

PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HARRISBURG, PENNSYLVANIA 17120

Third Party Electric Vehicle Charging -  
Resale/Redistribution of Utility Service  
Tariff Provisions

Public Meeting held May 18, 2017  
Agenda No. 2604382-CMR  
Docket No.

**MOTION OF CHAIRMAN GLADYS M. BROWN**

Pennsylvania's electricity industry has experienced a considerable transformation over the past decade. Technologies and marketplaces such as light-emitting diodes, demand response, combined cycle natural gas combustion turbines, and rooftop solar have developed markedly. The Commonwealth is poised to experience similar developments in the electric vehicle arena. According to the United States Department of Energy's Clean Cities initiative, Pennsylvania has 723 electric vehicle charging stations. The total number of registered electric vehicles in Pennsylvania, as reported by the Pennsylvania Department of Transportation, has increased from 1,653 in 2013 to 2,773 in 2015. Preliminary information for 2016 shows this total figure at approximately 3,600. As well, review of secondary indicators such as orders for new electric vehicles suggests increased demand throughout the United States.

I believe this emergent market can benefit from review of electric distribution companies' (EDCs) existing resale/redistribution tariff provisions. These provisions may establish limitations or requirements on third-party electric vehicle charging station business models. To the extent permitted, 66 Pa. C.S. § 1313 provides limitations on resale/redistribution tariff design, stating:

*Whenever any person, corporation or other entity, not a public utility, electric cooperative corporation, municipality authority or municipal corporation, purchases service from a public utility and resells it to consumers, the bill rendered by the reseller to any residential consumer shall not exceed the amount which the public utility would bill its own residential consumers for the same quantity of service under the residential rate of its tariff then currently in effect.*

Resale/redistribution tariff provisions differ among the Commonwealth's EDCs. The four FirstEnergy EDCs' tariffs do not include any provisions.<sup>1</sup> PPL Electric Utilities Corporation (PPL) and UGI Utilities, Inc.'s (UGI) tariffs state that utility service shall not be submetered and resold except under limited circumstances.<sup>2</sup> In these circumstances, PPL and UGI's tariffs require that rates be charged consistent with § 1313. Lastly, PECO Energy Company's (PECO) tariff permits resale so long as it is done in a fashion consistent with § 1313.<sup>3</sup> None of these EDCs' tariffs include provisions that explicitly detail any restrictions or permissions as to resale/redistribution of third-party electric vehicle charging. Therefore, this is left up to a matter

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<sup>1</sup> The four FirstEnergy EDCs are Pennsylvania Power Company, Metropolitan Edison Company, Pennsylvania Electric Company, and West Penn Power Company.

<sup>2</sup> See PPL Tariff Rule 5F and UGI Tariff Rule 9-a.

<sup>3</sup> See PECO Tariff Rule 13.1.

of interpretation of the statute at § 1313 and these EDCs' general resale/redistribution provisions, to the extent they exist.

Duquesne Light Company (Duquesne) prohibits resale/redistribution of utility service except under certain circumstances.<sup>4</sup> However, unlike the other EDCs, Duquesne's tariff includes a specific provision for electric vehicle charging. Rule 18.1 of Duquesne's tariff states that third-party owned electric vehicle charging stations shall not be considered redistribution, therefore clearly indicating that third-party electric vehicle charging is not restricted under the utility's redistribution tariff provisions. Additionally, Rule 18.1 mandates that third-party charging station owners shall notify the utility 120 days in advance of the planned installation.

In Duquesne's tariff supplement filing seeking to add Rule 18.1 it stated, *inter alia*, that the rule defines certain requirements with regard to third-party owned electric vehicle charging stations and provides additional clarity for third parties investing in electric vehicle charging infrastructure. Further, Duquesne submitted that its redistribution tariff provisions were established to protect residential customers from being charged electric rates in excess of those in the Company's Tariff. For example, in a multi-unit building with a single meter, a landlord could have potentially charged tenants more for electricity than they actually used. Duquesne averred that these tariff provisions were not intended to prohibit an electric vehicle charging facility that is owned and operated by the Company's customer from providing a service to third parties. Concurring with these reasons, the Commission approved the tariff supplement.<sup>5</sup>

It is well established that each EDC must design a unique tariff with rules and provisions that appropriately reflect its relevant characteristics and circumstances. Nonetheless, it may be beneficial to provide more clarity within each tariff to establish exactly what restrictions, if any, each utility specifically has on resale/redistribution by third-party electric vehicle charging stations. As well, uniformity of such tariff designs may be worth consideration to establish regulatory consistency across the state. Such consistency can foster increased investment in this maturing industry. Further, it would be prudent for this Commission to consider tariff provisions which do not restrict dynamic pricing by third-party electric vehicle charging stations.

To that end, and in effort to inform the Commission, I find it appropriate to issue a Secretarial Letter seeking comments on the following:

- What restrictions, if any, each EDC's existing tariff establishes on the resale/redistribution of utility service for third-party electric vehicle charging.
- The benefits and detriments of specific tariff provisions permitting unrestricted resale/redistribution of utility service when done for the purpose of third-party electric vehicle charging.

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<sup>4</sup> See Duquesne Tariff Rule 18.

<sup>5</sup> Order entered October 2, 2014 at Docket No. R-2014-2430058

- The appropriateness, or lack thereof, of encouraging EDCs across the state to move toward a tariff design, such as Duquesne's, which includes provisions for third-party electric vehicle charging resale/redistribution.
- What other resale/redistribution tariff provision designs may aid in establishing clear rules for third-party electric vehicle charging stations.
- What other regulatory options may aid in establishing clear resale/redistribution rules for third-party electric vehicle charging stations.

**THEREFORE, I MOVE THAT:**

1. The Law Bureau and the Bureau of Technical Utility Services prepare a Secretarial Letter consistent with this Motion.
2. That the Secretarial Letter be served on each of the Electric Distribution Companies, the Office of Consumer Advocate, the Office of the Small Business Advocate, the Pennsylvania Public Utility Commission's Bureau of Investigation and Enforcement, the Energy Association of Pennsylvania, the Office of Attorney General's Bureau of Consumer Protection, and the Department of Environmental Protection's Office of Policy.
3. Comments shall be due within forty-five (45) days following publication of the Secretarial Letter in the *Pennsylvania Bulletin*.

May 18, 2017

Date

  
Gladys M. Brown, Chairman