



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET
HARRISBURG, PENNSYLVANIA 17120

IN REPLY PLEASE
REFER TO OUR FILE

December 21, 2022

P-2022-3030743

Re: Electric Vehicle Charging Rate Design Working Group

To all interested parties:

With this Secretarial Letter, the Commission's Bureau of Technical Utility Services establishes and convenes an Electric Vehicle (EV) Charging Rate Design Working Group and invites interested parties to provide written comments on the issues presented in the December 1, 2022 Order, the Statement of Commissioner Ralph V. Yanora¹ and the Statement of Commissioner Kathryn L. Zerfuss² at this docket. Additionally, in order to facilitate this discussion, the Bureau of Technical Utility Services has scheduled a meeting of the EV Charging Rate Design Working Group on January 25, 2023, from 9 a.m. to 11 a.m. This meeting will be conducted in person and virtually and a draft agenda is attached³.

On February 4, 2022, ChargeVC-PA⁴ filed a Petition requesting that the Commission initiate a proceeding that will result in issuance of a Policy Statement on electric utility rate design for EV charging. ChargeVC-PA noted that by 2030, EV sales in the United States are expected to be 25-30% of total vehicle sales and reach 45-50% by 2035. ChargeVC-PA contends this growth of EVs potentially presents the most significant load-growth challenge for electric utilities in decades. Expounding further that if customers do not receive price signals through rates or other encouragement to charge during off peak periods, this growth could drive significant increases to system investments, and thus increased rates for all customers. Conversely, the increase in consumption posed by EV charging has the potential to reduce system costs and rates for all customers if infrastructure investments are managed effectively in conjunction with increased electricity consumption. As ChargeVC- PA posits, rate design has the capacity to shift this new EV load into off-peak hours when system load is lower, which likely will reduce future system costs as well as energy costs.

¹ Attachment A

² Attachment B

³ Attachment C

⁴ ChargeVC-PA is a coalition formed to serve as a resource for research and information on, and as an advocate for, advanced EV adoption and market development in Pennsylvania. ChargeVC-PA consists of the following members: Electrification Coalition, Greenlots, Keystone Energy Alliance, Natural Resources Defense Council (NRDC), Plug In America, Sierra Club and Adams Electric Cooperative.

On February 25, 2022, the Commission issued a Secretarial Letter requesting comments addressing whether the PUC should initiate an EV charging rate design policy statement proceeding. The vast majority of the Comments received were supportive of the Commission's consideration of electric vehicle rate design. A common thread found in the Comments is support for the establishment of an informal process to first explore the issues surrounding EV charging rate design. In particular, the Commission received Comments from the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania, ChargePoint, *et al.*,⁵ Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company, Duquesne Light Company, the Office of Consumer Advocate, PECO Energy Company, and PPL Electric Utilities Corporation advocating for the initiation of an informal process to further inform the Commission of the issues regarding EV charging rate design. Notably, ChargeVC-PA replied that it concurs with the recommendation that the Commission commence an informal working group prior to initiating any formal policy statement proceeding. ChargeVC-PA Reply Comments at 5.

Pennsylvania's Department of Environmental Protection and Department of Transportation have led efforts to support current and future deployment of EV charging and ownership in the Commonwealth, including implementing various federal directives and policies. The Commission, as the economic regulator of 11 electric distribution companies (EDCs) in the Commonwealth serving over 5 million accounts, is charged by the Infrastructure Investment and Jobs Act with considering EDC rate design for EVs. While the exact timing and significance of the EV load growth impact on EDCs cannot be known with precision, numerous indicators, as detailed above, point to significant increases in EV utilization in the near-term and long-term. To that end, and to ensure the Commission maintains a nimble posture ahead of this electrification transition, it is imperative that it research and consider rate designs that advance effective management of energy and infrastructure costs.

As such, the Commission Ordered that within thirty (30) days of issuance of its December 1, 2022 Order, that the Bureau of Technical Utility Services convene an electric vehicle charging rate design working group of interested parties to discuss electric vehicle rate design. The Commission further ordered that the recommendations of the working group be filed at this docket no later than March 31, 2023.

⁵ ChargePoint, Electrify America, EVgo, and Tesla (collectively ChargePoint, et al.)

The contact persons for this informal proceeding are Joseph Sherrick, Supervisor, Bureau of Technical Utility Services, josherick@pa.gov; Joseph P. Cardinale, Jr., Assistant Counsel, jcardinale@pa.gov, and Tiffany L. Tran, Assistant Counsel, tiftran@pa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Rosemary Chiavetta". The signature is written in a cursive style with a large initial "R".

Rosemary Chiavetta
Secretary

cc: Parties of Record

ATTACHMENT A

STATEMENT OF COMMISSIONER RALPH V. YANORA

Before the Pennsylvania Public Utility Commission (Commission) today is the Petition of ChargeVC-PA (Petitioners) requesting that the Commission initiate a proceeding that will result in issuance of a Policy Statement on electric utility rate design for electric vehicle (EV) charging in Pennsylvania. While I keep an open mind on this topic, I continue to support a cost-based approach to rate design that reflects the actual use of the electric grid.

