

Luke Dretske: Empowering the private sector in the EV charging revolution

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As the U.S. achieves a record pace of [nearly one million new electric vehicles](#) (EV) sold in just the last year, it's clear that we need an extensive network of charging stations to support the transition of our transportation sector. President Biden was recently in Milwaukee [to meet with Ingeteam](#), a company that plans to deploy half a million EV charging stations along American highways, underlining the urgency of this effort. But to make this vision a reality, we must ensure the EV charger marketplace allows for the private sector to compete fairly.

A recent [report](#) evaluated whether utility ownership of charging stations or supporting private-sector investment is the best approach to successfully deploying EV charging stations. The report found that allowing monopoly utilities to own public EV charging stations would result in less efficient, lower-quality services and limited choices for EV owners. This report concluded that utility ownership of charging stations does not align with the public interest and would ultimately hinder the goal of a nationwide EV charging network.

Based on the research, policymakers must prioritize a regulatory and legislative environment that supports fair competition and gives the private sector a fighting chance in the EV charging marketplace.

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Unfortunately, anti-competitive policies still hinder private sector investment,

making it much easier for monopolistic utility companies to corner the EV charging station market.

In Wisconsin, for example, [an old law](#) makes it more difficult for private companies to qualify for federal funds to install charging stations. The federal government has allocated the state [\\$78 million](#) from the National Electric Vehicle Infrastructure Formula Program to support EV charging station installation. However, federal rules say charging stations that qualify should charge based on how much electricity is used in kilowatt-hours. But in Wisconsin, only regulated utilities can do that. The state defines a utility as any individual, company, or corporation providing water or power, with no exception for EV charging stations.

Under this archaic rule, gas stations would have to be considered a public utility and be regulated as such to qualify for these federal funds. This clearly would not work and means that utility companies get an unfair advantage. But it's not the only flaw in this market that benefits utility companies over mom-and-pop gas stations.

Utility companies' use of [demand charges](#) can render it unprofitable for small businesses to set up charging stations, while utilities are not subject to these additional fees. Demand fees are charges levied by utility providers on commercial and industrial clients, determined by their highest electricity consumption within a defined timeframe, often gauged over a brief duration, such as 15 minutes or an hour. Unfortunately, fast-charging stations desired by most EV drivers tend to spike energy usage in a relatively short amount of time, often incurring a demand charge that, when added up, can outpace the revenue raised from selling electricity in the first place.

This situation results in an unjust competitive environment. That's why certain states, such as [Alaska](#) and [New Hampshire](#), have worked to tackle this competitive discrepancy by modifying utility rate structures to exclude demand charges associated with EV charging. This move promotes a free-market approach and encourages the establishment of more charging stations.

As EV sales rise, they could surpass [half](#) of all vehicle sales by 2030. If policymakers want a successful national EV charging network, they just have to look at how our current transportation sector is fueled – private gas stations at convenient locations – to know that the private sector will be critical to this transition.

But it's important for policymakers to note that it's not just the location that is

important to consumers. In survey after survey, EV drivers share their [frustrations](#) over a lack of amenities associated with charging stations. From snacks to trash cans, restrooms, and rain covers, people desire a nationwide network of charging stations that mimics the one the private sector so skillfully provided gas-powered vehicles long ago.

Hopefully, Wisconsin lawmakers will not allow big utility companies to control the EV charging market unfairly. They must create an environment where the private sector can succeed for a national EV charging network to be realized.

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