

An Economic Analysis of HB _____

House Bill _____ will increase the options public utilities have to sell natural gas and electricity for motor vehicles. Currently, under Colorado Law, public utilities can sell electricity and natural gas for vehicles as an unregulated entity. This bill will allow public utilities to establish refueling stations as a regulated entity or an unregulated entity. For public utilities that establish fueling stations as a regulated entity, the bill sets standards for the rates that can be applied to the fuels sold. The law notes that the costs shall be established based on the utilities' return on equity for electric vehicle charging stations and on the utilities' weighted average cost of capital and return on equity, as approved by the Public Utilities Commission, for natural gas fueling stations. The bill further stipulates that recovery of costs must be made in a method similar to the recovery of distribution system investments.

Alternative fuel vehicles have enjoyed increasing popularity over the past few years. Chamberlin _____ As a class, alternative fuel vehicles are those that run exclusively on either electricity or natural gas, but not both. Costs of both electricity and natural gas have fallen, making them more cost effective to operate. Mello _____ And while the initial investment can be high, tax credits provided by the state and federal government make purchasing an electric vehicle an attractive option for many vehicle owners. Chuang _____ |

before they must be refueled or recharged. Ranges for these vehicles are somewhere between
and 300 miles, depending on the make and model. Mello

As a point of reference, Americans drive 30 miles on average in one day. The Asphalt s
Getting Crowded. While this is well with

vehicle take hours. As a result, the location of a recharging facility is an important factor for consumers. Consumers are most likely to use charging stations within walking distance of their destination. The price for charging at a specific station is affected by both the location and the time of day.

because establishing a natural gas refueling station is substantially more expensive than establishing an electric vehicle charging station In Excel Energy reported a cost of capital of Schell Combined with the companies return on equity of and an estimated cost for a natural gas refueling station of the sale price would be per

Works Cited

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