

Fueling Alternatives: Gas Station Choice and the Implications for Electric Charging[†]

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This paper quantifies the value of electric vehicle (EV) charging networks and the marginal value of network speed and density. We estimate a model of gasoline drivers' refueling preferences and simulate how these potential future EV drivers value refueling time under counterfactual charging networks. Drivers value refueling time at \$19.73/hour. EV adopters with home charging receive \$675 per vehicle in benefits from avoiding travel to gas stations, whereas refueling travel and waiting time costs \$7,763 for drivers using public charging. Increasing network charging speed yields three times greater time savings than a proportional increase in station density. (JEL D12, H54, Q42, Q58, R41)

Annual vehicle travel in the United States grew from 1.1 trillion total miles in 1971 to over 3.1 trillion miles in 2021 (Bureau of Transportation Statistics 2023). The transportation sector is fueled overwhelmingly by the combustion of petroleum products, which generate harmful tailpipe emissions, including local air pollutants that harm human health and carbon dioxide emissions that contribute to climate change (Holland et al. 2016). To address these externalities, policymakers have recently sought to encourage the transition from gasoline to electricity as the dominant transportation fuel. Yet such an energy transition would require large-scale investment in electric vehicle (EV) charging stations. Recognizing this, the 2021 Infrastructure Investment and Jobs Act and the 2022 Inflation Reduction Act provide grants and tax credits intended to expand the nationwide number of charging stations to 500,000 by 2030 (White House 2023). While policymakers have prioritized building new chargers, few policies stipulate charger attributes—such as charging speed—that may be beneficial to drivers.

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[†]Go to <https://doi.org/10.1257/pol.20220130> to visit the article page for additional materials and author disclosure statement(s) or to comment in the online discussion forum.

This paper studies drivers' value of EV charging infrastructure. We evaluate drivers' time costs of refueling an EV relative to a gasoline vehicle for both those with access to at-home charging and those relying on the network of public chargers. Moreover, we explore a key trade-off inherent in EV charging network design: the *speed-density* trade-off. That is, for a given infrastructure budget, how do drivers value a sparser network with faster chargers relative to a denser network with slower chargers?

Given currently deployed EV charging technology, most charging takes long enough that drivers using public chargers choose to recharge while they are at their destinations rather than waiting at the station for their vehicle to charge.¹ Drivers going about their daily routine will therefore value faster charging because it allows them to recharge more in the time that they would already spend at their destination. However, a denser charging network means that drivers' destinations are more likely to be close to a charging station, so that drivers do not need to travel as far from the charger to their destinations. Since charger costs increase proportionally with speed (Nicholas 2019), empirical analysis is required to determine if the returns are higher from investing in network speed or network density. However, measuring the value of charging station density versus speed is difficult as it requires information on the distance from chargers to drivers' destinations, the time that drivers spend at these destinations, and drivers' propensity to refuel on a given trip, which is partly determined by drivers' remaining fuel.

We leverage uniquely detailed data to understand drivers' refueling preferences and the implications of these preferences for EV adoption and charging network design. We observe second-by-second driving data in gasoline vehicles that include information on drivers' routes, fuel tank level, fuel consumption, and gasoline refueling stops for a sample of drivers. These data provide insights into the trade-offs that drivers face when refueling, including when to stop for fuel given their tank level and whether to drive out of their way for a lower fuel price, as well as the locations of trips and the time drivers spend at each destination. We focus on individuals driving gasoline vehicles rather than those driving EVs because EVs made up less than 1 percent of the overall US vehicle fleet in 2021 (Energy Information Administration 2023), suggesting that EV drivers are highly selected. By choosing EVs, these drivers reveal that they likely have relatively low recharging costs, either because they have access to charging at home or because their trips are located near existing charging infrastructure. Given that investments in EV charging infrastructure are aimed at increasing EV penetration and providing charging to *future* EV drivers, we argue that studying gasoline vehicle drivers is crucial for evaluating EV infrastructure policy.

We pair our detailed driving data with information on gasoline station prices and locations to estimate a model of drivers' refueling decisions. In our model, drivers make a discrete choice on each trip about whether to stop for fuel and, if they stop, which station to stop at. Drivers choose whether to stop based on their tank level and choose which station to stop at given the station characteristics

¹The exception to this is for long road trips, where drivers will often need to refuel along the way to their destination. Charging speed will be critical in these settings.

such as price, brand, and excess travel distance from the driver's optimal route. The model captures fundamental features of drivers' refueling choice, including drivers' lack of perfect information. Specifically, our model recovers an estimate of how consumers form perceptions of stations' prices, which may differ from actual prices due to imperfect information. We allow drivers to be imperfectly informed about both the prices at a given station on a given day (e.g., Ho, Hogan, and Scott Morton 2017; Thakral and Tô 2021) and the existence of stations that we do not observe the driver passing in our data (e.g., Goeree 2008; Abaluck and Adams-Prassl 2021). We identify drivers' disutility from having an emptier fuel tank from the propensity to make a refueling stop on trips with different starting tank levels. We infer drivers' value of travel time from their observed willingness to travel farther from their routes in order to pay a lower expected gasoline price. Finally, we identify drivers' level of awareness about gas stations' current prices from a combination of information on which stations drivers pass and changes in each station's observed choice probability as its price diverges from its long-run average price.

Our refueling choice model generates three key findings. First, drivers are highly unlikely to stop for fuel when their tanks are over one-third full, but the likelihood of stopping increases steeply as the tank level falls below one-quarter. This means that there are a relatively limited number of trips on which drivers consider refueling, making the stations available on those trips particularly valuable. Second, drivers' station choices imply that they value time spent traveling to refuel at \$19.73/hour, or 63.6 percent of the median wage in our sample group,² which is only slightly higher than the estimate of 50 percent of the wage rate (White 2016) used by the US Department of Transportation. Third, we find that drivers respond about twice as much to each station's long-run average price than to its current price, which is consistent with consumers relying on average prices to form a belief about the price they would pay at a given station. Importantly, we show that ignoring imperfect information leads to severely biased estimates of the value of time (VOT).

Our estimates of drivers' refueling preferences allow us to investigate several questions pertinent to EV charging. We begin by calculating the value EV drivers obtain from avoiding time-consuming gasoline stops via recharging an EV at home. We find that drivers in our sample would save \$675 in travel costs over the lifetime of driving an EV. This calculation highlights a modest benefit of switching to an EV for drivers with access to at-home charging.³

Yet many drivers do not have access to home charging (Ge et al. 2021) and, therefore, must rely on the public charging network to recharge an EV. To understand the value of different charging station network configurations for those drivers, we combine our driving data and refueling model estimates with data on EV charging station locations. This allows us to simulate when drivers would stop to recharge and how they would make trade-offs between different charging stations on a given trip. In our baseline simulation, we assume that drivers can choose between waiting for

²Median wage rates come from the Bureau of Labor Statistics's Occupational Employment and Wage Statistics for May 2010. We calculate the median wage as the average census-tract median wage where the drivers in our sample stop most frequently.

³This value is in addition to any fuel cost savings coming from EVs' fuel efficiency relative to gasoline vehicles, but omits the cost of installing faster charging at home.

their vehicles to charge and continuing to their destination on foot to minimize total excess time (including walking and/or waiting time). The time cost of refueling at a particular station on a given trip therefore depends on the combination of walking time and any waiting time the driver accrues beyond the observed time that they spend at their destination. Crucially, these EV charging simulations require several behavioral assumptions (e.g., drivers' preferences for walking versus waiting) and assumptions about the EV's technical attributes, such as its range, which determine how frequently the driver would need to refuel. We therefore conduct numerous robustness checks to understand how these assumptions influence the main results.

Our baseline simulations show that in 2022, relying on EV charging stations instead of gasoline stations would increase excess time spent refueling from 3.1 minutes to 34.6 minutes per stop. Specifically, gasoline vehicle drivers spend an average of 2.3 minutes driving to gas stations and 0.8 minutes waiting at gas stations, whereas EV drivers spend an average of 34.6 minutes walking round trip to chargers and 1.2 minutes waiting at charging stations. Combined, refueling an EV with public chargers would entail \$7,763 in increased time costs over the life of a vehicle. This implies that based on refueling time alone, drivers who can charge at home would value an EV at up to \$8,438 ($\$7,763 + \675) more than drivers without home charging. This helps to explain why homeowners are substantially more likely to purchase EVs than renters (Davis 2019), given that renters may be less likely to have access to dedicated off-street parking that would facilitate EV charging at home (Traut et al. 2013).

While our simulations suggest that EV drivers relying on the existing charging network would bear considerable refueling time costs, we also show that those costs have fallen markedly over time as the charging network has improved. Between 2012 and 2022, the number of charging stations in Michigan and Ohio increased over 14-fold from 149 in 2012 to 2,331 in 2022, with the share of direct current (DC) fast charging stations increasing from 3 percent to 14 percent. We estimate that this increased station density and charging speed reduced the excess EV refueling time by 54.4 percent, from 78.4 to 35.7 minutes per stop. Additionally, we show that if all of the 2022 charging stations were converted to DC-fast chargers, with 250 kilowatt (kW) charge speed, this would further reduce driver's average refueling time by 51 percent, to 18 minutes per stop. These simulations illustrate the benefits that charging infrastructure improvements can yield to EV drivers.

However, these results also raise an important policy question: going forward, is it more valuable to invest in faster chargers or additional chargers? To analyze the speed-density trade-off, we simulate excess refueling times across a range of potential network configuration that independently vary both charger speed and the number of chargers. Our simulations of alternative charging networks generate several striking results. First, for the majority of cases, EV drivers get more value from increasing network speed rather than network density. We estimate that the marginal value of increasing the speed of the current network is three times larger than the marginal value of increasing the number of charging stations in the current network (as of 2022). Relatedly, we find that when a social planner chooses between slower but less expensive "Level 2" chargers and the budget-equivalent number of faster "Level 3" chargers, drivers' refueling costs are minimized when the planner invests

entirely in Level 3 chargers. When the planner uses the same budget to make a continuous choice between charger speed and charger density (as measured by stations per million population), we find that the efficient network in 2022 is 200 percent faster but about 70 percent less dense than the current observed network. Our robustness analyses show that the relative value of speed versus density investments will depend on EVs' range. Charging speed becomes even more valuable relative to density as EV range improves.

Finally, we use our simulations to show which drivers would benefit the most from investments in charging network speed rather than density. We show that within our data, EV drivers from lower-income census tracts and those under 60 years old would benefit more than richer or older drivers if investments increased charging network speed rather than density. We further show that drivers that do not often spend more than eight hours at their destinations would obtain the largest benefit from increasing charger speeds.

This research contributes to four key strands of literature. First, we expand the literature that seeks to understand the value of EV charging infrastructure. Early work in this literature (e.g., Greaker and Heggedal 2010a) developed calibrated theory as to how EV adoption and charging infrastructure evolve in tandem. Later work brought data to the same question while grappling with issues surrounding the identification of the relationship between charging stations and EV adoption when both could be driven by unobserved variables (e.g., Li 2017; Li et al. 2017; Zhou and Li 2018; Springel 2021). Our work expands this literature by combining extremely detailed real world data on driver behavior, a model of driver preferences, and simulation of driver behavior given counterfactual charging networks that together allow us to understand the benefits of alternative infrastructure investment strategies.

Second, our model of driver decision-making extends the research on gasoline purchasing and the value of information. This literature has generally lacked information on driver's individual purchasing decisions and so has instead used information on firms' pricing behavior to form inferences about drivers' behavior (e.g., Yang and Ye 2008; Lewis 2011b; Chandra and Tappata 2011). A smaller set of papers have used information on commuting patterns and gas station prices (and sometimes sales quantities) to measure drivers preferences more directly, (e.g., Houde 2012; Levin, Lewis, and Wolak 2017; Pennerstorfer et al. 2020). Some researchers have also used the gasoline market to investigate broader economic concepts such as collusion (Byrne and De Roos 2019; Lewis and Noel 2011), household budgeting (Hastings and Shapiro 2013), and information provision (Luco 2019). We contribute to this literature by estimating drivers' preferences directly and using these preferences to better understand optimal stopping behavior, the role of imperfect information, and drivers' VOT.

Third, our analysis contributes to the broader literature on consumer search, especially in the context of imperfect information (e.g., Weitzman 1978; Hortaçsu and Syverson 2004; De los Santos, Hortaçsu, and Wildenbeest 2012; Larcom, Rauch, and Willems 2017). Earlier work on the cost of imperfect information showed how consumers' misperceptions of product characteristics can reduce their welfare (Leggett 2002; Liebman and Zeckhauser 2004). Later work expanded this to include estimation of consumers' perceptions from their observed purchase decisions (Houde

2018; Ito 2014; Allcott and Taubinsky 2015). Our data allow us to observe drivers' actual choices of when and where to stop for gasoline in a setting where they do not necessarily know the prices at stations in their choice set. By using the stations drivers pass to help understand information sets and estimating the weight that drivers place on current prices relative to long-run average prices, we are able to approach imperfect information in a unique way, even relative to earlier papers that investigate search in gasoline (e.g., Nishida and Remer 2018b). We can also quantify drivers' value of perfect information (e.g., Leggett 2002; Allcott 2013; Houde 2018).

