

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17120**

**Electric Utility Rate Design for
Electric Vehicle Charging**

**Public Meeting of October 19, 2023
3040755-LAW
Docket No. M-2023-3040755**

MOTION OF CHAIRMAN STEPHEN M. DeFRANK

Before the Pennsylvania Public Utility Commission (Commission) for consideration is the Order and Proposed Policy Statement encouraging all electric distribution companies (EDCs) to implement rates specifically designed for electric vehicle (EV) charging customers. The instant Order comes pursuant to the Commission’s action taken at Docket P-2022-3030743 approving ChargeEVC-PA’s petition to initiate a proceeding intended to result in the issuance of a policy statement on electric utility rate design for EV charging in the Commonwealth.

The utility landscape is evolving rapidly, none more rapidly than the electric industry. Increased penetration of distributed energy resources and EVs presents both a challenge and an opportunity for regulators and utilities. From a challenge perspective, absent appropriate policies, the increased adoption of these technologies will likely work to decrease utilities’ distribution system network capacity utilization – or the ratio of average demand to peak demand. This places significant headwinds on distribution rates. Further, this adoption could potentially strain electric generation prices and wholesale generation resource adequacy if EV charging load is added to hours of already existing peak demand.

However, EDCs have an opportunity to utilize the portfolio of new technologies such as, but not limited to, advanced metering, advanced grid monitoring, energy efficiency, demand response, and smart thermostats to better accommodate the evolving demand profiles created by this new energy landscape.

I submit that the purpose and scope of this Policy Statement should be to encourage EDCs to develop EV-charging distribution rates with cost-of-service principles that incentivize increased network capacity utilization of the distribution system. Further, I believe the Policy Statement should encourage default service providers (DSPs), presently a role occupied by EDCs, to develop EV-charging generation rates which, at a minimum, properly reflect the cost of generation services during times of system stress. This may include, but is not limited to, use of on and off-peak periods which appropriately incentivize the movement of charging consumption to off-peak periods or periods of less system stress.

I acknowledge that there are no single “turnkey” designs for EV-charging distribution or default service generation rates that achieve these principles. EDCs and DSPs are situated differently, with varying demographics, grid characteristics, and demand profiles. EDCs and DSPs may consider tools such as time-of-use, real-time pricing, demand charges, rebates, automatic control devices, and others to properly effectuate the public interest in line with the Commission’s proposed Policy Statement herein.

Further, I support development of distribution and default service generation EV rates that avoid unreasonable cross-subsidization between customers. As such, the proposed scope of the Policy Statement should also address fairness and equity principles that EDCs consider in developing EV charging rates for distribution and default service generation. Such principles include, but may not be limited to, impacts on low-income customers or disadvantaged communities.

THEREFORE, I MOVE THAT:

1. The Law Bureau prepare a revised Proposed Policy Statement Order and revised Annex consistent with this motion.
2. The Law Bureau shall submit the revised Proposed Policy Statement Order and revised Annex to the Governor’s Budget Office for review of fiscal impact.
3. Upon receipt of a fiscal note from the Governor’s Budget Office the Secretary shall certify the revised Proposed Policy Statement Order and revised Annex and the Law Bureau shall deposit them with the Legislative Reference Bureau for publication in the *Pennsylvania Bulletin*.
4. Interested parties shall have 30 days from the date of publication of the revised Proposed Policy Statement Order and revised Annex in the *Pennsylvania Bulletin* to file comments with the Secretary.
5. Interested parties shall have 60 days from the date of publication of the revised Proposed Policy Statement Order and revised Annex in the *Pennsylvania Bulletin* to file reply comments with the Secretary.
6. A copy of the revised Proposed Policy Statement Order and revised Annex be filed at Docket No. P-2022-3030743 and be served upon all jurisdictional electric distribution companies, the Office of Consumer Advocate, the Office of Small Business Advocate, the Bureau of Investigation and Enforcement, the Department of Environmental Protection and all parties who filed comments at Docket No. P-2022-3030743.
7. The contact person for technical issues related to this proposed policy statement is Regi Sam, Energy and Conservation Analyst, (717)-772-2151 or rsam@pa.gov. The contact persons for legal issues are Joseph P. Cardinale, Jr., Assistant Counsel, (717)-787-5553 or jcardinale@pa.gov; and Tiffany L. Tran, Assistant Counsel, (717)-783-5413 or tiffran@pa.gov. The contact person for regulatory issues is Karen Thorne, Regulatory Review Assistant, (717)-772-4597 or kathorne@pa.gov.

October 19, 2023
Date



Stephen M. DeFrank
Chairman