



March 3, 2023

- To:** The Bureau of Technical Utility Standards, Law Bureau and other Stakeholders of the Electric Vehicle Rate Design Working Group
- RE:** Petition to Initiate a Proceeding to Consider Issuance of a Policy Statement on Electric Utility Rate Design for Electric Vehicle Charging (Docket No. P-2022-3030743)

Informal Comments & Recommendations on Behalf of PPL Electric Utilities Corporation

On February 22, 2022, ChargeEVC-PA filed a Petition with the Pennsylvania Public Utility Commission (“Commission”), requesting the Commission initiate a proceeding that will result in the issuance of a Policy Statement on electric utility rate design for electric vehicle (“EV”) charging in Pennsylvania. Following stakeholder Answers to the petition, on November 10, 2022, the Commission issued an Order to the ChargeEVC-PA Petition that denied the Petitioner’s request for a formal Policy Statement proceeding and instead ordered the Commission’s Bureau of Technical Utility Services (“TUS”) to convene an informal working group to consider issues related to EV charging in Pennsylvania. The Commission charged the working group with filing recommendations to the docket no later than March 31, 2023, and ordered TUS and the Law Bureau to prepare an order considering ChargeEVC-PA’s request for a Policy Statement and the working group’s recommendation relative to EV rate design by June 1, 2023.

At both the January 25, 2023, and the February 16, 2023, working group meetings, stakeholders were invited to submit informal comments on two topics: 1) if the Commission should issue a Policy Statement on Electric Vehicle rate design, and 2) if the Commission were to issue a Policy Statement, what elements should the Commission focus on. PPL Electric Utilities Corporation (“PPL Electric” or “Company”) appreciates the opportunity to participate in the working group and provides the following comments and recommendations to TUS and the working group in response to the Commission’s requests.



COMMENTS & RECOMMENDATIONS

A. Development of an EV Rate Design Policy Statement by the Commission

PPL Electric supports the Commission in its efforts to develop an EV rate design policy statement as a means to provide guidance to Electric Distribution Companies (“EDC”) as they endeavor to develop EV rates. An EV rate design policy statement should specifically focus on providing helpful guidance to EDCs, not attempt to set rules, requirements, or time-based deadlines for which subsequent EV rates must be implemented. These types of mandates are outside the scope and capability of a policy statement. Vehicle electrification is a new and rapidly evolving topic. For this reason, PPL Electric recommends that the Commission’s EV rate design policy statement be designed to aid EDCs by providing a base framework and guidance for future EV rate design.

B. Recommendations for the key components of the Commission’s Policy Statement

Effective rate design requires clear and transparent goals and objectives that support and guide the creation of the rate. With respect to EV rate design, it is imperative that EDCs have access to customer and grid data to make informed decisions supporting the underlying design of the rate itself. This will allow EDCs to address cost causation principles and to clearly communicate the rate to customers. It is with these foundational concepts that PPL Electric provides the first recommendation – that the Commission clearly and transparently communicate the goals and objectives EDC’s should prioritize when developing an EV-only rate.

Before an EDC can begin developing an EV-only rate, the EDC must first have a clear set of goals and objectives for which to guide the development of and evaluate the results associated with a rate. EV adoption is in its infancy, and it remains uncertain as to what policy goals the Commission want to achieve in the EV space. Understanding the Commission’s goals through the issuance of a policy statement will allow EDCs to design EV rates more effectively.

The Company believes that the first Commission objective in adopting an EV policy statement should be to support an EDC’s foundational responsibility to provide safe and reliable service. It is important to understand the demands EV charging will place on the grid as more customers and other third-party stakeholders seek to interconnect EV chargers. The Commission should support the creation of EDC EV charger interconnection standards and protocols that support the transfer of data and information between EV chargers and the EDC. Having EV charger specific data will enable the utility to perform cost of service studies and create rates and incentives that best support the customer groups for which they are being designed.



Building upon the EV rate design goals and objectives, EDCs require detailed EV charger data to use when designing rates that effectively respond to the policy goals and customer needs. To address this need, PPL Electric recommends that the Commission Policy Statement include language that permits EDCs to gather data needed for analysis, including, but not limited to the number of chargers, details behind the type of chargers, and understanding of where the chargers are interconnected to the utility's system; what costs are associated with EV chargers; and, access to charger usage patterns. This information will directly inform the cost of service studies and rate design completed by EDCs when building an EV-only rate.

It is also important to consider the means for a utility to access this information and how it could be used for billing purposes. To this end, PPL Electric recommends the Policy Statement consider existing technology options, such as additional metering, but provide flexibility to enable EDCs to adapt to accommodate and leverage new or improved technology, gaining access to billing quality data beyond the currently available means.

Once a utility has this information described in above, it can, at its discretion, leverage current processes to propose EV-only rates that both respond to the policy goals but also consider the utility's customer demographic.

C. Concluding Remarks

As PPL Electric has expressed above, the core requirements needed to create an EV-only rate are to establish clear goals and objectives detailing what the intended focus of the rate is and to have access to relevant data and information to support the rate's design. Rate design itself is a practice completed by EDCs for nearly a century, with distribution rate cases used to vet the resulting design prior to implementation. EDCs do not currently require guidance on designing rates and incentive structures, or a new means to propose an EV-only rate, but instead could benefit from clear goals and objectives and customer EV charging data. To this end, the Commission's EV Policy Statement should explicitly support PPL Electric's recommendation to focus on the establishment of EV charger interconnection standards and communication protocols – thus supporting grid reliability and EV charger interconnection. Further, the Commission's EV Policy Statement should support EDC access to customer charger data. Finally, EDCs should be provided maximum flexibility when considering the rate designs and structures that best fits the goals and objectives of this program and the utility's customers.

PPL Electric appreciates the opportunity to provide comments and recommendations, and looks forward to its continued participation regarding this matter.