



The State of New Hampshire
Department of Environmental Services



Robert R. Scott, Commissioner

January 11, 2018

The Honorable Mark McConkey
Chair, Public Works and Highway Committee
Legislative Office Building, Room 201
Concord, NH 03301

RE: HB 1541, An Act relative to registration and road toll fees for hybrid and electric vehicles.

Dear Chair McConkey and Members of the Committee:

Thank you for the opportunity to comment on HB 1541. This bill would establish a special registration fee for electric and hybrid electric vehicles. Motor vehicles are the primary source of oxides of nitrogen and volatile organic compounds and are also the largest single source of greenhouse gas emissions in the state. Hybrid and electric vehicles help to reduce these emissions. Therefore, the New Hampshire Department of Environmental Services (NHDES) opposes this bill as written.

NHDES agrees that all users of the highway system should contribute toward the cost of maintaining the system. As such, NHDES does not oppose assessing an equitable "user fee" on electric vehicles (EV), but feels the proposed fee of \$200 is too high and that such a fee is not necessary or appropriate at this time. When powered by a clean electric grid, such as we have in the Northeast, EVs emit far fewer pollutants into our air, thus providing a health benefit for all who live here. EVs provide an economic benefit to the state by stemming the flow of fossil fuel dollars out of the state's economy.

In order to maximize these benefits, New Hampshire should be helping to foster an increase in the use of these vehicles, not discourage their use. Currently, EVs make up less than one quarter of one percent of the passenger vehicles registered in New Hampshire¹. Therefore, the number of vehicles and their economic impact on the state highway fund is extremely small at this time. The purchase price of EVs is also higher than conventional vehicles and an additional fee now will further discourage their purchase. NHDES recommends that, rather than seeking a registration fee for EVs now, the General Court consider establishing a "trigger" level so that when EVs reach a more significant percentage of vehicle registrations a fee is implemented. Given the ancillary benefits noted above, NHDES further recommends such a trigger be set at a level that represents a substantial number of vehicles.

¹ Data from NH Division of Motor Vehicles indicates approximately 2048 EVs (including battery electric and plug-in hybrid electric vehicles) registered with a total population of over 1.2 million passenger vehicles.

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Relative to assessing an additional fee for hybrid electric vehicles (HEV), NHDES would point to fuel economy data on the Environmental Protection Agency's website² to show that HEVs are not always more efficient than conventional vehicles and, therefore, using this classification as a surrogate for actual fuel economy may not be appropriate.

NHDES strongly supports the use of all strategies that increase the fuel economy of motor vehicles as reduced use of all transportation fuels results in a cleaner and healthier environment. As the annual miles driven in the state continue to increase year over year, it is vital that the emissions profile of the transportation sector continue to improve in order to maintain and improve the air quality in New Hampshire.

In summary, NHDES concurs that all users of the state's roadways should contribute toward the cost of maintaining the system. However, it is critical to be equitable in that assessment and to balance state policies relative to road toll income with those that seek to encourage fuel efficiency and advanced technologies due to the economic and environmental benefits of reduced use of petroleum fuels.

Thank you again for the opportunity to comment on HB 1541. Should you have further questions or need additional information, please feel free to contact either Michael Fitzgerald, Assistant Director (michael.fitzgerald@des.nh.gov, 271-6390) or Rebecca Ohler, Administrator, Technical Services Bureau (rebecca.ohler@des.nh.gov, 271-6749) of the Air Resources Division.

Sincerely,



Robert R. Scott
Commissioner

cc: Sponsors of HB 1541: Representatives J. Graham, McConkey, Ebel, Sprague, Chandler, and Senator Watters

² <http://www.fueleconomy.gov/>