If widely adopted, the demands of EV charging have the potential to alter current electric demand curves in perhaps unpredictable ways. I agree that the Commission should consider how electric distribution companies can ensure that EV rates align with any costs or benefits that EVs may impose on jurisdictional utility electric service. I am pleased that the Petitioners likewise acknowledge this critical consideration. As the Petitioners and commenters have stated, there are many regulatory considerations involved in evaluating the effects of EV charging on regulated electric service. While I agree that it is appropriate to consider these matters now, I also believe it necessary to narrow the discussion here to rate design alone. In particular, I agree that the following questions, posed by the Petitioners, are appropriate to frame the discussion:

General Questions

1. Should the Commission adopt minimum filing requirements for EV rate design proposals?
2. What goals should the Commission focus on in reviewing utility proposals for EV rates?
3. Should the EV charging rates be designed as part of the rate otherwise charged to the customer (e.g., a “whole-home” rate), or designed as a standalone EV rate, which requires a separate meter and billing?
4. Should the rates as designed be default or opt in? Should EV-specific rates be required for those customers participating in other approved utility EV programs?
5. Should the EV-specific rates vary by season (summer, winter)?
6. What opportunities are there for managed charging, and what role should EDC rates play in managed charging?
7. How should rate design for supply and distribution be aligned (if at all)?
8. How can EV charging be aligned with renewable energy production?
9. Should eligibility to participate in utility-offered EV incentive programs be tied to utilization of EV-specific rates?
10. How should low-income and equity considerations be considered for EV-specific rate design?

Residential Rate Questions

11. What types of rate design are optimal for residential EV charging?
12. What are the potential benefits of optimal rate designs?
13. What are the costs associated with various rate design options?

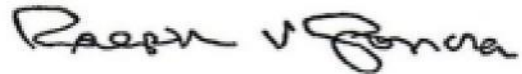
14. What are best practices in designing an EV specific rate?
 - a. Hours for peak, off-peak, and super off-peak periods (includes length of period)
 - b. Communications to customers for education, enrollment, and changes
15. How often should customers be permitted to switch rate plans once enrolled?
16. What metering capability is needed for various rate design options, and should customers be required or have the option to separately meter EV consumption from the house load?
17. Should the Commission entertain rate design pilot proposals or just move directly into new EV rate designs?

Commercial, Industrial and Public Charging Rate Questions

18. What types of rate design are optimal for commercial and industrial EV charging?
19. Should utilities require a specific separate rate for direct current fast charge (“DCFC”) stations? If so, should the rate designs recognize issues related to demand charges and station economics in periods of low utilization?
20. Should the Commission consider specific separate tariffs for workplace, fleet, or electrified mass transit?¹

As the Public Utility Code requires, I believe that the Commission can and should support public accommodation and convenience in a manner that reflects the actual and practical uses of the electric grid by establishing market-based rate designs. This may include accommodating the wide-spread public adoption of EV’s and their charging demands. As this statement makes clear, I agree with the Petitioners that rate designs should be cost-based and not include subsidies. Safeguards need to be in place so that the benefits espoused by the Petitioners may be achieved as an organic realization of the economic needs of our citizens.

Date: November 10, 2022



RALPH V. YANORA, COMMISSIONER

¹ Petition at pp. 15-16.

ATTACHMENT B

STATEMENT OF COMMISSIONER KATHRYN L. ZERFUSS

Today the Pennsylvania Public Utility Commission (Commission) continues its important work regarding electric utility rate design for electric vehicle (EV) charging in our Commonwealth. We do so cognizant of, and in coordination with, the equally critical work of our sibling agencies, the Pennsylvania Department of Transportation, and the Pennsylvania Department of Environmental Protection, both of which serve distinct, but complimentary purposes in the development and deployment of EV charging infrastructure to the benefit of our citizenry.

I fully support definitive timelines for the commencement of the work group and its deliverables, while giving the public time to comment and time for the Commission to act in line with federal requirements.

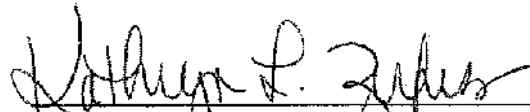
I write to detail several key factors that, in my view, are crucial to our inquiry. In short, I support a work group that leads to an order providing guidance on electric rate design for EV charging. I urge the work group participants to consider the following:

1. It is important to develop effective rate design mechanisms that can lead to environmental, health, and economic development benefits;
2. Principles of affordability and equity should be paramount and the needs of all consumers should be included;
3. Our Commonwealth should be a leader — proceeding without delay — to demonstrate to the federal government that our actions are deliberate and meaningful, so that we can maximize all potential federal funding available to Pennsylvania for EV infrastructure; and
4. Any related reports issued by our sibling agencies in the course of interagency collaboration should be considered, to help inform our efforts.

Our Commonwealth is well-positioned to be a leader in the EV charging landscape. Our

action today to move the EV rate design discussion forward in a strategic, but prompt manner, is necessary and advisable.

DA FE: November 10, 2022


Kathryn L Zerfuss, Commissioner

ATTACHMENT C

EV Charging Rate Design Working Group

January 25, 2023

9:00 – 11:00

Location: Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Meeting Room: Forest Conference Room (Atrium/Ground Floor)

Meeting Format: In-person and via MS TEAMS. Call-in provided but limited to “listen only” mode.

[MS Teams Meeting Link](#);

Meeting ID: 276 382 278 122

Passcode: CBwiPW

Call-in details for listen-only mode: +1 267-332-8737

Phone Conference ID: 527 310 248#

AGENDA

9:00 Welcome and Introductions

9:05 Opening Remarks

9:10 Working Group Scope and Expectations

9:15 Study Presentation - *Maximizing the Benefits of Transportation Electrification in Pennsylvania - The Role of Rate Design*

9:45 Study Presentation Q&A

10:00 Addressing Questions Posed by Commissioners

11:00 Adjourn