

January 23, 2024

VIA ELECTRONIC FILING

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

Re: Proposed Policy Statement Order — Electric Utility Rate Design for Electric Vehicle Charging; Docket No. M-2023-3040755

Dear Secretary Chiavetta:

Pursuant to the Pennsylvania Public Utility Commission's ("Commission") Proposed Policy Statement Order adopted by the Commission on December 23, 2023, enclosed herewith for filing are the *Comments of FirstEnergy Pennsylvania Electric Company*.

Please contact me if you have any questions regarding this matter.

Very truly yours,



Daniel A. Garcia

DAG/mlr

Enclosures

c: As Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Proposed Policy Statement Order — :
Electric Utility Rate Design for Electric :
Vehicle Charging : **Docket No. M-2023-3040755**
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REPLY COMMENTS OF FIRST ENERGY PENNSYLVANIA ELECTRIC COMPANY

I. INTRODUCTION

On February 4, 2022, ChargeVC-PA filed a Petition under 66 Pa.C.S. §§ 510, 1301, 1330, 1501 and 2807(f), and 52 Pa. Code § 5.41, requesting the Commission initiate a proceeding that would result in the issuance of a Policy Statement on electric utility rate design for electric vehicle (“EV”) charging in Pennsylvania.

The Commission received comments regarding ChargeVC-PA’s Petition from Association of Energy Engineers (“AEE”); Alliance for Transportation Electrification (“ATE”); CAUSE-PA; ChargePoint, Electrify America, EVgo, and Tesla (collectively, “ChargePoint, et al.”); Citizens’ Electric Company of Lewisburg, PA, and Wellsboro Electric Company (collectively, “Citizens’ Electric”); Pennsylvania Department of Environmental Protection (“DEP”) and Pennsylvania Department of Transportation (“PennDOT”); Duquesne Light Company (“Duquesne Light”); Electrification Coalition; Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company¹; NRDC and Sierra Club; NRG Energy, Inc., Interstate Gas Supply, Inc. d/b/a IGS Energy and Vistra Corp (collectively “EGS Coalition”); the Office of Consumer Advocate (“OCA”); PECO Energy Company (“PECO”); UGI Utilities, Inc. – Electric Division (“UGI Electric”); and PPL Electric Utilities Corporation (“PPL

¹ On January 1, 2024, FirstEnergy's Pennsylvania operating companies (i.e., Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company) merged into FirstEnergy Pennsylvania Electric Company (“FE PA”). Comments filed prior to January 1, 2024 were filed jointly by each of the prior companies.

Electric”). The Commission also received reply comments from ChargeEVC-PA, ChargePoint, et al., and CAUSE-PA.

The Commission entered an Order on December 1, 2022, directing the Bureau of Technical Utility Services (“TUS”) to convene an EV-charging rate design working group (“Working Group”) of interested parties to discuss EV rate design and to file the recommendations of the Working Group no later than March 31, 2023. The Commission further ordered that TUS, in conjunction with the Law Bureau, prepare an order considering ChargeEVC-PA’s request for a Policy Statement and the Working Group’s recommendations relative to EV rate design by June 1, 2023.

The Commission received informal comments from twenty-three informal Working Group participants: ATE; Advanced Energy United; CAUSE-PA; ChargeEVC-PA; Electrify America; FE PA; Duquesne Light; OCA; PECO; joint comments by Pennsylvania Petroleum Association, GetGo Cafe + Market / Giant Eagle, Inc., Glassmere Fuel Service, Onvo, Sheetz, Inc., Wawa, Inc.; Pennsylvania Energy Consumer Alliance, Met-Ed Industrial Users Group, Penelec Industrial Customer Alliance, Philadelphia Area Industrial Energy Users Group, and PP&L Industrial Customer Alliance, West Penn Power Industrial Intervenors (collectively, Large Customer Groups); PPL Electric; UGI Electric; Joint comments by ChargePoint, et al.; WeaveGrid; the Natural Resources Defense Council, PennDOT, and CALSTART.

The informal Working Group filed its recommendations on March 30, 2023. The Working Group recommended:

1. That the Commission proceed with drafting a proposed Policy Statement concerning EV-charging rate design.
2. That the proposed Policy Statement consider the topics contained in the informally filed comments.

3. That Commission staff utilize the informal working group, as necessary, when drafting the proposed Policy Statement for Commission review.

On May 18, 2023, the Commission entered an Order, at Docket No. P-2022-3030743, agreeing with the Working Group's recommendation and approving ChargeEVC-PA's petition to initiate a proceeding that will result in the issuance of a Policy Statement on electric utility rate design for EV charging in Pennsylvania.

The proposed EV charging policy statement was published in the Pennsylvania Bulletin on December 23, 2023 at 53 Pa.B. 7935.

