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August 22, 2017

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

VIA ELECTRONIC FILING

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


Dear Secretary Chiavetta:

Attached for filing with the Pennsylvania Public Utility Commission are the Comments of Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company in the above-captioned proceeding.

As shown by the attached Certificate of Service, all parties to this proceeding are being duly served. Thank you.

Very truly yours,

McNEES WALLACE & NURICK LLC

By 
Alessandra L. Hylander

Counsel to Citizens' Electric Company of Lewisburg, PA
and Wellsboro Electric Company

Enclosure

c: Bohdan R. Pankiw, Law Bureau (via E-mail)
Robert F. Young, Law Bureau (via E-mail)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**THIRD PARTY ELECTRIC VEHICLE :
CHARGING – RESALE/ : Docket No. M-2017-2604382
REDISTRIBUTION OF UTILITY :
SERVICE :**

**COMMENTS OF
CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA
AND WELLSBORO ELECTRIC COMPANY**

I. INTRODUCTION

On July 8, 2017, *The Pennsylvania Bulletin* published a Letter from the Pennsylvania Public Utility Commission ("PUC" or "Commission") seeking comments from interested parties regarding the tariff provisions of electric distribution companies ("EDCs") concerning resale/redistribution of electricity to third parties. *Third Party Electric Vehicle Charging – Resale/Redistribution of Utility Service*, Docket No. M-2017-2604382 (July 8, 2017) ("PUC Letter"). In particular, the Commission requested comments from stakeholders on how such tariff "provisions may affect the operation of – even the viability of – electric vehicle (EV) charging stations." *Id.* at 1.

The PUC indicated that given the increase in the number of EVs in Pennsylvania and the resulting need for additional EV charging stations to power those vehicles, stakeholders should foster increased investment in EV charging infrastructure. *Id.* at 2. As a result, the PUC seeks particular feedback from stakeholders on the merit of requiring each EDC to include in its tariff express provisions regarding what restrictions, if any, it intends for the resale/redistribution of

power by EV charging station operators. *Id.* The PUC believes it is beneficial to consider the practicality of designing: (1) uniform tariff provisions for EV charging stations; and (2) tariff provisions that do not restrict dynamic pricing by EV charging stations. *Id.* To this end, the PUC requests comments from interested parties on the following five topics:

- What restrictions, if any, each EDCs["] existing tariff places on the resale/redistribution of electric power by third-party EV charging.
- The advantages and disadvantages of specific tariff provisions permitting unrestricted resale/redistribution of electric power when done for the purpose of third-party EV charging.
- Whether it is appropriate to encourage EDCs across this Commonwealth to move toward a tariff design, such as that of Duquesne, which includes provisions permitting the resale/redistribution of electric power for third-party EV charging.
- What other resale/redistribution tariff provision designs may aid in establishing clear rules for third-party EV charging stations.
- What other regulatory options may aid in establishing clear resale/redistribution rules for third-party EV charging stations.

Id. at 3.

Citizens' Electric Company of Lewisburg, PA ("Citizens") and Wellsboro Electric Company ("Wellsboro") (collectively, the "Companies") jointly submit these Comments to the Commission for its consideration. As discussed in further detail below, the Companies do not oppose interconnecting EV charging stations with the distribution system as long as they pay their fully allocated cost and can only purchase hourly default service. To that end, tariff provisions governing provision of service to these EV charging stations should clearly express these restrictions on cost responsibility and hourly default service.

II. COMMENTS

The PUC's Letter requested feedback from interested parties on the merit of requiring each EDC to include tariff provisions regarding what restrictions, if any, it intends for the resale/redistribution of power by EV charging station operators. The Companies commend the Commission on its willingness to collaborate with stakeholders on this investigation. As indicated further below, the Companies do not oppose interconnecting the third-party EV charging stations with the electric distribution system. However, any tariff provisions on third-party EV charging stations should clearly indicate that those entities must pay their fully allocated cost. Furthermore, in the event that the Commission determines that third-parties providing EV charging services should be able to purchase default service, these entities should only be able to purchase hourly default service.