Finally, we expand the extensive literature that measures individuals' VOT by estimating drivers' VOT when making refueling decisions. The VOT is a critical input into cost-benefit analyses of transportation policy (Small, Winston, and Yan 2005; Wolff 2014), such as fuel economy standards, highway infrastructure investment, and gasoline station zoning laws. This literature has its roots in early empirical work such as Beesley (1965) but gained firm theoretical grounding with Oort (1969), which built on the broader work by Becker (1965). Work in this literature has recovered values of time from decisions over transportation modes (Lave 1969), routes (Small, Winston, and Yan 2005), speeding behavior (Wolff 2014), and rideshare choices (Goldszmidt et al. 2020; Buchholz et al. 2020). We provide what we believe is the first estimate of drivers' VOT from on-road refueling choices. Within this literature, the closest work to ours is Deacon and Sonstelie (1985), which uses a natural experiment that looks at drivers' willingness to wait in line at one gasoline station rather than paying a higher price without wait at another station. Our estimates are in line with both Deacon and Sonstelie (1985) and the more recent literature (e.g., Goldszmidt et al. 2020), which suggest that the Department of Transportation's current VOT—one-half of the wage rate—likely undervalues public investments and policies that provide time savings.

We begin our analysis by describing our data and providing descriptive evidence on drivers' refueling choices in Section I. We then discuss our empirical framework in Section II and present estimation results in Section III. We investigate the value of charging network structure for drivers who both can and cannot charge at home in Section IV. Section V concludes.

I. Data

Our analysis relies on data from three main sources: data on individual driver behavior (Sayer et al. 2010), which we use to identify fueling stops; data on the location and speed of EV charging stations over time (US Department of Energy 2022); and data on gasoline station locations and prices (Oil Price Information Service 2012). In this section, we discuss each of these datasets in turn and provide descriptive evidence on both the characteristics of drivers' trips that will affect the value of EV charging networks and the variation in the data that allows us to recover drivers' preferences.

A. IVBSS Experimental Data

We use driving data from the Integrated Vehicle-Based Safety Systems (IVBSS) study conducted by University of Michigan Transportation Research Institute

(UMTRI) from April 2009 to May 2010 (Sayer et al. 2010). During this study, identical vehicles were provided to 105 drivers in southeast Michigan for approximately 40 days each.⁴ The objective of the study was to observe driver responses to modern safety equipment, including lane-departure and collision warning systems. The drivers used the vehicles as if they were their own (including purchasing their own gasoline, although the cars were given to the drivers with a full tank), and UMTRI collected high-frequency data on location, speed, and fuel use. Cameras in the vehicles captured video of the driver and the surrounding roadway.⁵

The top panel of Table 1 provides characteristics of drivers in the sample. UMTRI sent information about the experiment to a random subset of Michigan license holders with clean driving records living within a radius of approximately one hour's driving time from Ann Arbor. Of the drivers who expressed interest in the program, the final sample was stratified to contain equal numbers of men and women in three age categories: 20–30, 40–50, and 60–70, who drove above a minimum number of miles per day on average. The table shows that the average driver lived in a census tract with median household income of approximately \$64,000 per year (US Census Bureau 2010a) which is above the median household income in Michigan of \$54,379. However, there was substantial variation across drivers, with census-tract median household income ranging from below \$20,000 to over \$145,000.⁶ Experimental participants drove 1,761 miles on average, equivalent to 51 miles per day (18,500 miles per year). In total, UMTRI collected data on 6,275 hours (224,700 miles) of driving.⁷

For each driver, these data include comprehensive, high-frequency information on vehicle operation and driver behavior. In particular, we observe information about the time and location of every driving trip during the experiment. We define a unique driving trip as beginning each time a driver turns on their vehicle and ending when the driver shuts the vehicle down. The on-board computers document the starting and ending latitude and longitude associated with each trip as well as detailed data within each trip regarding the vehicle location, speed, heading, fuel consumption, and more, which we use at the one-second level. We therefore know exactly which route each driver took between the trip starting and ending locations. Table 1 shows that the average driver completed nearly 200 trips.

We aggregate the high-frequency data to obtain a trip-level dataset on fuel consumption and other variables of interest. Table 1 provides details about the characteristics of trips in our sample. The median trip lasted 8.75 minutes (3.82 miles).

⁴There were 117 drivers who were provided a vehicle. However, several people were dropped from the sample due to noncompliance with the experimental guidelines (e.g., allowing others to use the vehicle). Three drivers had technical issues with their cameras that mean that we cannot observe fuel tank levels, so they are dropped from our sample.

⁵We use data on the driving and refueling behavior of gasoline vehicle drivers rather than EV drivers because of the fairly low adoption rates of EVs. In 2021, EVs comprised 0.8 percent of vehicles on the road in the United States (Energy Information Administration 2023). Investments in charging infrastructure are long lived, so it is important to look at potential future EV drivers (current gasoline vehicle drivers) rather than merely the selected early EV adopters.

⁶We do not know the home address of drivers but define the location that each driver stops at most frequently as the driver's "home." Supplemental Appendix Figure A.1 shows the distribution of the drivers' median census-tract income.

⁷Drivers were not compensated for their participation in the experiment other than through the use of the car and a nominal payment for completing baseline and endline surveys.

TABLE 1—DRIVING DATA SUMMARY STATISTICS

	Observations	Mean	SD	Pct25	Median	Pct75
<i>Driver characteristics</i>						
Census tract median income (\$)	105	64,541.87	27,674.61	47,132.00	61,806.00	76,905.00
Days with vehicle	105	39.22	4.76	39.00	39.00	39.00
Total driving distance (miles)	105	1,819.10	840.78	1,210.56	1,704.76	2,350.85
Total driving trips	105	187.12	77.95	136.00	177.00	230.00
Total number of refueling stops	105	8.06	5.25	5.00	7.00	10.00
Refueling stops per week	105	1.59	0.93	1.03	1.31	1.94
Has home garage (0,1)	105	0.73	0.44	0.00	1.00	1.00
Tract single family home share (0,1)	105	0.71	0.23	0.61	0.78	0.87
Tract population density (pop./mile ²)	105	2,505.03	2,134.77	697.20	2,100.54	3,598.25
<i>Trip characteristics</i>						
Trip distance (miles)	19,825	8.60	14.86	1.26	3.82	9.79
Trip time (minutes)	19,825	14.11	18.45	3.61	8.75	17.67
Trip destination is home (0,1)	19,825	0.31	0.46	0.00	0.00	1.00
Weekend (0,1)	19,825	0.26	0.44	0.00	0.00	1.00
Refueling stop (0,1)	19,825	0.04	0.20	0.00	0.00	0.00
Tank level at start of trip (gallons)	19,825	7.17	3.46	4.42	6.98	9.83
<i>Time between trips (minutes)</i>						
Minutes at destination (all trips)	19,825	287.02	664.26	16.55	72.50	314.63
Minutes at destination (trips to home)	6,077	629.19	821.05	87.15	484.96	891.04
Minutes at destination (away from home)	13,748	136.11	513.96	11.23	40.42	134.25
Longest daily stop at home	3,665	1,000.33	923.62	624.92	834.58	1,120.57
Longest daily stop away from home	3,665	364.29	952.22	95.10	233.29	479.48

Notes: The top panel presents summary information about IVBSS drivers. The drivers were 50 percent male and 50 percent female. The drivers were approximately evenly distributed across three age groups: 20–30 years old, 40–50 years old, and 60–70 years old. The middle panel reports summary statistics across all trips in Michigan and Ohio made by all drivers during the experiment. The bottom panel reports summary statistics on the amount of time drivers spend at various destinations following trips. Pct25 and Pct75 are the twenty-fifth and seventy-fifth percentiles, respectively.

Over half of trips lasted between 3 and 18 minutes; however, some trips were substantially longer, which results in a right-skewed trip time distribution. We also see that 26 percent of trips occur on weekends and 31 percent of trips end at the driver's home.

One variable not recorded by the monitoring equipment was the fuel tank level. The amount of fuel remaining in the tank is the major factor that determines whether a driver stops to refuel and how much gasoline they choose to purchase. We recovered an estimate of the fuel tank level using images from an in-car “over-the-shoulder” camera directed at the steering wheel and dashboard, combined with second-by-second fuel consumption data. We describe details of this procedure in Supplemental Appendix B. We estimate that on average, drivers begin each trip with about 7.17 gallons (39 percent) remaining in the tank.

Given our focus on EV infrastructure, the bottom panel of Table 1 lays out key information for understanding EV charging behavior: the distribution of time spent at the destination at the end of each trip. If a driver's daily routine includes many short stops at destinations, then there will not be many opportunities for the driver to receive a substantial charge from a slower charger. We see that across all trips, the

median time spent at a destination is 72.5 minutes. However, longer stops mean that the average stop duration is over 4.5 hours. Stop durations are substantially longer when drivers stop at home. The median home stop lasts over eight hours, compared to only 40 minutes on trips away from home. Even if we only look at drivers' longest daily stop away from home, the median stop duration is under four hours. In this much time, a slower "Level 2" public charger would be able to supply a charge equivalent to at most 2.2 gallons of gasoline.

Figure 1, panel A explores the distribution of stop durations by showing the share of trips on which the driver is at their destination long enough to receive a substantial charge as a function of the charger speed. We define a substantial charge as the electricity equivalent of the observed mean gasoline purchase in our data (8.4 gallons \times 33.7 kWh/gallon = 283 kWh).⁸ We see that at the 2012 average charging speed of 20.69 kW, only about 5 percent of trips in our data end in stops long enough to get 283 kilowatt-hours (kWh) (\sim 8.4 gallons) of electric charge. At a Level 3 charging speed of 80 kW, nearly 30 percent of trips end in a stop long enough to get a substantial charge. This shows that if there are charging stations near every destination, then increasing charging speed can substantially change the likelihood that a driver is at their destination long enough to get a substantial charge when their tank is low.

B. Electric Vehicle Charging Infrastructure

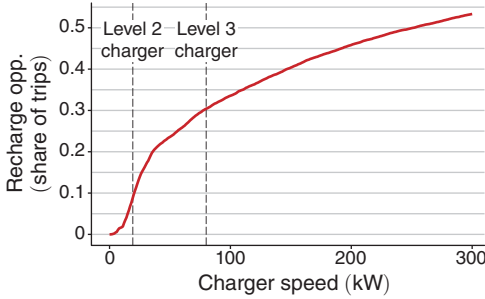
As in the rest of the country, public charging in Michigan and Ohio has expanded substantially in the last decade. Table 2 shows that the number of charging stations in Michigan and Ohio expanded over 14-fold from 149 stations in 2012 to 2,331 stations in 2022.⁹ The share of DC fast chargers in the network also increased from 3 percent to 14 percent, although this increase only implies a 34.5 percent increase in the mean charger speed.

The combination of these two datasets allows us to assess the extent to which drivers' access to charging stations has improved over time. Figure 1, panel B plots how the average walking time (at a speed of 3 miles per hour) from each trip destination to the nearest charger has evolved with station entry. Each blue circle in the figure represents one year of station data. We see that, given the 2012 charging network, drivers on an average trip would need to walk almost 3 hours round trip (90 minutes each way) from the nearest charging station to their destination. This average walk time has fallen by more than 50 percent with observed station entry through 2022, but still stands at over 75 minutes. Notably, additional station entry reduced walk time substantially more in earlier years than more recently.

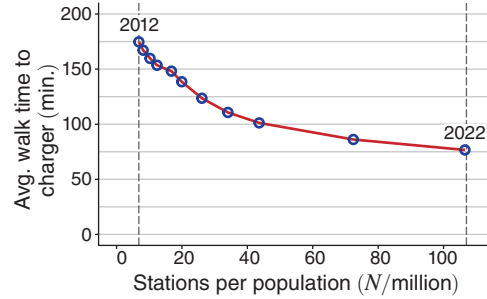
⁸ Drivers in our preferred analysis sample (which only includes stations the driver otherwise passed in our data period) purchase 8.4 gallons on average. Across all stops, drivers purchase 8.49 gallons on average.

⁹ We also can compare the existing gasoline station network to the EV charging station network. Supplemental Appendix Table A.5 shows that, in 2022, there were an average 8.2 charging stations within a 5 minute drive of each trip. This is relative to 21.1 gas stations and 12.6 gas stations that the driver had previously passed. Moreover, on a typical trip, a driver could stop for gas within a one minute deviation of their route but the closest EV charger was located over four minutes away.

