Comments of the Alliance for Transportation Electrification (ATE)

Introduction

The Alliance for Transportation Electrification\(^1\) is pleased to submit these comments in response to the request by Washington State Department of Agriculture (WSDA) for input from stakeholders regarding the multiple payment option requirement for electric vehicle supply equipment (EVSE) as outlined in Second Substitute Senate Bill 5192 (2021).

General Information

**What: Any end goals, objectives, or issues needing to be addressed within the scope of the statute. What is the problem trying to be solved or the benefit trying to be achieved?**

The end goal of the section 5 of the statute is to establish a framework for payment such that consumers are not unduly burdened from charging their vehicle by restrictive or onerous payment methods.

The problem trying to be solved, or the benefit trying to be achieved, is to offer methods of paying which consumers will be able to utilize without unreasonable burdens.

**How to achieve: Any ideas for proposed language that meets the requirements of the statute and achieves objectives?**

Language that meets the requirements of the statute and achieves objectives will allow for payments to be made via mobile phones, preferably via a web browser, text message, proximity, or other means that do not require the downloading of an app. RFID cards are also appropriate as an option, as is using the vehicle itself as a credential.

A credit card reader is acceptable as one option but should not be required, particularly for Level 2 chargers, due to the high cost of credit card hardware and processing in relation to the

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\(^1\) The Alliance for Transportation Electrification (ATE) is a mutual benefit 501(c)(6) non-profit corporation established in 2018. ATE engages with policymakers at the State and local government level across America to remove barriers to EV adoption and to encourage a collaborative and open approach to accelerate the deployment of EV charging infrastructure, support an appropriate utility role by complementing the private/competitive market, and promote interoperability and open standards in all parts of the EV charging ecosystem.
relatively low dollar value of EV charging transactions and current low utilization on many chargers with insufficient EVs in the fleet today.

Phone numbers (800 numbers connecting to a customer service department) are generally less desirable and less efficient for payment purposes for most drivers. However, such telephone connections are important for back-up purposes when either the hardware or software/networks are not functioning properly, or when the EV driver lacks a good broadband connection and wants to refill his or her wallet in a pinch.

**Other: Anything else we should know? How does it affect you?**

Technology is evolving rapidly, and we expect effective and secure payment methods to develop further in the future. Accordingly, we urge the Department to enact only minimal regulations relating to payment, allow for the industry to develop consumer-friendly and economical means of paying for charging, and schedule mid-term reviews of these technologies on a regular basis in the future.

ATE believes that the genesis of this section is to protect consumers from being held captive to single service providers who seek to funnel customers into a proprietary ecosystem. This is not unlike the early days of ATMs, when customers could use only their own banks’ ATMs. Over time the industry evolved to the point where some banks recognized the value of linking their ATMs to others. Meanwhile, some maintain closed networks. Either way, consumers make the choice. In the case of EV charging, we believe that site hosts will evolve to the point where they see openness and interoperability as a feature to look for in selecting an EV charging network for their property.

At the same time, we are realistic in understanding that, while payment methods are high on the radar screen of the Department and interested stakeholders, the same is not true for most site hosts and others who are not immersed in the details. For this reason, we urge the Department to take the further step, in order to advance more durable consumer protections, to require that networked EVSE (DCFC and Level 2) be:

- Technically capable and not contractually limited to operating on another EVSP’s network, should the owner or site host request it; and
- Third-party certified to an internationally recognized and royalty-free open communication protocol to facilitate this capability.

If the requirement of offering multiple payment methods is the statute’s intended solution to avoiding proprietary networks, we believe such a requirement to not be optimal and operationally challenging. A more elegant and consumer-friendly approach would be to require interoperability between all charging networks on an open-access basis. EV drivers are highly likely to maintain an account with at least one service provider; if all service providers were required to maintain interoperability agreements with all other service providers, that would likely resolve most of the charging sessions of an EV driver where he or she may be unable to efficiently initiate a charging session with an EV service provider.
Section 5 Specifics – Please provide input for the following areas

Minimum required payment methods that are convenient and reasonably support access for all current and future users:
- Credit card readers - including the use of contactless, chip reader, and magnetic strips.
- Toll free numbers.
- Mobile payment options - how do you see this being used and working?
- Other payment options, any other suggestions?

ATE supports using mobile phone technology, including nonproprietary browser-based portals as well as apps, text messaging, and other, as the primary means of paying for a charging session. Given the nature of EV charging, and the fact that many EV functionalities necessitate the use of a mobile phone, requiring the possession of a mobile phone presents no practical obstacle; to the argument that a customer’s phone battery may be dead, we point out that an 800 number would not solve this problem.

