

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 998
Finance

(Senator Hershey)

Public Service Commission - Electric Vehicle Infrastructure - Prior
Authorization

This emergency bill prohibits the Public Service Commission (PSC) from establishing or continuing a pilot program related to electric vehicle charging station infrastructure subsidized by ratepayers through a rate-based or surcharge rider cost recovery method unless the General Assembly enacts a law to authorize the pilot program. The bill specifies that it is the intent of the General Assembly that any law related to electric vehicle charging station infrastructure take into account the trust fund resources available from the Volkswagen Partial Consent Decree, as specified.

Fiscal Summary

State Effect: The bill does not materially affect State finances or operation. Absent other legislation, PSC oversight of an existing pilot program is delayed by at least one year.

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: Meaningful.

Analysis

Current Law/Background: PSC is not prohibited from authorizing an electric vehicle infrastructure pilot program. In January 2019, PSC authorized a five-year electric vehicle infrastructure pilot program for the State's four investor-owned electric companies. PSC advises that the pilot program supports the deployment of more than 5,000 electric vehicle charging stations.

The companies are authorized to seek cost recovery through traditional ratemaking (specifically, by deferring costs to a regulatory asset) in a future rate case. A request by one of the companies to use a surcharge to collect costs contemporaneously was denied.

Each electric company must implement plans to evaluate the performance of its pilot program, provide progress reports to PSC on a semi-annual basis, and participate in mid-course and final review in hearings. More information on the pilot program can be found in the PSC [order](#) approving the program on PSC’s website, under Case No. 9478.

Volkswagen Settlement

Maryland is eligible to receive a total of \$75.7 million from the \$2.9 billion Volkswagen Environmental Mitigation Trust that was established in October 2016 under a partial consent decree due to an allegation that certain diesel cars included “defeat devices” in order to circumvent nitrogen oxide emission standards. Maryland has up to 10 years to spend these funds. Maryland’s final plan for how its share of the funds are to be used includes \$11.3 million for investments in electric vehicle infrastructure. According to the [published plan](#), it will be coordinated with other existing electric vehicle infrastructure initiatives to maximize the benefits of the State’s investment.

Small Business Effect: Small businesses involved in the installation of electric vehicle infrastructure – more than 5,000 charging stations under the pilot program delayed or discontinued under the bill – no longer benefit from the economic activity associated with the installations.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Public Service Commission; Office of People’s Counsel; Maryland Department of the Environment; Department of Legislative Services

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ns/lgc

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