

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265**

Public Meeting held May18, 2023

Commissioners Present:

Gladys Brown Dutrieuille, Chairman
Stephen M. DeFrank, Vice Chairman, Joint Statement
Ralph V. Yanora
Kathryn L. Zerfuss, Joint Statement
John F. Coleman, Jr.

Petition to Initiate a Proceeding to Consider Issuance of
a Policy Statement on Electric Utility Rate Design for
Electric Vehicle Charging

P-2022-3030743

ORDER

BY THE COMMISSION:

On February 4, 2022, ChargeVC-PA filed a Petition pursuant to 66 Pa.C.S. §§ 510, 1301, 1330, 2807(f) and 1501, and 52 Pa. Code § 5.41, requesting the Pennsylvania Public Utility Commission (Commission) to initiate a proceeding that would result in the issuance of a Policy Statement on electric utility rate design for electric vehicle (EV) charging in Pennsylvania (Petition). For the reasons expressed below, we will grant the Petition in accordance with this Order.

Background

ChargeVC-PA is a coalition formed to serve as a resource for research and information on, and as an advocate for, advanced EV adoption and market development in Pennsylvania. ChargeVC-PA consists of the following members: Electrification Coalition, Greenlots, Keystone Energy Alliance, Natural Resources Defense Council

(NRDC), Plug In America, Sierra Club and Adams Electric Cooperative. ChargeEVC-PA Petition at 1.

In the Petition, ChargeEVC-PA contends that the Commission has an opportunity to take an important step forward to promote EV adoption in Pennsylvania by issuing a Policy Statement on electric distribution company (EDC) rate design for EV charging. ChargeEVC-PA contends that well-designed utility rates for EVs can reduce rates for all customers and provide EV owners with potential cost savings. ChargeEVC-PA Petition at 10.

On February 24, 2022, the Commission received an Answer from the Office of Consumer Advocate (OCA), Petitions to Intervene from Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) and PPL Electric Utilities Corporation (PPL Electric). The Commission also received letters from Advanced Energy Economy (AEE), and Duquesne Light Company (Duquesne Light). The Electrification Coalition also filed comments on February 24, 2022.

The Commission subsequently issued a Secretarial Letter on February 25, 2022 (Secretarial Letter) directing that, before it addressed the substance of ChargeEVC-PA's Petition, interested parties should file comments with the Commission preliminarily addressing whether to initiate a proceeding for a Policy Statement on EV charging and the parameters of such a proceeding, if opened. The Commission directed all interested parties to file comments to ChargeEVC-PA's Petition by April 11, 2022. Thereafter, reply comments were directed to be filed 30 days after the date comments were due. The comment period closed on May 11, 2022.

The Commission received comments from AEE;¹ Alliance for Transportation Electrification (ATE); CAUSE-PA;² ChargePoint, Electrify America, EVgo, and Tesla (collectively ChargePoint, et al.); Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company (collectively Citizens' Electric); Pennsylvania Department of Environmental Protection (DEP) and Pennsylvania Department of Transportation (PennDOT); Duquesne Light; Electrification Coalition; Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company (collectively FirstEnergy); NRDC and Sierra Club; NRG Energy, Inc., Interstate Gas Supply, Inc. d/b/a IGS Energy and Vistra Corp (collectively EGS Coalition); OCA; PECO Energy Company (PECO); UGI Utilities, Inc. – Electric Division (UGI Electric); and PPL Electric. The Commission also received reply comments from ChargeEVC-PA, ChargePoint, et al., and CAUSE-PA.

The majority of the Comments received supported the Commission's consideration of EV charging rate design. A common thread found in the Comments was support for the establishment of an informal process to first explore the issues surrounding EV charging rate design. In particular, the Commission received Comments from CAUSE-PA, ChargePoint, et al., Citizens' Electric, Duquesne Light, OCA, PECO, and PPL Electric advocating for the initiation of an informal process to further inform the Commission of the issues regarding EV charging rate design. Notably, ChargeEVC-PA replied that it concurred with the recommendation that the Commission commence an informal working group prior to initiating any formal Policy Statement proceeding. ChargeEVC-PA Reply Comments at 5.

¹ AEE's Letter in Support of ChargeEVC-PA filed on February 25, 2022 was recognized as AEE's comments in this matter.

² CAUSE-PA's Petition to Intervene filed on February 24, 2022 contained comments to ChargeEVC-PA's petition. As CAUSE-PA did not file comments subsequent to the Commission's February 25, 2022 Secretarial Letter, the Commission recognized CAUSE-PA's Petition to Intervene as its comments in that matter.

Based on the comments received, the Commission entered an Order on December 1, 2022, directing the Bureau of Technical Utility Services (TUS) to convene an EV charging rate design working group of interested parties, including, but not limited to, the parties to this docket, to discuss EV rate design, and file the recommendations of the working group at this docket no later than March 31, 2023. The Commission further ordered that TUS in conjunction with the Law Bureau prepare an order considering ChargeVC-PA's request for a Policy Statement and the working group's recommendations relative to EV rate design by June 1, 2023.

