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weekly update

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NEW STUDY: UTILITY CUSTOMERS ON THE HOOK FOR EV INFRASTRUCTURE INVESTMENTS

The Energy Marketers of America released a study on Tuesday focused on the costs of electric vehicle (EV) charging infrastructure to support policy-driven increases in the number of EVs on U.S. roads. Specifically, this study finds that a rapid buildout of an EV charging infrastructure, looking just at new distribution and transmission investments to support EVs making up only 10 percent of the vehicles on the road in the U.S., could cost as much as $146 billion. Further, if this buildout is funded by the utilities, these costs would be passed along to their customers through rate increases, regardless of whether they own EVs.

The study examined three separate scenarios based on varying EV adoption projections:

- 8.4 million light-duty EVs on the road by 2030;
- 18 million EVs on the road by 2030; and
- 30 million EVs on the road by 2030 (**represents approximately 10 percent of the U.S. vehicle fleet).

These scenarios are based on the Annual Energy Outlook 2020, 100 percent EV sales by 2050, and 100 percent EV sales by 2035, respectively. Costs associated with each scenario range from $35.4 billion to $146.2 billion, all borne by utility ratepayers.

Compare that with the local gas station where you fill up. Energy Marketers of America members own and operate 60,000 retail gas stations across the country. Our members are entrepreneurs who assumed the risks associated with operating a business and must recover investments through customers using the infrastructure. On the other hand, utilities are able to own, operate and sell electricity through charging stations and pass the infrastructure costs along to millions who may never use those chargers.

If these costs were paid only by EV owners, the study estimates they would roughly equal $5,100 per EV, over an average 10-year on-the-road lifetime. Put another way, each EV owner would have to pay more than $500 every year for 10 years to cover these costs in addition to the cost of the electricity used every time they fully charge their vehicle.

The study is focused exclusively on the costs associated with EV charging infrastructure buildout only and does not address EV cost-of-ownership factors or other costs required to support EVs such as the need for additional electric generation capacity or more costly forms of generation to reduce emissions generated because of EV charging. Further, the study's calculations serve as just one example of the additional financial burden associated with a greater reliance on electrification. Local government ordinances mandating a switch to electric heat pumps in cold weather regions, for example, would further add to electricity demand, driving up costs for consumers. The infrastructure and related costs to support these types of mandates are not included in the study. Similar to EV charging infrastructure, utilities will seek to recoup electric heat pump infrastructure costs through increased rates on customers.

"We need fairness in transportation and that includes fueling," Energy Marketers of America President Rob Underwood said. "Utility customers, particularly low- and fixed-income families, should not be paying for EV infrastructure they may never use."

"Advancements in vehicle efficiency and carbon reductions in liquid fuels have dramatically reduced emissions in transportation in recent years," Underwood added. "This study, which shows the high costs associated with elevating one vehicle type over another, demonstrates just how important technology-neutral solutions are to the future of transportation."

To view the study, click here.

UPDATE ON COVID-19 RELIEF NEGOTIATIONS

Despite initial optimism from a bipartisan Senate working group's $908 billion COVID-relief proposal, negotiations have shown little progress this week. While the $900 billion price range is agreeable to both sides, Republican and Democratic leadership are divided on funding for state and local governments and corporate liability protections. The current bipartisan Senate proposal, which is acceptable to most Democrats and many Republicans, includes a temporary shield for liability lawsuits as well as $160 billion in funding for state and local governments. Senate Republican leaders, however, have said that the current proposal's liability protections are unacceptable. Sen. John Cornyn (R-TX) said that liability protections must ensure that lawsuits against employers are tried in federal and not state courts to ensure a more uniform standard. Senate Majority Leader Mitch McConnell (R-KY) suggested Congress move forward with a smaller package that excludes increased liability protections and additional state and local government funding, but Democrats view this as a non-starter. Despite this news, please continue to urge Congress to include important COVID-19 liability protections for businesses. Click [here]() to reach out to lawmakers.

While the fate of a COVID-relief package is unknown, any such package will include enhanced funding for the Paycheck Protection Program (PPP). The current $908 billion bipartisan proposal includes $300 billion for PPP loans, and says that small businesses with less than 300 employees who sustained a 30% revenue loss in any 2020 quarter would be eligible for a second round of PPP funding. The proposal also says that business expenses paid for with PPP funding would be tax deductible.

