

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

BILL NO. Senate Bill 596

PRINTER NO. 1343

AMOUNT

See Fiscal Impact

FUND

General Fund

DATE INTRODUCED

April 30, 2019

PRIME SPONSOR

Senator Mensch

DESCRIPTION

Senate Bill 596 amends Title 66 (Public Utilities) to provide for transportation fueling infrastructure development.

Senate Bill 596 requires the Pennsylvania Public Utility Commission (PUC) to conduct a statewide transportation electrification opportunity assessment that includes opportunities for hydrogen and other fuel-cell electric vehicles supported by electrical infrastructure and establish a goal within 60 days for statewide expansion of transportation electrification 50% above current market forecasts for December 31, 2030. Regional goals may also be established for each group of priority alternative transportation infrastructure counties served by an electric distribution company. The PUC is required to issue transportation electrification infrastructure development plan guidelines for electric distribution companies within 180 days.

The legislation requires an electric distribution company (EDC) serving one or more priority alternative transportation infrastructure counties to contract with a qualified independent transportation analyst to develop a transportation electrification infrastructure regional framework for these counties.

The regional framework development process will include representatives from the Department of Transportation, Department of Environmental Protection, county and municipal governments, public transit organizations and the electric distribution company. EDCs shall invite representatives of regional planning commissions, school districts, owners of vehicle fleets, transportation network companies, nonprofit environmental organizations, transportation electrification infrastructure experts, transportation electrification equipment manufacturers and transportation electrification market participants and stakeholders to participate in the regional framework development process.

An electric distribution company serving one or more priority alternative transportation infrastructure counties must file a transportation electrification infrastructure development plan with the PUC within one year of establishment of the statewide goal.

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

Additionally, Senate Bill 596 addresses access to public electric vehicle charging stations as follows:

- An electric vehicle operator who uses a public electric vehicle charging station installed or operated with incentives authorized under a transportation electrification infrastructure development plan or by an electric distribution company shall not be required to enroll in a club, association or membership organization or pay a subscription fee to use the station;
- Allows an owner or lessee of a publicly available parking space with an electric vehicle charging station to limit the space to employees, customers and visitors of the business;
- Information on a public electric vehicle charging station's geographic location, hours of operation, charging level, hardware compatibility, fee schedule, accepted payment methods and amount of network roaming charges must be provided to the PUC, the Department of Revenue and the U.S. Department of Energy National Renewable Energy Laboratory on an ongoing basis;
- Requires publicly funded electric vehicle charging stations to use open standard communication protocols, be capable of networking, and be sub-metered at the charging station or other on-site access location. Third-party owned and operated electric vehicle charging stations are not subject to this requirement even if the EDC has or will complete a necessary line extension to provide service to the station; and
- Does not limit the establishment of third-party owned and operated electric vehicle charging stations. It also does not give the PUC jurisdiction over third-party charging stations established without ratepayer funds.

Senate Bill 596 requires the PUC to complete a statewide assessment of current natural gas and propane fueled vehicle usage and fueling infrastructure in the Commonwealth. The assessment shall identify opportunities and goals for expansion of natural gas and propane-fueled vehicle usage and fueling infrastructure and make recommendations to the General Assembly.

This act shall take effect in 60 days.

FISCAL IMPACT

Senate Bill 596 allows an electric distribution company to recover reasonable and prudent costs incurred to implement the transportation electrification infrastructure development plan through the distribution rate process. The annual total costs charged to customers cannot exceed 0.25% of the total annual customer bill amount, excluding bill amounts for electric energy generation, for the most recent 12 month period ending December 31, 2019 or the test year upon which distribution rates were established in the electric distribution company's most recent base distribution rate case proceeding.

The 0.25% cap outlined in Senate Bill 596 is limited to distribution and transmission revenues derived from a customer's bill. According to the PUC, generation revenues make up approximately 50% of a customer's electric bill and are excluded in an electric distribution company's cost recovery efforts in this legislation. As generation

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

is omitted in the calculation, a customer’s total bill is projected to increase by approximately 0.125%.

While the PUC has jurisdiction over 11 electric distribution companies that serve the majority of the Commonwealth, the table below is representative of an estimated monthly impact for residential customers in the three largest metro areas of three EDCs. The unofficial analysis provided by the PUC includes a projection for low-usage (500 kWh) and high-usage residential customers (2,000 kWh) when applying 0.125% to a monthly bill. High-usage residential customers are categorized as those that are also utilizing electricity for residential heating purposes.

Projected Monthly Maximum Residential Billing Impact		
	500 kWh Usage	2,000 kWh Usage <small>(Residential Heating from Electricity)</small>
PECO	\$0.09	\$0.30
Duquesne	\$0.11	\$0.32
PPL	\$0.09	\$0.30

Over a 12-month period, a typical low-usage residential customer’s electric bill may increase by approximately \$1.00 per year. A typical high-usage residential customer may have their electric bill increase by about \$3.50 per year. For all residential customers statewide, the 0.25% cost containment cap rate would allow for total cost recovery estimated at \$8.6 million annually.

Based upon data from the federal Energy Information Administration (EIA) and the PUC, total revenue received from the sale of electricity for non-residential use (e.g. commercial and industrial customers) in Pennsylvania is approximately \$7.2 billion per year. Assuming 50% of the revenue is attributable to distribution and transmission charges, the 0.25% cost containment cap rate (i.e. 0.125% effective rate) would result in cost recovery from non-residential electric customers of about \$9 million per year. Therefore, the total statewide cost recovery from all EDC customers is estimated at nearly \$18 million annually.

The PUC has indicated that any costs related to fulfilling the duties of this legislation can be accommodated within the agency’s current budget.