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Viewpoint: Electric vehicles and Georgia's future

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You may have heard that electric car owners have become a key focus of the proposed transportation plan to fix Georgia's road and bridge infrastructure issues. The omnibus transportation bill includes measures to not only charge each driver a \$200 per year fee, but the legislation would eliminate the state's generous \$5,000 state tax credit that has made Georgia the No.2 market for electric cars in the entire country. Where else is Georgia ranked No.2?

Here's why this may not be a good idea.

First, the state is already collecting an additional fee on many of these very light-weight vehicles through the special alternative fueled vehicle tags — which are now optional. \$35 of that fee goes as a "highway user" fee helping with roads and bridges. A heavy fuel-guzzling SUV's share of the road tax in Georgia is about \$200 with a Prius paying about \$70 — assuming 12,000 miles per year. Charging EV drivers \$200 may be overkill given that the electricity running these cars is taxed as well. No one seems to mention this important fact and not many people are coming to their aid.

Second, the tax credit is paid back quickly. Let's call this my new car vs. used car theory. You remember the one-time tax that is imposed on the fair market value of the vehicle called the title ad valorem tax fee (TAVT)—it replaced the "birthday tax." It now stands at 7 percent. Because of our state tax credit, I surmise, consumers opt to lease or buy an expensive electric car, valued at over \$30,000, instead of buying a used car, and the state benefits from that upgrade. You do the math: 7 percent TAVT of \$30,000 vs. 7 percent TAVT of \$10,000, if you buy a 4 year-old used car. The government gets triple the revenue—instantly. In this example, \$2,100 of tax revenue vs. \$700. If you are a bargain hunter like me, you get a used car even cheaper and the state gets even less money.

Clearly, the state is recovering 20 percent of the tax credit in these transactions, if my theory holds up.

Third, the local economy gets a boost from the EV tax credit too. When that tax credit comes back to the taxpayer, it is being spent in in and around the community. But these numbers tied to fuel are even better. According to the Georgia Department of Economic Development, for every one percent of petroleum-based miles traveled in GA that is displaced by electric vehicles, approximately \$201 million dollars will remain in the state of Georgia annually. Each pure electric vehicle purchased keeps \$2,242 annually in the state of Georgia by fueling with electricity rather than petroleum-based products. Hybrid electrics, if the credit were extended to them, would provide similar saving.

Since I have been on the Georgia Public Service Commission, I have praised pioneers who put solar on their home, or in this case, who took a chance and bought an essentially experimental car like a Tesla or Nissan LEAF. They are choosing to use a "made in America" fuel—homegrown electricity. They are experiencing range anxiety as they plan out their trips. It is easy to chide electric car owners about getting a tax credit or having free access to toll lanes, but truth be told, these car owners experience a high degree of inconvenience. I don't use my heat in my LEAF when driving to the capitol from Athens for fear of running out of juice. Others can tell similar stories.

But what you don't hear is that electric car owners are helping Georgia cut electricity usage which ultimately saves everyone money. How? Many shift their energy usage to the overnight hours due to an incentive from the power company, and according to a study of 1000 of these Georgia electric car owners, these customers reduced their annual bill by \$180—even though they charged their car and didn't buy gasoline for the entire year. You heard that right—they are saving themselves money and yet using less "peak load" electricity. Such behavior results in cheaper bills for everyone.

Our current credit benefits only pure electric cars, but voices throughout the state are urging lawmakers to include plug-in hybrid electric vehicles (PHEV) as well—which would include a version of the Ford CMAX, Chevy Volt and others. This would enable the entire State of Georgia to move to a larger selection of electric vehicles since PHEVs permit both extended range battery electric driving and inter-city travel within Georgia, while significantly contributing to reducing CO2 and other emissions.

Legislators have their plate full with many issues and they seldom get the credit they deserve for serving their communities for little compensation. I'm sure as they study this issue closely and try to solve our transportation problems they will make the right decision.