

11/03/22

To: AWG- NDOT Transportation of the Future

From: Sarah Marks – Resident of Henderson, NV, Small Business Owner, Automotive Technology Consultant and Author.

Re: Final AWG Recommendation Report to the 2023 NV Legislative Council Bureau

Dear AWG members,

Thank you for allowing me to speak to this committee via my public comments. I have learned a lot through your efforts.

First let me address the three phases you have decided are the most viable for collecting more road revenue. Phase 1, charge all EV owners a flat fee, effective immediately. Phase 2, modify the GST to bring all Nevada counties to the same rate. Earmarking this increase for roads only (Table 60) . And Phase 3, create a long-term Road Usage Charge for all vehicles not paying at the pump.

When I spoke to you last spring, I expressed concern that you, as work group members, must understand and consider all the factors involving the charging infrastructure and power grid behind ZEVLEV adoption. While tasked with getting more money through state initiatives, I firmly believe the need to include the electric charging infrastructure development for electric vehicles and its' financial demands must be included in this conversation. You cannot ask taxpayers to pay twice, once for their power/gas and second for the road, this is inefficient and unsustainable. I also highlighted the inherent failures around using DMV as your collection hub, given the stressors already in play.

Regarding this final recommendation report to the 2023 Nevada legislature, I believe there needs to be some context and transparency for the legislators and public, who have not been privy to all your discussions.

Page 9 in your report lacks specifics from NDOT as to where and what projects, by name, this money will go to. A list of roads, bridges, and new locations will make it easier for the administration, and public to relate to, when you give them a \$1.7 Billion dollar invoice. It would also be helpful to explain how the VW Dieselgate settlement and Federal "Bipartisan Infrastructure Bill" funding: aka: NEVI, of \$38 M over 5 years, is designated for dropping public charging stations along rural I15 and I80, and is not part of the \$100 million a year deficit NDOT is estimating.

Again, in the interest of transparency and context, I found the presentation by Ms. Steele of the NV ENERGY Submission 2209006 very enlightening. This powerpoint is critical to understanding how our state power company intends to support the demand on the grid, the very “juice” that is required by EV and ZEV’s to use the very roads you are tasked with funding. The NVENERGY submission makes it clear that they will be charging the public for EV charging, but there are few details as to how and when. I would like to see this report include any/all contracts, exemptions and administration incentives made to the public charging station and energy providers in the past and for the future. While many of these stations are free at government locations, the public-private collaborations of ElectrifyAmerica, ChargePoint, EVGO, EVGateway often charge three to four times the actual cost of a kilowatt.

To give you some perspective, when I charge my car at one of these fast charger locations, the fee is \$21.00 for 50 minutes of charging, which adds 120 miles to my range. Some of these charging stations bill by the minute while others sell the kilowatts. These chargers are unregulated and pay no state, local or county sales tax. It’s profit. Your report recognizes several members who have brought forth commentary about collecting revenue from the public charging stations. Studies are available and three states are already doing it, but this group ignored this option. WHY?

Do you really think the TESLA charging banks are free? Tesla is making the money on our roads. NV Energy knows how to collect on those chargers, what is the potential revenue on those units? If you want to address finding revenue sources for our roads, you should be recommending a road tax to every kWh charged by all charging stations, especially at the border and in the tourist corridors.

So, let’s talk about those 20,000 electric cars currently registered in Nevada. Phase 1, charge a flat fee, say \$100.00 annually. \$2 million collected, will not make much of a dent in your search for \$100 million a year. If you copy other states and create a sliding scale for all variants of fuel-efficient vehicles, you will solve the equity situation and maybe collect \$10-20 million a year.

As an EV owner, I would rather pay at “my pump”, the electric port in my home. Why not make NV ENERGY responsible for managing the collection and paying it to DMV in Carson City or the TAXATION dept. Using the common exchange rate of 1 gallon of diesel (tax .20) = 40.7 KWH (66 miles/240v/tax .40 equal tax) is easily understood by those Nevadan’s owning such vehicles. Furthermore, this method will create the benchmark for maintaining control of electric and road taxes as this is **the critical nexus** for the electric fleet of the future. Your failure to understand this will inevitably lead to double or even triple taxation. Once you implement a flat fee and plan a rolling RUC, that leaves the door open for NV ENERGY to demand higher rates for home chargers, on top of the road fees.

Mr. Enos and Mr. Farmer specifically mentioned revenue through the electric outlet. Yet there were no details on the revenue generated by these methods in Oklahoma, Kentucky or Iowa? No one asked Ms. Steele how much NV Energy could generate on public, or EV home chargers based on the existing units in play? Ms. Taylor pushed back when discussing the disparity in social equity and constituents' appetite for higher DMV fees. Ms. Butler explained their Technology Transformation is lightyears away, and the honor system for odometer counts is fraught with errors, but still, you think these are your best ideas?

To say I am disappointed in your proposal is an understatement. I am dismayed by your insensitivity to the DMV. Ms. Butler cannot use your road tax demands to secure more funds for DMV. The Legislative and public patience for increased fees won't fly. You need money NOW, and still think the DMV is your best bet? I can only assume none of YOU have been to the DMV lately, especially on a Saturday. You can suggest applying for grants to explain the road tax problem in clever messaging, but Nevada residents are smarter than this. Pay at the pump, or Pay at the PLUG makes the most sense.

In conclusion, my recommendations to you and the legislators who will read this are...

Phase One.

Immediately adopt a tax on all public chargers including the TESLA network, to capture revenue from non-residents of Nevada utilizing our roads.

Charge a FLAT Fee to all fuel-efficient vehicles, not just Electrics. Create a step-up of fees levied according to hybrid, parallel hybrid, hydrogen, LPG, hydro and electric models. Use the CAFÉ standard of 49 MPG and a 90 MPGe or higher, as the basis, not to exceed \$100.00 annually. This eliminates the punitive cost for those owners driving less than 10,000 miles per year. Fossil fuel vehicles should not be excluded from sharing the increased cost of road care. In all fairness, a gas tax increase should be included, so all drivers participate in the process. (Let the State Taxation office send a bill once they can accept credit cards. No matter what, DMV is in no position to collect these funds in the near future, I know, I'm there every day.)

Phase Two. By 2026 phase out the flat fee for those drivers utilizing a home charger. Get NVENERGY to charge a .01 per kwh on home vehicle charging units, specifically for road tax. This should prevent any potential for double taxation when they "adjust" their billing to support the growing demand for grid infrastructure, via the PUC. This can be implemented quickly and painlessly for every consumer using a charging station, dedicated 240 or 110 plug.

Phase Three. Once you have 50% EV adoption, the electrification infrastructure and vehicle battery capacity are extended, a realistic tax per MPGe becomes relevant to a rolling RUC, if still necessary. By 2035, I believe all public charging stations nationally and home chargers via electric suppliers (including rooftop solar) will be collecting some tax for road use, comparable to the fee gas distributors pay today. The caveat being, the consumer paying tax via a charging port should not be subject to an additional flat annual fee or rolling RUC.

Respectfully, I remain.

Sarah Lee Marks