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VIA ELECTRONIC FILING

Ms. Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17120

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

Dear Secretary Chiavetta:

Enclosed for filing are the comments of UGI Utilities, Inc. – Electric Division (“UGI Electric” or the “Company”) in the above-referenced docket.

Please do not hesitate to contact me if you have any questions.

Very truly yours,

Timothy K. McHugh
Counsel – Energy & Regulation
UGI Corporation

Enclosure

cc: Joseph Cardinale, Law Bureau (**email only:** jcardinale@pa.gov)
Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**UGI UTILITIES, INC. – ELECTRIC DIVISION’S COMMENTS TO
THE COMMISSION’S SECRETARIAL LETTER**

I. INTRODUCTION

UGI Utilities, Inc. – Electric Division (hereinafter referred to as “UGI Electric” or the “Company”) hereby submits its Comments in response to the Pennsylvania Public Utility Commission’s (“Commission”) Secretarial Letter issued on February 25, 2022 (“Secretarial Letter”). The Secretarial Letter requested that interested parties file comments in response to the Petition of ChargeVC-PA to *Initiate a Proceeding to Consider Issuance of a Policy Statement on Electric Utility Rate Design for Electric Vehicle Charging* (“Petition”) filed on February 4, 2022. More specifically, the Secretarial Letter sought preliminary comments regarding the need for and parameters of any such proceeding.

ChargeVC-PA’s Petition provided an overview of the benefits and challenges to Electric Vehicle (“EV”) deployment in the Commonwealth. According to ChargeVC-PA, by issuing a Policy Statement regarding electric distribution companies’ (“EDCs”) rate designs for EV charging (e.g., time-of-use (“TOU”) or time varying rates), the Commission could promote EV expansion in Pennsylvania. While acknowledging that this could dramatically increase demand on distribution systems, ChargeVC-PA claimed that well-designed utility rates that foster EV

charging during off-peak periods would lessen the system impact in a cost-effective manner. As a regulated EDC in Pennsylvania subject to the Commission's authority and jurisdiction, UGI Electric appreciates the opportunity to provide comments, as framed by the Secretarial Letter, in response to ChargEVC-PA's Petition.

II. COMMENTS

A. UGI Electric Supports Initiating a Policy Proceeding to Further the Growth of EV Infrastructure in Pennsylvania.

UGI Electric generally supports ChargEVC-PA's request to have the Commission initiate a policy proceeding relating to the anticipated growth of EV infrastructure in the Commonwealth. UGI Electric has demonstrated its commitment to facilitate the efficient adoption and integration of EVs in the Company's service territory. First, in response to the Commission's Final Policy Statement Order entered November 8, 2018, at Docket No. M-2017-2604382, the Company added tariff language specifying that service to third-party owned EV charging stations does not involve the prohibited sale for resale of electricity pursuant to 66 Pa.C.S. § 1313. Additionally, UGI Electric included a definition of qualifying vehicle types, as well as EV station notice and safety requirements.¹ Second, UGI Electric proposed an EV charging rate for commercial customers as part of its 2018 Base Rate Case at Docket No. R-2017-2640058, *et al.*² Finally, as part of the settlement of its 2021 Base Rate Case at Docket No. R-2021-3023618, *et al.* ("2021 Settlement"), UGI Electric revised Rules 5-1 and 5-m of the electric tariff, such that the Company would provide: (1) all required make-ready investments, up to the meter, for EV charger installations without customer contributions³; and (2) aggregated metered usage data for Qualified EV Charging

¹ The Commission unanimously approved Supplement No. 7 by Order entered June 13, 2019, at Docket No. R-2019-3010049.

² UGI Electric withdrew without prejudice its proposed EV charging rate due to a number of policy issues that had not been resolved by the Commission.

³ See Joint Petition at ¶ 52(a).

Stations.⁴ From these voluntary efforts, it is clear that UGI Electric has actively supported the development of EV infrastructure on its system. UGI Electric believes that utility involvement is critical to the safe and successful development of the EV market, and guidance from the Commission on many critical issues would be beneficial.

B. The Policy Proceeding Should Consider Issues Beyond Rate Design in Order to Effectively Address EV Adoption in Pennsylvania.

