

February 21, 2024

Via Electronic Filing

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

RE: Electric Utility Rate Design for Electric Vehicle Charging, Docket No. M-2023-3040755

Dear Ms. Chiavetta:

Electrify America, EVgo Services LLC (“EVgo”), Tesla Inc. (“Tesla”) and ChargePoint Inc. (“ChargePoint”) (collectively the “Electric Vehicle Service Providers” or “EVSPs”) appreciate the opportunity to submit these joint reply comments on the Pennsylvania Public Utility Commission’s (“Commission”) proposed policy statement (“Proposed Policy Statement”) on electric vehicle (“EV”) charging rate design entered on November 15, 2023. The EVSPs’ initial comments filed on January 22, 2024 recognized the Commission’s Proposed Policy Statement as a positive first step. Their initial comments also recommended that the Commission adopt improvements to the Proposed Policy Statement to enhance the statement’s positive impact on the public direct current fast charging (“DCFC”) segment. The EVSPs now submit this limited reply comment to respond to the initial comments of several stakeholders. In this reply, the EVSPs encourage the Commission to consider alternative rate structures beyond time-of-use rates, and the need to establish predictable and stable rate designs that help spur third-party investment in public DCFC stations. The EVSPs also note the importance of maintaining a competitive atmosphere in the public DCFC charging space.

A. Consideration of EV Charging Rate Options Other Than Time-Of-Use Rates

The initial comments of Duquesne Light Company (“Duquesne”) recognize that various innovative rate designs are appropriate to support EV charging and the equitable distribution of costs. Therefore, Duquesne recommends that the Commission consider expanding the Proposed Policy Statement’s language to more broadly consider alternative rate designs, rather than placing emphasis solely on time-varying rates.¹ Although the EVSP’s largely support the Proposed Policy Statement, the EVSPs agree with this recommendation because there is no one-size-fits-all alternative to traditional demand-based rates. Table 1 highlights the various EV charging rate design options for public DCFC stations. Further, it is important to assess the ease of implementation for various rate designs, as some may be more readily implemented than others that may have more extended lead times.

¹ Duquesne Initial Comments, Docket No. M-2023-3040755, p. 3-4 (Jan. 22, 2024).

Table 1: Summary of Selected Alternative Rate Designs

Rate Design	Description
Fully Volumetric Rate	The revenue requirement for a rate class is recovered through volumetric charges. (e.g., Southern California Edison’s TOU-8 tariff, DTE Energy’s GS-3 tariff, Rocky Mountain Power Utah’s Schedule 6A tariff, and the Tennessee Valley Authority’s Electric Vehicle Charging (EVC) rates.
Low Load Factor Rate Variants*	A variation on a rate schedule for low load factor customers (typically < 25%) where demand charges are reduced and usage charges are increased relative to the parent rate. (e.g., NY EV Phase-In Rates, Eversource CT EVSE rates, and Avangrid CT rate GST-EV)
Demand Limiters	A rate feature where demand charges are limited for low load factor accounts based on a minimum monthly hours of use. (e.g., Xcel Energy Minnesota’s General Service A-14 tariff, Eversource Kansas Business EV Charging Service, and Arizona Public Service Rate Rider for DCFC)
Unit Cost Limiters	A calculation method where charges are based on the published tariff, but not to exceed a pre-defined unit cost threshold. (e.g., Dayton Power & Light Tariff D19)
Reduced Demand Charges	Demand charges are reduced to only recover local customer specific facilities-related costs (e.g., transformers), while shared distribution and generation and transmission charges are recovered volumetrically. (e.g., Xcel Energy Colorado, Rate S-EV)
Hours of Use Tiered Charges	A rate structure where usage is grouped into tiers based on the load factor. Low load factor accounts would have usage priced in higher cost tiers with a low or no demand charge. (e.g., Georgia Power Rate PLM w/ Rider CIEV)

For example, some EV charging rate design constructs, such as time of use rates, may require changes to the utilities’ billing systems that require multiple months to implement. This is the case in New York, where the utilities have stated that it would take a year or more to implement phased in time-of-use rate.² In contrast, a demand limiter option could be readily adopted as part of the existing rate class structure without requiring significant billing systems. PECO’s DCFC Pilot Rider (EV-FC) is an example of a rate with a demand limiter that may be more easily implemented.³ In sum, the Commission should accept a broad range of alternative rate designs, allowing the utilities to consider the feasibility of rate implementation in putting forward rate proposals.