On December 21, 2022, the Commission issued a Secretarial Letter which established and convened an EV Charging Rate Design Working Group (informal working group) and invited interested parties to provide written comments on the issues presented in the December 1, 2022 Order. The informal working group met on January 25, 2023, and February 16, 2023. Approximately 50 diverse entities were represented at these meetings. During the first working group meeting, Synapse Energy Economics presented a study commissioned by the DEP's Energy Programs Office that modeled future sales of EVs in Pennsylvania, analyzed the associated potential grid impacts of EV adoptions, and provided recommendations that could benefit consumers and distribution grid companies. The second working group meeting included presentations from PECO and Duquesne Light on rates they currently offer that include EV charging incentives. At both meetings, Commission staff requested that working group members provide oral and written informal comments addressing the questions posed in the Commission's Order and their respective positions on the potential creation of an EV rate design Policy Statement. Commission staff requested that those in favor of a Policy Statement provide in their comments a discussion of topics for potential inclusion in the Policy Statement.

The Commission received informal comments from 23 informal working group participants: ATE; Advanced Energy United; CAUSE-PA; ChargeVC-PA; Electrify

America; FirstEnergy; Duquesne Light; OCA; PECO; joint comments by Pennsylvania Petroleum Association, GetGo Cafe + Market / Giant Eagle, Inc., Glassmere Fuel Service, Onvo, Sheetz, Inc., Wawa, Inc.; Pennsylvania Energy Consumer Alliance, Met-Ed Industrial Users Group, Penelec Industrial Customer Alliance, Philadelphia Area Industrial Energy Users Group, and PP&L Industrial Customer Alliance, West Penn Power Industrial Intervenors (collectively, Large Customer Groups); PPL Electric; UGI Electric; Joint comments by ChargePoint, et al.; WeaveGrid; the Natural Resources Defense Council, PennDOT, and CALSTART.

The informal working group filed its recommendations in this docket on March 30, 2023. The working group recommended:

1. That the Commission proceed with drafting a proposed Policy Statement concerning EV charging rate design.
2. That the proposed Policy Statement consider the topics contained in the informally filed comments.
3. That Commission staff utilize the informal working group, as necessary, when drafting the proposed Policy Statement for Commission review.

Those who filed comments at any point in this proceeding generally supported the Commission initiating a process to explore and discuss various topics relating to electric utility rate design for EV charging, with the exception of the EGS Coalition. Some commenters strongly supported the Commission initiating a proceeding that would result in the issuance of a Policy Statement.

The Electrification Coalition supported ChargeEVC-PA's request that the Commission initiate a proceeding that will result in a Policy Statement on electric utility rate design for EV charging in Pennsylvania. Electrification Coalition Comments at 1.

In their reply comments, ATE also stated that a Policy Statement could be helpful to the EV ecosystem in Pennsylvania. ATE Comments at 3. AEE strongly supported the Commission initiating a proceeding that would result in a Policy Statement for electric utility rate design for EV charging in Pennsylvania. AEE Comments at 1. NRDC and the Sierra Club also commented that they strongly support the opening of a docket to address rate design for EV charging. Sierra Club and NRDC Comments at 1.

In addition to the formally filed comments, the informal working group filed a recommendation that the Commission draft a proposed Policy Statement concerning EV charging rate design.

The EGS Coalition opposed initiating a proceeding that focuses on the development of utility EV rate design driven by stakeholders' preferences for certain rate-design options. EGS Coalition Comments at 5. The EGS Coalition generally contends that since EGSs are competing in the market to meet consumer needs, they are in the best position to provide these services more efficiently, more cost effectively, with quicker response time to changing consumer preferences, and with greater speed to market. The EGS Coalition pointed out that as EGSs do not have captive ratepayers, EGSs are naturally incentivized to ensure that they are offering the products that consumers want, but at a price that is competitive, providing the consumer with options at the least-cost. EGS Coalition Comments at 9.

Disposition

We have carefully considered the comments received, the recommendation of the informal working group, and knowledge that nearly all major vehicle manufacturers have announced their intentions to commit significant capital to EV production and to transition sales to EVs. As we noted in our December 1, 2022 Order, transportation electrification is already underway and is projected to grow exponentially. DEP and

PennDOT have led efforts to support current and future deployment of EV charging and ownership in the Commonwealth, including implementing various federal directives and policies. As the economic regulator of 11 EDCs in the Commonwealth serving over five million accounts, this Commission is charged by the Infrastructure Investment and Jobs Act³ (IIJA) with considering EDC rate design for EVs. *See* 16 U.S.C. § 2621(d)(21). To that end, and to ensure this Commission maintains a nimble posture ahead of this electrification transition, it is imperative that the Commission develop a Policy Statement that advances effective management of energy and infrastructure costs.

As such, we agree with the comments and the informal working group’s recommendation that a Policy Statement on electric utility rate design for EV charging is necessary. Accordingly, ChargeVC-PA’s request that the Commission initiate a proceeding that will result in the issuance of a Policy Statement on utility rate design for EV charging in Pennsylvania is granted; **THEREFORE,**

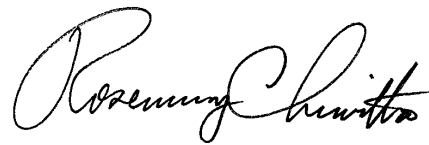
IT IS ORDERED:

1. That ChargeVC-PA’s request to initiate a proceeding that will result in the issuance of a Policy Statement on electric utility rate design for electric vehicle charging in Pennsylvania is granted.

³ P.L. 117-58, November 15, 2021, 135 Stat. 429.

2. That the Law Bureau in conjunction with the Bureau of Technical Utility Services shall prepare a proposed Policy Statement, consistent with this Order.
3. That this proceeding at P-2022-3030743 be closed.

BY THE COMMISSION



Rosemary Chiavetta
Secretary

(SEAL)

ORDER ADOPTED: May 18, 2023

ORDER ENTERED: May 18, 2023