Despite acknowledging many challenges to EV deployment in Pennsylvania, ChargeEVC-PA seeks a policy proceeding singularly focused on EV rate design by EDCs.⁵ However, to address various policy and regulatory barriers to EV deployment, ChargeEVC-PA emphasizes solutions identified in the Pennsylvania Department of Environmental Protection's ("DEP's") current Pennsylvania Electric Vehicle Roadmap ("Roadmap"). The Roadmap includes strategies and goals to advance EV adoption such as: establish an EV sales goal; expand and improve consumer electric vehicle rebates; conduct public outreach and education; implement electric rate structures that encourage EVs; and expand public, residential, and workplace charging equipment.⁶ While ChargeEVC-PA's proposal may address challenges associated with peak load, UGI Electric believes a more comprehensive approach would stimulate EV market participation in the Commonwealth. Accordingly, UGI Electric encourages the Commission to expand the policy proceeding to include policy objectives such as: customer engagement and education, utility investment in grid-enabling technologies, and the role of Energy Efficiency and Conservation Plans to facilitate EV adoption. This list is not intended to be exhaustive, but rather to highlight

⁴ *Id.* at ¶ 53; *see also Id.* at ¶ 55 (UGI withdrew, without prejudice, its proposal to recover the capital and operating costs associated with the Company's installation and ownership of EV charging stations on its distribution system and establish Rate EV-C).

⁵ *See Petition*, pg. 12.

⁶ *See Roadmap*, pg. 9.

the numerous policy areas that the Commission should evaluate in order to ensure that the expansion of the EV market is done safely, equitably, and efficiently.

The goal of customer engagement and education is addressed in DEP's Roadmap and referenced in ChargeEVC-PA's Petition where it proffers that initiatives should be designed to "overcome social and institutional barriers by improving EV awareness, confidence, and commitment from consumers and fleet operators."⁷ There are currently many ongoing discussions taking place between state and federal government organizations, public utilities, private groups (e.g., Eastern Pennsylvania Alliance for Clean Transportation), and other industry participants trying to address funding, siting, load growth, and other complex issues associated with the expansion of EV use. However, it is critical that as these technical issues are being addressed, public outreach be conducted to ensure that the public understands the nature of EV use, how different infrastructure options are being funded, and the options available to consumers who are interested in becoming EV owners or EV charging station providers. Public education will play a key role in the safe and seamless development of the EV market in Pennsylvania. Furthermore, significant advancement towards these goals would occur if public utilities receive full and current cost recovery for activities related to the adoption of EV technologies and efforts related to customer engagement and education efforts.

In its Petition, ChargeEVC-PA states that it does not intend a "one-size-fits-all approach" regarding utility rate design. UGI Electric supports this position because the proposed TOU rate design may not work for all EDCs. Specifically, the proposed rate design would likely require the use of smart meter technology; however, EDCs with 100,000 customers or less are not required to implement or utilize such technology.⁸ Therefore, the Commission should consider rate designs

⁷ Roadmap, pg. 27.

⁸ See 66 Pa.C.S. § 2807(f)(6).

that do not require or depend upon smart meter technology. Since the Secretarial Letter only requested comments regarding the need for and scope of a proceeding on EV infrastructure, UGI Electric respectfully reserves its substantive comments on the proposed rate design for the policy proceeding itself.

Regarding parameters for the proceeding, UGI Electric believes the ambitious timeline proposed by ChargeEVC-PA in its Petition will be too restrictive and that the scope of the proposed proceeding is overly narrow. Despite acknowledging that the Commission has a busy docket, ChargeEVC-PA proposes that the Commission should issue a final Policy Statement and publication in the Pennsylvania Bulletin no later than December 2022.⁹ A proceeding of this importance should not sacrifice a thorough and timely exploration of the issues by all interested parties in order to pursue ChargeEVC-PA's ambitious timeline. Accordingly, with the goal of promoting EV adoption in the Commonwealth, the Commission should conduct a thorough investigation that allows stakeholders to explore a wide array of issues in furtherance of the goal of safe and efficient expansion of the EV market in Pennsylvania.

III. CONCLUSION

The Company appreciates the opportunity to provide preliminary comments in response to the Secretarial Letter regarding whether a policy proceeding should be initiated as requested in ChargeEVC-PA's Petition. UGI Electric supports such a Commission investigation; however, the Company respectfully requests that the proceeding be expanded to include the issues mentioned herein, as well as other issues that are critical to utilities preparing for more widespread EV adoption, and not be limited to utility rate design for EV charging.

⁹ See *Petition*, pg. 17.

Respectfully submitted,



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CERTIFICATE OF SERVICE

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

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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