

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Duquesne Light Company :
For Approval of Default Service Plan :
for the Period June 1, 2021 Through : Docket No. P-2020-3019522
May 31, 2025 :
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: :
: :

ANSWER OF NATURAL RESOURCES DEFENSE COUNCIL TO
PETITION OF DUQUESNE LIGHT COMPANY

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DATE: June 5, 2020

1. Pursuant to 52 Pa. Code §5.61(e), Natural Resources Defense Council (“NRDC”) hereby submits this Answer to the Petition of Duquesne Light Company (“DLC” or “the Company”) for Approval of Default Service Plan for the period June 1, 2021 through May 31, 2025.

INTRODUCTION

2. Based on a preliminary review of DLC’s Plan, NRDC’s focus in this matter will be on the electric vehicle (“EV”) time-of-use (“TOU”) pilot program that DLC has proposed to “optimize existing grid and generation capacity by shifting EV charging to off-peak times,” thereby providing “environmental, economic, and operational benefits for customers and for the Company,”¹ The proposed EV-TOU will be offered to residential, small commercial and industrial customers (C&I), and medium C&I customers with demands less than 200 kW who own or lease an EV or who operate EV charging infrastructure at the service location. The EV-TOU rates would be voluntary and customers would be charged different supply rates for Peak, Shoulder, and Off-Peak time periods. For the purposes of this EV-TOU rate, the time periods would be: Peak—1 p.m.- 9 p.m.; Shoulder—6 a.m. – 1 p.m. and 9 p.m.- 11 p.m.; and Off-Peak—11 p.m.- 6 a.m. The EV-TOU Pilot Program is not available to C&I customers with over 200 kW demand, traditional hybrid vehicles², low-speed electric vehicles, and electric motorcycles or bicycles.³

3. NRDC has also identified, as issues of concern, including DLC’s proposals regarding rate design and cost recovery, the procurement of power from solar resources, and

¹ Duquesne Light Statement No. 5, Direct Testimony of Katherine M. Scholl, at 20.

² That is, a vehicle whose battery is recharged solely from the vehicles’ on-board generator

³ Duquesne Light Statement No. 5, Direct Testimony of Katherine M. Scholl, at 23

CAP shopping, and expects to identify additional issues after further review of the Company's Petition.

ANSWER

4. NRDC appreciates DLC's leadership in proposing EV-TOU rates, especially for C&I use cases, and supports many of the goals described in DLC's petition. However, it is our position that several areas should be modified to ensure all DLC customers realize the benefits of transportation electrification and downward pressure on rates.

a. Consider EV-only TOU rates in addition to whole-house TOU

DLC's proposal for the EV-TOU rates would serve as a "whole-premise" rate, which DLC suggests is the "simplest, most cost effective, and quickest way to encourage EV-TOU rate... enrollment." We encourage DLC to also consider an EV-only TOU rate, as recommended in "Driving Transportation Electrification Forward in Pennsylvania," a report by Synapse Energy Economics that NRDC commissioned in 2018.⁴ While EV-only TOU rates require a second meter, advanced metering technology ("AMI"), or a smart-charger, EV-only TOUs "limits the risk of having a larger bill due to TOU rates' not aligning with their non-EV base load," and therefore can provide significant benefits to customers.⁵ EV drivers with separate meters and EV-only TOU rates only consume 5 to 10 percent of their energy during on-peak time periods, compared to customers on whole-house TOU rates, who use about 15-20 percent of their energy during on-peak times.⁶

Further, DLC should ensure that the ratio of peak to off-peak price ratio is sufficient to motivate customers to shift their load and charging times. For example, San Diego Gas and Electric (SDG&E) found that a peak to off-peak ratio of 6:1 provided about 10% more off-peak charging than

⁴ <http://www.synapse-energy.com/sites/default/files/PA-EV-Rates-Report-18-021.pdf>

⁵ *Id.*

⁶ http://www.synapse-energy.com/sites/default/files/EVs-Not-Crashing-Grid-17-025_0.pdf

a ratio of 2:1.⁷ DLC should look to best practices from other jurisdictions when considering the appropriate and most successful price ratios, as well as the optimal time periods for off-peak, shoulder, and peak rates.

