

To: Joseph Sherrick, Regi Sam, Joseph Cardinale, and Tiffany Tran
From: Brendon Baatz, ChargeVC-PA
Date: February 2023
Subj: EV Rate Design Policy Statement, Docket No. P-2022-3030743

Dear Mr. Sherrick, Mr. Sam, Mr. Cardinale, and Ms. Tran,

ChargeVC-PA welcomes the opportunity to submit an updated version of its proposed policy statement regarding electric vehicle rate design. This slightly expanded statement reflects the critical importance of the issue to the Commonwealth of Pennsylvania and the urgency of necessary action, and provides additional clarity on what should be included in filings. ChargeVC-PA will also provide additional details on the proposed policy statement in comments to be filed in early March. We look forward to discussing the policy statement in greater detail at the upcoming February 16, 2023 workshop meeting.

With Best Regards,
Brendon Baatz
ChargeVC-PA

POLICY STATEMENT ON ELECTRIC UTILITY RATE DESIGN FOR ELECTRIC VEHICLE CHARGING

§ 69. Electric Utility Rate Design for Electric Vehicle Charging

1. Electric vehicle (EV) deployment can bring a variety of benefits to Pennsylvania, including:
 - (a) reductions in greenhouse gases that contribute to climate change;
 - (b) reductions in air pollutants, which improve air quality statewide;
 - (c) increase public health benefits and reduce respiratory illness;
 - (d) efficient grid utilization, which will both avoid unnecessary distribution grid upgrades and sustaining reliability of the grid;
 - (e) create transportation cost savings for consumers by reducing their overall energy costs;
 - (f) enhance economic development through investment and job creation; and
 - (g) provide greater security of energy supplies through domestically produced electricity.
2. Electric utilities in Pennsylvania will play a critical role in transportation electrification through a variety of means including ensuring adequate distribution infrastructure is in place to serve the electric transportation load and offering rates to customers that provide price signals to optimize the electric grid. Experience in many states has demonstrated clearly that electricity consumers respond well to price signals, and alter behavior in ways beneficial to them as well as the overall grid.
3. Electric transportation charging load presents distinctive electric-grid opportunities because of its flexibility. At the same time, load growth in the transportation electrification sector has the potential to be significant. Accordingly, electric utilities in Pennsylvania should utilize rate design as a tool to manage the electric vehicle charging load growth along with other technology-based solutions.
4. In particular, it is the policy of the Commission that all jurisdictional electric distribution companies should propose specific tariff language to provide rate design options for electric vehicle charging for its residential, commercial and industrial customers, including the host sites (utility customers) who either operate or lease public charging stations.
5. The Commission requests that distribution companies file proposed EV-related tariffs no later than December 2023, either as part of a base rate case filing or as a separate tariff filing.

6. The EDC should develop rate designs for several use cases that strive to:
 - (a) Lower electricity rates for all utility customers including non-participants through efficient utilization of existing grid assets and increased incremental revenue
 - (b) Avoid unnecessary grid upgrades by encouraging customers to shift charging to off-peak hours;
 - (c) Encourage customer adoption of EVs by reducing charging costs and maximizing fuel-cost savings;
 - (d) Help create a viable business case for public charging infrastructure;
 - (e) Rely on industry best practices for coordination and communication with customers; and
 - (f) Create a streamlined and targeted data collection and reporting process among the that is not burdensome yet provides timely and relevant information to the Commission.

7. The electric distribution company EV tariff proposal filings should include, at a minimum:
 - (a) Time-differentiated tariff options for EV charging-only load designed to reduce peak demand; such EV-specific rate options should include transmission, distribution, and supply-related elements;
 - (b) Alternatives to traditional demand charges to address barriers that demand charges currently pose;
 - (c) EDCs should demonstrate that rate design proposals do not support unreasonable subsidies;
 - (d) A description of consumer-protection and equity considerations for low- to moderate-income customers;
 - (e) Customer education and outreach strategies and budgets for different use cases that clarify eligibility and promote effective enrollment to take advantage of EV-specific rates;
 - (f) A plan for electric distribution company reporting, filed with the Commission and made public at least annually, on customer enrollment and utilization of the EV-specific rates. Such reporting should be based on streamlined and targeted data collection and analysis that provides consistent data for reporting while protecting customer's privacy and commercial issues; and
 - (g) The EDC's should strive to coordinate with stakeholders, including relevant state agencies, prior to filings.