

May 11, 2022

Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

P-2022-3030743

RE: Petition of ChargeEVC-PA – Docket 3030743: Reply Comments

Dear Secretary Chiavetta,

This letter contains the joint reply comments of ChargePoint, Electrify America, EVgo, and Tesla (“joint commenters”) in response to comments filed regarding the Petition to Initiate a Proceeding to Consider Issuance of a Policy Statement on Electric Utility Rate Design for Electric Vehicle Charging (“Petition”), submitted by ChargeEVC-PA.¹ These comments are filed pursuant to 66 Pa.C.S. § 501, 1301, 1330, 2807(f) and 1501, and 52 Pa. Code § 5.41.

The joint commenters urge the Commission to adopt a timeline for issuance of a Policy Statement that does not unnecessarily delay rate reforms required to advance electric vehicle (“EV”) adoption; pursue an EV rate design policy concurrently to Department of Environmental Protection’s (“DEP’s”) development of its EV electricity rate design report; note that investigating EV rate design by charging segment is supported by stakeholders beyond the joint commenters; and review all costs, not just supply costs, in EV rate design proceedings.

I. The Commission Should Adopt a Timeline for Issuance of a Policy Statement That Does Not Unnecessarily Delay Rate Reforms Required to Advance EV Adoption

Utility rate reform is a central part of a comprehensive EV ecosystem and critical to the long-term, economically-sustainable operation of charging infrastructure for EV. The Pennsylvania Public Utility Commission (“Commission”) must ensure that proceedings are focused with clearly defined objectives, timelines, and outcomes. Furthermore, recent amendments to the Public Utility Regulatory Policies Act (“PURPA”) direct utility regulators in every state to begin proceedings before November 2022 to consider affordable and equitable EV charging rates for all customer types, improve the customer experience, accelerate private investment, and appropriately recover marginal costs of delivering electricity for EV charging.²

¹ The joint commenters represent the largest EV charging companies in the United States and in Pennsylvania. According to the U.S. Department of Energy’s Alternative Fuels Data Center (“AFDC”), ChargePoint has deployed 1,041 publicly accessible Level 2 and DCFC ports in Pennsylvania. Electrify America operates over 80 ultra-fast (150 kW-350 kW) DC fast chargers across more than 20 DCFC stations in Pennsylvania. EVgo owns and operates 45 chargers in Pennsylvania, including 38 DC fast chargers and seven Level 2 chargers. Tesla currently operates 354 DC fast chargers across 44 sites in Pennsylvania.

² These amendments are found in Section 40431 of “Infrastructure Investment and Jobs Act,” also known as the Bipartisan Infrastructure Law. See Pub. L. No. 117-58, available at

While most commenters agreed that the Commission should review EV rate design in some capacity, several commenters suggested that the Commission hold, on a seemingly open-ended schedule, workshops, a full investigation, or both prior to issuing a draft Policy Statement on EV rate design.³ Delays arising out of an unstructured and open-ended workshop process will inhibit Commission consideration of EV rate design issues and inhibit private capital investment in public EV charging infrastructure in Pennsylvania. These delays will in turn likely limit consumer adoption of EVs and stymie the Commonwealth’s objectives regarding EV adoption. Notably, the Pennsylvania Electric Vehicle Roadmap and its 2021 update explicitly identifies implementation of rate structures that encourage electric vehicles as a key strategy to increase EV use in Pennsylvania.⁴ Furthermore, the PECO Electric Vehicle DCFC Pilot Rider discussed in the joint commenters’ initial comments expires June 30, 2024, so it becomes important to ensure a smooth transition to a longer-term, more comprehensive solution that implements lessons learned from and builds on the momentum of this initial pilot on the timeline prescribed by Congress in its amendment to PURPA.⁵

Direct Current Fast Charging (“DCFC”) stations often have lead times of well over a year between site selection and commissioning. The Commission’s actions today will have material implications on the infrastructure that is available by mid-decade. Rate design, particularly demand charges, remains a barrier to the deployment of much-needed public DCFC stations.

Given the unique characteristics of the DCFC segment, the joint commenters request that the Commission adopt a process for development of a Final Policy Statement for EV rate design that either preserves the original timeline proposed in the ChargeEVC-PA petition or makes adjustments to the timeline that avoid unreasonable delays and ensures the issuance of a Policy Statement by early 2023. Lastly, a Policy Statement is just that – directional guidance that will *enable* the electric utilities to make filings to address the EV rate design.

<https://www.congress.gov/117/plaws/publ58/PLAW-117publ58.pdf> (2021).

³ For instance, PECO took issue with ChargeEVC-PA’s proposed process and timeline arguing that “the accelerated schedule proposed by ChargeEVC-PA to produce a Policy Statement by December 31, 2022, is not necessary in light of these limited near-term grid impacts [for EV charging].”³ Instead, “PECO recommends that the Commission initiate a series of informal workshops to gather and analyze information about EV charging rate design developments, challenges and opportunities.” PECO Initial Comments, . 4. Similarly, Duquesne Light Company suggests that the next process step is formal workshops that should inform “the structure and content of the Policy Statement (if any)”. Duquesne Initial Comments, p. 4. OCA asserts that it would be premature for the Commission to proceed directly with issuing a Policy Statement relying on their that stated that “OCA believes that the Commission and all stakeholders would benefit significantly from a series of directed questions and then working groups and/or workshops that could be formed to address issues related to EV rate design prior to the Commission issuing a proposed Policy Statement. OCA Answer, p. 6 (February 24, 2022).

