

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-2813/1	Introduction Number SB-0791	
Description exemptions from public utility regulation regarding electric vehicle charging stations, installation and operation of electric vehicle charging stations by state agencies or local governmental units, and imposing an excise tax on electric vehicle charging		
Fiscal Effect State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.115 (1) (j)		
Agency/Prepared By DATCP/ David Woldseth (608) 224-5164	Authorized Signature Waylon Hurlburt (608) 224-4857	Date 1/2/2024

Fiscal Estimate Narratives

DATCP 1/2/2024

LRB Number	23-2813/1	Introduction Number	SB-0791	Estimate Type	Original
Description exemptions from public utility regulation regarding electric vehicle charging stations, installation and operation of electric vehicle charging stations by state agencies or local governmental units, and imposing an excise tax on electric vehicle charging					

Assumptions Used in Arriving at Fiscal Estimate

Senate Bill 791 makes a number of changes to current law. One of the changes is that it exempts from regulation as a public utility, a person who supplies electricity through an electric vehicle charging station (EVCS) to electric vehicles, if all of the electricity supplied is provided by the person's electric utility or retail electric cooperative. Under current law, a person who directly or indirectly provides electricity to the public is regulated as a public utility by the Public Service Commission.

The Department of Agriculture, Trade and Consumer Protection (DATCP), under current law, has the authority to regulate an EVCS by time. Public utilities and local governments are exempt from DATCP, weights and measures inspection. Currently, an EVCS that charges by kilowatt hour is defined as a public utility. This bill would change that exemption and define a person supplying electricity through an EVCS as a non-public utility.

If this proposal were implemented, an EVCS that sells by kilowatt hour would fall under the weights and measures authority as provided in Wis. Stat. Ch. 98. Surrounding upper Midwest states currently allow non-public utilities to charge by kilowatt hour. Based on this experience, DATCP expects an influx of non-public utilities with an EVCS that will require inspection and oversight.

In addition, Wisconsin is required under Wis. Stat. Ch. 98.03 (2) to comply with National Institute of Standards and Technology (NIST) specifications. NIST Handbook 44 includes EVCS systems in the 2023 version. Per statute, Section 3.40 of NIST Handbook 44, would be adopted. Since NIST Handbook 44 is enforced by rule under that statute, DATCP would also need to engage in rulemaking. Staff costs to update the rules would be absorbed with current agency resources.

DATCP expects that staff in its Bureau of Weights and Measures (BWM) who routinely inspect petroleum-based products will conduct the electric vehicle charging inspections. The bureau engages in risk-based analyses in its inspection frequency decisions. By conferring with other states, the bureau considered what an appropriate frequency of inspection based on risk would look like for an EVCS. The bureau estimates EVCS systems will require a two-year inspection frequency with increased inspections based on complaints and non-compliance. The bureau estimates inspection times would average 30 minutes per EVCS. In addition, there would be travel time and administrative work effort that needs to be factored into each inspector's hours. The bureau has determined that two weights and measures petroleum system specialist-senior positions would be needed to establish the inspection program across the state. The salary, fringe, and supplies costs for 2.0 full-time equivalent (FTE) positions would be \$178,500 annually.

This is a new type of inspection for DATCP so new equipment would also need to be purchased. DATCP estimates it would need \$210,000 GPR for the purchase of new equipment that would be used for inspection and testing. Ongoing costs for maintenance, software updates, and calibration would be absorbed with existing agency resources.

Local governments with their own weights and measures programs under Wis. Stat. Ch. 98 may perform their own inspections. The enforcement costs to local governments would be indeterminate at this time. It is possible that local governments could charge a fee for these inspections.

Long-Range Fiscal Implications

The long-range fiscal impacts depend on the number of EVCS systems in the state, the number of complaints, and non-compliance with the law. It is possible additional FTE and equipment will be needed in the future.

Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

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Description exemptions from public utility regulation regarding electric vehicle charging stations, installation and operation of electric vehicle charging stations by state agencies or local governmental units, and imposing an excise tax on electric vehicle charging		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): The department estimates it would need \$210,000 GPR one-time to purchase equipment that would be used for inspection and testing.		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$178,500	\$
(FTE Position Changes)	(2.0 FTE)	
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$178,500	\$
B. State Costs by Source of Funds		
GPR	178,500	
FED		
PRO/PRS		
SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$178,500	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
Authorized Signature		Date
DATCP/ David Woldseth (608) 224-5164		Waylon Hurlburt (608) 224-4857
		1/2/2024