



The State of New Hampshire  
**Department of Environmental Services**



**Thomas S. Burack, Commissioner**

January 19, 2016

The Honorable Steven Smith, Chairman  
House Transportation Committee  
Legislative Office Building, Room 203  
Concord, NH 03301

**RE: House Bill 1568-FN-A relative to prepaid road tolls for certain alternative energy vehicles.**

Dear Chairman Smith and Members of the Committee:

Thank you for the opportunity to comment on HB 1568-FN-A, which seeks to establish a prepaid road toll for certain alternative fuel vehicles. The New Hampshire Department of Environmental Services (NHDES) agrees that all users of the State's transportation system should contribute equitably toward the cost of maintaining New Hampshire's transportation system, but does not support this bill as written.

Motor vehicles are the primary source of emissions of oxides of nitrogen and volatile organic compounds in the state. These pollutants react in the presence of sunlight and heat to form ground level ozone, a respiratory irritant that is the primary component of smog. The transportation sector is also the largest single source of greenhouse gas emissions in the state. In order to reduce emissions from this sector, NHDES has consistently encouraged New Hampshire residents and visitors to reduce the amount of miles they drive, utilize public transportation system, use cleaner vehicle fuels and drive fuel efficient vehicles. These strategies result in a cleaner and healthier environment for our residents and visitors.

HB 1568-FN-A would assess a fee two times the vehicle registration fee for any vehicle powered by an "alternative energy source," which is defined as "any source of energy, other than motor fuel, used to propel a motor vehicle over the ways of the state. Alternative energy shall include, but not be limited to, electric motors, storage batteries, solar cells, steam, propane, liquefied natural gas, natural gas, and human or animal power." NHDES has several concerns with this approach.

First, several of the fuels listed above, including propane, liquefied natural gas and natural gas are already subject to the road toll and pay an equivalent amount per unit of energy as is assessed on comparable petroleum fuels<sup>1</sup>. This bill would also impose

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<sup>1</sup> HB 1142-FN-A (2014)

a significant penalty on hybrid-electric vehicles that use petroleum fuels, but that also utilize electric motors and storage batteries. Such vehicles would pay the current road toll on their conventional fuel use, but also be required to pay an annual fee of twice the registration fee.

HB 1568-FN-A states that "a vehicle powered by alternate energy sources shall be required to prepay road toll fees at the time of registration of the vehicle." It then assumes that twice the registration fee is the appropriate sum. Many electric and hybrid-electric and plug-in hybrid vehicles come at a premium cost. For example, a Tesla Model S, the lower end vehicle in the Tesla electric vehicle products, has a manufacturer's suggested retail price (MSRP) of \$69,000 to \$105,000. The registration fee is based on the value of the vehicle; therefore, these vehicle owners are already paying a higher registration fee than owners of less valuable vehicles, yet they likely do not drive any more miles than typical vehicle owners. In addition, many lower valued vehicles may also have good fuel economy. For example, the Ford Fiesta has an MSRP of \$14,580 and a fuel economy rating of 43 miles per gallon (mpg) highway. In comparison, a Toyota Camry Hybrid, MSRP of \$24,010, has a fuel economy rating of 39 mpg highway. These examples demonstrate that the approach proposed in HB 1568-FN-A would not achieve the equity that it intends.

Thank you again for the opportunity to comment on this bill. If you have questions or need additional information, please contact Craig Wright, Air Resources Division Director ([craig.wright@des.nh.gov](mailto:craig.wright@des.nh.gov), 271-1088) or Rebecca Ohler, Technical Services Bureau Administrator ([rebecca.ohler@des.nh.gov](mailto:rebecca.ohler@des.nh.gov), 271-6749).

Sincerely,



Thomas S. Burack  
Commissioner

CC: Sponsor of HB1568-FN-A: Rep. Tilton  
John Barthelmes, Commissioner, DOS  
Victoria Sheehan, Commissioner, DOT