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## **Viewpoint: Wrong idea, wrong time**

Tim Echols, commissioner, Georgia Public Service Commission

Almost out of nowhere, the Georgia income tax credit for low emission alternative fueled vehicles is on the chopping block and just a few votes from being eliminated. Georgia is one of the largest and fastest growing markets in the country for electric and alternative fueled vehicles. These innovative vehicles are providing Georgians with cleaner air, lower vehicle operating costs, and high-paying jobs. Before we go and do something crazy, let's examine five reasons on why to keep this benefit in place.

First, this sudden change in policy will have some unintended consequences on businesses throughout our state. Having worked as the commercial sales manager for a Ford dealership, I know that dealers place orders for their inventory, and they pay interest everyday those cars sit there unsold. If this bill passes, it will take effect on April 1st. Dealers have made commitments with manufacturers for this model year, which ends in September, and even if this bill does pass, the effective date should be amended to January 1st so all ordered inventory can be sold. The "car business" is just starting to come back—let's not kick them in the shins.

Second, the concern that there will be a "run on the bank" regarding this credit is just not the case. As of January 1st, there were almost 7 million gasoline vehicles registered in this state, and only 5,985 electric vehicles. I have one of these electric vehicles, a Nissan LEAF. The tax credit is helping to jumpstart the market, but people are still very wary of getting one despite the fact that the owners of electric vehicles who charge during Georgia Power's super-off-peak period will see the cost equivalent of paying approximately 55 cents/gallon for gasoline, compared with more than \$3.30/gallon for a traditional vehicle. But, the sudden elimination sends the wrong signal to the market about cars that benefit our grid and environment.

Third, according to the Georgia Department of Economic Development, for every one percent of petroleum-based miles travelled 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. I'm not a rocket scientist, but this seems to be a good thing.

Fourth, as previously suggested, electric vehicles fit nicely with our electric grid here. Georgia Power has set up a special tariff to encourage people to get electric vehicles and

charge them overnight—when power is super cheap and plentiful. We have extra electric capacity overnight, and these vehicles help us utilize it. Then, during the day, electric vehicles and equipment are quiet, clean and efficient and offer users the opportunity to save money on fuel and maintenance costs and reduce their environmental impact. With Atlanta out of attainment with the EPA, the metro area needs all the help it can get to attain compliance and save everyone the cost of an emission sticker—not to mention their lungs. Remember, gasoline or diesel engines deteriorate over time, leading to higher emissions with the age of the vehicle, whereas electric vehicles will potentially get cleaner over time as the generation of electricity gets cleaner.

Fifth, and the most important issue for me, electric vehicles contribute to the energy independence of the U.S. by utilizing a domestically produced source of energy. We all have seen how we have to gingerly step through the Middle East to keep from offending our oil producing “friends,” overlooking terroristic activities and human-rights violations for fear that they will turn the spigot off. By Georgia encouraging the purchase or lease of electric cars, we help America break free from our entanglement. Maybe other states will do the same.

Eliminating the tax credit will terminate opportunities for the average Georgian to buy and/or lease alternative fuel vehicles, reduce our greenhouse gas emissions and our dependence on foreign oil. It will have a negative and immediate economic impact on our alternative fuels, real estate development, workforce development and private industry efforts. It will keep hard-working families from gaining access to healthier more efficient, more affordable means of transportation. It is bad for the air we breathe. And finally, it is the wrong message to send to companies that want to do business in Georgia.

Nissan is having great success with the LEAF and Georgia is the 4th largest market in the U.S. But behind them, BMW, Porsche and many other manufacturers are coming with electric cars. If we are going to eliminate this credit, let's do it slowly and phase it out over the next decade. Georgia has a great business climate, in part because we don't make knee-jerk regulations causing uncertainty and confusion in the marketplace. Let's not change that now.

*Echols is a member of the Georgia Public Service Commission.*