Mobile wallets are rapidly gaining acceptance. According to PYMNTS.com, credit cards are preferred by 80 percent of highly connected consumers, but mobile wallets are coming quickly from behind, with 65 percent of consumers choosing them. It is not unreasonable to expect that credit cards will start to disappear much in the way that landline telephones have lost market share to cellular telephony. As discussed below, more consumers have mobile phones than credit cards and we believe consumers will more readily embrace these mobile payment options in the future.

The conclusion is that requiring costly credit card readers for infrequent transactions that sometimes total less than $1, and nearly always total less than $10, is an ill-advised investment whose costs will outweigh their benefits.

Means for conducting a charging session in a language other than English.

We support mobile apps offering multiple languages. Many state and local government agencies in the state of Washington require multiple languages to be offered for essential government services, which reflects the increasing diversity of the state’s population and recognition of ensuring full access to such services.

Means for facilitating a charging session for consumers who are unbanked, underbanked, or low to moderate income (LMI).

According to the Federal Reserve,\(^2\) most adults in the United States (81%) were “fully banked,” and an additional 13% had bank accounts but made use of alternative financial services. With regard to credit cards, 83% of adults had a credit card in 2020, almost all people with income over $100,000 had a credit card, and most people with income over $50,000 had a credit card.

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According to the Pew Research Center, 97% of Americans today own a mobile phone of some kind; 85% of Americans own a smartphone.\(^3\) In addition, the Federal Communications Commission (FCC) has been implementing multiple universal service programs for low-moderate and Tribal consumers (Federal Lifeline) and through state-designated (in this state, through the Washington UTC) eligible telecommunication carriers (ETCs) to enhance the proliferation and availability of mobile telephony in Washington and other states.

Because the percentage of Americans owning smartphones is higher than the percentage holding credit cards, we believe that the most effective means of providing access to EV charging service is to require mobile phone access.

If the Department is not comfortable with this single recommendation, other options to serve the unbanked or LMI communities could be considered. One example could be some type of system using electronic benefits cards (EBTs), such as that used in the SNAP program, although many issues of organization, eligibility, governance of the organization, and fraud detection should be considered. Another example would be pre-paid debit cards that would use existing credit/debit card processing capabilities, and be issued either through a provider, a consortium, or some other entity. Most cellular telephone companies today offer such a pre-paid option in which the consumer can “fill the wallet” when necessary (compared to post-paid subscription plans). Consultation with regulated utilities would be constructive, since each of them has developed programs and rates to serve these communities. ATE believes that creative solutions should be explored here, but cautions that such solutions or consortia to offer such services would require time and resources to both establish them, and then oversee the implementation.

**Deadlines for compliance with this section for EVSEs installed prior to or after a specific date.**

Due to global supply chain challenges whose end is not in sight, combined with the long lead time required to design, engineer, test, manufacture, and deploy EVSE with the latest requirements, the ATE favors grandfathering EVSE installed prior to January 2025 for the life of the EVSE. We are aware of many EVSE deployed in the earliest days of the industry that continue to function properly, and we believe that prematurely removing hardware that is serving its intended purpose may result in the removal of EVSE without replacement. Such an outcome would not serve the public interest or protect consumers in any meaningful way.

**How can we minimize costs and maximize benefits to the public when adopting rules related to these requirements?**

The Department can minimize costs and maximize benefits by requiring that networked EVSE be:

- Technically capable and not contractually limited to operating on another EVSP’s network, should the owner or site host request it; and

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• Third-party certified to an internationally recognized and royalty-free open communication protocol to facilitate this capability.

These requirements are far more important that payment processing because EVSE are relatively costly and consumers and site hosts making these investments do not yet understand the complexities and relationships between different networks. Most specifically, they typically are completely unaware of the fact that some EVSE are locked, either technically or contractually, to a single network and that the EVSE can never be operated on an alternative network. We believe that most reasonable site hosts or EVSE purchasers would prefer an EVSE that is operable on more than one network. While we may purchase cell phones that operate on only a single network, the upfront capital cost of EVSE and its installation are more expensive, and they last a lot longer. For these reasons, it would be very much in the interest of consumer protection to institute the requirements cited above.

The Department can also minimize costs and maximize benefits by not requiring costly hardware features which consumers do not need, most particularly credit card readers.

Respectfully submitted,

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