b. Provide clarifications for C&I rates

We are encouraged that DLC is considering C&I customers in their DSP, but we would appreciate clarification on the effect of a “whole-premise” TOU rate on C&I customers. In 2020, Synapse Energy Economics released best practices for commercial and industrial EV rates, which further highlights NRDC’s views on C&I rates.⁸

Ms. Scholl’s testimony describes how customers will enroll in the EV-TOU Pilot Program. However, it is unclear how owners of public or workplace charging stations would apply for this rate. NRDC requests clarification on the enrollment EV-TOU for these, and other unique, use cases.

c. It is unnecessary to pilot an EV-TOU rate program

A decade has passed since the California Public Utility Commission began encouraging utility investments to increase access to the use of electricity as a transportation fuel. The time for a pilot program has long passed, and DLC is encouraged to implement a full scale EV-TOU program for all of its applicable customers. However, we do support DLC’s collecting data from the implementation of EV-TOU rates to inform the design of EV-TOU programs in the future.

d. Consider Future EV Charging Use Loads

The Petition indicates that only C&I customers with loads of less than 200 kW are eligible for the EV-TOU. NRDC would like clarity on how this limitation would affect current EV charging

⁷ Nexant. 2014. “Final Evaluation of SDG&E Plug-in Electric Vehicle TOU Pricing and Technology Study.” Available at www.sdge.com/sites/default/files/documents/1681437983/SDGE%20EV%20%20Pricing%20&%20Tech%20Study.pdf

⁸ https://www.synapse-energy.com/sites/default/files/Best-Practices-Commercial-Industrial-EV-Rates_18-122.pdf

technology. For example, some new EV Direct Current Fast Charging (“DCFC”) stations, can provide up to 350 kW to a single electric vehicle. DLC should consider these use cases, further described in the Synapse C&I best practices report, when determine maximum load eligibility.

Ms. Scholl testimony states that “[c]ustomers must have a valid e-mail address to ensure that the Company can provide EV-TOU customers with regularly and timely communications regarding their savings performance.”⁹ We encourage DLC to not make e-mail access a requirement for enrollment, as some customers may not have access to an e-mail address or feel more comfortable with other forms of communication, such as through phone calls, texting, or bill inserts.

f. Provide adequate education and outreach to customers

Ms. Scholl’s testimony highlights that the Company will conduct education and outreach to inform customers of the EV-TOU Pilot Program through a variety of venues, which NRDC strongly supports. NRDC encourages DLC to continue to provide additional education and outreach on the benefits of transportation electrification to all customers, as they have for their EV Bill Credit and EV Rebate Program.¹⁰

CONCLUSION

5. NRDC supports the inclusion of an EV-TOU program in the Company’s default service plan and seeks to ensure that its design is just and reasonable and maximizes benefits to DLC’s customers at minimal cost. We reserve the right to address other issues in this matter following further review of the Company’s petition and the conduct of discovery.

⁹ Duquesne Light Statement No. 5, Direct Testimony of Katherine M. Scholl at 23.

¹⁰ <https://www.duquesnelight.com/energy-money-savings/electric-vehicles>

Respectfully submitted,

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VERIFICATION

I, Kathleen Harris, Clean Vehicles and Fuels Advocate for Natural Resources Defense Council, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

/s/ Kathleen Harris
Kathleen Harris

Date: June 5, 2020

CERTIFICATE OF SERVICE

Petition of Duquesne Light Company for :
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I hereby certify that this day I served a copy of NRDC’s Answer upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code § 1.54.

Via Electronic Mail

Richard A. Kanaskie, Esquire Bureau of Investigation & Enforcement Pennsylvania Public Utility Commission Commonwealth Keystone Building 400 North Street, 2nd Floor Harrisburg, PA 17120	Sharon E. Webb, Esquire Office of Small Business Advocate 555 Walnut Street 1st Floor, Forum Place Harrisburg, PA 17120
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Date: June 5, 2020

/s/ Mark C. Szybist
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