Vermont EV Charging Fee Guidance

This resource provides information on industry best practices and factors to consider when pricing your public, workplace, and/or multi-family EV charging.

EV charging fees often consider both the amount of electricity consumed (kWh of energy), and the speed of the equipment in providing the electricity (kW of power). This is different from gasoline pricing which usually sets cost on only the volume of fuel dispensed. This resource does not provide guidance on which charging speed is most appropriate for your location, but you should keep the type of charging equipment and power levels in mind when setting fees. See our EV charging installation guide for additional information on types of charging.

Summary

- If your organization wants to recover costs associated with EV charging use then we generally recommend installing "networked" electric vehicle supply equipment (EVSE, aka "charging equipment") which will allow you to set fees based on the kWh of energy dispensed, accurately charge different user types, and collect insights to manage the equipment use. Networked equipment generally requires a cellular or wi-fi data connection. If the installation location does not have reception this can present challenges to fee-based recovery.
- The network operator handling credit card processing and customer support usually retains a cut of revenue collected. EVSE fees should be set a bit higher (often 10%) than your utility rate to help ensure these costs are covered.
- Covering all the potential costs described below may require setting fees significantly higher than the 10% premium noted above, especially for Level 3 DC Fast Charging (DCFC) installations.
- For higher use public and workplace charging locations, EV drivers should have a price signal to encourage them to move their vehicles once a charging session is complete. Depending on the EVSE this could be structured as a time-based "idle fee" that kicks in once charging ends, or an additional parking fee that applies after a set time (e.g. $1/hr after four hours of charging).
- EV drivers may not use your charging if the fees are much higher than charging at home or they think the pricing is unfair.
- Selecting equipment with Open Charge Point Protocol (OCPP) capability should allow for changing network providers if you find an option with lower costs or need to transition due to industry shifts (e.g. original provider exits the charging business).

Charging Equipment Overview

The charging speed is determined by the amount of power the charging equipment can output and the ability of an EV to accept that power. The three types of charging equipment usually have different cost structures and driver expectations. The Drive Electric Vermont website offers more information on types of charging.

- **Level 1 Charging** (L1): This is the slowest charging option (about 2-5 miles of range per hour, or about 1 kW of power) and is typically free or low cost since users may occupy the station for long periods.
- **Level 2 Charging** (L2): These chargers provide 10-30 miles of range per hour (typically 3-12 kW) and are often installed at residences as well as public and workplace locations where a vehicle may be expected to park for multiple hours at a time or overnight. Pricing is typically $0.20-$0.40 per kWh, with additional parking and idle fees possible.
- **DC Fast Charging** (DCFC or L3): These provide 60-200 miles of range in 20-30 minutes (typically 50-250 kW), making them ideal for quick top-ups. The high installation and operational costs for DC fast chargers often lead to higher fees—ranging from $0.40 to $0.60 per kWh or more.

EV Charging Fee Considerations

Electricity Costs

- **Utility Rates**: Start by reviewing your local utility rates. These may vary based on location, time of day, and energy provider. For example, some electric rates may be higher during peak times (typically daytime hours) when electricity supply is more expensive. If your property is on a time-of-use (TOU) rate plan, the charging fees you set should consider these price fluctuations.
- **Demand Charges**: Utilities may impose peak power (kW) demand charges based on your highest power usage within a specific period on an individual meter. If multiple EVs charge simultaneously, your demand charges could spike, dramatically increasing your electricity bill. This is most important to consider with DCFC, but can apply to level 2 charging as well. Incorporating this into your pricing model is essential, especially if you're planning multiple DCFC charging stations. We recommend contacting your electric utility provider prior to installing EVSE to review your rate options and discuss any cost-saving opportunities to consider when installing, including any incentive offers.

Installation & Maintenance Costs

- **Upfront Installation:** Installing EV charging stations involves costs for EVSE hardware, electrical upgrades, trenching (if necessary), and permits. Level 2 chargers are less expensive than DCFC, but still require a significant investment. DCFC are generally far more expensive to install, but can charge vehicles quickly, which can justify higher fees.
- **Ongoing Maintenance:** Maintenance expenses include software updates, routine inspections, repairs (like fixing charging cables or connections), and technical support. It's important to account for both planned maintenance and potential unexpected repairs in your cost calculations. Some charging providers offer long term service agreements to cover maintenance issues.

Competitive Pricing

- **Market Rates:** Check local charging stations to see their pricing models. Charging more than competitors may deter customers unless your location offers a clear advantage (e.g., faster chargers or better amenities). Alternatively, offering a lower rate or promotions can draw customers to your charging stations.
- **Subscription Networks:** Some EV drivers are part of subscription networks like ChargePoint, EVgo, or Tesla's Supercharger network. These networks often charge members differently, so consider whether your pricing aligns with such networks if you are hosting them or considering working with them.

Discounts and Special Rates

- **Employee Discounts:** Offering lower rates or free charging to employees can be a valuable perk. If your station is at a workplace, you may be able to offer an employee-only discounted fee through your network provider allowing them to charge at little or no cost during work hours.
- **Free or Discounted Public Charging:** Businesses like shopping centers or restaurants may offer discounted or free charging to attract EV drivers. This can drive foot traffic, increasing the likelihood that customers will stay longer and spend more. Some locations may offer free charging for the first 30 minutes or an hour, encouraging turnover while offering a value-added service.

Regulatory Considerations

- **State Requirements:** The Vermont Agency of Agriculture Food and Markets (VTAAFM) regulates weights and measures issues associated with vehicle fueling as determined by the National Institute of Standards and Technology (NIST) Handbook 130. This requires *all public EVSE charging fees for use* to set pricing by the kWh, although additional time-based or flat fees can be added in addition. VTAAFM also requires EVSE to have a National Type Evaluation Program (NTEP) certification indicating they meet the NIST standards and to be placed in service by a service person registered with their weights and measures program. VTAAFM collects a $25 per charging port annual licensing fee to support their EVSE program, including testing metering accuracy of EVSE dispensers. Additional information is available at the VTAAFM EVSE resource.

EVSE Network Provider Costs

- **Percentage-Based Revenue Sharing**: Some EVSE network providers have a revenue-sharing model where they take a percentage of the fees collected from charging sessions. This percentage can range from 10% to 30% or more, depending on the terms of the agreement and the services provided.
- **Fixed Fee per Session:** Alternatively, the network provider may charge a fixed fee per charging session (e.g., $0.50 per session) while allowing the host to keep the remaining revenue.
- **Subscription or Service Fees:** Some providers charge ongoing subscription fees in exchange for cellular network access, customer billing, and maintenance – potentially in addition to revenue sharing or session fees. These fees are usually either a flat monthly or annual amount for each charging port.

Additional Informational Resources

Electricity Costs, Installation, and Maintenance

- **U.S. Department of Energy's Alternative Fuels Data Center (AFDC)** provides resources on the costs of operating EV charging infrastructure, including electricity rates and maintenance estimates: Alternative Fuels Data Center - Electric Vehicle Charging Stations
- **Federal Joint Office of Energy and Transportation** offers a public EV charging infrastructure playbook with a module on EV charging revenue and fee structures.
- **Electric Vehicle Adoption and Leadership (EVAL)** offers a workplace charging toolkit with best practices for employers considering charging investments.

Charging Network Providers

- **Drive Electric Vermont** has a public charging resource, including a listing of charging network providers operating in Vermont. We recommend consulting your EVSE vendor to confirm what network capabilities are available before purchasing and installing.

Drive Electric Vermont Support

Our team is available if you need additional support related to EV charging installation and fee-setting practices.