



August 29, 2019

Senator Anthony Portantino, Chair  
Senate Appropriations Committee  
State Capitol, Room 2206  
Sacramento, CA 95814

**Re: AB 1424 (Berman) - Oppose**

Dear Chair Portantino:

Consumer Reports<sup>1</sup> respectfully writes in opposition to AB 1424, because it would create barriers for consumers using public electric vehicle (EV) charging stations.

Paying for EV charging should be as simple as paying for gas, but right now, most EV charging stations don't have an easy way to pay with a credit card. Recent Air Resources Board (ARB) regulations aimed at improving convenience require new public EV chargers to offer chip card readers as a payment option.<sup>2</sup> But AB 1424 would block that rule from taking effect, leaving EV drivers stuck with membership-specific payment options that vary from charger to charger and other options that are less convenient than ubiquitous chip cards, such as contactless credit card readers.

Less than 5% of consumers have contactless credit cards, and contactless card transactions account for less than 1% of transactions for all goods and services<sup>3</sup> in the United States, while chip card transactions accounted for 56% in 2018.<sup>4</sup> EV drivers should, at a minimum, have access to the current market standard for paying for gasoline and other goods and services when paying to charge their vehicle.

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<sup>1</sup> [Consumer Reports](#) is an independent, nonprofit membership organization that works side by side with consumers to create a fairer, safer, and healthier world. For 80 years, CR has provided evidence-based product testing and ratings, rigorous research, hard-hitting investigative journalism, public education, and steadfast policy action on behalf of consumers' interests. CR has exposed landmark public health and safety issues and strives to be a catalyst for pro-consumer changes in the marketplace. From championing responsible auto safety standards, to winning food and water protections, to enhancing healthcare quality, to fighting back against predatory lenders in the financial markets, Consumer Reports has always been on the front lines, raising the voices of consumers.

<sup>2</sup> Air Resources Board, Electric Vehicle Supply Equipment Standards, Resolution 19-17, 6/27/19; Proposed Electric Vehicle Supply Equipment (EVSE) Standards, [6/27/19](#)

<sup>3</sup> Report, consulting firm A.T. Kearney, published 2018

<sup>4</sup> Worldwide EMVCo Deployment Statistics, accessed [8/29/19](#)

Contactless card systems require consumers to sign up for memberships and subscription services with special payment cards and apps for each EV charging system. Although there is some coordination among networks, this complicated and fractured payment system will continue to frustrate consumers by requiring proprietary cards and memberships that are not required for gasoline purchases.

We understand the stated purpose of AB 1424 was to prevent the ARB from mandating that EV charging stations retrofit previously installed chargers with credit card readers. However, the ARB virtually eliminated that part of the rule.<sup>5</sup> ARB also included a “technology review” to avoid locking public charging companies into maintaining obsolete equipment if consumers adopt new forms of payment in greater numbers. The adopted regulations therefore create no requirement for companies to retrofit their chargers, so AB 1424 is not needed.

Finally, the cost of simply providing EV drivers with the same payment convenience afforded to those driving gasoline cars is only a fraction of the installation cost. According to the ARB, the estimated cost of installing a chip reader is on average \$371 per charger,<sup>6</sup> which Siemens, an EV charger parts manufacturer, estimates is less than 5% of the total cost of installing a new typical<sup>7</sup> charger and less than 1% of the cost of installing a new fast<sup>8</sup> charger.<sup>9</sup> Yet AB 1424 would allow companies to inconvenience consumers and complicate EV charging by overturning regulations mandating that public EV chargers provide access to chip card readers, which could reduce consumers’ appetite for electric vehicles and set back California’s progress on lowering vehicle emissions.

For these reasons, we must respectfully oppose AB 1424. Please do not hesitate to contact us with any questions.

Sincerely,



Alfred J. Artis  
Policy Analyst  
Consumer Reports

Cc: Hon. Marc Berman  
Members, Senate Appropriations Committee  
Elizabeth Schmitt

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<sup>5</sup> Air Resources Board, Electric Vehicle Supply Equipment Standards, Resolution 19-17, 6/27/19; Air Resources Board Meeting Transcript, page 81-82, 6/27/19

<sup>6</sup> Air Resources Board, Electric Vehicle Supply Equipment (EVSE) Standards Standardized Regulatory Impact Assessment (SRIA), 12/20/18

<sup>7</sup> This refers to Level 2 charging stations, which make up the majority of public charging stations

<sup>8</sup> This refers to DC Fast Chargers

<sup>9</sup> Air Resources Board Meeting Transcript, page 114, 6/27/19