Panel A. Share of trips with sufficient time at destination for charging



Panel B. Walk time to closest charger by charging station density



Panel C. Share of trips with viable charging by network speed and density

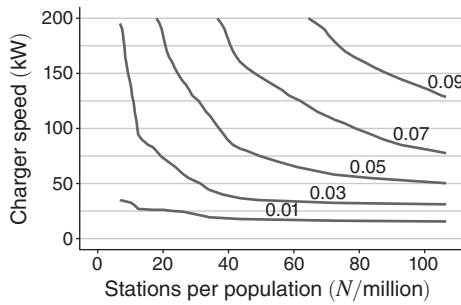


FIGURE 1. TRIP, DESTINATION, AND EV CHARGING NETWORK CHARACTERISTICS

Notes: Panel A shows the share of trips on which an EV driver remains at their destination long enough to get a substantial charge (equivalent to the average gasoline purchase in our data, 8.4 gallons or 283 kWh) as a function of the station's charging speed. The vertical lines for Level 2 and Level 3 (Type 1) are the maximum charger speeds for each charger type as designated by SAE (2017). Panel B shows average round trip walking time from a driver's destination to the closest charger as a function of the number stations per million population. In panel B, each blue dot represents the mean walk time given the location of stations for a specific year 2012–2022. The bottom plot shows the share of trips in which drivers have a “convenient” opportunity to refuel their EV as function of the number of charging locations and charger speed. We define a destination as having a “convenient” opportunity to refuel if (i) the driver can walk round trip to the charging station in less than 30 minutes and (ii) the driver spends enough time at their destination to obtain a substantial charge without additional waiting time.

Of course, since Figure 1, panel B presents the average walk time across all trips, it could be that station entry more recently has been closer to destinations where drivers are more likely to remain for extended periods. Figure 1, panel C therefore shows the share of stops in our driving data that both (i) are within a 30 minute walk of a station and (ii) have stop durations long enough for the driver to get a substantial charge, as a function of the charger speed and the observed station density. We see that at low station densities like those observed in 2012 (6.8 stations per million population), there are very few trips (less than 1 percent at contemporaneous charging speeds of 20.69 kW) where charging would be relatively inexpensive in terms of walking and waiting times. Further, at these low station densities, increasing charging speed does not substantially increase the share of trips with easy charging access. On the other hand, the figure suggests that when the station density

TABLE 2—PUBLIC EV CHARGER NETWORK IN MICHIGAN AND OHIO OVER TIME

Year	Charging stations	Stations/pop. (observations/million)	Fast charger share [0, 1]	Mean charger speed (kW)
2012	149	6.81	0.03	20.69
2015	271	12.39	0.05	22.10
2019	745	34.05	0.13	27.01
2022	2,331	106.55	0.14	27.83

Notes: The number of total EV charging stations and the number of stations per capita are determined by each station's entry year in the Department of Energy data. To calculate the share of stations that offer DC fast charging by year, we code stations that offer both DC fast chargers and AC chargers based on their share of fast chargers (e.g., 0.5 if half the chargers at the station are fast chargers). The last column calculates the mean estimated charging speed across all stations in the network, assuming that each fast charger is 80 kW and all other chargers are 19.2 kW.

exceeds 90 stations per million population, increasing charging speed can substantially increase the share of trips on which charging is accessible.

C. Refueling Choice, Gas Stations, and Prices

Evaluating EV refueling costs requires understanding drivers' VOT and their preferences for when to refuel, which we will estimate in our model of refueling choice. To do this, we match the vehicle locations from the IVBSS driving data to Oil Price Information Service (OPIS) data on gasoline stations to recover information on station locations, gasoline prices, and refueling choices during our driving sample window. The OPIS data contain the name, brand, address, approximate geographic coordinates, and daily gas prices for every gas station in Michigan and Ohio (Oil Price Information Service 2012).¹⁰ We supplemented this information using aerial photographs from an online mapping service to add the exact latitude and longitude of the gas pumps at each station. We find that drivers refueled an average of eight times each during the experiment.¹¹

Table 3 provides descriptive information for the 828 gas stops in Michigan and Ohio that we observe in the driving data. The mean quantity of gasoline in drivers' tanks at the start of trips on which they stop to refuel is just over three gallons, and the mean quantity purchased at each stop is nearly eight and a half gallons. The mean price paid by drivers in the sample is \$2.60 per gallon, with an interquartile range of \$2.50 to \$2.70. Drivers are equally likely to refuel during weekends relative to weekdays (weekends represent 25 percent of stops and 26 percent of trips). Drivers are more likely to stop at stations that they are likely to be familiar with: drivers pick stations located within ten miles of their home 60 percent of the time and choose

¹⁰The OPIS data only report the price for regular gasoline. The Honda Accords used for the experiment run on regular gasoline, and we consider it unlikely that drivers used a different (and more expensive) gasoline grade given that they do not actually own the vehicles.

¹¹Supplemental Appendix B details how we identified precise gas station locations, used vehicle camera images to determine whether a vehicle was stopped at a gas pump, and recovered the gasoline purchase quantity for each stop. Supplemental Appendix Figure A.2 shows the locations of the 828 gas stops in the data, and Supplemental Appendix Figure A.3 shows the date and price of the gas stops, as well as the average daily gas price across all stations in Michigan and Ohio. A small number of gas stops were identified in states other than Michigan and Ohio. These stops are excluded from our analysis due to the lack of price data.

TABLE 3—SUMMARY OF REFUELING STOPS

	Observations	Mean	SD	Pct25	Median	Pct75
Tank level at start of trip (gallons)	828	3.07	2.13	1.49	2.57	4.29
Purchase quantity (gallons)	828	8.49	3.74	5.39	8.50	11.85
Price paid (\$/gallon)	828	2.60	0.16	2.50	2.60	2.70
Weekend (0,1)	828	0.25	0.44	0.00	0.00	1.00
Station within 10 miles of home (0,1)	828	0.60	0.49	0.00	1.00	1.00
Passed station previously (0,1)	828	0.91	0.29	1.00	1.00	1.00
Excess time (minutes)	828	2.40	3.09	0.49	1.22	3.09
Excess distance (miles)	828	0.97	1.99	0.04	0.19	1.06

Notes: Summary statistics are reported across all refueling stops in Michigan and Ohio made by all drivers during the experiment. Pct25 and Pct75 are the twenty-fifth and seventy-fifth percentiles, respectively.

stations that they have previously passed during our sample period 91 percent of the time.¹²

To understand how driver preferences affect the value of different EV charging network configurations, we will estimate a model that focuses on recovering drivers' preferences over when to stop for fuel and cost of delay caused by refueling. It is therefore critical that our data include variation that we can use to recover these preferences. Figure 2 shows how the likelihood of stopping relates to the tank level at the start of the trip. Most drivers stop when their tanks are close to empty, with 75 percent of stops occurring when the vehicle's tank level is below one-quarter full (4.6 gallons). On trips in which drivers stop for fuel, the average starting tank level was just over three gallons. The likelihood of stopping will also depend upon the characteristics of the stations near each trip.

One of the most critical trade-offs that drivers face when deciding between gas stations is between the excess time to travel to a station and station characteristics such as price and brand. Supplemental Appendix Figure A.5 visualizes a driver's choice among a set of gas stations near their route on a selected trip in our data. For each trip we calculate the excess time for the driver to travel from the trip starting location to each potential gas station and then to the trip ending location, relative to the most direct route between the trip starting and ending locations.¹³

Figure 3, panel A demonstrates that driving farther from their route provides drivers improved options in terms of gasoline prices. In the left-side panel, the red dashed line shows the mean price that a driver would pay at stations located within 15 seconds of their route. The green line with circles shows how the lowest price available (averaged over trips) changes with each incremental minute farther away from the optimal route, and the blue line with squares shows the same information for stations that the driver has previously passed in the data. A driver can find lower prices with each incremental minute of excess time both (i) because stations

¹²BP and Speedway were the most common brand choices, with a 18 percent and 15 percent share of the gas purchases in our data, respectively. Supplemental Appendix Table A.1 provides the share of stops at each brand in our data. Smaller regional brands and unbranded stations were chosen at 18 percent of stops.

¹³Suppose that the trip originates at location A, proceeds to a gas station at location B, and then continues on to location C. The excess time for the gas station stop at location B is the fastest time for the route A to B to C, less the fastest time for the direct route from A to C. Travel times between points were calculated using the Open Source Routing Machine (Luxen and Vetter 2011) based on road network data for the US Midwest (OpenStreetMap 2022).

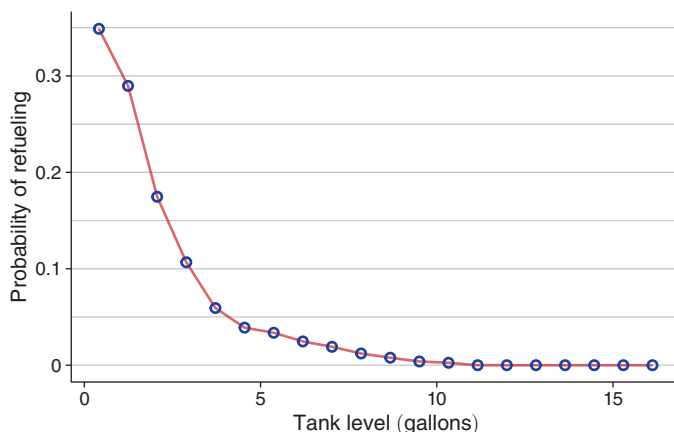


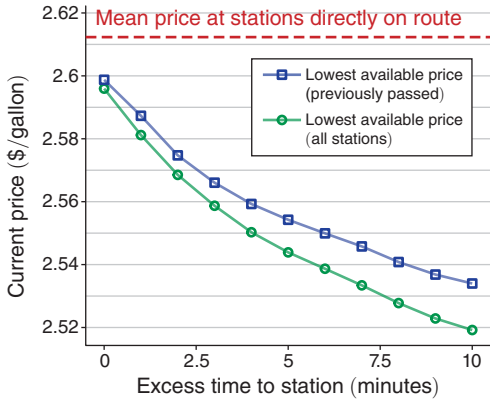
FIGURE 2. REFUELING CHOICE BY DRIVER TANK LEVEL

Notes: Drivers' likelihood of stopping to purchase gasoline as a function of the vehicle's tank level.

located on more common routes can charge higher prices and (ii) because drivers can access a larger set of stations with longer diversions so the expected minimum price available would fall even if price and excess time were not correlated. We see that the largest incremental saving opportunities occur within the first couple of minutes of deviation from the route: a driver would save about \$0.03/gallon at the lowest-priced station one minute away from their route relative to the average price available directly along their route. However, possible savings from driving farther off route occur at a decreasing rate. In particular, a driver needs to travel an additional three minutes to save an additional \$0.03/gallon (four total minutes to save \$0.06/gallon total).

Figure 3, panel B illustrates that there exists substantial variation in gasoline prices even after conditioning on day of sample and station means. The green histogram shows the residuals from a regression of station prices on date fixed effects. We see that the 95 percent confidence interval for these residuals within a given day spans \$0.293 in our data, so there is the potential for drivers to pay much lower prices if they find the cheapest stations. However, it is theoretically possible that this could come from some stations always being cheaper than others. The orange histogram therefore shows the residuals from a regression that includes both date and station fixed effects. There we find that the 95 percent confidence interval for a given station on a given day spans \$0.207. This means that, conditional on the day of the sample, knowing which station the driver will stop at only reduces the variation in the expected price by approximately 30 percent. This suggests that drivers would need to have very precise information on the price at a given station on a given day to be able to choose the lowest priced station. During the period of our analysis, sites like gasbuddy.com were in their infancy and were not widely known or used, so drivers were unlikely to be fully informed about prices at every station near their route. Importantly, our model will fail to capture drivers' value of stopping or excess

Panel A. Price frontier by excess time from drivers' route



Panel B. Residual variation in gas prices conditional on date and station

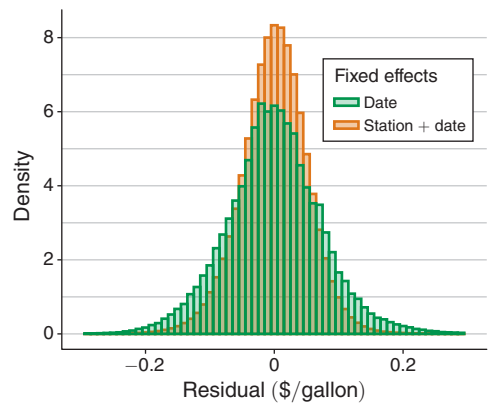


FIGURE 3. VARIATION IN GASOLINE PRICES

Notes: In the left panel, each point is the lowest available price offered (mean price across all trips) by stations given the excess time it would take the driver to reach those stations on a trip where the driver stops to purchase gas. The dashed line shows the mean price that a driver would pay among stations located within 15 seconds of their optimal route. The right panel plots two histograms. The green histogram plots the distribution of residuals from a regression of gas station prices on date fixed effects. The orange histogram shows the analogous distribution for a regression with both date and gas station fixed effects.

travel time if we assume that drivers have more information than they actually possess. Therefore, our refueling model in the next section will relax the assumption that drivers are informed about the existence of all nearby stations and about each station's current price. Table 3 reveals that nearly 90 percent of refueling stops occur at stations that drivers passed previously, and we will use this information on passed stations to help identify the stations which drivers are likely to consider.

