* Phillips Energy, Inc is strongly opposed to the "framework for a draft regional policy proposal" which seeks to expropriate the petroleum marketing industry. Over time this plan proposes to move Virginia from simple rationing and new taxes to the ultimate prohibition of fossil fuels.
* This plan does not assess the collateral damage it will inflict on state revenue, local tax collections, Virginia's Transportation Trust fund, and consumers.
* Many of the advocates of these policies support regulation to electrify transportation. Those advocates somehow forget to mention that a major component of batteries powering these vehicles is cobalt, 90 percent of which is mined in third world countries under unfavorable working conditions.
* As the number of electric vehicles grows, petroleum marketers will likely have to battle for a share of the electric vehicle charging market with utility companies that see EV charging as a new business opportunity without cost. When utility companies install charging stations, they may seek the ability to include that cost as part of their capital investment. When these costs are approved by governmental regulatory agencies, they can then be passed on to all ratepayers as part of their monthly electric bills.
* Phillips Energy, Inc believes this would provide regulated utilities an unfair competitive advantage that Virginia based small businesses simply cannot compete with. I must economically justify and self-fund at risk investments in new equipment like EV charging stations and so should my competition.
* Another likely competitor under this scheme is the state government itself. This is not a concept, as just this past session the General Assembly passed legislation to allow the Departments of Conservation and Recreation, General Services, and Transportation to install electric chargers. Fortunately, our industry association was able to narrow this initiative considerably by limiting the number of state agencies involved and mitigating the threat of unfair competition by requiring the state to sell the power at prevailing market rates including taxes.
* All Virginians, particularly the petroleum marketing and convenience industries, support a clean environment. There are many ways to achieve this without rationing. Incentivizing the sale of electric vehicles does nothing to meet your stated goals of "equity, environmental justice, and non-discrimination." As one example, the stated goals could be achieved far faster and cheaper via efforts to assist low-income Virginians to purchase more fuel-efficient vehicles that meet current and future CAFÉ standards.
* History has proven that rationing followed by prohibition - the goal of TCI - has led to black markets, unregulated and untaxed sales, and undue burdens on law enforcement.
* The impact of these proposals will not be solely on fuel sellers and convenience stores - what about the auto repair industry, muffler shops, service facilities at new car dealers, quick lubes etc.? What about agriculture, construction and watermen who will be forced to scrap present equipment or pay artificially high prices due to rationing? What about the consumer who will experience not only higher prices to operate their personal vehicles, but higher prices for consumer goods and services?
* Currently, there are highly successful programs happening in support of reducing our dependence on foreign oils as well as lowering harmful emissions released in our environment – like propane powered vehicles. Currently there are more than 18000 propane buses in operation on American highways. The ultra-low NOx propane engine is 90% cleaner than the strictest EPA federal emissions standard. Propane buses are 1/3 the cost of an electric bus and have a range of up to 400 miles while an electric bus can only go 120 miles on a single charge. Their low upfront and maintenance costs, range and ultra-low emissions are proven with 1000 school districts transporting over 1 million children to school every day! – however – will a clean, economical, domestic fuel like propane used in transportation be rationed and eliminated in this program? Wouldn’t this potentially burden school systems with increased bus outlay and driver outlay due to the limited range?
* Phillips Energy, Inc opposes the TCI plan to ration, tax and ultimately eliminate fossil fuels.