

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Electric Utility Rate Design for Electric
Vehicle Charging

:
: Docket No. M-2023-3040755
:

**REPLY COMMENTS OF
MCR PERFORMANCE SOLUTIONS**

I. INTRODUCTION

On October 19, 2023, the Pennsylvania Public Utility Commission (“Commission” or “PUC”) adopted a proposed Electric Vehicle (“EV”) Rate Design Policy Statement (“Policy Statement”) in Docket No. M-2023-3040755. Interested parties were invited to file written comments within 30 days following the date of publication in the *Pennsylvania Bulletin*¹. Over twenty different entities filed comments and the PUC requested that replies to these comments be filed within 60 days of the original date of publication. MCR Performance Solutions (“MCR”) appreciates the opportunity to reply to these comments on the Policy Statement. As before, MCR supports the Policy Statement and offers reply comments on key policy issues for the Commission’s consideration.

II. REPLY COMMENTS

MCR is of the firm belief that policy statements must guide and encourage parties towards a specific outcome, rather than mandate or demand outcomes. For this reason, MCR urges the PUC to continue to use the broad, guiding statements that it currently uses in the Policy Statement and reject specific requirements as requested by the below parties.

¹ Pa. Bulletin Volume 53 Number 51, published on December 22, 2023

The Policy Statement should not take a stance on whether charging stations should be owned or managed by Electric Distribution Companies (“EDCs”), as requested by Advanced Energy United and Charge Ahead Partnership.² This decision is an exceptionally complicated issue which deserves to be determined through a larger process, whether that is through working groups or hearings. Restricting options with blanket bans on ownership or management in the Policy Statement will send signals in the burgeoning EV market in the Commonwealth that may discourage creativity.

In this same way, MCR encourages the PUC to not abandon its strong statement on cost causation by requiring DC Fast Charging (“DCFC”) rates to be free of demand charges, as requested by Charge Ahead Partnership.³ Final rate design decisions must be made on a case-specific basis, allowing EDCs to have the freedom to design them how their own specific customers and system require, with an eye towards balancing cost causation and the need for a growing charging market. Charge Ahead Partnership is correct that EDCs should absolutely consider the impact of demand charges on DCFC customers. However, to make that a blanket requirement would be an overly restrictive addition to the Policy Statement.

The Policy Statement should also not include specific details on what information should be reported to the PUC on an annual basis or as a proposal requirement, as suggested by CAUSE-PA and Advanced Energy United.⁴ As before, reporting requirements should be designed to be case-specific for the program, for the utility, and for the Commission’s needs. Specific reporting requirements could prevent an EDC with the inability to meet those requirements from developing EV rates for their customers, whereas the Policy Statement is

² Advanced Energy United comments, page 3, and Charge Ahead Partnership comments, page 2.

³ Charge Ahead Partnership comments, page 3.

⁴ CAUSE-PA comments, pages 2-3, and Advanced Energy United comments, page 7.

meant to encourage and promote the adoption of EV rates. Likewise, the Policy Statement should not give a deadline for EDCs to file EV-specific rates, as suggested by Advanced Energy United and Electric Vehicle Service Providers.⁵ The Policy Statement should not restrict the EDC's flexibility to implement EV-specific rates when and if they are appropriate for their region or prevent the EDCs from having the time they need for robust investigation on how best to implement EV-specific rates.

Lastly, the Policy Statement should not take a position on whether EV-specific residential rates should be charged for the entire home's usage or the EV-specific usage, as suggested by CAUSE-PA.⁶ As MCR stated in their initial comments, the choice on whether to meter EV usage specifically is a nuanced decision, predicated not just on policy, but also on each EDC's billing system capabilities and metering equipment standards. Programs should be designed for the customers of each specific utility and should utilize the optimal rate design for the customers in that specific service territory.

III. CONCLUSION

MCR thanks the PA PUC for the opportunity to comment on the other parties' comments on the Policy Statement. However, MCR recommends to the Commission that any further changes to the Policy Statement not be blanketed with constraints and decisions that restrict EDCs from designing EV rates that would be optimal for their specific customers. Specifically, the Policy Statement should not take a stance on whether charging stations should be owned or maintained by EDCs, should not require DCFC charging rates to be free of demand charges, should not include specific details on reporting or filing requirements, and should not take a position on whether residential EV rates should be EV-specific or applied to whole house usage.

⁵ Advanced Energy United comments, page 9, and Electric Vehicle Service Providers comments, page 7.

⁶ CAUSE-PA comments, page 3.

Rate design is an art, not a science, and must consider the needs of the stakeholders of each EDC's service territory. The current Policy Statement does not prevent EDCs from creative thinking and properly encourages and guides the EDCs towards EV rate design that would be beneficial to the Commonwealth's citizens.

Respectfully submitted,



Cynthia A. Menhorn
Vice President, Regulatory Services
MCR Performance Solutions
155 N. Pfingsten Road
Suite 155
Deerfield, IL 60015
cmenhorn@mcr-group.com
Tel. (724) 244-5333

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