II. Model of Refueling Choice

To understand drivers' preferences for refueling, we model their choices of whether to stop for fuel, where to stop, and the quantity of fuel to purchase. On a given trip $t = 1, \dots, T$, each driver $i = 1, \dots, N$ has a choice of whether to stop at each of $k = 1, \dots, K$ stations and the outside option of not stopping for gas, which we denote $k = 0$. The utility that each driver receives from stopping at a given station is given by

$$(1) \quad U_{ikt} = \alpha E_i[p_{ikt} \cdot q_{ikt} | \mathbf{Z}_{ikt}] + \gamma \text{Excess Time}_{ikt} + \mathbf{X}_k^i \boldsymbol{\beta} + \varepsilon_{ikt},$$

where $E_i[p_{ikt} \cdot q_{ikt} | \mathbf{Z}_{ikt}]$ is driver i 's expected total expenditure (with unit price p_{ikt} and quantity q_{ikt}) at station k on trip t . Throughout this section, the expectation operator E_i is taken over the driver's subjective distribution of stations' prices and purchase quantity given observable information available at the start of the trip, \mathbf{Z}_{ikt} . This information might include variables such as the quantity of fuel left in

the driver's tank and the average price charged at each station, and we will refer to the subset of information that affects expected purchase quantities as \mathbf{Z}_{ikt}^q and the (potentially overlapping) subset of information that affects expected purchase price as \mathbf{Z}_{ikt}^p . The driver's utility also depends on several additional terms: *Excess Time* $_{ikt}$ is the additional travel time to visit station k on trip t relative to not stopping for gas,¹⁴ \mathbf{X}_k is a vector of characteristics of the station k such as corporate brand, and ε_{ikt} is an idiosyncratic preference shock.

We normalize the utility that the driver gets if they choose not to stop as $U_{i0t} = \mathbf{W}'_{it}\delta + \varepsilon_{i0t}$, where \mathbf{W}_{it} is a vector of characteristics of the trip and driver, including the amount of gasoline remaining in the fuel tank at the start of the trip, month-of-sample fixed effects, and (in some specifications) driver demographics.¹⁵ We assume that the unobserved idiosyncratic preference shock in our model, ε_{ikt} , has a generalized extreme value distribution where ε_{ikt} may be correlated with ε_{ik^*t} ($k \neq k^*$, both greater than zero), while ε_{i0t} is uncorrelated with all other ε_{ikt} . This error structure generates the familiar nested logit model (Cardell 1997) where all stations are in one nest, and we denote the nesting correlation parameter as $\lambda \in [0, 1]$.

In reality, the driver's decision is dynamic because the choice not to stop on trip t includes the option value of stopping on a future trip. While our model does not explicitly model dynamics, it is consistent with conditional choice probabilities (CCPs) of an underlying dynamic model such as Hendel and Nevo (2006). In particular, \mathbf{W}_{it} includes a function of the fuel remaining in the tank, which is the critical state variable that would affect this option value and, hence, the CCPs.¹⁶

In our model, each driver it observes the information $\mathbf{Z}_{ikt} = \{\mathbf{Z}_{ikt}^p, \mathbf{Z}_{ikt}^q\}$ at the start of the trip and uses these variables to form expectations over the price that they will pay and the quantity of fuel they will purchase at each station. We express each driver's expected total expenditure as the product of the expected purchase price and the expected purchase quantity:¹⁷

$$(2) \quad E_i[p_{ikt} \cdot q_{ikt} | \mathbf{Z}_{ikt}] = \underbrace{[\theta p_{ikt} + (1 - \theta) \bar{p}_k]}_{E_i[p_{ikt} | \mathbf{Z}_{ikt}]} \cdot \underbrace{(\mathbf{Z}_{ikt}^q \phi)}_{E_i[q_{ikt} | \mathbf{Z}_{ikt}]}$$

This expression shows that we use the current price at each station and the long-run average price to proxy for the information that the driver uses to form expectations

¹⁴Our calculation of the excess time out of the way to each station assumes that if the driver had made a different choice about where to stop for gasoline, they would still have traveled from the same starting location and would travel to the same destination after leaving the station. This rules out a scenario, for example, where a driver chooses to pick up coffee at a different coffee shop, depending on which gas station they stop at.

¹⁵This formulation of the utility of not stopping assumes that not stopping incurs a price expenditure of zero and a time driven out of the way of zero. Since we do not observe instances in the data where drivers run out of gas, we cannot recover the cost of running out of gas directly. Instead, we allow this cost to be embedded in the increased value of stopping for fuel as the tank level decreases.

¹⁶Because we model dynamics only through CCPs, our counterfactuals will assume that as the value of the refueling network changes, the option value of not stopping changes similarly. We conduct extensive robustness checks of our results to this assumption.

¹⁷Supplemental Appendix C lays out the assumptions required to express expected expenditure as the product of expected price given \mathbf{Z}_{ikt}^p and expected quantity given \mathbf{Z}_{ikt}^q .

of the price they will pay ($\mathbf{Z}_{ikt}^p = \{p_{ikt}, \bar{p}_k\}$). Given this formulation, we interpret θ as the relative weight placed on current prices in drivers' expected price paid, leaving $1 - \theta$ as the weight on information from long-run average prices at station k , \bar{p}_k .¹⁸ Notably, this model nests the standard full information model. In particular, $\theta = 1$ implies that drivers place full weight on current prices, whereas $\theta = 0$ implies that drivers only respond to average prices. We assume that \mathbf{Z}_{ikt}^q includes $ExcessTime_{ikt}$, W_{it} (fuel left in the tank and month-of-sample fixed effects), and \mathbf{X}_k (primarily station brand fixed effects) so that if, for instance, a driver plans to purchase more fuel at a station far from their route, this expectation is properly incorporated into the expected fuel expenditure term.

Substituting equation (2) into equation (1), we can write the indirect utility function as

$$(3) \quad U_{ikt} = \alpha [\theta p_{ikt} + (1 - \theta) \bar{p}_k] \cdot (\mathbf{Z}_{ikt}^q \phi) + \gamma ExcessTime_{ikt} + \mathbf{X}'_k \beta + \varepsilon_{ikt}.$$

We estimate equation (3) in two steps. In the first step, we estimate $\hat{\phi}$ by regressing purchase quantities on the variables in \mathbf{Z}_{ikt}^q .¹⁹ We estimate the remaining parameters (including the parameters in equation (3) and the nesting parameter, λ) by pseudo maximum likelihood and bootstrap the standard errors to account for the two-step estimation process. Our two-step approach is similar in spirit to the common two-step approach for estimation of dynamic models (e.g., Hotz and Miller 1993).

Identification.—Identification of the expenditure coefficient α requires that (expected) expenditure is not correlated with the idiosyncratic preference shock, ε_{ikt} . This requires three underlying assumptions. The first is that any errors in drivers' expectations of the price they will pay at a station or the quantity of fuel they will purchase are uncorrelated with each other and with the drivers' idiosyncratic preference shocks, ε_{ikt} , conditional on the \mathbf{Z}_{ikt} variables. This assumption would be violated if, for instance, a driver prefers to stop at a station where they expect to purchase relatively more fuel, but this expectation is not captured in \mathbf{Z}_{ikt}^q . Similarly, if a driver dislikes stopping at stations in a particular neighborhood and will only purchase

¹⁸Our formulation of $E_i[p_{ikt}|\mathbf{Z}_{ikt}^p]$ does not assume that drivers know the current price but, rather, uses the current price to proxy for information that the driver may use to form this expectation, such as recent news coverage of gas prices, prices the driver has recently observed, or prices the driver observed at this station in the past.

¹⁹Table 3 shows that drivers purchase on average 8.5 gallons of fuel and have just over 3 gallons of fuel in their tank at the start of refueling trips. Since the vehicles in our data have 18.5-gallon tanks, this means that many drivers do not fill their tanks when they stop for gasoline. Yet we will find that drivers' search behavior indicates that they have fairly high values of time, which may suggest that there are behavioral forces that affect drivers' purchasing. For instance, Hastings and Shapiro (2013) show that drivers may use mental accounting (Thaler 1985) when deciding whether to purchase regular or premium gasoline, by setting aside fixed budgets for gasoline (for instance, always putting \$20 of gas in the tank). However, Supplemental Appendix Figure C.1 shows that we observe only small amounts of bunching around round dollar amounts, which suggests that this effect is not substantial. Alternatively, drivers may use rules of thumb around round quantity levels (Havranek and Sokolova 2020; Lacetera, Pope, and Sydnor 2012) where they choose, for instance, to always purchase ten gallons of gasoline when they stop. Supplemental Appendix Figure C.1 again suggests that if this is occurring, these rule-of-thumb quantities are likely different for different drivers. Given the variety of potential behavioral models of fuel purchasing, we will model purchase quantities flexibly and leave a full behavioral analysis of gasoline purchasing and the implications of such behavior for estimating drivers' VOT to future research.

a small amount of gas if they stop there, this would violate our assumption.²⁰ We therefore include every variable that is in \mathbf{Z}_{ikt}^q directly in the utility function (e.g., in \mathbf{X}_k or \mathbf{W}_{it}) as well, so that variables that affect expected purchase quantity are allowed to directly affect *observable* station quality.

The second assumption required to identify α is an exclusion restriction: we assume that the variables that affect drivers' expectations of purchase quantities, \mathbf{Z}_{ikt}^q , and those that affect expectations of purchase price, \mathbf{Z}_{ikt}^p , are not identical. While it is possible that \mathbf{Z}_{ikt}^p could be a proper subset of \mathbf{Z}_{ikt}^q or vice versa, in practice we assume that the driver's tank level at the start of the trip does not affect the price the driver expects to pay at any station (conditional on the other variables) and that drivers are inelastic to the price at a given station on a given day, conditional on the \mathbf{Z}_{ikt}^q . This is a weaker version of the assumption in Hastings and Shapiro (2013)—that purchase quantities are fully price inelastic—because it allows quantities to respond to variables like tank level, station brand, month of sample, and excess distance from the driver's route. We provide evidence for this assumption in Supplemental Appendix Table A.4.

The final assumption is that the variables that enter \mathbf{Z}_{ikt}^p , current station price and long-run average station price, are not correlated with the unobservable quality of the station, conditional on $ExcessTime_{ikt}$ and \mathbf{X}_k . Since gasoline is generally a homogeneous product, this assumption largely requires that prices cannot be correlated with the quality of the gas station's nongasoline characteristics such as its location and convenience store offerings. Our ability to observe each driver's excess time to reach each station on their current trip removes much of the driver-specific value of a station's location from unobservable station quality. To account for the correlation between price and station attributes such as the quality of the convenience store, we include gas station brand fixed effects in the utility function.²¹

The weight that drivers place on information related to current price, θ , is identified through within-station price variation over time. On days when a station sets price at its long-run average price, any $\theta \in [0, 1]$ implies the same choice probability, and so observations on those days can be used to identify α . Identification of θ separate from α comes from days where a station's price differs from its long-run average. If the station's market share is unchanged on these days (all else equal), then θ must be zero, but if market shares change substantially, then θ must be positive.²²

Identification of the remaining parameters follows standard arguments. Supplemental Appendix C discusses the assumptions required for identification of our model in greater detail.

²⁰We show that our results are robust to the inclusion of neighborhood demographics in both \mathbf{Z}_{ikt}^q and \mathbf{X}_k in Supplemental Appendix Table C.1.

²¹In robustness checks, we show that controlling for additional station characteristics does not change our results, which may suggest that there is little remaining correlation between station prices and unobservable quality after controlling for station location.

²²The variation in average gas prices over time during our sample window is somewhat smaller than in other similarly sized time frames. While this is unlikely to bias our estimates of α or θ within our sample period, it is possible that drivers are more attentive to current prices (so θ is larger) or overall more expenditure sensitive (so α is more negative) in periods when the variation in gas prices is more substantial.

TABLE 4—PURCHASE QUANTITY REGRESSIONS

	Purchase quantity (gallons)	
	(1)	(2)
Intercept	9.828 (1.025)	9.991 (1.088)
Tank level (gallons)	-0.2958 (0.1866)	-0.4287 (0.2000)
Tank level (gallons ²)	-0.0186 (0.0202)	-0.0065 (0.0224)
Observations	828	751
R^2	0.16299	0.18249
Model # (Table 5)	1, 3	2, 4
Choice set	All	Passed
Station brand fixed effects	Y	Y
Month-year fixed effects	Y	Y
Excess time control	Y	Y

Notes: The dependent variable is the imputed purchase quantity associated with each observed refueling stop. The intercept represents the purchase quantity at zero tank level for small brands and unbranded stations. We use these regression estimates to predict expected purchase quantity conditional on stopping. We use these predictions to calculate the expected expenditure for the choice models presented in Table 5. We use predictions from column 1 for Models 1 and 3 in Table 5 and predictions from column 2 for Models 2 and 4 in Table 5.

III. Model Estimation Results

We first present the results of our refueling choice model and then use our estimates to calculate drivers' implied VOT and their potential gains from improved information about gas stations and current prices. We then explore heterogeneity in driver preferences and the robustness of our results to changes in the model specification and underlying assumptions.

