


From: Chris J. Studer
To: [Regynski, Barb](#)
Subject: [EXT] East River Electric VW Comments
Date: Thursday, June 14, 2018 4:24:05 PM
Attachments: [VolkswagonBeneficiaryMitigationPlanComments6-2018.pdf](#)

Barb,
Please see attached comments.
Thank you,

Chris Studer
Chief Member & Public Relations Officer



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A Touchstone Energy® Cooperative 

DATE: June 14, 2018

TO: Department of Environment and Natural Resources
Joe Foss Building
523 E. Capitol
Pierre, SD 57501

SUBJECT: East River Electric Comments – Volkswagen Beneficiary Mitigation Plan

Thank you for the opportunity to comment on the South Dakota Department of Energy and Natural Resource's draft Volkswagen Beneficiary Mitigation Plan. We appreciate DENR's willingness to access these emissions mitigation funds to serve the citizens of South Dakota with new programs and technologies with the goal of decreasing emissions from the transportation sector.

East River Electric Power Cooperative, Inc., is a not-for-profit wholesale power provider to one municipal electric distribution system and 24 electric cooperatives in eastern South Dakota and western Minnesota. We provide transmission and substation services through a network of transmission lines stretching over 3,000 miles across a service area that spans more than 40,000 square miles serving over 124,000 consumers.

In these comments, East River Electric will address two of the categories specified in the draft plan.

Category 2. Class 4-8 School Bus, Shuttle Bus, or Transit Bus

Electric school buses provide a unique opportunity for utilities to work together with schools that they serve to encourage the adoption of new technologies that would reduce tailpipe emissions from their current fleets of buses. Electric cooperatives across South Dakota provide electricity to several school districts, their buildings, and bus barns. The Department can reduce emissions by providing grants to schools and/or utilities to encourage the adoption of electric school buses. We are encouraged by the amount that the Department proposed allocating to the Category 2 projects as well as the Diesel Emission Reduction Act (DERA) option that could lead to funding for electric school buses. We're encouraged by DENR's plan to provide funding to government and non-government entities through an open and competitive process. We believe the goal of reducing diesel engine emission is laudable and encourage the DENR to provide funding to projects that meet the goal of reduced nitrogen oxide emissions.

Category 9. Light Duty Zero Emission Vehicle Supply Equipment

We believe building public electric vehicle charging infrastructure could bring many positive opportunities to South Dakota including increases in tourism and consumer choices for transportation. Because the number of electric vehicles registered in the state is low

compared to some neighboring states, we believe this funding presents an opportunity to build the infrastructure needed to serve future electric vehicle consumers as the sales of electric vehicles are projected to grow significantly over the next decade in the region and across the United States. Some estimates show as much as 65 percent of all new car sales will be powered by electricity by 2050.

We appreciate the DENR including Light Duty Zero Emission Vehicle Supply Equipment in the draft mitigation plan as one of the categories the Department is considering for funding. We encourage the DENR in its final mitigation plan to provide at least five percent of the funds and respectfully ask the Department to consider increasing the percentage of total eligible funds allocated to electric vehicle charging infrastructure to 15 percent. The typical cost of a 50-kilowatt DC fast charging station is between \$50,000 and \$65,000 while the cost of a 150-kilowatt DC fast charging unit can be as much as \$150,000. If the Department were to provide grants from just five percent of the eligible funds, the total amount available in the first year would be just over \$135,000, about the cost of two 50 kW DC fast charging stations. Even if the Department would provide grants in the amount of \$20,000 to eligible projects in the first year, it would incentivize only about seven public EV charging stations. We believe by fully funding the electric vehicle portion of the eligible funds at 15 percent, the Department can greatly increase the number of grants available for EV charging station projects. The funds will encourage greater adoption of EVs, reduce emissions, promote tourism, and give South Dakotans more transportation options.

An increased investment in public infrastructure could spur a faster adoption of electric and hybrid vehicles which has the opportunity to exponentially multiply the reductions in emissions. While investing a portion of the eligible funds in replacing or repowering individual diesel engines will certainly lead to less emissions from an individual vehicle, it will not lead to an exponential growth in large truck adoption among consumers and will not encourage tourists to visit South Dakota. Using more of the eligible funds to provide public infrastructure for EVs could lead to exponential growth rates of EVs and hybrids which will further reduce emissions over a longer period of time while inviting EV tourists to the state.

We recommend the DENR provide grants for 50 kilowatt Level 2 charging stations initially with a goal of providing larger grants for 150 kilowatt Level 2 charging stations in later years of the program. Getting more 50 kilowatt chargers in highway corridors early in the program could lead to greater EV adoption with the least amount of investment from the state and utility, giving consumers more long-distance driving options. The Department could then consider grants for larger 150 kilowatt charging stations in strategic locations to further improve the options for tourists and consumers who need to charge their cars quickly. We recommend that any DC fast charging stations be sized to be able to accommodate additional charging points in the future. This will reduce the cost of installing additional fast chargers in the future.

According to the Alternative Fuel Data Center, there are just 22 public charging stations in South Dakota while surrounding states have many more (Iowa – 101, Minnesota – 269, Nebraska – 62). While the majority of electric vehicle charging will happen at consumers' homes, there must be a public charging infrastructure to facilitate widespread adoption of electric vehicles. If consumers cannot travel longer distances and have the opportunity to charge away from home, the adoption of electric vehicles will be slower. With more public infrastructure in place, more consumers may choose to purchase electric vehicles which will significantly decrease emissions because consumers will be charging at home as well as work and along highway corridors.

We encourage the Department to not only give consideration to emissions reductions caused by the number of chargers that are spread across South Dakota through this program, but also to the overall impact a greater public charging infrastructure could have on adoption rates. Increased public infrastructure could lead to an increased number of consumers purchasing electric or hybrid vehicles who are charging both at the public charging sites that eligible funds will help purchase but also at home, avoiding tailpipe emissions over the life of their electric vehicle.

We recommend the DENR allow aggregation of applications for eligible funds. This would allow a group of distribution utilities that develops a plan for electric vehicle infrastructure on public highways to be eligible to access funds as a group rather than individually.

Thank you for the opportunity to provide comments on the draft mitigation plan and we appreciate all of the work that went into drafting this plan.