Lindsay Baxter Manager, Regulatory and Clean Energy Strategy <u>lbaxter@duqlight.com</u> (412) 393-6224



April 11, 2022

VIA ELECTRONIC FILING

Ms. Rosemary Chiavetta, Secretary Pennsylvania Public Utility Commission Commonwealth Keystone Building 2nd Floor, Room-N201 400 North Street Harrisburg, PA 17120

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

Dear Secretary Chiavetta:

Enclosed please find Duquesne Light Company's Response for filing in the above referenced proceeding.

If you have any questions regarding the information contained in this filing, please feel free to contact me.

Sincerely,

Lindsay A. Baxter

Manager, Regulatory and Clean Energy Strategy

Enclosure

Cc (w/ enc.):

Joseph Cardinale (jcardinale@pa.gov)

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

COMMENTS OF DUQUESNE LIGHT COMPANY

I. INTRODUCTION

On February 4, 2022, ChargEVC-PA filed a Petition with the Pennsylvania Public Utility Commission ("Commission" or "PUC"), asking the Commission to "initiate a proceeding that will result in issuance of a Policy Statement on electric utility rate design for electric vehicle ('EV') charging in Pennsylvania." Duquesne Light Company ("Duquesne Light" or "Company") filed a letter in lieu of answer on February 24, 2022, noting that further Commission guidance was expected, and reserving all rights in this proceeding, including the right to file a substantive response in the future. On February 25, 2022, the Commission issued a Secretarial Letter, seeking comments "preliminarily addressing whether to initiate such a proceeding and the parameters of the proceeding, if opened," to be filed within thirty (30) days of publication in the *Pennsylvania Bulletin*, with reply comments due forty-five (45) days following publication. The Secretarial Letter was published March 12, 2022, 52 Pa.B. 1564. Accordingly, Duquesne Light hereby submits these comments for consideration.

1

II. BACKGROUND

Duquesne Light is a public utility as the term is defined under Section 102 of the Public Utility Code, 66 Pa.C.S. § 102, and is certificated by the Commission to provide electric distribution service in portions of Allegheny and Beaver Counties in Pennsylvania. Duquesne Light provides electric service to approximately 605,000 customers in and around the City of Pittsburgh. As an electric distribution company ("EDC"), Duquesne Light is subject to this policy proceeding. The Company operates several programs for electric vehicle owners and operators, including an EV specific time-of-use default service supply rate pilot program, a portfolio of charging infrastructure programs, and a portfolio of customer education and technical assistance programs. The outcome of this proceeding may impact Duquesne Light's current and future rates and electric vehicle programs.

III. COMMENTS

Duquesne Light is generally supportive of the Commission initiating a policy proceeding regarding electric vehicle ("EV") rate design. The Company generally agrees with ChargEVC-PA that EV deployment can bring myriad benefits to Pennsylvanians, electric utilities can play an important role in facilitating EV adoption, and well-designed EV charging rates are one of the ways in which utilities can support the electrification of transportation. As noted above, the Company operates several transportation electrification programs, including time-of-use supply rate options for EV charging.

The Petition proposes that the Commission not prescribe specific rate designs through this proceeding:

There are a number of utility rate-design options available to address EV charging. It should be noted that it is not the Petitioners' intention to have the Commission direct a one-size-fits-all approach. Nor is it Petitioners'

intention to have the Commission dictate in this proceeding the specific rate designs that particular Pennsylvania EDCs should adopt. Rather, Petitioners urge the Commission, utilities and interested parties to evaluate a range of utility rate-design options for EV charging. And, while certain preferences may emerge from that evaluation, Petitioners suggest that the consideration of specific rate-design proposals should be left to individual EDC filings, in the context of general base rate cases, default-service cases, standalone rate-design tariff filings, or otherwise. Petitioners note that EDCs may also wish to first offer pilot EV rate-design programs before implementing more permanent tariff provisions. The Petitioners recognize that each EDC must design tariff provisions that reflect its and its customers' unique characteristics and circumstances. (Petition p. 12.)

Any result from an EV rate design proceeding should provide general guidance, ensuring flexibility for individual EDCs to propose and implement rates that are appropriate for their unique service territories and customers. Any evaluation of discrete rate design proposals should be reserved for utility-specific proceedings. A proceeding to explore EV charging rate design may help inform such future rate proposals and the stakeholders' and Commission's consideration thereof.

Further, Duquesne Light supports the narrow scope proposed in the Petition, which states, "that the proceeding be limited to considerations of electric utility rate design for EV charging," and that other issues that may be relevant to transportation electrification, such as other utility programs and policies on customer cost contribution, be excluded from this proceeding. (Petition p. 16.) The Company notes, however, that EV charging rates may impact other utility EV programs, and vice versa, such that EV charging rate proposals should not be considered in a vacuum. The Company anticipates that such impacts would be considered in utility-specific proceedings concerning discrete EV-related proposals.

Finally, the Company is amenable to the Petition's proposed notice-and-comment structure for this proceeding. However, the Company notes that, to the extent the Commission moves forward with a policy proceeding on this topic, there may be value to re-ordering the petitioner's proposed steps. For instance, an informal workshop(s) led by Commission staff may add more value earlier in the process to facilitate conversation that could ultimately inform comments filed in the proceeding. Similarly, while the Company believes that a Policy Statement on EV charging rate design may be an appropriate outcome of this proceeding, the Company believes that the structure and content of the Policy Statement (if any) should be informed by the discussion in this proceeding. It is premature to produce a draft statement at this early stage.

As directed by the Secretarial Letter, the Company does not here take a position on the substantive issues posed by the Petition, or the Petition's characterizations of rate design objectives, because the Company understands that these issues would be explored as part of ChargEVC-PA's proposed proceeding. For example, the Petition alleges various facts in support of its proposal, including regarding utility EV programs in other states, as well as EV trends, benefits, and obstacles, and suggests several potential objectives of EV charging rate design. Duquesne Light wishes to preserve the Company's right to engage these issues further should the Commission initiate an EV rate design policy proceeding or in any other future proceeding(s).

IV. CONCLUSION

Duquesne Light supports the proposed proceeding to explore electric utility rate design for

electric vehicle charging in Pennsylvania. The outcome of any such proceeding should be in the

form of guidance to regulated entities that enables them to propose rate designs that are appropriate

for their unique territory and customer base, rather than one-size-fits-all requirements. The

Company looks forward to engaging with the Commission and other stakeholders on this issue.

Respectfully submitted,

Lindsay A. Baxter

Manager, Regulatory and Clean Energy Strategy

Duquesne Light Company

411 Seventh Avenue, Mail Drop 15-7

Pittsburgh, PA 15219

lbaxter@duqlight.com

Tel. (412) 393-6224

Dated: April 11, 2022

5