



# **FLO EV Charging**

**Written Testimony to the Joint Legislative Budget Committee  
Senate Finance and Assembly Ways and Means**

**Environmental Conservation Budget**

**February 7, 2024**

FLO EV Charging (“FLO”) is a leading North American EV charging network operator and smart-charging solutions provider. Our company fights climate change by accelerating EV adoption through a vertically integrated business model and delivering the most dependable charging experience to EV drivers, from curbside to countryside. Every month, FLO enables more than 1.5 million charging events thanks to over 100,000 fast and level 2 EV charging stations deployed at public, private and residential locations. FLO operates across North America and our high-quality charging stations are assembled with care in Michigan and Quebec.

FLO and ConEdison are strategic partners of the New York City Department of Transportation on their curbside charging pilot program. The four-year pilot features 100 Level 2 FLO chargers in the public right-of-way across all five boroughs of New York City. Across the first 18 months of the program, nearly 50,000 charging sessions were recorded with station uptime was at 99.9 percent.

FLO appreciates the opportunity to comment on the development of New York’s Cap-and-Invest Program and the state’s budget for Environmental Conservation. Thank you for your consideration.

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New York’s landmark climate legislation – the Climate Leadership and Community Protection Act – requires the state to reduce greenhouse gas (GHG) emissions 85 percent below 2019 levels by 2050<sup>1</sup>. To help achieve this mandate, the New York’s Department of Environmental Conservation (DEC) is currently designing a cap-and-trade program to reduce GHG emissions in the state, the fifth program of its kind in North America. As a byproduct of this program, the state will raise billions in proceeds that the Legislature will need to annually appropriate to programs that further reduce emissions.

While the state will use one-third of the proceeds to pay for consumer costs resulting from the program, such as increased electricity bills, the remaining two-thirds will be available for GHG emission reduction projects, with at least 35% of that funding going towards initiatives that directly benefit disadvantaged communities<sup>2</sup>. This Committee has a critical role in ensuring that these limited funds are carefully allocated to programs that efficiently and effectively (1) reduce emissions (2) act as a catalyst to incentivize the growth of new clean energy industries (3) contribute to economic development and (4) are distributed equitably to benefit disadvantaged communities.

**Given that the transportation sector comprises nearly 30 percent of annual emissions<sup>3</sup>, with a disproportionate amount of air pollution impacting disadvantaged communities, we strongly encourage the Committee to ensure that EV charging is a priority investment area in the overall portfolio.**

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<sup>1</sup> New York State Senate. "Senate Bill S6599: An Act to Amend the Public Authorities Law, in Relation to the Clean Energy Standard." Albany, NY: New York State Senate, <https://legislation.nysenate.gov/pdf/bills/2019/S6599>

<sup>2</sup> New York State Department of Environmental Conservation. "Cap-and-Invest Rule." <https://capandinvest.ny.gov/Cap-and-Invest-Rule>

<sup>3</sup> New York State Department of Environmental Conservation. "Greenhouse Gas Emissions Inventory Summary Report 2022." Albany, NY: New York State Department of Environmental Conservation.

### ***What is Cap-and-Trade and How Does it Work?***

A cap-and-trade program sets a limit, or cap, on the total amount of GHG emissions that can be released by a regulated industry, and steadily ratchets that limit down over time. Companies can then purchase “allowances” to comply with their emissions limits. These allowances become a newfound recurring funding source for states to spend on projects – from natural resources to clean transportation, and renewable energy – to expedite GHG abatement. North America currently has four cap-and-trade systems – in California, Washington, Quebec, and the U.S. Northeast. While each system features distinctive design elements, a common thread among them is the imperative to invest in transportation electrification.

### ***Conquering the “Chicken or Egg” Dilemma Facing EVs***

The growth of EVs in the United States is burgeoning. In 2023, light-duty EV sales surged substantially, exceeding 1.4 million units – a 50% rise over the sale of passenger cars, trucks, and SUVs in 2022<sup>4</sup>. Despite this upward trend in light-duty EV sales, investments in charging infrastructure often hinge on widespread EV adoption, while the broader adoption of EVs is influenced by the availability of charging stations – a true “chicken or egg” dilemma. Plug In America’s 2023 EV Driver Survey highlighted that dilemma, with 38 percent of current EV drivers polled expressing concern about the limited availability of public chargers, and 37 percent of respondents citing malfunctioning or broken public chargers as a major obstacle to broader EV adoption<sup>5</sup>.

Taking this emissions data into account, it’s important to examine New York’s progress more closely in deploying public chargers to determine whether the state is effectively meeting growing demand for EV infrastructure. According to the US Department of Energy’s Alternative Fuels Data Center, as of January 2023, New York had just over 9,700 public level two charging ports and roughly 1,400 DC fast chargers serving nearly 120,000 battery-electric vehicles<sup>6</sup>. However, the National Renewable Energy Laboratory estimates that by 2030, New York will need upwards of 45,000 public level two ports and 6,300 public DCFC ports to serve more than 2 million electric cars, pickup trucks, and SUVs<sup>7</sup>. To meet these deployment targets, New York would need to install an additional 6,000 public level two ports and more than 800 public DCFC ports annually for the next six years, an unattainable volume under the existing level of program funding that’s been allocated by the state.