Assuming passage of a one week extension today, Congress next week must pass a FY2021 spending package (or another Continuing Resolution) by Friday, December 18. This leaves little time for continued COVID-relief negotiations, though some Republican and Democratic leaders said they would stay in Washington until an agreement is reached.

NEW RULE LIMITS EPA'S ABILITY TO JUSTIFY NEW AIR POLLUTION CONTROL LIMITS

The Trump Administration is changing the way the EPA weighs the costs and benefits of proposed air pollution regulations. The new rule will make it more difficult for the EPA to justify more onerous air pollution controls. Under current law, the EPA is required to measure both the cost and benefits of a proposed regulation before it can be finalized. Generally, benefits must outweigh costs for a rulemaking to move forward. Under the new Trump rule, the EPA is now required to make decisions about air regulations based on a narrower measure of their potential costs and benefits. In addition, the EPA must now focus its analysis only on costs and benefits ***directly tied*** to specific pollutants targeted in a rulemaking and not any collateral environmental benefit that may occur.

Moreover, the EPA must make all underlying documents used to conduct a cost-benefit analysis available for public inspection rather than providing a truncated narrative summary of the analysis that currently accompanies final rulemakings. The EPA is further limited to only consider regulatory benefits that directly accrue to the United States and not weigh any multinational benefits that may occur. The changes imposed by the new rule are designed to make it more difficult for the EPA to justify strict new air pollution control measures by limiting they type of benefits the agency can consider. In effect, the new rule makes it more likely a proposed rule is withdrawn because costs outweigh any benefits it will provide. Specifically, the new, more narrow cost-benefit analysis is likely to hamper the incoming Biden Administration efforts to cap emissions from power plants, methane leaks at oil wells and ozone standards. While the Biden Administration could attempt to roll back the new rule, it would require time and a clear justification to do so.

FMCSA ANNUAL DRIVER DRUG AND ALCOHOL RECORD QUERIES MUST BE COMPLETED BY JANUARY 5, 2020

The Federal Motor Carrier Safety Administration (FMCSA) requires employers to conduct an annual inquiry of drug and alcohol records of every CDL driver under their employment. This requirement applies to both petroleum marketers and heating fuel dealers who employ CDL drivers. The FMCSA requires employers to use the agency's new Drug and Alcohol Clearinghouse to conduct these inquiries. The FMCSA Clearinghouse is a searchable electronic database containing CDL driver drug and alcohol records from January 6, 2020 forward. Employers are required to use the database to upload driver drug and alcohol records and to conduct mandatory pre-employment and annual driver drug and alcohol record investigations. In order to do this, employers must first establish an account with the Clearinghouse and pay fees for mandatory databases searches. More information on how to do this is available in an [EMA Compliance Bulletin]() issued earlier this year when the Clearinghouse was established. Employer responsibilities for conducting mandatory annual CDL driver drug and alcohol record inquiries include the following:

- Employers who have not yet conducted an annual query on each CDL driver employed during 2020 must do so by ***January 5, 2021.***
- Employers may conduct the queries or designate a third-party vendor to do so (typically the vendor responsible for conducting the employer's driver drug and alcohol testing program).
- A "[limited query]()" of the Clearinghouse database satisfies the annual query requirement.
- Employers who have already conducted a query on all currently employed CDL drivers has met the annual FMCSA annual Clearinghouse inquiry requirement. The next query is due one year from the date of the previous annual query.
- Employers can [log in to their Clearinghouse accounts]() and access their Query History page (under My Dashboard) to verify which drivers already queried, and the date the query was conducted.
- Employers must first obtain a general consent from CDL drivers before conducting limited queries drug and alcohol record. Download a [sample limited query consent form]() here.
- Before an employer can conduct queries in the Clearinghouse, the employer must purchase a query plan to pay for Clearinghouse transactions. Purchase a Clearinghouse query plan [here]().

- Any ***pre-employment drug and alcohol record query*** conducted on a driver during calendar year 2020 will satisfy the ***annual query*** requirement for that driver. Employers are not required to query drivers on which they conducted a pre-employment query until one year after the initial pre-employment query.
- A fact sheet on Clearinghouse database searches may be found here: Clearinghouse Queries.
- **EMA Staff Contact:** Mark S. Morgan, Regulatory Counsel mmorgan@emamerica.org.

