Contact: Ryan McKinnon 703-772-0123

February 13, 2023



Bill to grow access to EV charging market filed in Arizona Legislature

Legislation removes current barriers that undercut private investment in electric vehicle charging

PHOENIX – Arizona took a step toward growing the state's electric vehicle (EV) charging market, as legislation filed by Senator Frank Carroll would encourage private retailers to invest in EV chargers by removing existing market barriers to providing EV charging. The legislation is scheduled for a hearing in the Senate Commerce Committee on Wednesday, Feb. 15.

"In order for Arizona to have the EV charging marketplace that it will need, lawmakers must fix the broken system," said Jay Smith, executive director of Charge Ahead Partnership, a coalition of businesses, individuals and organizations working to expand access to the EV charging marketplace. "We applaud Sen. Carroll for crafting legislation that lifts the major barriers that deter private investment in commercial EV charging."

The growing number of EVs on Arizona's roads has attracted interest from private businesses that want to offer EV charging services, but public utilities in the state have an unfair competitive advantage. This has discouraged others from investing in the EV charging market in Arizona.

Senate Bill 1501 aims to create the necessary market reforms through two key provisions. The legislation would:

- Prohibit public utilities from using ratepayer funds to subsidize their own EV charging stations and require all
 entities offering EV charging to operate under the same terms and conditions. When power companies raise the
 power bills for all of their monthly customers and use that revenue to build EV charging stations, it results in
 higher costs for all consumers and discourages private businesses from investing in EV charging. This practice
 creates an uneven playing field that discourages private businesses from investing in EV charging.
- Encourage utilities to establish a predictable and transparent rate for the sale of electricity used in EV charging.
 Under the current rate structure, private businesses offering high-speed charging incur a significant "demand charge" based on the maximum amount of electricity pulled at once. These unpredictable and fluctuating fees can easily double or triple a retailer's monthly power bill at a level that cannot be reasonably passed along to the consumer. The legislation encourages utilities to establish a standard volumetric rate that covers the utility's cost of both generating and delivering the electricity.

Carroll said that the future of electric vehicles in the state depends on lawmakers creating an environment that attracts private investment in the EV charging space.

"Arizonans know common sense when they see it. It simply does not make sense to ask everyone paying a power bill in the state to subsidize utility-owned EV charging stations," Carroll said. "This bill puts an end to that practice, and it allows the numerous private entities that want to invest their own money in this industry to do so without the fear of competing with a government-backed monopoly. Free enterprise, private investment and competition will drive innovation in the EV charging marketplace."