Illinois EV Charging Act Sparks Developer Concerns

By **Max Kanter** (April 8, 2024)

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With the goal of increasing the uptake of electric vehicles by consumers, Illinois Gov. J.B. Pritzker signed the Electric Vehicle Charging Act, into law in 2023, which took effect Jan. 1.

The goal of the act is to bring EV charging capacity to all residential new construction and major rehabilitations, and it will have an effect on everything from single-family homes, to high-rise residential towers throughout all of Illinois.

While the goal of the act is laudable, it raises major concerns for developers across the state of Illinois.

The basic tenet of the act is that it requires all new multifamily buildings — apartments and condominiums — along with major rehabilitations, to include the electrical capacity to install charging stations for every parking space in a large multifamily residence, and for each residential unit for single-family and small multifamily residential buildings.

Under the act, "large multifamily" is defined as a building with five or more units. Electrical capacity under the act is defined as the infrastructure, including electrical panels and conduit, for running power to the parking spaces.

The act also does not specifically define parking spaces, so its requirements would presumably apply to both surface and garage parking spaces, even though the equipment used for exterior surface spaces are significantly different from the wall units found in covered garage parking.

Purchase and installation of the individual charging stations, as well as the cost of the associated electricity, remains the obligation of the individuals owning or renting the parking space.

The act is set to take effect slightly later for larger projects, as compliance became a requirement to obtain a building permit for single-family homes and small multifamily dwellings as of Jan. 1, but all large multifamily buildings came under the act starting April 1.

Further, sections of the act also apply to tenants and owners of units in existing buildings, and provides for regulations around allowing them to install charging stations to their parking spaces.

Within the act is even an embedded policy push for more affordable housing. Section 25 provides that large buildings that create covenants to keep at least 20% of the units as affordable housing for a minimum of 10 years receive much different treatment

The compliance requirements in such cases are both reduced and phased in over much later time frames. They do not apply at all until Jan. 1, 2026, and then only 40% EV capable spaces are required, with increasing percentages after five and 10 years, but never above 70% of the spaces.

While the directives of the act sound straightforward, designing a building to accommodate

electric vehicle chargers for every parking spot requires electric panel capacity far above anything customarily installed in these buildings.

In fact, the capacity may not even exist under the current electrical infrastructure to supply such large amounts of power.

The act will require significant updates to utility infrastructure, combined with implementation of newer technology that allows sharing of load requirements among multiple parking spaces.

There are companies that offer innovative products that are currently available on the market, which reduce the overall power requirements needed to supply a building's parking spaces.

This is achieved through real-time monitoring and smart switching to provide power on demand to the chargers in use. As a result, this reduces the electrical infrastructure requirements to as low as 25% of what would otherwise be needed.

The act contemplates and specifically allows this type of system, noting in the definition of "EV capable" that

> reserved capacity shall be no less than 40A 208/240V for each EV-capable space unless EV-capable spaces will be controlled by an energy management system providing load management.

One example of this in practice is a load management system by EverCharge Inc. that dynamically responds to energy demand changes and peak load periods.

This allows for a massive reduction in the required electrical panel size, and is certainly a useful and cost-saving technology when designing the panel for the parking area.

However, even with this reduction, the cost of the required panel is still a significant outlay for developers, and as more buildings are required to comply, it will certainly tax or exceed the available load to a given area.

Even at 25% reduction, buildings with a high number of parking spaces can create a significant issue when submitting for load letters to obtain power needed from the local utility provider. For example, a new construction project in the city of Chicago, which started prior to the enactment of the EV Charging Act, contained 65 parking spaces and built with enough power for every space.

Even using the EverCharge dynamic power system, it still needed to install a 600-amp panel just for the garage — as opposed to a 2,600-amp panel pursuant to the 40A per space otherwise required by the act.

The costs involved in complying with the act may lead to developers attempting creative workarounds, in order to move a project outside the purview of the act. While we have thought about a couple, I am sure there will be others as the true effects of the act become more widely understood.

Some of the overall utility infrastructure deficiencies were recently brought to light by Andrew Boyle, American Trucking Associations' first vice chair and co-president of Massachusetts-based Boyle Transportation.

Boyle testified in a hearing in Washington D.C. in 2023, focused on the future of electric and other clean vehicles. He relayed the experience of a trucking company that wanted to electrify 30 trucks at a terminal in Joliet, Illinois.

Local officials rejected the plans outright, after determining the infrastructure required would draw more electricity than is used to power the entire city of Joliet. He also testified about a California company that wanted to electrify 12 forklifts, and the local power utility advised it would not be possible to provide the necessary power.

Even understanding some likely bias, given that Boyle is part of a trucking trade group, the situations he raised clearly indicate that existing infrastructure is not up to the task of meeting private needs or the demands being set out by various governmental agencies.

Without these upgrades being planned as part of an overall effort toward clean energy for vehicles, legislation is getting ahead of itself at this point, and needs to account for more factors than are currently considered in the Illinois EV Charging Act.

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