Presently, neither Citizens' nor Wellsboro's tariffs contain provisions addressing third-party EV charging.¹ Including specific tariff provisions on third-party EV charging stations would provide clear terms and conditions on such service. However, the Companies caution the Commission against adopting tariff provisions permitting *unrestricted* resale/redistribution² of electric power for purposes of third-party EV charging.

Two critical restrictions should be incorporated into any standard tariff language pertaining to EV charging stations. First, any tariff provisions on this matter should clearly indicate that interconnected third-party EV charging entities must notify the EDC of the new load, and must pay their fully allocated cost. The distribution rate for EV charging stations must reflect the

¹ The Commission requested comment on "[w]hat restrictions, if any, each EDCs existing tariff places on the resale/redistribution of electric power when done for the purpose of third-party EV charging." PUC Letter, p. 3. The Companies interpret this request to mean that commenting EDCs should discuss their respective tariffs. As a result, the Companies have only addressed whether their respective tariffs provide provisions for EV charging.

² As discussed further in these Comments, the Companies disagree that provision of electric power to third-party EV charging entities could be considered a "resale/redistribution." The Companies believe this is not a "resale," but simply a service.

equipment and other costs that the EDC has installed or will incur if the EV station operates at its potential full demand concurrent with the EDC system peak. Other customers should not be responsible for subsidizing the cost of connecting and serving these EV charging stations.

Second, if the PUC decides that these entities can purchase default service, tariff provisions should indicate that third-parties providing EV charging services should only be able to purchase *hourly* default service.³ Third-parties could easily provide EV charging services to their customers using profit-maximizing strategies above the cost of fixed price for default service, and EDCs would have no way of managing their fixed price products to prevent arbitrage. Conversely, by requiring the third-party EV charging entities to purchase *hourly* default service, the risk of arbitrage is reduced because their electric supply cost will be reflective of peak demand and other market factors. As a result, default service prices will be higher at peak hours of use, which may offset any prices the EV charging stations implement to take advantage of providing charging services during peak hours. This adjustment permits the EV charging station operator to establish dynamic prices but also mitigates any arbitrage opportunities.⁴

In conclusion, while the Companies do not believe providing power to third-party EV charging stations could be considered resale/redistribution (as provision of power to these charging stations is simply a service), if the PUC determines standard EV tariff provisions are warranted, the Companies are willing to collaborate with the Commission and other stakeholders to develop tariff language. The Companies are willing to adopt standard tariff provisions on third-party EV

³ Customers may decide whether to separately meter the EV charging stations or to include the new load as part of their existing accounts. The EDC will also examine the impact of the new load on the distribution system to advise the EV charging customer of any upgrades or precautions that may need to be incorporated on both sides of the meter. EV charging stations have large demand and would likely not be able to be added to an existing customer account without service upgrades. See Sam Davis, *High-Power Electric Vehicle Fast Charging Station*, Power Electronics, <http://www.powerelectronics.com/charger-ics/high-power-electric-vehicle-fast-charging-station> (Mar. 7, 2017).

⁴ This would not prevent the EV charging station from negotiating a fixed price contract with an electric generation supplier.

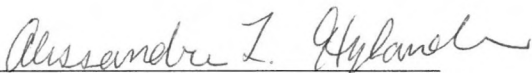
charging *as long as* such provisions comply with the Companies' perspectives on cost responsibility and hourly default service.

III. CONCLUSION

WHEREFORE, Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company respectfully request that the Pennsylvania Public Utility Commission consider these Comments in evaluating the utility of establishing regulations of electric distribution companies' tariffs concerning the resale/redistribution of electric power to third parties, particularly those with electric vehicle charging stations.

Respectfully submitted,

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