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EV technology and regulatory system needs to be addressed before Conn. fully embraces EV usage

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The Nissan Leaf and Chevy Volt will hit select car dealerships in late 2010, but will Connecticut be ready for them?

The Leaf and the Volt are the latest electric vehicles (EVs), and have been described by some as "game-changing." The Leaf runs solely on electricity, while the Volt has a gas-powered generator, which recharges its battery after depletion. Although the Volt can use gas to create additional electricity, both vehicles are recharged by plugging into an electrical outlet. While most EV owners will recharge their EVs at home, EV owners will undoubtedly need to "fill-up" while away from home. In Connecticut, there are certain obstacles that must be overcome before EV owners will be able to fill-up at a local mall, work, or an apartment complex.

Under current Connecticut law, commercial properties may only be able to install EV charging stations after applying to the Department of Public Utility Control (DPUC) for permission, and maybe only without making a profit. Currently, submetering of electricity is allowed at recreational campgrounds, marina slips and other locations as approved by the DPUC, based upon the rationale that electricity use at those locations is seasonal, temporary, recreational and, thus, difficult to bill monthly. Further, the law allows property owners or operators to pass on to the consumer only the price the electric company charges them, thus preventing the owners or operators from profiting from the charging services. It also prevents them from reselling electricity (other than by permitted submetering), which may require an electric supplier license.

Based on the DPUC's stated rationale for the current submetering exceptions, it is unclear whether the DPUC will grant permission for submetering at all types of commercial real estate properties. At certain locations, such as shopping centers, the current rationale might support submetering, as electricity usage there would be temporary and difficult to bill monthly. Applying this rationale to other locations, such as offices, apartment complexes and parking garages would be more difficult. Use at offices and apartment complexes would not, for the most part, be seasonal, temporary, recreational or difficult to bill monthly. Likewise, usage at parking garages would be shared between EV owners who park daily and others who are only in town for meetings or weekends. This makes it difficult to predict whether the DPUC would grant permission for submetering at these locations under the current rationale.

In addition, since EV charging stations at shopping centers may generate or, at least, correlate, with increased profits, shopping center owners or operators may be willing to install the stations without profiting from the station itself. But what about a gas station or rest stop? The comparatively small food or beverage purchases that the charging station may generate might not be sufficient to justify the EV investment. Further, even if the EV investment would be justified, in order for a commercial real estate owner to profit from the EV charging station, they may need to be licensed as an electric

supplier. A potential electric supplier must possess specific technical, financial and managerial capabilities before the DPUC will issue an electric supplier license, which are regulatory burdens few owners would want to assume. Furthermore, it is unclear whether the DPUC would deem EV charging station owners as appropriate entities for such licensure.

Allowing commercial real estate owners to profit from selling electricity to EV owners might defeat one of the prime benefits of EVs: potentially lower fuel cost. Currently, there are no regulations in place limiting the price per kWh of electricity the owner of an EV charging station may charge an EV owner to fill-up. EVs cost more to purchase than their gas-guzzling cousins, and without a limit on the cost of an electric fill-up, fuel cost might not be low enough to justify the higher EV price tag.

Connecticut Governor Jodi Rell created an Electric Vehicle Infrastructure Council to prepare Connecticut for a seamless transition into the EV market. The Council's final report is due September 1, 2010. But even after the report is issued some regulatory updates will need to be done to address the technical challenges of EVs and recharging.

While EVs might be ready for Connecticut, the current gap between EV technology and the regulatory system will need to be addressed before Connecticut can fully embrace EV usage.

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