A. Model Estimates

We report the estimates from the first-step purchase quantity regression, $q_{ikt} = \mathbf{Z}_{ikt}^q \phi + \eta_{ikt}^q$, in Table 4. In these regressions, we specify the expected purchase quantity as a quadratic function of the drivers' tank level at the start of trip. Further, we allow drivers' expected purchase quantity to depend on gas station brands, the month-year of the stop, and the excess time required for the driver to reach the station. In our preferred choice model specification, we restrict each drivers' choice set to include only stations that the driver previously passed during the IVBSS experiment, so we estimate our first-step regression on only these observations in column 2. This requires dropping just under 10 percent of gas stops in which drivers refueled at a station they had not previously passed.²³

²³There are slightly fewer stops in the first-step regression because of observations where we could not identify the purchase quantity because we did not observe a fuel gauge reading between two refueling stops.

Column 2 of Table 4 shows that the expected purchase quantity increases by nearly half a gallon for each one-gallon reduction in the driver's initial tank level. The intercept implies that drivers' expected purchase quantity at an unbranded station (or small brand) is approximately ten gallons if their tank is empty at the start of the trip. We find that most gas brands are not associated with a statistically significant change in expected purchase quantity—notable exceptions are BP, Mobil, Marathon, and Sunoco, which are associated with lower expected purchase quantities relative to unbranded stations. Supplemental Appendix Table A.4 shows that—conditional on the controls—these refueling quantities are not correlated with the current price at the station. This supports our exclusion restriction that drivers are choosing refueling quantities largely independent of current prices at each station.

Table 5 presents estimates for several specifications of our indirect utility model. Namely, column 1 of Table 5 shows results for a specification where we assume that drivers are fully informed. In particular, we assume that drivers are aware of all gas stations within a 20-minute deviation from their optimal route, and we assume that drivers are fully informed about current prices at all stations in their choice set. Columns 2 through 4 of Table 5 show results for specifications that relax these full-information assumptions.

In column 2, we account for the possibility of limited consideration sets (e.g., Goeree 2008; Abaluck and Adams-Prassl 2021) by restricting the choice set to include only stations that we observe the driver previously passing in our data. In column 3, drivers' price perceptions vary with either the current price or the long-run average price (or both). Our preferred specification in column 4 allows for imperfect price information and restricts the consideration set to previously passed stations. In all of the specifications, we control for gas station brand and month-year fixed effects (interacted with the decision to stop).

The top panel of Table 5 demonstrates how the value of not stopping to refuel depends on the amount of fuel remaining in the tank. We see that not stopping is more valuable when the driver has more fuel remaining in the tank. Supplemental Appendix Figure A.4 shows the empirical probability of stopping as a function of tank level, along with our predicted probability of stopping using the model estimates, and shows that the model predicts this pattern very well.

The second panel of Table 5 reports the parameters that determine the station choice, conditional on stopping. For the specifications that allow for imperfect price information, we estimate that drivers place a lower weight on current prices (31–36 percent) relative to long-run average prices when forming price perceptions. In other words, drivers respond about twice as much to long-run variation in prices across stations compared to day-to-day variation in station-level prices. For all specifications, both the price and the excess time coefficients have the expected sign and are statistically significant. That is, more expensive stations and stations farther from the driver's route are less likely to be chosen.

The gas brand coefficients (not reported) show that Costco stations are the most likely to be chosen, after controlling for price and location, whereas Marathon and Sunoco are the least likely to be chosen conditional on price and location. Supplemental Appendix Table A.3 provides robustness results for each column of Table 5 without brand fixed effects. Interestingly, we find that the estimated expenditure coefficients

TABLE 5—DRIVER PREFERENCE ESTIMATES

	Full price information		Imperfect price information	
	(1)	(2)	(3)	(4)
<i>Value of not stopping</i>				
$\mathbf{1}\{\text{No Stop}\} \times \text{Constant}$	-4.856 (0.635)	-5.406 (0.753)	-10.792 (1.480)	-12.472 (1.290)
$\mathbf{1}\{\text{No Stop}\} \times \text{Tank Level (gallons)}$	0.932 (0.040)	1.037 (0.046)	1.102 (0.060)	1.325 (0.060)
$\mathbf{1}\{\text{No Stop}\} \times \text{Tank Level (gallons}^2)$	-0.005 (0.003)	-0.013 (0.003)	0.006 (0.004)	-0.008 (0.003)
<i>Station choice</i>				
α : Expected expenditure (\$)	-0.243 (0.025)	-0.251 (0.030)	-0.464 (0.057)	-0.511 (0.049)
θ : Weight on current price			0.355 (0.057)	0.313 (0.057)
γ : Excess time (minutes)	-0.255 (0.019)	-0.206 (0.016)	-0.227 (0.026)	-0.168 (0.016)
<i>Nesting parameter</i>				
λ	0.570 (0.034)	0.557 (0.034)	0.568 (0.055)	0.557 (0.032)
Choice set	All	Passed	All	Passed
Station brand fixed effects	Y	Y	Y	Y
Month-year fixed effects	Y	Y	Y	Y
Number of stops	848	771	848	771
Number of trips	19,825	19,588	19,825	19,588
Observations	2,285,082	834,208	2,285,082	834,208
McFadden R^2	0.312	0.282	0.314	0.285
<i>Implied value of time (\$/hour)</i>	63.04 (8.83)	49.11 (7.45)	29.33 (4.46)	19.73 (2.95)

Notes: This table reports pseudo maximum likelihood estimates of driver preferences. The expected purchase quantities are predicted from the regressions in Table 4. The full information model assumes that drivers know current gas prices at each station, and the imperfect information models allow drivers' price perception to be a weighted average of current price and station average price. λ is the nested logit correlation parameter. Choice set = "All" indicates that all stations with 20 minutes of the driver's route are included in the choice set. Choice set = "Passed" means that stations that the driver has previously passed that are within 20 minutes of the route are included in the choice set. Bootstrapped standard errors are reported in parentheses. The implied value of time (per hour) is calculated as $60 \cdot \gamma/\alpha$.

are substantially smaller in magnitude after we control for gas brand fixed effects (see Supplemental Appendix Table A.3). Typically, we would expect brand controls to increase the magnitude of the expenditure coefficient if brand quality is positively correlated with price. However in the gasoline market, high-quality firms may set lower gas prices as a "loss leader" strategy to attract customers to visit their convenience stores or grocery stores.²⁴ The estimates presented in Table 5 and

²⁴ Some of these brands offer discount cards or promotions bundled with supermarket purchases. As a result, the price paid by some drivers may be less than the list price in our OPIS data. This could also explain why these brands are preferred after controlling for (list) price and location. We do not observe which customers have discount cards in our data. Additionally, while we do not observe whether stations are full- or self-service, a newspaper article from 2009 quotes the president of the Michigan Petroleum Association as estimating that there were only 20 stations in Michigan offering full-service gas at the time (Chandler 2009).

Supplemental Appendix Table A.3 therefore suggest that the bias from potential price endogeneity is less problematic compared to the bias caused by misspecification of consumer information in this setting. However, to the extent that price is still correlated with unobservables, we expect that our estimates would be more likely to overstate the magnitude of the expenditure coefficient due to the apparent negative correlation between price and station quality. Thus, our model should provide a conservative estimate of drivers' VOT, which we discuss in the next subsection.

B. Value of Time

Our model allows us to obtain estimates of drivers' VOT, which allows us to value time savings for alternative EV charging network configurations in the next section. Intuitively, the VOT is determined by the marginal rate at which drivers trade off time savings—by selecting more conveniently located stations—and expected dollar savings at the pump. Specifically, we calculate the VOT as follows:

$$(4) \quad VOT = 60 \times \frac{dE_i[p_{ikt} \cdot q_{ikt}]}{dExcessTime_{kt}} = 60 \times \frac{\partial U_{ijt} / \partial ExcessTime_{kt}}{\partial U_{ijt} / \partial E_i[p_{ikt} \cdot q_{ikt}]} = 60 \times \frac{\gamma}{\alpha}.$$

Here, we multiply by 60 to convert the VOT from dollars per minute to dollars per hour. The bottom panel of Table 5 presents our VOT estimates for each specification. The first specification, in which we assume that drivers consider all stations and know all stations' current prices, implies a relatively high VOT of \$63 per hour.

Our VOT estimate falls substantially to \$49/hour after we allow for drivers to consider only the set of stations that they have previously passed (column 2). Similarly, our VOT estimate declines to \$29/hour when we let drivers be imperfectly informed about current gas station prices (column 3) but consider all stations. Our preferred VOT estimate of \$19.73 per hour in column 4 allows for imperfect station and price information. Comparing the VOT in column 1 to the last three columns of Table 5 makes clear the importance of modeling imperfect information. In particular, our θ estimates imply that drivers respond more to long-run price differences across stations than short-run price differences. Intuitively, if drivers are not aware of changes in current prices, we will see relatively little substitution toward stations that reduce prices on any specific day. Thus, we would understate drivers' willingness to drive farther to save on gas expenditures if we assume that they know all of these (current) prices at all stations.

Our preferred estimate of drivers' VOT is very close to the recent estimates by Goldszmidt et al. (2020) of \$19.38 per hour in the context of ridesharing decisions and the VOT used by US government agencies, which ranges from 33 percent to 50 percent of the wage rate.²⁵ Our VOT estimate of \$19.73 per hour amounts to

²⁵For example, the Environmental Protection Agency uses a VOT of 33 percent of the wage (Cesario 1976), and the Department of Transportation use a VOT of 50 percent of the wage rate (Small, Winston, and Yan 2005; White 2016). For our sample, US government guidelines would imply a VOT of between \$10.21 and \$15.47 per hour.

63.6 percent of the median household income for the census tracts in which our drivers live.²⁶

Supplemental Appendix D provides evidence on heterogeneity in our results across demographic groups and robustness of our results to alternative specifications. We find that younger drivers, women, and drivers from high-income census tracts all have statistically significantly higher values of time than other drivers. We show that our key takeaways are robust to alternative (i) controls for gas price changes over time, (ii) assumptions about drivers' choice sets, (iii) assumptions about how drivers form average price expectations, and (iv) controls for characteristics of the neighborhoods surrounding stations.

C. Value of Information

We have shown that drivers have imperfect information about gasoline prices when choosing where to refuel and that this imperfect information affects our estimate of drivers' VOT. It would be possible for drivers to acquire more information about station prices, for instance, by driving to potential stations to check the current price and searching for the best price (Stigler 1961; Diamond 1971). However, we see little evidence of this in the driving data. This raises the question of how much value drivers would place on complete information in the gasoline market, or what the returns to an individual searching for more information on station locations and prices would be.

We measure the welfare effects of changing drivers' information using a similar framework to Leggett (2002); Allcott (2013); and Houde (2018). Under this framework, drivers choose a refueling station based on imperfect *perceptions* about stations' prices, but then their ex post utility depends on the *actual* price they pay when they arrive at their chosen station. Thus, better information about current prices can increase ex post utility through changing station choices and, therefore, the actual price paid for fuel. Supplemental Appendix C.3 provides further details about our calculation of the value of information.

Table 6 shows the change in consumer surplus if drivers became fully informed about current prices relative to the baseline case where drivers perceive prices as a weighted sum of current price and long-run average price, with the weights determined by $\hat{\theta}$. In the first row, we restrict the choice set to previously passed stations and show that learning current prices for previously passed stations would only slightly improve consumer surplus by \$0.045 per refueling stop (\$0.005 per gallon purchased). In the second row, we calculate the change in consumer surplus from adding all gas stations within 20 minutes of drivers' routes to their choice sets, holding constant drivers' imperfect perceptions of prices. We find that adding these stations to the choice set increases consumer welfare by \$0.094 per stop (\$0.011 per gallon purchased). Finally, the last row presents the gains from both informing drivers about all nearby stations and about current prices at all these stations. In this

²⁶To calculate median wages, we first take the average of median census-tract incomes where the drivers live. Then we follow the the US Department of Transportation (White 2016) and divide annual income by 2,010 hours worked per year.

TABLE 6—VALUE OF INFORMATION

	Δ Consumer surplus versus baseline (\$)	
	Per gallon	Per stop
Current prices known, Choice Set = Passed Stations	0.005	0.045
Imperfect price info, Choice Set = All Stations	0.011	0.094
Current prices known, Choice Set = All Stations	0.017	0.144

Notes: Each cell shows the normalized change in consumer surplus (CS) from a change in drivers' information about current prices and/or nearby stations. We calculate the change in CS relative to the baseline case where drivers only consider previously passed stations and are imperfectly informed about current prices. In the baseline case, station price expectations are a function of θ . We first calculate the expected change in CS for each trip in the data. We then sum the expected change in CS across all trips. Finally, in each column, we divide the aggregate change in CS by the total gallons purchased and total stops, respectively.

case, the consumer welfare benefits remain small in magnitude—\$0.0144 per gas stop, or \$0.017 per gallon purchased.²⁷

Why do consumers benefit so little from better information? Our model estimates indicate that drivers place a high value on their time, which means that they strongly prefer to avoid traveling far from their routes to refuel. Figure 3, panel A shows that on an average trip, drivers could save roughly \$0.34 ($\$0.04/\text{gallon} \times 8.4$ gallons purchased) by finding the cheapest station within two minutes of their route relative to stopping at a random station directly on their route. However, if the cheap station is located two minutes away from the route, the time cost associated with visiting the cheapest station would be \$0.66 ($\$19.73/\text{hour} \times \frac{2}{60}$ hours). Thus, most drivers are unlikely to make substantially different station choices when they learn about new stations or about current prices.²⁸

IV. Implications for Electric Vehicle Charging

Our model estimates allow us to analyze the value of the EV charging network and the impact of investments in improving network speed and density. We begin by assessing the time costs associated with EV charging given the existing network. We consider the value gained by EV drivers who can charge at home versus the cost borne by those who rely on the EV charging network instead of gasoline stations. We then investigate alternative charging station networks to understand the relative value of investing in charging speed and density.

