

February 13, 2024

Chairman Carpenter, Vice Chairman Kessler, Ranking Member Hoyer and Members of the House Committee on Federal and State Affairs, I wish to thank you allowing Consumer Energy Alliance (CEA) the opportunity to offer proponent testimony on House Bill 2783. My name is Mike Butler, and I am a regional Executive Director of Consumer Energy Alliance.

On behalf of CEA, I wish to share our strong support for House Bill 2783. We believe this legislation will offer important consumer protections for all Kansans, especially those struggling to get by and those living on fixed incomes with mobility requirements.

CEA is the nation's leading consumer energy and environmental advocate – ensuring families, farmers, and local businesses have access to sustainably produced, affordable, reliable and environmentally responsible energy. Our members represent a cross-section of the economy, all of whom have been impacted by rising inflation and higher energy prices.

We support a rational, all-of-the-above energy policy that utilizes all our domestic natural resources – both traditional and renewable – while ensuring commonsense environmental protections are in place. And, quite simply, HB 2783 is commonsense legislation that ensures consumers can continue to choose to have access to vehicles that meet their mobility needs in the most cost-effective manner possible.

As consumers become more accepting of electric vehicles (EV), taxpayer-funded incentives expand, and automobile manufacturers produce a greater variety of models, EV purchases are expected to keep growing. Despite this, policymakers in several states have embarked on a regulatory regime designed to force a market transition without holistically examining the impacts these mandates will have on consumers.

Our latest report, *Freedom to Fuel: Consumer Choice in the Automotive Marketplace* reviewed several questions which policymakers must ask themselves to ensure consumer acceptance and reduce negative economic and societal impacts. Some of these questions include:

- What is the true cost to consumers of moving from internal combustion engine-powered vehicles to electric vehicles?
- What electric generation requirements and transmission investments are necessary to power a move to electric vehicles?
- How does a transition and vehicle affordability affect equitable job growth in the United States?

Unfortunately, by not addressing these questions, consumers are driven to purchase products they aren't ready to accept, they can't afford to purchase, and that face significant supply-chain bottlenecks that are already limiting supply and increasing costs.

Looking at total cost of ownership, there is a \$16,360 upfront price difference between EV and ICE vehicles - more than two times the federal tax credit. As a result, the break-even point for families in the United States would be close to 24 years. In addition, as reported by *Consumer Reports* in November 2023, "Electric vehicles are less reliable than conventional cars," and, "on average, EVs from the past three model years had 79 percent more problems than conventional cars."

While the push to transition to EVs from ICE vehicles is an effort to shift to a low-carbon economy, the shift from a transportation system based on gasoline to one based on electricity is far more complicated and costly than most decision-makers consider.

Nationally, there are about 250 million light-duty, clocking over 2.8 trillion miles. This would require over 1 trillion Kwh/year of new generation. To account just for the increase in electricity usage to power light duty vehicles, over the next decade we would need to build the equivalent of 122 new nuclear stations, or almost 284,000 MW of onshore wind capacity.

More than just generation, investments in transmission and distribution would also be required. Brattle identified \$15-\$25 billion in required upgrades for transmission and distribution systems, and another \$30-\$50 billion for charging infrastructure as automobiles move from ICE to EV. This investment represents only about 7% of the US light-duty vehicle fleet.

There is often a component of the debate over EV mandates that declares that the benefits of shifting the public to electric vehicles is helpful to working-class and lower-income families. Often ignored are the direct impacts on the practical use of EVs for a working-class family and how the benefits of an EV transition mostly flow to the wealthier segments of the population.

Charging infrastructure is a critical component for EV usage, with access to chargers (and specifically fast chargers) a major consideration in purchasing an EV. Wealthier users are far more likely to live in single family homes where installation of a fast charger costing thousands of dollars is simply a matter of fact. Lower income families who are more likely to reside in apartments or rented properties do not have the option of installing their own personal dedicated fast chargers.

In fact, a recent MIT study on EVs and equity noted that public charging, when available to lower income communities, typically costs more than home charging. "This higher cost would disproportionately affect low-income households who already pay a higher proportion of their income towards transportation."

Electric vehicles will play an important role in diversifying our vehicle mix, and, if integrated correctly, can help meet our shared environmental goals. Yet, it is increasingly clear that public officials and regulators are not fully considering all the implications of aggressively mandating EVs and banning ICE vehicles. Without adequately considering the impact this will have on consumers, acceptance of EVs will suffer as overall negative impacts on low- and middle-income earners will increase.

This is why HB 2783 is critically important for consumers and why we urge the committee to pass this legislation.

Thank you, again, for the opportunity to provide comments on House Bill 2783. I am happy to answer any questions the committee may have.