II. COMMENTS

FE PA (or "the Company") appreciates the opportunity to provide comments to the Commission's Proposed Policy Statement on Electric Utility Rate Design for Electric Vehicle Charging. While FE PA is generally supportive of the Commission's Policy Statement, the Company would like to address certain proposed modifications to the language in Annex A. The Company supports the efforts to expand EV adoption in the Commonwealth and believes that rate design will continue to evolve as the market and technology continue to develop. FE PA also recognizes that EV charging could have an impact on peak demand and that rate design could be a tool to incentivize charging throughout the day and night to mitigate demand spikes. FE PA would like to further encourage the Commission to recognize that each EDC service territory has its own unique demographics, EV adoption rates, and load characteristics. As such, EV specific rate design may be different for each EDC with respect to both timing and need. With that in mind, FE PA proposes the following modifications which removes some of the "prescriptive" language from Annex A and respectfully recommends replacing that language with more general statements allowing flexibility for the complexities mentioned above.

FE PA first suggests minor language changes in the proposed definition in Section 69.3551 in the sentence containing:

“that properly signal to electric-vehicle charging customers to incentivize increased capacity utilization”

to:

“that properly signal electric-vehicle charging customers and incentivize their usage patterns for more efficient capacity utilization”.

Next, FE PA recommends modifications to the sentence found in Section 69.3552, Electric Vehicle Charging Tariffs, that reads:

“These distribution and default service generation electric-vehicle charging tariffed rates should reflect the actual costs of providing charging infrastructure and services, including the cost of electricity, maintenance, and administrative expenses in a manner that avoids unreasonable cross-subsidization between customers”

Modify to:

“These distribution and default service generation electric-vehicle charging tariffed rates should reflect all actual costs of providing charging infrastructure and services, in a manner that avoids unreasonable cross-subsidization”

The change to “all” actual costs without the “including” list is to allow for future changes that could occur expanding or altering the utilities’ role in ownership of charging stations.

Further, FE PA recommends modifying the first two sentences in Section 69.3553 which read:

“To promote efficient use of electric-vehicle charging infrastructure and to manage electric grid demand, public utilities should consider variable rates for electric-vehicle customers based on the time of day and the level of demand on the electric grid. This means that electric-vehicle charging rates should be higher during peak demand hours and lower during off-peak hours.”

FE PA does not advise the creation of a second peak at a specific time of day based upon rate changes. Therefore, FE PA proposes the following language change to allow for more flexibility of charging times:

“To promote efficient use of electric-vehicle charging infrastructure and to manage electric grid demand, public utilities should consider creating rates for electric-vehicle customers that encourage consideration of load factors and charging time adjustments to accommodate system needs.”

Similarly, in Section 69.3553, FE PA recommends removal of the last sentence in paragraph two since the prior sentence adequately describes the intent, and the last sentence adds an unnecessary level of detail. Therefore, the Company recommends the following change:

“We also recommend that electric distribution companies develop electric-vehicle charging default service generation rates that, at a minimum, properly reflect the cost of generation services during times of system requirements. ~~These default service generation rates may include use of time-of-use rates that use on and off peak periods which appropriately incentivize the movement of charging consumption to off-peak periods or periods of less system stress.~~”

Finally, in Section 69.3554, FE PA recommends the removal of two sentences for the same reason as mentioned above. Removal of the following sentences does not impact the focus on rate fairness and equity:

“The Commission recommends that electric-vehicle charging distribution and default service generation rates be designed to promote fairness and equity. ~~As such, the distribution and default service generation electric-vehicle charging rates should not discriminate against certain types of electric vehicles or drivers, and should not create undue financial burdens for low income customers or disadvantaged communities. The Commission recommends that electric distribution companies consider impacts on low-~~

income customers due to the design of their distribution and default service generation electric-vehicle charging rates. ~~Electric distribution companies may need to consider customer-specific and electric distribution company region-specific rates to best serve the needs of their communities.~~ It is important that electric distribution companies prioritize customer education to encourage efficient and effective use of electric-vehicle charging infrastructure and proper knowledge of available distribution and default service generation rates.

III. CONCLUSION

FirstEnergy Pennsylvania Electric Company appreciates being given this opportunity to address the proposed policy statement on Electric Utility Rate Design for Electric Vehicle Charging. For the reasons stated herein, FirstEnergy Pennsylvania Electric Company respectfully requests that the Commission consider these comments.

Respectfully submitted,

Dated: January 23, 2024



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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Proposed Policy Statement Order :
Utilization of Storage Resources as : **Docket No. M-2023-3040755**
Electric Distribution Assets :
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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing document upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Service by electronic mail, as follows:

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Dated: January 22, 2024



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