²⁷Our value of information results assume that stations do not update their pricing decisions in the counterfactuals. Thus, our calculation is more appropriate for assessing the benefits of offering a single driver or a small set of drivers additional information about prices or nearby stations. Luco (2019) and Byrne and De Roos (2019) show that price disclosure can increase prices by facilitating collusion, which suggests that our estimates could yield an upper bound on the consumer welfare benefits of large-scale price disclosure policies.

²⁸Supplemental Appendix Figure A.6 provides additional intuition about the channels behind our value of information estimates by plotting the change in consumer surplus from adding incremental stations to drivers' choice sets relative to the baseline. Drivers' baseline choice sets include 37 previously passed stations that lie within 20 minutes of their route on average. In the figure, we plot how consumer surplus per gas stop changes as we sequentially add unpassed stations into the choice sets, starting with stations that are nearest to drivers' routes. The figure confirms that drivers benefit the most from learning current prices at stations very close to their route, which allows them to reduce fuel expenditures without significantly increasing travel time.

TABLE 7—REFUELING TIMES BY TECHNOLOGY TYPE

Type	Technological refuel time (min.)	Excess time per refuel				Walk share [0, 1]	Time cost per stop (\$)	Vehicle lifetime time cost (\$)
		Drive (min.)	Walk (min.)	Wait (min.)	Total (min.)			
<i>Gas</i> Pump	0.84	2.27	0.00	0.84	3.11	0.00	1.02	675
<i>Electric (2012)</i>								
Mean charger speed	822.75	0.37	74.27	3.78	78.42	1.00	25.79	17,013
All Tesla supercharger	68.10	1.26	23.89	14.04	39.20	0.83	12.89	8,504
<i>Electric (2022)</i>								
Mean charger speed	611.64	-0.00	34.59	1.19	35.78	1.00	11.77	7,763
All Tesla supercharger	68.10	0.03	17.97	1.89	19.89	0.99	6.54	4,316

Notes: For the “Gas Pump” technology type, we assume that drivers consider only previously passed gasoline stations. For the “Electric” types, we assume that drivers consider all electric charging stations within a 20-minute drive and that all stations feature the same charging technology and prices. The technological refuel time column indicates the minutes needed to refuel based on the average refueling quantity in our estimation sample (8.4 gallons, equivalent to 283 kWh). We assume a technological refuel time of ten gallons per minute for gas stations. The mean electric charger speed was 20.7 kW in 2012 and 27.8 kW in 2022, and we specified a 250 kW charger speed for the Tesla Supercharger simulations. The density of the charging station network in 2012 was 6.8 per million residents versus 106.6 per million residents in 2022. The excess time columns indicate the average amount of added time to refuel based on the station locations, refueling technology, and driver preference estimates. The walk share column indicates the fraction of refueling stops where it is time minimizing for drivers to park at the charging station and walk to their destination. The average time cost per stop is calculated based on the baseline VOT estimate from Section III. The total time cost is the discounted expected time cost aggregated over a vehicle’s lifetime.

A. The Value of Electric Vehicle Charging

For many households, purchasing an EV can provide added convenience by allowing drivers to refuel at home instead of traveling to fueling stations. In particular, drivers with access to a garage or carport with electric charging can plug in their EV when they arrive at home and charge the vehicle overnight. By allowing drivers to charge at home, EVs effectively reduce the time cost that drivers spend visiting fueling stations in a gasoline-powered car.

We use our VOT estimates along with our data on driver refueling behavior to calculate the gains from avoiding travel to gasoline stations over the lifetime of an EV. Assuming that EVs are driven similarly to gasoline vehicles over time, and applying our preferred VOT estimate of \$19.73/hour, we find that drivers who refuel at home save \$675 over the lifespan of their vehicles.²⁹ The first row of Table 7 shows that drivers spend an average of 2.27 minutes of additional driving time per gasoline stop and 0.84 minutes waiting at the pump. Thus, \$492.70 (72 percent) of the time value from home charging comes from avoiding driving time to gas stations, and the remaining \$182.30 (18 percent) is from avoiding waiting time at the gas pump.

²⁹The precise calculation is $Value\ of\ Time\ Saved = \sum_{t=0}^{25} \frac{1}{(1+r)^t} \times M_t \times \frac{Gas\ Stops}{Mile} \times \frac{Excess\ Time}{Gas\ Stop} \times VOT$, where r is the annual discount rate, which we assume to be 0.05, and M_t is the survival-weighted mileage driven in year t of the vehicle’s life given by Lu (2006). We calculate this value of time saved separately for cars and light trucks following Lu (2006) and then assume a 70 percent market share of light trucks based on their share in April 2019 (US Bureau of Economic Analysis 2023a, b). We calculate the number of gasoline stops per mile and the refueling time per gasoline stop from our data. The waiting time to pump gasoline is based on the average fill quantity in our data and a pump rate of ten gallons per minute, which is the maximum speed given Environmental Protection Agency regulations.

These calculations highlight an important benefit of switching to an EV for drivers that have access to home charging. However, there are several important caveats to take into account when interpreting the results. In particular, this calculation does not include the cost of installing a Level 2 home charger, which would be necessary for drivers to receive a fast enough charge at home to complete their daily driving. Even for households with a garage or other location to charge at home, installing a Level 2 home charger costs an average of \$1,800 even without substantial electrical work (Borlaug et al. 2020), which means that the average driver in our sample should not switch to an EV based on the refueling time savings alone.

Our calculations also abstract from any benefits that consumers may obtain from visiting gas station convenience stores. Further, these calculations do not account for the potential welfare consequences of having to recharge an EV on longer road trips, which would reduce the benefit of not needing to stop at gas stations. Finally, the baseline time savings estimate masks substantial heterogeneity in the potential time savings across drivers. Importantly, aggregate time savings will depend on how much each individual drives and refuels their vehicle and their individual VOT. For example, we observe some drivers who stop for gasoline upwards of five times per week, which would imply aggregate time savings of over \$2,500 over the lifespan of an EV.

Cost of Public Charging.—Of course, there are many drivers who do not have access to home charging (Traut et al. 2013) and would therefore need to refuel using the public charging network, which is slower and less dense than the gasoline station network. Understanding the cost of charging for these drivers is complicated by the fact that drivers will optimally choose when and where to recharge their vehicles. We therefore use our model estimates plus additional assumptions about driver behavior to simulate drivers' optimal decisions and estimate the refueling time cost of switching to an EV for drivers without home charging.

The first set of assumptions required for this simulation surround the characteristics of the charging network. We assume that drivers are aware of all charging stations; that the charging network speed, density, and EV station locations are identical to what we observe in 2022; and that the price of charging and brand characteristics are identical across stations.³⁰ Differences across stations may allow drivers to offset some of the disutility from driving farther out of the way for lower prices or better station attributes. However, the assumption of homogeneous stations allows us to focus on excess time as the primary determinant of station choice.

The second set of assumptions relate to drivers' routing, purchasing, and optimal stopping behavior. We assume that drivers do not change their routes (origins or destinations) as a result of driving an EV,³¹ and that when they stop, they charge

³⁰We see charging price information for only a subset of stations, and some drivers receive discounts at certain charging stations, so we abstract from price variation. Since charging station brands differ from gasoline brands, we do not know the relative value of different brands, so we cannot allow this to vary in our simulations.

³¹This assumption rules out that drivers change their routes to better accommodate EV charging—for instance, by visiting a different grocery store or restaurant with an EV charger nearby. These adjustments may mitigate the costs of a limited EV charging network, but they are also costly to drivers in ways that we can not measure.

enough to drive the same amount of mileage as the average gasoline stop.³² We further calibrate the base option value of not stopping on each trip (the constant in the decision to stop equation) so that drivers stop as often as in the data. This imposes that the mean difference between the value of not stopping and the inclusive value of stopping is unchanged in counterfactual refueling networks. Intuitively, this means that if the average station network the driver faces on this trip gets substantially worse, then their expectation of the average network quality on future trips is also substantially lower. One interpretation of this set of assumptions is that the range of an EV is the same as the range of the observed gasoline vehicles, although other interpretations are also possible.³³ We conduct extensive sensitivity checks of these assumptions, which would capture EVs with different ranges or drivers who are more or less anxious about having low battery levels.

The third set of assumptions surrounds how drivers decide what to do while their vehicles charge. Drivers have the option to *wait* at each station for their vehicle to charge or to leave their car and *walk* to their destination (and back) at a pace of three miles per hour. We assume that drivers will stay at their destination for the same amount of time as observed in the data. If drivers choose to walk, they may still bear some waiting time if the necessary charging time exceeds the total walking time plus the time spent at the destination. We assume that drivers choose whether to *walk* or *wait* to minimize the total excess time spent refueling—the sum of waiting time, walking time, and the excess time to drive to the station.³⁴ This means that drivers will choose to walk to their destination if the destination is close to the chosen station or the time spent at the destination is long relative to the charging time. We further assume that the disutility from walking is the same as the disutility from waiting. We explore how changing drivers' relative preference for walking versus waiting affects the key results.

Lastly, we assume that there is no congestion at charging stations in our simulations.³⁵ This implies that drivers would have immediate access to any of the charging stations nearby their routes.³⁶

Given these assumptions and our empirical model estimates, we reconstruct each driver's refueling choice set for each trip with the locations of EV charging stations within a 20-minute driving deviation from the driver's optimal route and proceed

³²Drivers in our analysis data purchase 8.4 gallons of gasoline on the average refueling stop, which will allow them to drive an average of 221 additional miles. We use the Environmental Protection Agency's assumption that one gallon of gasoline is equivalent to 33.7 kWh of charge to calculate that drivers will stop for 283 kWh of charge at each stop (e.g., <https://www.fueleconomy.gov/feg/topten.jsp>).

³³While this assumption is strong for the early EVs, it appears to increasingly reasonable. The reported range of vehicles in our data was 444 miles. The current Tesla Model 3 has a range of 263 miles (with a long range version getting 353 miles), and the Model S has a range of 405 miles.

³⁴Supplemental Appendix E.1 discusses the EV charging excess time variable and the EV charging simulations in more detail.

³⁵We assume that drivers also do not experience congestion at gasoline stations in our data, even though there may be waiting for a free pump at some locations—notably, Costco gas stations. To the extent that congestion is present across stations within a brand, this would be captured by our brand fixed effects.

³⁶Ignoring capacity constraints is perhaps more reasonable in this context of evaluating the network speed versus density trade-off because the choice between fewer fast chargers and a higher quantity of slow chargers will not necessarily alter the total charging capacity of the network. For example, one 100 kW fast charger could charge ten vehicles back-to-back and achieve the same result as ten vehicles charging simultaneously at ten separate 10 kW AC chargers.

by simulating drivers charging decisions.³⁷ We find that EV drivers without home charging would spend substantially more time on refueling than if they owned a gasoline vehicle. As shown in Table 7, with 2022 charging locations and average speeds, the average charging stop adds 35.8 extra minutes of driving, walking, and/or waiting time, relative to only 3.1 excess minutes for a gasoline stop. Over the course of a vehicle's lifetime, our VOT estimates imply that excess refueling time costs for EVs are \$7,763 in 2022, compared to \$675 for gas vehicles. The slow speed of existing EV chargers contributes to this high time cost. The average charger speed in 2022 was 27.8 kW, which means that it would take over 600 minutes to get 283 kWh of electricity (equivalent to 8.4 gallons of gasoline). Thus, drivers almost always leave their vehicles and walk to their destinations, with 34.6 minutes of walking per charging stop. The total excess time per stop would only drop to 19.9 minutes if all chargers were replaced with Tesla DC Superchargers. However, DC fast chargers are substantially more expensive than slower chargers: a 250 kW DC supercharger would cost approximately ten times as much as a 25 kW charger (Nicholas 2019).

Comparing the time cost of using public charging to the time savings (relative to a gasoline vehicle) of charging at home demonstrates the value of home charging for drivers who have already decided to purchase an EV. Since the benefits of a Level 2 home charger accrue over time but the costs are paid up front, our estimates imply that consumers with an EV would install home charging as long as their annual discount factor is above 0.214 (for a \$1,000 charger) or 0.625 (for a \$2,000 charger). These discount factors are far below the levels of discounting reported in the literature (Busse, Knittel and Zettelmeyer 2013; De Groote and Verboven 2019; Myers 2019), suggesting that, conditional on purchasing an EV and having a location to charge at home, drivers will very likely want to install a Level 2 charger at home.

Although EV refueling time costs are large, Table 7 further shows that excess refueling times for EVs fell substantially between 2012 and 2022. Over that period, excess refueling time fell by over 50 percent, from 78.4 minutes to 35.8 minutes per refueling stop, due to the growing number of stations and the availability of fast chargers.