FDA PANEL AUTHORIZES PFIZER'S COVID-19 VACCINE FOR EMERGENCY USE

Yesterday, an FDA panel approved Pfizer's COVID-19 vaccine for emergency authorization use (EAU). The FDA is expected to give full approval later today. Following CDC approval, Operation Warp Speed, the government's initiative to develop a vaccine, can start shipping and distributing the vaccine to states. Previously the CDC expressed support for the order of priority for who should get the shots after healthcare workers and long-term care patients. next: Phase 1a, essential workers; and Phases 1b and 1; people 65 plus, and adults with underlying medical conditions.

Meanwhile, the FDA and the CDC are likely to consider data for the Moderna COVID-19 vaccine beginning next week.

EMA has been thoroughly involved from the start in the development of the original ***Essential Critical Infrastructure Workers Guidance***, as well as all the iterations that have followed, and for the past eight months EMA has worked with government officials to express the need for petroleum marketers, drivers, home heating fuel deliverers and repair technicians, and convenience store essential employees to be among the essential workers who should receive vaccines early, due to the critical nature of their work.

Also, in September, EMA joined SIGMA, NACS and NATSO in a letter of support for and a request for clarification of the draft National Academy of Sciences' Committee on Equitable Allocation of Vaccine report to advise health officials on how to prioritize distribution. The letter urges the Committee to prioritize vaccine distribution to those serving on the front lines of the fuel and food distribution systems across the country up to and including consumer-facing retail of these critical products.

More recently, EMA joined the same associations in another letter, this time to the CDC, where we commended the CDC "…for prioritizing that essential workers of businesses that are part of the critical infrastructure workforce should receive a vaccine as part of Phase 1a of a jurisdiction's distribution.

Additionally, some trucking and maritime groups sent a letter requesting that essential workers follow phase 1 (healthcare workers and long term care patients). At this point, most groups that represent essential workers have sent at least one letter about the importance of a risk-based vaccine distribution plan.

WPMA COVID-19 - CRITICAL REFERENCES FOR MEMBERS

Please visit our web site for up-to-date information related to your business and the COVID-19 pandemic. You will find the link on our home page at www.wpma.com.

MEMBERS AND ASSOCIATES - YOU CAN CONTRIBUTE!

WPMA welcomes industry-related articles for publication in the WPMA News magazine. All members and associate members of WPMA are eligible to submit items for publication. Articles will be included as space allows, and no self-promoting articles or editorials will be accepted. WPMA reserves the right to edit and make adaption of such contributions to accommodate the magazine's space and style. Please submit articles or content to Jan Roothoff, WPMA Administration/IT Director at janr@wpma.com, or mail to Jan Roothoff, Western Petroleum Marketers Association, PO Box 571500, Murray, UT 84157-1500. Submissions for the Winter edition of WPMA News magazine are due before November 1st. Later submissions will be considered for the Spring issue.

WPMA EXPO

February 16-18, 2021. The Mirage Las Vegas, Nevada.

THANK YOU WPMA EXPO 2021 TOP SPONSORS
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MARK YOUR CALENDARS FOR UPCOMING EVENTS

February 16-18, 2021 – WPMA Convention & Expo – Mirage Hotel– Las Vegas, NV
March 15, 2021 – Hawaii (HPMA) Golf Tournament – Oahu Country Club – Honolulu, HI
May 6-7, 2021 - Nevada (NPM&CSA) Big Dogs - Red Rock Hotel & Casino - Las Vegas, NV
June 1-2, 2021 - Montana (MPMCSA) Convention -Fairmont Hot Springs Resort - Fairmont, MT
June 21-24, 2021 - Washington (WOMA) Convention - Suncadia Resort - Cle Elum, WA
June 24, 2021 - Utah (UPMRA) Summer Golf Classic - Bountiful Ridge GC - Bountiful, UT
July 17-19, 2021 - Oregon (OFA) Annual Conference - Sunriver Resort - Sunriver, OR
August 4-6, 2021 - Idaho (IPM&CSA) Convention - Sun Valley Resort - Sun Valley, ID
August 23-25, 2021 - New Mexico (NMPMA) Convention - Sandia Resort & Casino - Albuquerque, NM
September 15-17, 2021 - Utah (UPMRA) Convention - Sheraton Park City Hotel - Park City, UT

Be sure to subscribe to all of our social channels for great tips, industry trends, and insider information about association activities and upcoming events!

Petro Pete: "*I'm not arguing. I'm just explaining why I am right.*"

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