Fortunately, New York is taking significant steps to electrify its transportation sector, with policies and dedicated funding for many EV initiatives. However, despite substantial investments in EV

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<sup>4</sup> BloombergNEF. "Electric Vehicle Outlook." <https://about.bnef.com/electric-vehicle-outlook/>

<sup>5</sup> Plug In America. "2023 EV Driver Survey." <https://pluginamerica.org/wp-content/uploads/2023/05/2023-EV-Survey-Final.pdf>

<sup>6</sup> New York State Energy Research and Development Authority (NYSERDA). "Electric Vehicle Station Locator." [https://www.nyserda.ny.gov/All-Programs/Drive-Clean-Rebate-For-Electric-Cars-Program/Charging-Options/Electric-Vehicle-Station-Locator#/analyze?region=US-NY&fuel=ELEC&ev\\_levels=dc\\_fast&status=E&status=T](https://www.nyserda.ny.gov/All-Programs/Drive-Clean-Rebate-For-Electric-Cars-Program/Charging-Options/Electric-Vehicle-Station-Locator#/analyze?region=US-NY&fuel=ELEC&ev_levels=dc_fast&status=E&status=T)

<sup>7</sup> U.S. Department of Energy. "National Electric Vehicle Infrastructure (NEVI) Analysis: A Comprehensive Assessment of Electric Vehicle Charging Infrastructure Needs in 2030." <https://driveelectric.gov/files/2030-charging-network.pdf>

rebates and charging infrastructure incentives, gaps persist, particularly in disadvantaged communities. Currently, the state incentivizes EV charging in the following ways:

1. The New York State Energy Research and Development Authority's (NYSERDA) Charge Ready program offers per-port incentives to install level two EV chargers at workplaces, multi-unit dwellings or public facilities.
2. The New York Department of Public Service (NYDPS) administers an EV make-ready program to help reduce utility installation costs associated with deploying level two and direct current fast chargers (DCFCs).
3. The New York Department of Transportation will invest \$175 million over the next five years to deploy DCFCs along highway corridors, which the state is receiving from the U.S. Department of Transportation's National EV Infrastructure Program<sup>8</sup>.

But EV charging, like all critical infrastructure, requires sustained planning and funding to make it a reality. For New York to fulfill its EV charging needs, and to ensure all communities have equitable access, it must supplement existing funding for EV charging with a portion of its cap-and-trade funds.

### ***How RGGI May Influence NYCI Investments***

DEC and NYSERDA have already established a precedent for spending cap-and-trade proceeds on EV charging incentive programs, using revenue from New York's participation in the Regional Greenhouse Gas Initiative (RGGI). RGGI is a cooperative effort among eleven Northeast states to cap and reduce carbon emissions from the power sector. Through March 2023, New York had invested \$102 million in EV-specific programs<sup>9</sup>. However, these funds have limitations in that they only capture emissions revenue stemming from fossil-fuel plants in the power sector and are pooled across all eleven RGGI states.

### ***Western States Prioritize EV Charging Investments***

California and Washington have taken similar approaches. They have funded EV charging projects for the last decade through multiple funding sources, are also receiving federal funding for this purpose like New York, and yet still use a portion of their cap-and-trade funds for EV charging. In California, Governor Newsom and the Legislature agreed to invest anywhere from \$100 million to nearly \$250 million a year in cap-and-trade proceeds. For the third year in a row, Washington's Governor Inslee has proposed significant investments in EV charging, using funds from the Climate Commitment Act, which created the state's cap-and-trade program<sup>10</sup>.

### ***Conclusion***

Regardless of the path New York decides to take, the private sector is poised to provide charging solutions for underserved markets and disadvantaged communities, aligning with the core

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<sup>8</sup> New York State Energy Research and Development Authority (NYSERDA). "National Electric Vehicle Infrastructure Program." <https://www.nyserdan.y.gov/All-Programs/ChargeNY/Charge-Electric/Charging-Station-Programs/National-Electric-Vehicle-Infrastructure-Program>

<sup>9</sup> New York State Energy Research and Development Authority (NYSERDA). "Regional Greenhouse Gas Initiative (RGGI): Useful Documents." <https://www.nyserdan.y.gov/About/Funding/Regional-Greenhouse-Gas-Initiative/Useful-Documents>

<sup>10</sup> Office of the Governor of Washington. "How CCA Invests in WA." [https://governor.wa.gov/sites/default/files/2023-10/How\\_CCA\\_invests\\_in\\_WA.pdf](https://governor.wa.gov/sites/default/files/2023-10/How_CCA_invests_in_WA.pdf)

principles of New York's program. Ensuring stable funding for EV charging is paramount to its success, serving as a cornerstone for driving fair infrastructure expansion and making significant strides in reducing emissions throughout New York's transportation sector. With this commitment and strategic approach, there's an optimistic outlook for New York to make meaningful progress in addressing climate change through sustainable transportation solutions.