B. Charging Speed versus Density Trade-off

These results raise the key question of how future investment in the EV charging network is likely to further lower these costs and how increasing network speed and density benefits EV drivers. To understand these trade-offs, we use a stylized model that casts the charging network investment problem through the lens of a social planner who seeks a charging network that minimizes the representative driver's refueling time cost subject to a budget constraint.³⁸ The planner can choose

³⁷ There are some trips in which drivers do not have an EV charging station within a 20-minute drive of their route. We assume that drivers do not have the opportunity to charge on these trips.

³⁸ We model the planner as having a choice of station speed and density but not station locations for two reasons. First, optimizing station locations using our data would likely minimize costs to drivers in our data without considering costs to the broader set of drivers. Second, we do not observe zoning laws or electric grid attributes that may affect whether a given location could feasibly host a charging station.

to build additional stations, N , or upgrade the speed, S , of chargers in the network. Drivers' refueling time, τ , is a decreasing function of both N and S . Thus, the planner's investment problem can be written formally as

$$(5) \quad \min_{N,S} \tau(N,S)$$

$$\text{subject to } \kappa \cdot N \cdot S \leq \bar{B}.$$

Here, \bar{B} is the planner's budget to spend on charging infrastructure, and we have made explicit the assumption that capital costs are proportional to the total network power capacity ($N \cdot S$). Therefore, the κ parameter is the fixed cost of increasing the power capacity of the network.³⁹

Solving the planner's problem yields the following simple optimality condition:

$$(6) \quad \frac{\partial \tau}{\partial N} \cdot \frac{N}{\tau} = \frac{\partial \tau}{\partial S} \cdot \frac{S}{\tau} \Rightarrow \varepsilon_N = \varepsilon_S.$$

Intuitively, the most efficient charging network for a given level of spending must satisfy the condition that the elasticity of time saving from adding additional stations ε_N should be equal to the elasticity of time saving from increasing the charging speed of the network ε_S .

Notably, the solution does not depend on κ , so we can trace out the efficient network configuration without any further assumptions on the fixed cost structure. To solve for the efficient charging network configuration, we only need to obtain estimates ε_N and ε_S . To do this, we use the EV refueling choice model discussed in Section IVA to evaluate the excess refueling times—the $\tau(N,S)$ function—at a grid of different values of S and N . Specifically, we solve for the mean excess refueling time in each year between 2012 and 2022, which provides substantial variation in the number of stations as many new EV charging stations were entering the market over this time period. At each of these station densities, we solve for the average excess time per refueling stop across different assumed charger speeds ranging from 15 kW to 300 kW. In total, we solve the model across 220 (11×20) different possible $\{N,S\}$ network combinations.⁴⁰ We then approximate $\tau(N,S)$ with a flexible trans-log functional form estimated across the grid points, i :

$$(7) \quad \log(\overline{\text{Excess Refuel Time}}_i) = \beta_0 + \beta_1 \log(N_i) + \beta_2 \log(S_i) + \beta_3 \log^2(N_i)$$

$$+ \beta_4 \log^2(S_i) + \beta_5 \log(N_i) \times \log(S_i) + \varepsilon_i.$$

Here, the dependent variable is the logarithm of the mean excess refuel time per stop for simulation grid point i . We use the approximation of $\tau(N,S)$ in two ways.

³⁹ Proportionality implies that installing three 50 kW chargers would cost approximately the same as installing one 150 kW charger. Since the installed cost of building faster chargers may actually be slightly less than proportional to the installed cost of slower chargers, this biases us toward finding a greater value for charging station density relative to charging speed.

⁴⁰ This approach assumes that stations enter the network in the order we observe them entering in practice.

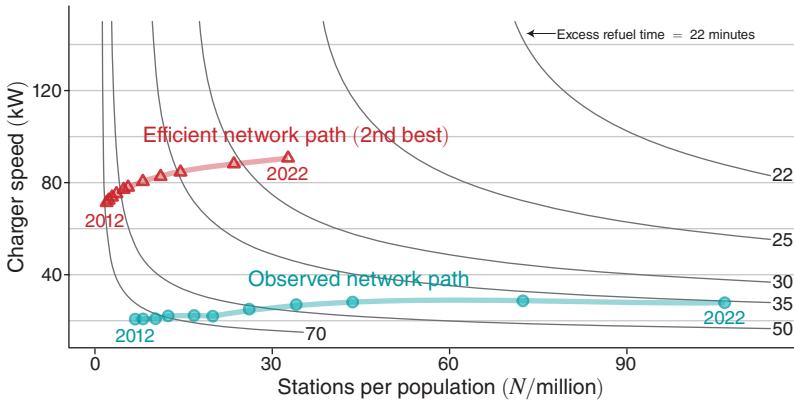


FIGURE 4. EXCESS REFUEL TIME CONTOUR MAP AS A FUNCTION OF STATION DENSITY AND CHARGER SPEED

Notes: The thin gray lines show contours representing the estimated excess refueling time per EV refueling stop across different counterfactual combinations of station density (stations per population) and charging speed of the network (kW). The lower blue line plots the evolution of the observed EV charging network density and speed from 2012 to 2022. The red line shows combination of charger density and speed that would minimize drivers' excess refueling time while holding the total capital cost of the network fixed in each year. Supplemental Appendix Figure A.7 shows an illustration of the budget constraint for 2022.

First, by differentiating equation (7), we can calculate the elasticities of excess refueling time with respect to both N and S , ε_N and ε_S . Second, given the calculated cumulative charging network budgets in each year, we can find the most efficient (e.g., excess time minimizing) way to allocate that budget between the total number of chargers and the speed of those chargers.

The regression results from our main specification of $\tau(N, S)$ are shown in the column 2 of Supplemental Appendix Table E.1.⁴¹ We can see that the regression functions provide an excellent fit, with an R^2 of 0.987. The coefficient estimates indicate that refueling times are decreasing at a decreasing rate in both N and S .

Figure 4 presents charging networks with different potential average charging speed (on the vertical axis) and the number of charging stations (on the horizontal axis, represented as stations per million people). The gray contour lines show combinations of network speed and density with equal mean excess refueling time per stop, where networks to the top right require less excess time per stop. The observed network investment path is represented by teal circles and shows that investment between 2012 to 2022 largely focused on increasing network density rather than speed. The efficient network path (red triangles) given the same expenditure (as determined by equation (6)) is nearly one-third of the density of the observed network, but three times faster on average. The efficient charging network results in an average excess refueling time of only 27.95 minutes rather than 35.8 minutes with the observed network.

⁴¹ Column 1 shows the results using a simpler Cobb-Douglas functional form.

TABLE 8—REFUELING FREQUENCY AND EXCESS TIME ELASTICITY WITH RESPECT TO SPEED AND DENSITY

	Excess time per refuel (normalized)					Walk share [0, 1]	ε_N	ε_S	Vehicle lifetime time cost (\$)
	Drive (min.)	Walk (min.)	Wait (min.)	Total (min.)					
<i>2012 network</i>									
50% fewer refuel stops than gas	0.21	62.57	16.46	79.25	1.00	-0.30	-1.64	17,192	
Baseline: Gas refueling frequency	0.37	74.27	3.78	78.42	1.00	-0.29	-0.72	17,013	
50% more refuel stops than gas	0.42	100.20	3.23	103.85	1.00	-0.31	-0.51	22,530	
2× more refuel stops than gas	0.90	136.12	6.17	143.19	1.00	-0.33	-0.34	31,065	
5× more refuel stops than gas	3.16	345.51	62.87	411.55	0.99	-0.25	-0.34	89,284	
10× more refuel stops than gas	52.03	224.50	475.19	751.71	0.46	-0.12	-0.69	163,082	
<i>2022 network</i>									
50% fewer refuel stops than gas	-0.01	20.31	0.50	20.80	1.00	-0.20	-1.37	4,511	
Baseline: Gas refueling frequency	-0.00	34.59	1.19	35.78	1.00	-0.20	-0.60	7,763	
50% more refuel stops than gas	0.02	48.53	1.02	49.57	1.00	-0.23	-0.35	10,753	
2× more refuel stops than gas	0.06	63.93	2.45	66.44	1.00	-0.26	-0.14	14,414	
5× more refuel stops than gas	0.15	172.04	19.25	191.44	1.00	-0.22	-0.16	41,532	
10× more refuel stops than gas	23.29	195.20	220.04	438.53	0.69	-0.11	-0.59	95,137	
<i>Refueling preference</i>									
Walk or wait to minimize time	-0.00	34.59	1.19	35.78	1.00	-0.20	-0.60	7,763	
Always walk to destination	-0.00	34.59	1.19	35.78	1.00	-0.22	-0.54	7,763	
Always wait at charger	5.41	0.00	611.64	617.05	0.00	0.00	-1.00	133,866	
<i>Value of waiting time</i>									
50% less than travel time	-0.01	32.88	5.78	38.65	1.00	-0.26	-0.37	7,759	
75% less than travel time	-0.01	30.59	15.91	46.49	1.00	-0.23	-0.11	7,497	
90% less than travel time	2.27	12.94	292.06	260.99	0.59	-0.08	-0.58	9,637	

Notes: Excess refueling times and the elasticity of excess time with respect to changes in the network speed and density. Across the columns, refueling times and elasticities are evaluated for the 2012 and 2022 observed network speed and density in the top two panels. In our baseline simulation (row 2 of the second panel) drivers are assumed to refuel EVs at the same frequency (i.e., number of stops per week). In other rows of the first two panels, we show how the results change if drivers were to change the frequency they refuel an EV relative to a gas vehicle. The excess time variable is normalized so that it represents the total number of additional minutes the driver takes to refuel the average refueling quantity in our estimation sample (8.4 gallons, equivalent to 283 kWh). In the third and fourth panels, we show how our results change when we change drivers' preferences over walking and waiting time.

The first two panels of Table 8 show how our results would change if EV drivers stopped more or less frequently than gasoline drivers, whether because of different EV ranges, different charge quantities, or driver range anxiety. The top panel presents these results given the charging network in 2012, and the second panel replicates this exercise for the 2022 network. The second row of each of these panels shows our baseline results in that year. With the 2012 network, each charging stop cost drivers over 78 minutes of excess time. The elasticity of this result with respect to investments in station density (ε_N) is -0.29 , whereas the elasticity with respect to charging speed (ε_S) is -0.72 , implying that the return to additional investment in charging speed is 2.45 times greater than a proportional investment in the number of stations. If EV drivers stop for fuel half as frequently as gasoline drivers, the total time per refueling stop would increase slightly to 79.25 minutes, and the ratio of the return to an investment in speed relative to density increases to 5.46. The top panel of Table 8 shows that more frequent refueling substantially increases the time

cost per refueling stop as drivers walk to a greater share of their destinations, but the baseline result—that investments in speed provide a higher benefit in terms of reduced time than investments in density—is repeated regardless of what we assume about the frequency of refueling in 2012.

Robustness.—Our result that investments in charging network speed yield higher returns than investments in network density relies on a few key assumptions. In Table 8 we show how our results would change based on different assumptions about the frequency EV drivers stop for charging and driver preferences over walking versus waiting.

The second panel of Table 8 shows that this result continues to hold in 2022 regardless of whether we increase or decrease the rate at which EV drivers stop for fuel by 50 percent relative to gasoline drivers. However, we do find that there is a range of stopping frequencies for which this result is reversed: if EV drivers in 2022 stop between two and five times more often than gasoline vehicle drivers, then the elasticity of excess time with respect to density is larger (in absolute value) than the elasticity with respect to network speed. Yet, when drivers refuel their EV ten times more frequently than gasoline, the result reverses again, and increasing speed is again more valuable than increasing density.

Why do investments in network density reduce excess time more than investments in network speed when drivers are stopping two to five times more frequently than with gasoline vehicles? At this refueling frequency, drivers are getting less charge at each stop, so the share of trips on which they can get a sufficient charge is higher than in our baseline. The statistics in Table 8 on the excess time per refuel (columns 2–5) show that if drivers in 2022 refuel their EVs two to five times more than their gasoline cars, then each charge still takes one to three hours. In these cases, drivers would still predominately choose to leave their EV and walk to their destination, and this walking cost would be incurred frequently. Investments in density can therefore reduce walk times more effectively than investments in speed can increase the share of trips on which drivers are able to stop. On the other hand, when EV drivers stop ten times more frequently than gas vehicle drivers, they obtain so little charge on each stop that they wait for their vehicle to charge on 31 percent of stops (rather than walk), so investments in network speed again become particularly valuable. In the extreme case where charging speed was fast enough that drivers could get a full charge nearly instantaneously, investments in density would again become valuable because they would decrease driving time to stations. However, at that point, EV refueling would look very similar to current gasoline refueling and may not require policy intervention to spur charging infrastructure investment.

The third panel of Table 8 examines how our 2022 network results depend on whether EV drivers always walk to their destinations or always wait at the station (rather than optimizing across this margin as in our baseline estimates). The charging network in 2022 features relatively slow charging speeds (28 kW), so drivers find that walking from the charging station to the destination is time minimizing approximately 100 percent of the time. This means that our results are almost completely unchanged if we assume that drivers always walk to their final destination. Alternatively, if drivers always wait at the charger for their vehicle to charge, then

drivers are spending over ten hours on each charge (only a small percentage of which comes from extra travel time to the charger), and the return to investments in charging speed completely overwhelm the return to investments in charging density.

