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**Re: Petition to Initiate a Proceeding to Consider Issuance of a Policy Statement on  
Electric Utility Rate Design for Electric Vehicle Charging  
Docket No. P-2022-3030743**

Dear Staff:

In its December 1, 2022, Order (“Order”), the Pennsylvania Public Utility Commission (“Commission”) directed the Bureau of Technical Utility Services to convene a working group (“Working Group”) to discuss electric vehicle (“EV”) charging rate design. On January 25, 2023, participants in the Working Group were invited to submit informal comments regarding the scope and direction a formal EV rate design policy statement pursuant to the Order. Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company (collectively, the “Companies”) appreciate the opportunity to participate in the Working Group and offer the following informal comments in response to the Commission’s request.

Generally, the Companies and their affiliates are supporters of electric vehicle development and encourage wide-spread adoption of this technology. This priority is evident through FirstEnergy Corp.’s (“FirstEnergy”) initiative in working with researchers at the Electric Power Research Institute to conduct environmental, economic, and technological studies to support our customers’ needs regarding electric transportation and our own corporate goals of 30 percent EV adoption of light duty and aerial fleet by 2030 and carbon neutrality by 2050. The Companies recommend a policy statement that allows individual electric distribution companies (“EDCs”) to develop rate designs that encourage greater EV adoption through pilot programs while providing regional flexibility.

**1. Allow Individual EDCs to Develop Rate Designs and Programs That Encourage EV Adoption**

The Companies are well positioned to design meaningful electric charging rates for EVs by carefully balancing market-based incentives for drivers to adopt EVs while simultaneously managing utility grid needs. The EDCs can more effectively implement their respective load management plans by tracking consumer data related to metering configurations, temporal differentiation, locational differentiation, demand charges, and charging controls.

By collecting this kind of data, the Companies are better equipped to determine appropriate price signals to maximize benefits for the wider grid, ensuring the economics of the endeavor are not artificially undermined, provide rate options that reflect the economic and geographical diversity of the operating area, and prevent cross-subsidization of EV charging costs to those not participating in the EV charging market. This would provide the EDCs the flexibility to design EV rates and programs that may help consumers adopt behaviors that allow EDCs to manage the grid. Further, the Companies are uniquely positioned to make targeted and strategic investments that will accelerate EV adoption as greater EV adoption creates the need for more infrastructure and allows opportunities to provide charging equipment and services.

As such, the Companies are in agreement with the Office of Consumer Advocate's encouragement of a policy statement that states electric rate design for EV charging shall be utility specific and each EDC shall be afforded the flexibility to adapt its rate according to its load and cost characteristics.

## **2. Pilot Programs**

To further support the efforts above, the Companies encourage the Commission to develop a policy statement that promotes a variety of voluntary pilot programs where both EDCs and EV drivers can exchange data related to usage, consumer habits, and pricing. This empirical consumer data will be instrumental in ensuring equitable and fair rate modifications that may encourage greater EV adoption while promoting beneficial grid utilization and minimizing potentially negative grid impacts. Pilot opportunities will also aid in establishing trust among interested stakeholders by elevating transparency and establishing EV charging norms – further improving greater EV adoption.

## **3. Regional Flexibility**

A responsible and sustainable rate design should consider regional socio-economic diversity to ensure EV charging costs are paid by EV drivers and should therefore be specific to each respective utility's load and cost characteristics. Pennsylvania's diverse geography and population densities create unique challenges in designing a rate base that is "one size fits all". The Center for Rural Pennsylvania defines 48 of Pennsylvania's 67 counties as rural, with nearly 26% of the Commonwealth's 13 million residents living in rural counties. Trends seem to indicate the growth in EV registrations in these areas are much smaller when compared to urban areas like Philadelphia and Pittsburgh. Further adding to geographical diversity are the complexities associated with serving communities of underserved and disadvantaged populations. In 2020, approximately 12% of Pennsylvania's population lived below the federal poverty line, many of which lived in the more rural parts of the Commonwealth. Any policy directives related to rate design should consider the socio-economic diversity in the Commonwealth to prevent these rural and disadvantaged communities from subsidizing the EV usage for those in more affluent areas. Similarly, residential ratepayers should not be required to carry the burdens associated with residential, commercial, or industrial EV charging. As such, any rate design that does not consider these factors could create inappropriate cost shifting or prove unreasonably burdensome.

Individual EDCs should therefore have the freedom to design and implement based on the various factors unique to their respective operating areas.

#### **4. Customer Education and Awareness**

Education is a critical component of EV rate design and, more importantly, greater EV adoption. This public education program should target the general public, particularly those currently not participating in EV adoption, by presenting educational materials on various topics, e.g., rate designs related to EV charging and EV charging ownership costs. As such, the EDCs electing to implement public education campaigns should have the flexibility to develop these education programs and also be provided a cost recovery mechanism for the costs of such education programs.

FirstEnergy is committed to the environment and growing EV adoption in the Commonwealth of PA. These four themes will promote access to EV charging options for residential, commercial, and public electric vehicle charging infrastructure on an equitable basis, aid to improve the customer experience associated with EV charging, accelerate third party investment in EV charging for light-, medium-, and heavy-duty vehicles, and allow EDCs to appropriately recover the marginal costs of delivering electricity to EV charging infrastructure with minimal cross-subsidization.

Should you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,



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Daniel A. Garcia

DG/mlr

Enclosures

cc:

Tracy Parmer

Joanne Savage

Matthew Gregorits

Tori Geisler

Mark Kehl

Joshua Miller