



January 22, 2024

VIA E-FILE

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

Re: Electric Utility Rate Design for Electric Vehicle Charging, Docket, M-2023-3040755

CAUSE-PA Comments in Response to Proposed Policy Statement Order

Dear Secretary Chiavetta:

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), through its attorneys at the Pennsylvania Utility Law Project, file the following brief comments in response to the Proposed Policy Statement Order (PPSO) regarding Electric Utility Rate Design for Electric Vehicle Charging published for Comment in the Pennsylvania Bulletin on December 23, 2023. We greatly appreciate the Commission's consideration and inclusion of rate equity principles recommended in our informal comments to the Electric Vehicle Charging Rate Design Working Group (EV Work Group) and other proceedings.

CAUSE-PA strongly supports the consideration of Electric Vehicle Charging Rate Equity in the Commission's proposed policy statement in section 69.3554. As explained in our informal comments to the EV Work Group, equity considerations must be a distinct and articulated component of the policy statement. It is vital to ensure that alternative rate structures to support EV adoption are just, equitable, and do not cause unintentional harm or otherwise impose additional costs on low income ratepayers. To that end, we strongly support the proposed language in section 69.3554 that EV rates be designed to "promote fairness and equity," "not create undue financial burdens for low-income customers or disadvantaged communities," and that utilities "consider impacts on low-income customers due to the design of their distribution and default service generation electric vehicle charging rates."¹

¹ PPSO, Annex A, § 69.3554.

We are further supportive of proposed section 69.3552, which indicates that proposed EV rates should be designed to reflect the actual costs of providing charging infrastructure and services “in a manner that avoids unreasonable cross-subsidization between customers.”² As explained in our informal Comments to the EV working group and in previous proceedings, low income Pennsylvanians already struggle profoundly to afford basic life necessities and regularly report foregoing food and medicine to keep the lights on and the furnace running.³ Many low income families across the state cannot afford public transportation – let alone purchase, maintain, and insure an electric vehicle. Low income consumers lack the funds to afford EVs and will likely be among the last to adopt the technology. Thus, placing the cost of EV implementation on non-EV adopters will necessarily result in low income consumers subsidizing more affluent customers who can afford EVs. It would be unjust to place this burden on low income customers and it would be unreasonable to expect low income customers, who already struggle to afford electric service, to shoulder the additional cost.

Together, sections 69.3552 and 69.3554 establish critical overarching principles through which *all* rates – including EV-specific rates – should be determined. Notwithstanding our support for these aspects of the Commission’s proposed policy statement, we are nevertheless concerned that the statement lacks crucial detail to explain *how* utilities should apply principles of fairness and equity in the design of EV rates to prevent harm to low income households and avoid cross-subsidization.

Consistent with our past comments in this proceeding, we do not support a one-size-fits all approach to EV rate design, given variations in demographics and load characteristics across the state. However, it is still important for the Commission to establish a more detailed framework for utility EV rate proposals to ease Commission and stakeholder review and ensure consistent application of the overarching principles identified in the Commission’s proposed policy statement.

We encourage the Commission to provide more detail in its policy statement to ensure consistent application of its overarching policy considerations. Specifically, we recommend the Commission set forth explicit elements in its policy statement that utilities should address in an EV rate proposal, including but not limited to the following:

- How a proposed EV rate design:
 - (1) advances equity
 - (2) prevents harm to low income consumers
 - (3) avoids cross-subsidization
- An explanation of how the utility engaged stakeholders in designing its EV rate proposal.
- A plan for ongoing stakeholder engagement.
- An education and outreach plan.

² *Id.* at § 69.3552.

³ See *Petition to Initiate a Proceeding to Consider Issuance of a Policy Statement on Electric Utility Rate Design for Electric Vehicle Charging*, P-2022-3030743, CAUSE-PA Reply Comments at 5 (Submitted May 11, 2022).

- Quantification of environmental, health, and economic benefits of a proposed EV rate design.
- A plan for measurement and evaluation of a proposed EV rate, together with benchmark goals.
- An explanation of how the utility will ensure EV rate design is coordinated with public or private EV incentive programs.

CAUSE-PA is also concerned that the Commission’s proposed policy statement lacks crucial clarity regarding the procedural path for EV rates which implicate a utility’s distribution and default service rates. We encourage the Commission to provide additional clarification for the proper process, procedure, and venue for EDCs seeking approval of such proposals. While EV-specific distribution rate proposals are likely to be considered in the context of a base rate proceeding, and EV-specific default service rates are likely to be considered in the context of traditional default service proceedings, it is unclear from the PPSO whether the Commission intends for a different type of proceeding for the proposal and periodic review of EV specific rates. It is important that the Commission establish parameters for review of EV distribution and generation rate proposals in an integrated manner. Thus, we respectfully request that the Commission provide additional clarity on the proposed process for implementation.

Finally, we continue to urge the Commission to exercise caution in the application of time of use (TOU) rates and to ensure that time of use rates remain optional and include explicit safeguards to protect non-adopters. Proposed section 69.3553 includes language encouraging utilities to consider utilizing time-varying rates “for electric-vehicle customers” – but it does not further clarify that such rates should be specific to EV charging – as opposed to whole-home energy usage. CAUSE-PA submits that EV-specific rates should not affect rates charged for other types of residential household usage. While time of use rates may be beneficial to EV adopters for the specific purpose of EV charging, time of use rates charged for other types of residential energy usage may result in higher overall residential electric costs and could disincentivize EV ownership. As CAUSE-PA has explained in depth in prior comments on this matter, whole-home TOU rates are particularly risky for low income households and other uniquely vulnerable consumers who lack discretionary usage and, in turn, do not have the ability to shift usage to off-peak hours – resulting in substantially higher home energy costs. Thus, we strongly submit that mandatory or default time-varying use rates should only extend to residential usage attributable to EV charging, and we urge the Commission to include language in its proposed policy statement requiring proposals to distinguish between EV charging and other household energy usage.

CAUSE-PA is grateful to the Commission for its thoughtful consideration of this important issue. We urge the Commission to continue to focus on ensuring that EV charging rates are designed and implemented in an equitable manner through adoption of the above recommendations and clarifications.

Respectfully Submitted,



John W. Sweet, Esq., PA ID: 320182
Elizabeth R. Marx, Esq., PA ID: 309014
Ria M. Pereira, Esq., PA ID: 316771
Lauren N. Berman, Esq., PA ID 310116

Counsel for CAUSE-PA

Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101
Tel.: 717-236-9486
Fax: 717-233-4088
pulp@pautilitylawproject.org

CC: Regi Sam, rsam@pa.gov
Joseph P. Cardinale, Jr, jcardinale@pa.gov
Tiffany L. Tran, tiftran@pa.gov
Karen Thorne, kathorne@pa.gov