⁴ Pennsylvania Electric Vehicle Roadmap: 2021 Update, p.9, available at <https://files.dep.state.pa.us/Energy/OfficeofPollutionPrevention/StateEnergyProgram/PAElectricVehRoadmapBookletDEP5334.pdf>.

⁵ Joint Commenters Initial Comments, p.3 (April 11, 2022).

II. The Commission Should Pursue EV Rate Design Policy Concurrently to DEP’s Development of its EV Electricity Rate Design Report

In their initial comments, the Pennsylvania DEP and Pennsylvania Department of Transportation (“PennDOT”) noted that Pennsylvania’s efforts to support the growing market of EVs could be bolstered by strategic rate design, and that it would support the Commission’s issuance of a Policy Statement to initiate a proceeding through ongoing initiatives including the forthcoming EV Electricity Rate Design Report.⁶ As a threshold matter, the joint commenters commend the DEP for its efforts to advance rate design policy in the state and look forward to contributing to this effort as stakeholders.

Notably, DEP and PennDOT’s comments state that “the DEP expects the Rate Design Report to be complete in the fourth quarter of 2022 or first quarter of 2023.”⁷ They also note that “the Report could provide a firm foundation for further activities to support EV rate design activities by the PUC, or could include information gained from the PUC’s proceeding, if pursued concurrently.”⁸ We appreciate DEP’s deference to its sibling agency on how to incorporate its report into the Commission’s development of an EV Rate Design policy.

This report will prove valuable to the Commission and stakeholders in assessing rate designs for EV charging by segment, but it should not be viewed as a gating factor for the timeline of a proceeding. For the reasons stated above, we seek to ensure that the proceeding continues and that the findings of the DEP Rate Design report are made available to stakeholders as soon as practical.

III. Investigating EV Rate Design Issues by Charging Segment is Supported by Other Stakeholders

The Office of Consumer Advocate (“OCA”) recognized that different charging segments require different EV Rate Design structures. OCA comments state that, “EV charging tariffs should distinguish between: (1) residential charging at the home, (2) public charging stations owned by third parties, and (3) charging by commercial and industrial customers for fleet vehicles and trucks, buses, etc. These distinctions should result in different rate designs in terms of complexity and incentives.”⁹ OCA went on to recommend the Commission consider mandatory Time of Use (“TOU”) rates for “commercial and public charging stations” as well as price signals “to avoid charging during peak usage hours.”¹⁰

The OCA and joint commenters appear to be in agreement that public charging stations have specific rate design needs and considerations that are distinct from other segments such as residential and commercial fleets.¹¹ OCA’s request for specific pilot rate designs is premature at this time as the Commission has yet to issue any Policy Statement on rate designs nor has there

⁶ DEP/DOT Initial Comments, p.2 (April 11, 2022).

⁷ Id.

⁸ Id.

⁹ Office of the Consumer Advocate Initial Comments, p.4 (April 11, 2022).

¹⁰ Id., p.4-5.

¹¹ Joint Commenters Initial Comments, p.2 (April 11, 2022).

been any evidentiary record developed to support new pilot rate designs. The joint commenters look forward to the opportunity to engage with the OCA to discuss rate design issues, costs, and benefits to all consumers as well as ways to spur EV adoption and public DCFC charging.

IV. EV Rate Design Proceedings Must Review All Costs, Not Just Supply

The EGS Coalition requested that the Commission reject ChargeEVC-PA's Petition, and if it elects to initiate the proposed proceeding, the Commission should rely on electric generation suppliers ("EGSs") in the competitive electric market to develop a wide array of TOU rate options or other pricing structures, along with the necessary consumer education, to promote EV adoption in Pennsylvania.¹² This approach would be flawed and result in a partial and incomplete solution in that all EV charging segments must also pay distribution charges, and rate designs for EV charging must be viewed on a holistic basis, inclusive of all components such as distribution, transmission, and supply. Additionally, if EV rates are provided through EGSs instead of through utilities, customers who do not utilize an EGS would not have access to these EV rates. Regulators in more than thirty states have implemented or launched successful rate design solutions, and we recommend leveraging those experiences and lessons learned as a starting point.

V. Summary

The joint commenters reiterate the request from our initial comments that the Commission commence a proceeding that includes an informal stakeholder process to assist with scoping prior to opening a formal proceeding; include separate tracks for distinct EV charging segments; carefully consider the particulars regarding the DCFC use case; and consider rate design alternatives to demand charges for DCFC rates.

We also request that the Commission convene a proceeding with clearly defined objectives, timelines conforming to PURPA's requirements, and outcomes that leverages the concurrent work of DEP and PennDOT; note the support for studying EV rate design by charging segment and review cost elements of EV rates beyond supply. We look forward to engagement with other stakeholders to help Pennsylvania realize the objectives for EV adoption set forth in the EV Roadmap.

The joint commenters appreciate the opportunity to submit this letter. We would be happy to discuss this matter further and answer any questions the Commission may have.

¹² NRG Energy, Inc., Interstate Gas Supply, Inc. d/b/a IGS Energy and Vistra Corp. Initial Comments, p. 1 (April 11, 2022).

Sincerely,

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