Alternative Fuel Tax Solution

- Index to CPI
- Registration Fee
- Road Usage Charge
### Legislative History Fuel Tax / Road Usage Charge

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003/2004</td>
<td>Legislative Task Force, mileage-based funding</td>
</tr>
<tr>
<td>2015</td>
<td>HB 362 – UDOT study mileage-based revenues</td>
</tr>
<tr>
<td>2017</td>
<td>SB 174 – Transportation Governance &amp; Funding task force</td>
</tr>
<tr>
<td>2018</td>
<td>SB 136 – RUC parameters, Advisory Committee</td>
</tr>
<tr>
<td>2019</td>
<td>SB 72 – RUC framework, January 2020 enactment</td>
</tr>
<tr>
<td>2020</td>
<td>SB 150 – 2031 RUC enrollment plan for all vehicles report</td>
</tr>
<tr>
<td>2021</td>
<td>SB 82 – created dedicated revenue account for RUC</td>
</tr>
<tr>
<td>2022</td>
<td>HB 186 – amended rate structure and enrollment criteria for alternative fuel vehicles</td>
</tr>
</tbody>
</table>
SB 136 – RUC Parameters - First Operational Bill

- Set up RUC Advisory Committee
- Provide RUC alternative to paying flat fee for:
  - Electric vehicles
  - Plug-in hybrids
  - Gasoline hybrids
- Consider privacy, methods for reporting road usage, & options for administering program
- Implement initial system by January 1, 2020
- Submit annual report of findings
- Future research projects
SB 72 – Alternative Fuel RUC Program Structure

- Privacy & security protections
- UDOT/DMV information sharing
- Allows owners/lessees to opt into a RUC or pay annual fee
- RUC rate setting process
  - Transportation Commission authority to set rate with advisement from UDOT
- Rulemaking authority for UDOT
  - To contract CAM & administer program
  - Implement enforcement mechanisms such as registration hold
  - Other enrollment components
RUC Payer & CAM Privacy Expectations

RUC Payer

RUC payer is able to:
• View their collected data
• Dispute erroneous charges
• Be protected from GRAMA requests
• Be protected from release of personal data except in criminal proceeding

Commercial Account Manager (CAM)

CAM is able to:
• Collect raw location data
• Retain data for 30 days past each billing cycle
• Send mileage summaries to State
• Share aggregated anonymized data with the State

CAM is unable to:
• Share personal data and location data with State (except for audits and dispute resolution) or with third parties
Integration with Department of Motor Vehicles

- Enrollment synchronized with DMV annual registration cycle (and flat fee payments)
- Eligible vehicles are defined through the DMV registration database
- Agreements between DOT, DMV, and CAM allow for data sharing
- Web service communications of vehicles work well for registration and non-compliance holds
Size & Growth of Utah’s Vehicle Fleet

Total Registered Vehicles
2,789,171 (Feb 2022)

Year-over-year Growth (%)

- 2015–'16: 16,407 (0.6%)
- 2016–'17: 7,073 (0.3%)
- 2017–'18: 55,403 (2.0%)
- 2018–'19: 5,509 (0.2%)

- All Others: -62,476
- Gasoline: -2,710,288
- Diesel: -2,710,288
- EV: -2,710,288
- PHEV: -2,710,288
- Gas Hybrid: -2,710,288
- Other Alt Fuel: -2,710,288
Size & Growth of Utah’s Light Duty Vehicle Fleet

Total Increase in Registered Vehicles
75,992 (Feb 2021 to Feb 2022)

- 62% (47,272) Gasoline
- 17% (12,922) Diesel
- 12% (8,753) EV
- 7% (5,618) PHEV
- 21% (16,219) Gas Hybrid
Flat Fee & Per-mile RUC Rate Options - Eligibility

**Annual Flat Fee**
- EV: $123
- PHEV: $53.25
- Hybrid: $20.50

**Mileage-based Fee**
- 1.52¢ / Mile

**DRIVE LESS. PAY LESS.**
Alternative fuel vehicle drivers have a new choice.

**PAY AS YOU GO**
Mileage-based fees will not exceed annual flat fee; fees and mileage rate are both indexed to CPI.
Utah Program – Voluntary Enrollment

By May 2022, there were a total of 4,084 vehicles enrolled.

- Gas Hybrid: 1,077
- PHEV: 568
- EV: 2,439

* 79% of 2021 growth was attributable to EVs
Total Annual Costs for Typical Utah Drivers - Establishing The Rate

- Federal fuel tax: $0.184/gal
- Utah state fuel tax: $0.314/gal (’21) $0.319/gal (’22)
- Gasoline: $2.75/gal (’21) $4.00/gal (’22)
- Hybrid fee: $20 (’21) $20.50 (’22)
- EV fee: $120 (’21) $123 (’22)
- Electricity: $0.10/kWh
Enrollment Process - Simplicity is Key

Enroll online with name, license plate number, and VIN.

Provide valid credit or debit card for prepaid wallet.

Complete CAM user agreement.

Submit initial odometer capture.
Program Expansion - 10 Years for Full Implementation

- EV ownership growth rate
- Public acceptance
- Pace of revenue generation
- Policy flexibility and adaptability
# Road Usage Charge | Moving Forward

<table>
<thead>
<tr>
<th>Name</th>
<th>Funding</th>
<th>Key Purposes</th>
</tr>
</thead>
</table>
| Local Overlay & Tolling Integration (STSFA Grant) | $745K (State) $745K (Fed) $1.49M (Total) | ● Develop framework for revenue distributions  
● Investigate different mileage rates by city/cnty  
● Prioritizing streets, communities, & roadway types  
● Synchronize/harmonize Tolling and RUC programs  
● Reduce administrative costs and duplicative systems  
● Responsibility of agency operational choices |

<table>
<thead>
<tr>
<th>Name</th>
<th>Funding</th>
<th>Key Purposes</th>
</tr>
</thead>
</table>
| Customer Service Optimization (STSFA Grant) | $1.25M (State) $1.25M (Fed) $2.5M (Total) | ● Adjust to best technology parameters  
● Improve customer touchpoints  
● Evaluate benefits/limitations of technology options  
● Define Risk of single/multiple CAMS  
● Identify agency role for long term customer satisfaction |
HB 186 (2022) - Changes Coming To Utah’s Program

● Goal: Accelerate enrollment
  ○ Decrease in per mile rate from 1.52 cents to 1 cent in 2023

● Statutorily defined rate structure changes
  ○ Flat fee increase in 2027 and 2031 in addition to CPI
  ○ Per mile rates increase in 2027 and 2031
  ○ Alternative fuel vehicle definition changed such that any vehicle powered by combustion source will no longer qualify in 2023 for RUC
Future Elements Under Consideration

Vehicle Types
- Gas/Diesel - 2031
- Heavy Trucks
- Fleets
- Autonomous

Interoperability
- Local RUC
- Neighboring States
- National RUC

Technology
- Telematics
- Revenue Collection
- Public/Private

Integration
- Tolling
- Emissions Testing
- Multimodal Payment Bundling
Welcome to Utah’s Road Usage Charge Program

The Future of Utah Transportation

Operated by emovis®