vendor from liability for improperly exempted sales tax under the bill's electric vehicle exemption, instead imposing sole liability on the consumer.

Revises the membership of the Accelerating Ohio's Automotive Industry Task Force to: (1) replace the member representing motor vehicle dealers with a member representing the Ohio Automobile Dealers Association and (2) add a member representing the Ohio Energy and Convenience Association.

2. Includes in the bill's definitions of "battery electric motor vehicle" autcycles and motorcycles that are powered wholly by a battery cell energy system that can be recharged via an external source of electricity and applies this definition to the Electric Vehicle Incentive Program, Electric Vehicle Retooling and New Equipment Acquisition Program, Accelerating Ohio's Automotive Industry Task Force, and Electric Vehicle Training and Modernization Program.



Limits the sales tax exemption available under the bill's Electric Vehicle Incentive Program for electric autocycles and motorcycles in the same manner as other battery electric motor vehicles, except by subjecting them to an MSRP limitation of \$40,000 for a nonbusiness purchase to qualify. (Different MSRP thresholds apply to other types of electric vehicles.)

Includes autocycles and motorcycles in the definition of "electric vehicle" that applies to electric distribution utilities' transportation electrification programs approved by the Public Utilities Commission.

3. Defines a "fuel cell electric motor vehicle" as "a motor vehicle powered wholly by a fuel cell that uses the chemical reaction of hydrogen combined with oxygen to generate electricity."

Includes fuel cell electric motor vehicles (in addition to battery electric motor vehicles and plug-in hybrid electric motor vehicles) in the Electric Vehicle Incentive Program, Electric Vehicle Retooling and New Equipment Acquisition Program, and Electric Vehicle Training and Modernization Program, all established by the bill.

Includes fuel cell electric motor vehicles in the definition of "electric vehicle product" and thus includes them within the scope of the Accelerating Ohio's Automotive Industry Task Force's duties to monitor the electric vehicle product market in Ohio.

Allows a state sales tax exemption up to \$2,000 for the retail sale or lease of a new fuel cell electric motor vehicle.

4. Corrects an ambiguity by specifying only new and not used plug-in hybrid electric motor vehicles are eligible for the bill's new state sales tax exemption.
5. Replaces the bill's current definition of "battery electric motor vehicle" with the broader definition of "electric vehicle" for the Transportation Electrification Program and applies that definition to the Accelerating Ohio's Automotive Industry Task Force, Electric Vehicle Retooling and New Equipment Acquisition Program, Electric Vehicle Training and Modernization Program, Electric Vehicle Incentive Program, and the bill's sales tax exemption.

Defines "electric vehicle" to mean a vehicle powered wholly by a system that can be recharged via an external source of electricity, including a vehicle for public or private use that is a passenger car, commercial car or truck, public transit vehicle, fleet vehicle, construction vehicle, or vehicle used in industrial or warehouse work.



6. Removes from the state policy for competitive retail electric service, the bill's provision to encourage electric distribution utilities (EDUs) to deploy electric grid infrastructure through competitively neutral programs related to the development of, and costs for, electric vehicle (EV) charging infrastructure.

Removes the provision permitting an EDU, as part of its electric security plan, to develop, and apply for Public Utilities Commission (PUCO) approval for, programs within its certified territory for transportation electrification (the use of electric vehicles and the deployment of systems and infrastructure for EV charging).

Establishes the 15-member Transportation Electrification Study Committee consisting of 12 legislators; the chairperson of PUCO, or the chairperson's designee; and the directors of the Departments of Development and Transportation, or the directors' designees.

Requires the Committee to (1) study the impact of EV production and adoption on Ohio's economy and (2) submit a report to the House of Representatives and Senate, taking into account projections through 2050 for Ohio's EV infrastructure production, EV infrastructure deployment, EV production, and EV adoption.

Requires the Committee's report to include recommendations for changes in the competitive retail electric service law to prepare Ohio for the advent of EVs based on several factors such as, for example, the investments and incentives from EDUs for EV charging infrastructure, trends for EV adoption and production, and options for developing a competitive market for electric vehicle charging.

Specifies that the Committee ceases to exist upon submission of its report.

We are supportive of these changes, especially the creation of the Transportation Electrification Study Committee to ensure that these conversations will continue as the electric vehicle market continues to evolve in our state.

We have boundless potential for growth and development in Ohio. The recent announcement that Honda will make a multi-billion dollar investment in Fayette County to produce electric vehicle batteries is a strong indicator that domestic auto manufacturers are looking to Ohio for opportunities to expand their operations in the growing EV market. SB 307 will help strengthen our position as a state and draw more of these jobs in moving forward. These amendments preserve the intent of the bill to help position Ohio for the coming EV pivot, while still allowing us to continue to look at and address issues moving forward.



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Our work does not stop here – it begins here. This bill is the beginning of legislation Ohio needs to pass to be competitive and help provide Ohioans with the confidence that their decision to purchase an EV is a viable option. The work of the study committee will ensure that we continue our focus on the work still to be done, staying engaged in the conversation moving forward and addressing new issues as they arise.

I'd like to thank Senator Rulli for all his hard work to get SB 307 to this point, and I look forward to continued work with both him and this committee to pass this important legislation.

Thank you, Chair McColley for allowing me to testify today. I would be happy to answer any questions.