The bottom panel of Table 8 shows our results under different assumptions about the value of waiting time. We show that if drivers value waiting less than driving and walking (perhaps because they can complete other tasks while their vehicle charges), then drivers are more likely to wait at the charger, and the total excess time from recharging will increase. Our result that investments in charging network speed are more valuable than those in network density holds when drivers value waiting 50 percent or 90 percent less than walking and driving, but flips when drivers value waiting 75 percent less than walking or driving. In this range, drivers still generally choose to walk to their destinations, but they choose to recharge on trips with shorter durations at their destinations, which increases waiting time. The value of increasing station density to decrease walking time is therefore high, but shortening waiting times by increasing station speed is not particularly valued by drivers.

Finally, our results could be dependent upon different assumptions about drivers' VOT. Because our simulations assume that all charging stations have equal prices, changing drivers' VOT affects EVs' lifetime refueling time costs, but not drivers' optimization across which stations to choose and whether to wait at the station or walk to their destination. This means that increasing all drivers' VOT by a fixed percentage will increase the vehicle lifetime time cost in the right-most column of Table 8 proportionally, but will not change the relative value of investing in charging network speed or density. Thus, while drivers' VOT is critical for their decision of whether to purchase an EV rather than a gasoline vehicle and is important for the optimal level of investment in the charging network, it does not affect the efficient allocation of a fixed budget to improving network speed relative to density.

Overall, these analyses show that our key result that the return to investments in charging network speed are more valuable than investments in charging network density is extremely robust to alternative assumptions. We find that there is a small range of EV recharging frequencies in 2022 that would make investments in charging network density more valuable than proportional investments in network speed. This suggests that the long-standing pattern of substantial investments in network density rather than network speed may not have reduced EV drivers' recharging time costs as much as relatively more investment in network speed would have.

Level 2 versus Level 3 Chargers—Much of the current policy discussion has focused on the question of whether investment should focus on “Level 2” or “Level 3” chargers. Level 2 chargers are relatively slower (19.2 kW or less) and provide under 50 miles of charge per hour, whereas Level 3 chargers (over 50 kW) can deliver over 150 miles on an hour of charge.⁴² To shed light on this question, we conduct an alternative version of our speed-density analysis where we solve the social planner's

⁴² According to Nicholas (2019), a Level 2 charger costs \$3,127 in hardware and \$2,745 in installation costs, for a total cost of \$5,872. A 150 kW Level 3 charger costs \$21,401 in hardware and \$26,964 in installation costs, for a total cost of \$58,492. A 350 kW Level 3 charger costs \$140,000 in hardware and \$39,097 in installation costs, for a total cost of \$179,097. These costs do not include the cost of upgrading nearby electricity grid transformers, which may be necessary for the higher power chargers.

budgeting problem for the efficient number of total charging stations and the efficient share of Level 3 stations (versus Level 2). One complication of solving this problem is that we must determine in which locations the Level 3 chargers would be located in our simulations as the share of Level 3 chargers expands. We address this issue by using a machine learning (ML) algorithm trained on nearby states to predict the likelihood that each observed charging station (in 2022) in Michigan and Ohio would be Level 3. We then assume that the planner will start with the stations most likely to be Level 3 (according to the ML prediction) when increasing the share of Level 3 stations.⁴³ Supplemental Appendix E.3 presents a more detailed exposition of the version of the planner's problem with only two discrete charger speeds and explains more about how we implement these simulations.

We find overwhelming evidence that, given a level of infrastructure spending, investing in Level 3 chargers reduces excess travel time more than investing in Level 2 chargers. In fact, when we assume that Level 2 chargers are 10 kW, we find that the planner's most efficient choice would be to invest the entire budget in Level 3 chargers, regardless of whether the Level 3 chargers are 80 kW, 150 kW, or 250 kW. In fact, we find that the planner would only split the budget between Level 2 and Level 3 chargers if we assume that the Level 2 charger technology was above 20 kW—which exceeds the Society of Automotive Engineers range of 6.2 to 19.2 kW for Level 2 chargers. We take these results as overwhelming evidence that investment in Level 3 charging reduces excess refueling times by more than investment in Level 2 charging for the drivers and trips in our sample.

Heterogeneity—While we have found substantial evidence that investing in EV charging network speed yields higher returns than investing in network density, our data also allow us to understand *who* benefits from investments in speed relative to density. The blue line in Figure 4 shows that nearly all investment between 2019 and 2022 went to increasing the density of the network. To investigate heterogeneity in the benefits of speed versus density investments, we consider two counterfactuals. In the first counterfactual, we assume that all of the network budget between 2019 and 2022 is spent on increasing the number of stations (similar to the observed pattern). In the second counterfactual, we assume that the full budget between 2019 and 2022 is spent on increasing the speed of chargers. We then compare how different drivers benefit from these density versus speed improvements.

Figure 5 shows the decrease in travel time if the entire infrastructure investment budget had been spent on increasing network speed (red solid line) or network density (blue dotted line), differentially for drivers with different shares of stops that are longer than eight hours (time at destination at the end of each trip). For nearly all drivers, the gains from increasing charging speed are higher than the gains from increasing charging station density. Drivers with a small share of stops of less than eight hours see the largest benefits from either charging network expansion, but also the largest differential benefit from investments in charging speed rather than

⁴³We perform this ML approach because exploring the universe of potential charging station locations and modeling the electricity grid to understand which locations could feasibly install Level 3 chargers would necessitate substantial additional modeling and assumptions.

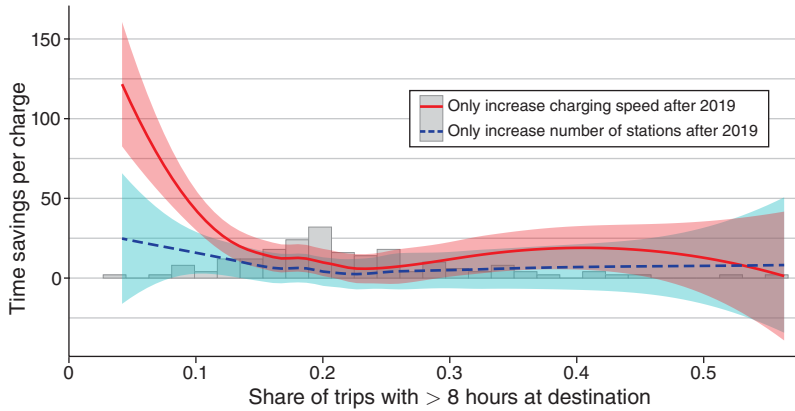


FIGURE 5. HETEROGENEITY IN TIME SAVINGS FROM INCREASING SPEED AND DENSITY OF NETWORK

Notes: The underlying histogram shows the density of drivers for each share of trips with more than eight hours at the destination. The red solid line shows the excess time reduction across these individuals if all investments in charging infrastructure between 2019 and 2022 had increased network speed. The blue dotted line shows the same information if the investments between 2019 and 2022 had only increased density.

density. These are the drivers for whom faster chargers would provide more opportunities to receive a substantial charge.

Finally, Table 9 provides initial evidence on the distributional consequences of investing in EV charging network speed versus density across driver demographics. Namely, we use our heterogeneous model results in Supplemental Appendix Table D.1 to understand the value of the EV charging network and the marginal value of investments in network speed and density for drivers with different demographic characteristics. We find that investments in network speed are particularly valuable for low-income drivers and those under age 60. For low-income drivers, this is because they are less likely than other groups to be at their destination for more than eight hours and their destinations are generally farther from the nearest charger. For younger drivers, this is largely because their high VOT makes the time savings from speed investments particularly valuable. We do not see substantial differences in the benefits of investments in speed relative to density depending on the driver's gender or whether the driver's home has a garage.

Given our small sample sizes, we suggest interpreting these distributional results with caution. However, our main results, which show that the time benefit of refueling an EV is \$675 for households with home charging, while the time cost of refueling an EV is \$7,763 for households that must recharge at the public charging network, already suggest that the benefits of EV subsidies will be skewed toward richer households with access to private garages to facilitate charging.

V. Conclusion

In this paper we seek to understand the trade-offs involved in investments in EV charging infrastructure. We use unique data on drivers' behavior to better understand

TABLE 9—HETEROGENEITY IN SIMULATED EV REFUELING TIMES

	VOT (\$)	Share of trips ≥ 8 hours at destination	2019 share destinations ≤ 30 min. walk to charger	2019 excess time (min.)	Δ_N : increase only N after 2019 (min.)	Δ_S : increase only S after 2019 (min.)	$\Delta_S - \Delta_N$ (min.)	Value per stop (\$)
<i>Income</i>								
Low income (Q1)	18.15	0.16	0.03	57.49	-9.22	-17.25	-8.03	2.43
Mid. income (Q2–Q4)	14.44	0.21	0.08	41.01	-2.72	-12.18	-9.46	2.28
High income (Q5)	22.33	0.22	0.12	49.89	-9.65	-13.91	-4.26	1.58
<i>Age</i>								
Age < 60	21.01	0.20	0.08	43.09	-6.59	-15.38	-8.80	3.08
Age ≥ 60	16.01	0.20	0.04	35.55	-1.71	-7.53	-5.82	1.55
<i>Gender</i>								
Male	17.08	0.19	0.08	41.91	-4.68	-13.55	-8.87	2.53
Female	22.99	0.21	0.06	46.01	-6.72	-13.48	-6.76	2.59
<i>Garage</i>								
No garage	15.99	0.18	0.07	46.74	-8.19	-16.46	-8.26	2.20
Has home garage	20.63	0.21	0.07	42.78	-5.00	-13.25	-8.26	2.84

Notes: This table uses estimates of the VOT and preferences separately by demographics as described in Supplemental Appendix Section D and Supplemental Appendix Table D.1. We then simulate the EV refueling choices for each demographic group, allowing preferences, driving locations, and destinations to vary. Column 4 shows the mean excess recharging time for each group based on the 2019 observed charging network. Columns 5 and 6 show the counterfactual change in mean excess time if all of the charging station expenditures from 2019 to 2022 were spent on increasing the number of stations (N) and increasing charger speed (S), respectively. Column 7 shows the difference between the two counterfactuals, and the last column quantifies the per stop value that each group of drivers would obtain from investing in speed relative to density.

the value of investing in increasing the charging network speed and density, and find substantial evidence that at the current network configuration, the return to investing in charging station speed is higher than the return to investing in charging station density. This result is robust to a wide range of assumptions, with investments in network density being more valuable than investments in speed only when drivers stop for fuel two to five times more frequently with EVs than they do with gasoline vehicles. Given that modern EVs have ranges that are approaching those of gasoline vehicles, this scenario seems unlikely to be the outcome moving forward.

Our EV refueling results rely on a number of key assumptions. We assume that drivers do not encounter congestion at chargers that could increase time costs even more and change the return to investments in charging speed. To the extent that certain charging stations experience congestion, technologies that allow vehicles to plug in and then automatically switch which vehicle is being charged would allow drivers to leave their vehicle at a station rather than having to wait for a charger to become free.

We also assume that drivers do not change their driving behavior when driving an EV rather than a gasoline vehicle. It is possible that destinations where drivers spend some time such as malls, movie theaters, and restaurants may use EV charging as a way to encourage EV drivers to stop there rather than at rivals' locations. If these drivers view these destinations as close substitutes for the destinations they are currently visiting, this may reduce the cost of EV charging.

While we document that gasoline vehicle drivers have incomplete information when choosing between gas stations—but that the value of complete information for any individual would be low—we assume that EV drivers have complete information about the location of charging stations and pay the same price at every station. It is possible that the sparse nature of the charging station network would mean that EV drivers would collect more information about the location of and pricing at charging stations than gasoline vehicle drivers do. Large-scale charging networks, which have vehicle and phone applications that let drivers observe all of their locations, may help to reduce the cost of this information acquisition, thereby increasing EV adoption and demand for charging stations. Yet there is still substantial variation in pricing across stations, including legal mandates that require stations to price by the minute rather than by the kWh in some states, which may mean that EV drivers' information acquisition costs further affect the cost of EV charging.

In this paper we do not consider the optimal *location* of EV charging stations but, rather, assume that the current charging station locations were the ones that were available for EV stations. Future research could delve into the question of EV charging station location, including understanding the set of potential locations for extremely high-speed chargers and the potential for investments in electricity grid infrastructure to facilitate more widespread adoption of these chargers. Relatedly, research on the incentives of charging station owners and what policy tools may be most effective at encouraging the most valuable types of entry seems valuable. While some researchers are beginning to investigate these questions (e.g., Dimanchev et al. 2023), many important dimensions remain underexplored.

Finally, given that our sample of drivers is fairly small, we cannot make strong conclusions about the distributional implications of different types of investments in charging infrastructure. Given the policy incentives available for these investments, understanding which drivers are most likely to benefit from investments in charging infrastructure speed, location, and density is critical for developing equitable policy.

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