B. Predictability and Stability in EV Rate Design for Public DCFC Charging

In its comments, the Sierra Club states that it supports the Commission’s recommendation that “electric vehicle charging distribution and default service generation rates should be flexible and adaptable to changing circumstances and technologies,” and its directive that EV rate structures “should be periodically reviewed and adjusted . . . to ensure that they remain fair, cost-effective and efficient.”⁴ In their initial comments, the EVSPs have underscored the importance of adopting a rate design to address demand charges for public DCFC stations and therefore incentivize private investment within Pennsylvania. One key principle emphasized by the EVSPs was the importance of rates having a prolonged duration, such as 10 years,⁵ to provide certainty to the market, since third

² On, July 18, 2023, Niagara Mohawk Power Corporation d/b/a/ National Grid, Consolidated Edison Company of New York, Orange or Rockland Utilities, Inc. and Central Hudson Gas and Electric Corporation each filed EV Phase-In Rate Compliance Filings in Docket No. 23-E-0236 that stated that that it would take these utilities a minimum of one year after the New York Public Service Commission issues its order approving the EV Phase-In Rates and related tariffs to implement those rates.

³ The EVSPs Initial Comments noted limitations with the existing PECO demand limiter. See EVSP Initial Comments, Docket No. M-2023-3040755, p. 6 (Jan. 22, 2024).

⁴ Sierra Club, Initial Comments, Docket No. M-2023-3040755, p. 2 (Jan. 22, 2024) (“EVSP Initial Comments”) citing the Commission’s Proposed EV Rate Design Statement § 69.3553(b).

⁵ See EVSP Initial Comments, p. 8. Several other utilities have implemented long-duration rates for EV charging, for example, Ameren in Illinois, Arizona Public Service, and Eversource and National Grid in Massachusetts.

parties who are seeking to invest in public DCFC stations within Pennsylvania require a high level of stability and predictability. This is particularly true for DCFC, which typically are low load factor as compared to other commercial customers. Therefore, while the EVSPs are not opposed to periodic reviews of rates, we recommend the Commission balance the desire to review and update rates for public DCFC stations with the need to ensure that the EV rates are designed in a manner that will drive private investment in public DCFC stations.

C. The Commission Should Balance Utility Activities and Private Market Activities and Ensure that Utility Programs do Not Distort the Competitive Market

In its initial comments, the Charge Ahead Partnership recommends that the Commission establish a requirement for electric utilities that choose to own EV charging stations to do so through a separate, unregulated entity that cannot be cross subsidized with their regulated business. It noted that this approach would mitigate the inherent anti-competitive risks associated with regulated utilities participating in private markets.⁶ The EVSPs agree that the Commission should seek to balance utility activities and private market activities and ensure that utility investments do not negatively impact the competitive market for EV charging. Supporting a fair and open competitive market will encourage private investment in EV charging infrastructure in the state. However, the EVSPs do support authorizing utilities to install and own make-ready infrastructure on both sides of the customer meter, which significantly reduces the upfront cost of installing EV chargers and, as a result, is a very effective way for utilities to encourage EV charger deployment by competitive market participants.⁷

⁶ Charge Ahead Partnership Initial Comments, Docket No. M-2023-3040755, p. 2 (Jan. 22, 2024).

⁷ Many utilities across the country are implementing make-ready programs, such as American Electric Power in Ohio, DTE Energy in Michigan, Public Service Company of Colorado, Commonwealth Edison Company in Illinois, Public Service Enterprise Group and Jersey Central Power and Light Company in New Jersey, and the investor-owned utilities in New York, among others.

For these reasons, the EVSPs respectfully request that the Commission adopt the proposed amendments within its initial comments and recommendations made within this reply comment.

Respectfully submitted,

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