

Should Gas Stations Become Charging Stations?

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Jon Polonsky (in photo above) is CEO of Plaid Pantry, a chain of gas station/convenience stores in the Pacific Northwest.

My wife and I bought our first fully electric vehicle, a used, first-generation Nissan Leaf, just before the pandemic. We were replacing our 20-year-old second car, which was rapidly morphing into iron oxide, and the Leaf cost only \$9,000. It was in great shape with only 15,000 miles on it, so it was a slam dunk for us.

Our Leaf was a great car for getting to the grocery store, dry cleaner or pharmacy (<https://www.nextavenue.org/get-to-know-your-pharmacist/>), and later for our youngest daughter to navigate her college town. Most non-commuters travel no more than 50 miles a day, so this sub-compact fit the bill. The biggest drawback, though, is that it had limited range and at the time there were only three public places around us to charge it.

We couldn't drive it out of state or more than 90 miles in-state.

Fuel Retailers Tread Cautiously

Although the charging situation has improved significantly in recent years, the paucity of charging stations — especially rapid chargers — is a major national issue slowing the mass adoption of fully electric vehicles, or EVs, in the U.S.

That there's a large gap between growing demand for fast EV chargers and more than 3 million EV owners, has not been lost on fuel retailers, who are navigating the transition cautiously. They need to figure out where to put the charging units on their property without displacing other customers who come in to buy gas, coffee or lottery tickets. Like most retailers, they want to add value to their transaction in a highly competitive environment.

"The U.S. Department of Energy counts approximately [60,000 public charging stations](https://www.afdc.energy.gov/fuels/stations_counts.html) (https://www.afdc.energy.gov/fuels/stations_counts.html), which may be at a convenience store, large parking lot, shopping mall, apartment complex or seemingly in the middle of nowhere," says Jeff Lenard, vice president of the [National Association of Convenience Stores](https://www.convenience.org/Topics/Electric-Vehicles) (<https://www.convenience.org/Topics/Electric-Vehicles>) (NACS), a trade association that also represents gas stations. "They cumulatively have 160,000 charging nozzles, but only 37,000 are fast chargers."

A Big Investment Required

While you may not be able to obtain a quick charge in most places, the economics of adding the fastest "Level 3" chargers are compelling since they offer a full charge for high-capacity batteries in 30 minutes or less. A host of [federal tax incentives](https://www.irs.gov/credits-deductions/alternative-fuel-vehicle-refueling-property-credit) (<https://www.irs.gov/credits-deductions/alternative-fuel-vehicle-refueling-property-credit>) is propelling the conversions, which could cost up to [\\$1 million per station](https://www.cnbc.com/2023/08/19/how-gas-station-economics-will-change-in-the-ev-charging-future.html#:~:text=As%20electric%20vehicles%20proliferate%2C%20some,have%20made%20a%20full%20switch.) (<https://www.cnbc.com/2023/08/19/how-gas-station-economics-will-change-in-the-ev-charging-future.html#:~:text=As%20electric%20vehicles%20proliferate%2C%20some,have%20made%20a%20full%20switch.>) to add.

"We're in uncharted territory and there's no playbook," adds Lenard. "Generally, EV drivers are more interested in *why* you matter (as a retailer in your community)."

The dollars from Washington to install EV charging stations — and to buy EVs — adds up to some real money: More than \$7 billion in three major infrastructure laws passed by Congress over the past three years. The Biden Administration's goal is to seed a network of 500,000 charging outlets.

Still, fuel retailers and gas station/convenience store owners are moving cautiously to attract the burgeoning EV ownership market. Jonathan Polonsky, CEO of Plaid Pantry in Portland, Oregon, said his company is "beta



testing" a fast-charging unit at one of its 107 convenience stores.

Will EV Owners Shop While Charging?

If the first charging spot — located near Portland International Airport — does well, he would consider more units. He's also hoping that customers who used to come into his stores for quick purchases such as tobacco, sales of which have been declining in recent years, will consider buying other items such as energy drinks or coffee. "If they buy non-tobacco products, we'll consider it a win," says Polonsky.

In general, EV owners skew toward older, higher-income and college-educated drivers. What will make them want to patronize a convenience store while charging up? They may want to use other amenities such as window-washing squeegees, vacuums, or relish spaces under a canopy to avoid the weather. Or, as Polonsky observes, "they may want more creature comforts" while they are waiting.

Teaming Up with Tesla

Nationwide, the vehicle industry is making some strides toward a national fast-charging network. Both [Ford](https://media.ford.com/content/fordmedia/fna/us/en/news/2023/05/25/ford-ev-customers-to-gain-access-to-12-000-tesla-superchargers--.html) (<https://media.ford.com/content/fordmedia/fna/us/en/news/2023/05/25/ford-ev-customers-to-gain-access-to-12-000-tesla-superchargers--.html>) and [General Motors](https://news.gm.com/newsroom.detail.html/Pages/news/us/en/2023/jun/0608-gm.html) (<https://news.gm.com/newsroom.detail.html/Pages/news/us/en/2023/jun/0608-gm.html>) announced agreements in June of last year to use Tesla's supercharger network. GM EV owners, for example, will be able to access Tesla's network of more than 12,000 chargers beginning this year.

Still, even if you can locate a fast-charging station, what do you do while you're waiting for up to 30 minutes? Most new fueling stations have ever-larger convenience stores. Grab a bite to eat or buy a lottery ticket? Or would you go inside for fresher healthy items? Of course, you can always sit in your car to catch up on emails, texts and phone calls. The industry is gingerly

dipping its toes into these uncertain waters.

The waits for an EV charge-up are also "opportunities to link up the entertainment experience at the pump/charger," Lenard adds, although screens on pumps and chargers are also competing with high-definition screens in vehicles.

How Many EVs Will There Be?

There's yet another reason fuel retailers are cautious: Will relatively high prices for EVs slow overall sales growth? Although price points remain high, consumers bought more than 1 million EVs in the U.S. last year. Car buyers in 2024 pay a 10% premium for new EVs in the U.S., where average new electric vehicle prices are more than \$50,000, according to [CarEdge](https://caredge.com/guides/average-price-of-an-electric-car) (<https://caredge.com/guides/average-price-of-an-electric-car>). The promising news is that these prices are dropping. Two years ago, EVs sold at a 15% premium over gasoline models.

This year, with a [federal tax credit](https://grist.org/transportation/ev-tax-credit/?utm_medium=email) (https://grist.org/transportation/ev-tax-credit/?utm_medium=email) of up to \$7,500 available as an instant rebate at new and used car dealers for U.S.-made vehicles, sales could climb further. Yet anxiety over finding a fast-charging station will prevail unless the infrastructure expands.

Fortunately, our first EV journey ended well. We were able to sell our Leaf almost two years ago for \$13,500. We got lucky: It was during the tail-end of the pandemic when few cars were available due to supply-chain shutdowns, [gasoline prices](https://www.nextavenue.org/inflation-affects-how-far-your-money-takes-you/) (<https://www.nextavenue.org/inflation-affects-how-far-your-money-takes-you/>) were nearly \$5 a gallon and EV demand was high.

I gleefully slapped myself when I got a check for the car. It was the only time I made money selling a *used* car — and would probably be the last.

Although we will likely buy another EV in the future to replace our oldest Toyota Prius (we have two), like many, we are patiently waiting for the national infrastructure to offer fast charging stations nearly everywhere. Ideally, there will be a rapid charger at most gas stations before we hit the road emission-free

when we're fully retired and have more time on our hands.

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