

Senate Transportation Committee Hearing on Vehicle Emissions and Electrification September 27, 2021 Testimony of Melissa Batula, PennDOT Acting Executive Secretary

I am Melissa Batula, the Acting Executive Deputy Secretary for the Pennsylvania Department of Transportation (PennDOT). On behalf of Secretary Gramian, I want to thank Chair Langerholc, Chair Sabatina, and the rest of the Senate Transportation Committee for holding a hearing on vehicle emissions and electrification and for inviting PennDOT to participate.

The Pennsylvania Department of Transportation and its leader, Secretary Gramian, are impassioned supporters of innovative technology in transportation. One such emerging innovation that is making significant headway across the country is an alternative to the internal combustion engine, electric vehicles. PennDOT, in this growing trend of vehicle electrification, is making significant progress in preparing the Commonwealth's transportation network for the future.

In July 2021, the Transportation Revenue Options Commission (TROC) presented Governor Wolf with a strategic funding proposal aimed at addressing Pennsylvania's transportation funding challenge, including the impact of high-efficiency vehicles to our current funding structure. Our largest source of revenue for highways and bridges comes from state and federal gas taxes – which make up a combined 78 percent. We are dependent on gas tax, which has become a less predictable source of revenue. As vehicles become more fuel efficient and electric vehicle (EV) technology evolves, we see reduced revenues. This trend will continue, as consumers consider-an EV for their next vehicle and auto manufacturers are expanding the number of electric models available. For instance, Ford announced they will have 40 electric models available by 2022 and General Motors stated all their vehicles will be electric by 2035. Manufacturers alone plan on spending \$225 billion in developing new electric vehicles between now and 2030 (source: Business Insider). This trend is not specific to passenger vehicles either, the trucking industry is exploring electronic technologies for their medium- and heavy-duty fleets. All these trends, while positive in themselves, continue to reduce gasoline and diesel consumption, and although this is an excellent step in making transportation cleaner and greener, it also means further reduction in revenue from the Liquid Fuels tax and will contribute to the growth of the current \$9.3 billion transportation funding gap.

We appreciate that Senator Langerhole's Drive Smart's proposal includes options for establishing a Mileage Based User Fee (MBUF) pilot for electric vehicles. Pennsylvania relies more heavily on gas tax to fund transportation than any of our neighboring states. All users of the highway system, not just those driving gas powered vehicles, should contribute fairly to support it. An MBUF pilot for the collection of user fees can be a successful means of ensuring fair treatment of all users while also beginning the transition to a potential future funding mechanism that is not reliant on gas taxes. As always, we are committed to continuing our collaborative relationship with the General Assembly to ensure that these funding shortfalls are addressed in an effective and equitable manner.

To meet public and industry expectations and ensure Pennsylvanians can get to their destinations safely and reliably, PennDOT has already begun its preparations for the EV future. In May 2021, the department embarked on the statewide Electric Vehicle Mobility Plan, which builds on the information and strategies



presented in the Department of Environmental Protection's (DEP) <u>2019 Vehicle Roadmap</u> and <u>2021 Roadmap Update</u>. The plan will evaluate the current state of transportation electrification in Pennsylvania, identify mobility challenges experienced by EV owners, and engage stakeholders in the EV Mobility Plan outreach, including members of the General Assembly. The plan will identify key opportunities for expansion of EV charging infrastructure, specifically related to commuter, destination and emergency travel needs. The plan is anticipated to be completed this winter.

In pursuit of the Mobility Plan and in preparation for potential new federal funding for electrification, PennDOT has created an internal, cross-departmental team to answer questions, identify priorities, and complete action items relating to three focus areas: Outreach & Education, PennDOT's EV Fleet, and EV Deployments. In addition, the department regularly communicates and collaborates with other state agencies and stakeholders to ensure efficiency in Pennsylvania's EV rollout. Our efforts are well underway for transitioning 25 percent of our fleet passenger vehicles to electric and plug-in hybrid by 2025 and installing the needed charging infrastructure to support the fleet statewide.

In July 2019, the Federal Highway Administration (FHWA) announced an applied research funding opportunity to assist with planning and development of alternative vehicle fueling and charging infrastructure along interstate corridors. The goal is to fill gaps and designate corridors as "ready" as defined by the criteria established under the Alternative Fuels Corridor (AFC) Program. Pennsylvania was selected by FHWA to participate in two of the five Alternative Fuel Deployment plan projects to establish EV charging infrastructure along I-80 and I-78/I-81 corridors. This project has looked at these corridors comprehensively to determine gaps in the spacing of various fuel alternative technologies, including EV charging. Considering that charging an EV can take 30 minutes or more, the evaluation is also considering amenities such as dining, retail and convenience shopping which would be of interest to travelers. Currently we are looking at opportunities to share information on DEP's grant program and the mobility gaps with both local businesses and charging companies to encourage private expansion and deployment of EV charging.

In June 2021, PennDOT completed an FHWA Alternative Fuels Corridor Deployment Plan Report for DC fast charging infrastructure along the I-78/I-81 corridor. The report proposes three new exit locations for additional fast charging deployment and outlines opportunities for facilitating where applicable and appropriate to help fill those gaps. Together, with Metropolitan Planning Organizations (MPOs), Rural Planning Organizations (RPOs), and other partners, the department will communicate with businesses and EV network companies to state grant opportunities and other incentives to install the necessary charging infrastructure and move more corridor miles from "pending" to "ready" status. A corridor is "pending" when public DC fast charging (DCFC) stations are separated by more than 50 miles. A corridor is "ready" when public DCFC stations are within 50 miles of each other. Location of the stations must be within 5 miles of the highway. Currently, Pennsylvania's electric vehicle corridors have 692 Interstate miles in "ready" status and 1,051 Interstate miles in "pending" status. By identifying EV charging infrastructure, we feel poised to accept and use potential funding given specifically for EV development in the Federal Infrastructure Investment and Jobs Act.

Thank you for the opportunity to submit written testimony. We appreciate the opportunity to showcase how, with your support, PennDOT will continue leading the way in vehicle electrification and providing a safe and reliable transportation network to all.