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June 20, 2023

Committee on Transportation, Mobility and Infrastructure  
Room 521, House Office Building  
Lansing, Michigan

Via email: [dsoda@house.mi.gov](mailto:dsoda@house.mi.gov)

**RE: Support for HB 4706**

Dear Chair Shannon and members of the Committee:

SWTCH respectfully submits these comments in support of HB 4706, which will allow for the resale of electricity at EV charging stations across Michigan. This bill will deliver multiple benefits: for EV drivers, for owners and operators of chargers, and for the grid and its ratepayers.

Michigan has set ambitious goals for EV charging which include deploying 100,000 chargers to support 2 million electric vehicles on the road by 2030.<sup>1</sup> To achieve these goals, state agencies and utilities have implemented a range of programs to incentivize private sector investment in EV charging. Continued growth of these critical investments in Michigan depends upon clarity in electric vehicle charging regulation. HB 4806 builds on precedent established by the Michigan Public Service Commission<sup>2</sup> and ensures a clear exemption for EV charging from sale-for-resale restrictions. The majority of states have already provided such clarification through both regulatory and legislative pathways.<sup>3</sup>

The bill will benefit drivers by ensuring transparency and accuracy in pricing based on the amount of electricity received. Duration-based pricing – the most common pricing method in the absence of per-kWh pricing – lacks a direct correlation with the amount of electricity delivered. Chargers have different power levels. EV batteries have different charging profiles and differ in the maximum amount of power they can receive. Because of these characteristics, two vehicles that charge at identical chargers for the same duration of time may receive different amounts of charge, despite paying the same duration-based charging fee. Per-kWh pricing eliminates that discrepancy.

The bill will benefit owners and operators of chargers by better enabling them to sell the electricity as a commodity without being regulated as public utilities. Duration-based pricing is not only a less accurate pricing method for the driver purchasing the electricity;

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<sup>1</sup> <https://www.michiganbusiness.org/4a6039/globalassets/documents/mobility/mi-future-mobility-plan-summary.pdf>

<sup>2</sup> For example, see Final Orders in MPSC Dockets U-17990 and U-20132.

<sup>3</sup> For example, Minnesota and Illinois have both updated their statutes to clarify that entities furnishing electric vehicle charging service are not public utilities. See <https://www.revisor.mn.gov/statutes/cite/216B.02> and <https://www.ilga.gov/legislation/ilcs/fulltext.asp?DocName=022000050K3-105>

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it's less accurate for the seller of the electricity as well. By directly aligning the cost of the electricity with the amount of kWh sold, owners and operators of chargers can more effectively price the electricity to meet their budgets and compete in the public charging market.

The bill will benefit the grid and its ratepayers because pricing is a key determinant of consumer behavior. Setting the price for charging on a kWh basis enables better alignment of the price of that electricity with its cost on the grid. When more consumers of electricity use it during periods of peak demand, it can increase the cost of that electricity for all consumers. Conversely, when consumers shift their usage to off-peak periods, it can lower the cost of that electricity for all consumers. Aligning price with cost enables utilities and/or owners of chargers to send price signals to drivers to encourage charging in a manner that benefits the grid and its ratepayers.

By delivering benefits in all three of these areas – to drivers, to owner/operators, and to the grid – this bill will help support the growth of the EV market overall. It is a key measure to support the state's broader electrification goals.

SWTCH applauds the Michigan legislature's consideration of this important issue, and encourages swift passage of HB 4706.

If you have questions or if I can provide more information, please contact me at [josh.cohen@swtchenergy.com](mailto:josh.cohen@swtchenergy.com) or 202.998.7758.

Respectfully,



Josh Cohen  
Head of Policy

## About SWTCH

SWTCH is a pioneer of EV charging solutions for multifamily, commercial, and workplace properties across North America. SWTCH employs the latest technology to deploy EV charging that leverages the building's existing grid infrastructure. Through constant innovation, SWTCH's solution ensures multi-tenant buildings can stay competitive. Learn more at [www.swtchenergy.com](http://www.swtchenergy.com).