



Pennsylvania Public Utility Commission
Attn: Rosemary Chiavetta, Secretary
Commonwealth Keystone Building, 2nd Floor
400 North Street
Harrisburg, PA 17120

Dear Secretary Chiavetta:

The Pennsylvania Department of Environmental Protection (DEP) appreciates the opportunity to comment on the Pennsylvania Public Utility Commission's letter concerning Third Party Electric Vehicle Charging – Resale/Redistribution of Utility Service (M-2017-2604382). DEP's comments focus upon encouraging consistent rate design and investment in electric vehicle charging stations across the Commonwealth. Please find DEP's comments enclosed.

If you have any questions, please feel free to contact Jessica Shirley, Policy Director, by e-mail at jesshirley@pa.gov or by telephone at 717.783.8727.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick McDonnell". The signature is fluid and cursive, with a long, sweeping tail that extends downwards and to the right.

Patrick McDonnell
Secretary

Enclosure

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Third Party Electric Vehicle Charging –
Resale/Redistribution of Utility Service
Docket No. M-2017-2604382

**COMMENTS OF THE
PENNSYLVANIA DEPARTMENT OF ENVIRONMENTAL PROTECTION**

The Pennsylvania Department of Environmental Protection (DEP) appreciates the opportunity to provide comments on the Pennsylvania Public Utility Commission's (PUC) letter concerning "Third-Party Electric Vehicle Charging- Resale/Redistribution of Utility Service." DEP's comments focus on ensuring that tariff provisions of electric distribution companies (EDC) support third-party electric vehicle charging. DEP believes that encouraging the deployment of electric vehicles (EV) and third-party electric vehicle charging in Pennsylvania provides us with a great opportunity to reduce air pollution and increase clean energy.

EVs provide numerous health, air quality, and climate change benefits, mostly from the elimination of tailpipe emissions. According to the U.S. Department of Energy's Alternative Fuels Data Center, the annual emissions per vehicle by type for Pennsylvania is 3,954 pounds of CO2 equivalent for all electric vehicles, 5,793 pounds of CO2 equivalent for plug-in hybrid electric vehicles, 6,258 pounds of CO2 equivalent for hybrid vehicles, and 11,435 pounds of CO2 equivalent for gasoline vehicles. In addition to the potential for CO2 emission and conventional air pollutant reductions, expanded EV infrastructure and the smart energy using devices it will enable will serve to diversify our transportation options. Expanded infrastructure will also allow state and local governments to proactively plan for energy emergencies.

1. The PUC should encourage consistent policies, regulations, and resale/redistribution rates across the Commonwealth.

While the EV market is still developing, it is rapidly evolving. Now is the appropriate time to engage utilities and regulators to examine our state-specific load profile and anticipate the electricity load of EV chargers. This will enable Pennsylvania to plan proactively for providing low-cost services to customers that also balance net-benefits to utilities, shareholders, car charging stations and society as a whole.

Pennsylvania will see an increase in EVs and charging stations due in part to incentives for electrification of transportation as an emission reduction strategy deployed from the VW Settlement. Pennsylvania will need a sustainable resale/redistribution program to support the additional EVs which will be deployed. DEP is currently working on state policies through the Climate Change Action Plan and Drive Electric PA Coalition to support the increase of EVs and promote the growth of EV infrastructure.

DEP strongly encourages regulatory consistency across the state. EV charging station rates should also be consistent to avoid unnecessary competition among EDC territories. EDCs should be clear regarding electricity rates, so that third-party electric vehicle charging station operators can appropriately model a business plan prior to installing a charging station. Any restrictions on third-party operators should be explained in tariff provisions and careful not to limit the amount of electricity provided. In addition, EDCs should not restrict dynamic pricing because in-state and out-of-state travelers will expect uniformity of commodity pricing based on consistent delivery factors separate from third-party service attributes.

EDCs should be encouraged to aid in the implementation of EV charging infrastructure. DEP recognizes that each EDC's design and tariffs reflect unique and relevant regional characteristics and impact reliability and future investments into the distribution grid. DEP believes that it would be beneficial to have each EDC submit details for inclusion in its tariff factors important to unique circumstances and that are equitable to customers, EDCs, and non-EDC EV charging station operators. This may help to build consensus around a base tariff design.

2. Restrictions on the resale/redistribution of electric power by third-party EV charging must be minimal.

When electric power is being distributed from a single meter within an appropriately established tariff, whether that be commercial or residential, the sale of service of electric vehicle charging to a third party based on the time or volume should not be restricted. If, however a meter is being established/deployed solely for the purposes of high speed electric vehicle charging (DC fast charging), the EDC should be able to create an appropriate tariff which influences charging behaviors and reduces (dynamic pricing) the provision of electric power based on the maximum demand in relation to the time of day and network capacity impacts of the electric service/use to take place.

3. Specific tariff provisions permitting unrestricted resale/redistribution of electric power for third-party EV charging is advantageous.

If EDCs have specific tariff provisions permitting unrestricted resale/redistribution of electric power, third-party providers will be allowed to compete for business based on quality of service provided (the attributes of their service: location, ease of operation and technological compatibility with vehicles) regardless of baseline attributes of the electric commodity being delivered. Corridors of charging, spanning several EDC territories, should be expected and encouraged to maximize the sale and use of PA's electric generating capacity. Expansive corridors will also encourage use of indigenous fuel sources in the transportation sector.

4. It is appropriate to encourage EDCs across the state to move toward a tariff design, which includes provisions permitting the resale/redistribution of electric power for third-party EV charging.

DEP believes that it is appropriate to encourage EDCs to move toward a coordinated and consistent rate design that evolves as the deployment of DCFC stations and EV adoption matures. A key part of coordinated rate design is the ability to track, quantify, and compensate the various value streams in the EV-grid interaction more discretely. Tariff rates should be used to encourage EV infrastructure build out, specifically within areas of electricity distribution

constraints to avoid and relieve congestion. EV deployment may add value to impacted air sheds, environmental justice areas, and areas of economic development. Tariff design should encourage and not hinder the enablement of EV investments in these areas of the state.

5. Specific tariff provisions for high speed electric vehicle charging and optimum range may aid in establishing clear rules for third-party EV charging stations.

A specific tariff provision for high speed electric vehicle charging (DC fast charging locations) will allow for specific monitoring and evaluation of planned and actual electric needs. Providing a tariff based on an optimum range of electric use (both time and volume) could further enable dynamic pricing and encourage greater use at times when it is most beneficial to the operation of the distribution network. Clear division of meters at locations which provide other amenities such as food and shopping could also aid in the dynamic pricing for electricity specifically being used for electric vehicle charging.

Thank you for the opportunity to comment.

Sincerely,

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Patrick McDonnell
Secretary