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December 11, 2023

Via Electronic Filing

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

Re: Duquesne Light Company – Default Service Plan IX Time-Of-Use Annual Report Docket No. P-2020-3019522

Dear Secretary Chiavetta:

Enclosed for filing, please find an original copy of Duquesne Light Company's ("Duquesne Light" or the "Company") 2022-2023 Time-Of-Use Annual Report. Should you have any questions, please do not hesitate to contact me.

Respectfully,

Emily M. Farah Duquesne Light Company Counsel, Regulatory

Enclosure

cc: Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant):

ELECTRONIC MAILING

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Fair Shake Environmental Legal Services Andrew J. Karas 647 E. Market Street Akron, OH 44304 <u>akaras@fairshake-els.org</u> *On behalf of NRDC* StateWise Energy PA LLC & SFE Energy Gregory L. Peterson 201 West Third Street Ste. 205 Jamestown, NY 14701-4907 gpeterson@phillipslytle.com

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Dated: December 11, 2023



Time-of-Use Program Annual Report June 1, 2022 through May 31, 2023

December 11, 2023

Background

On June 1, 2021, Duquesne Light Company ("DLC" or "Company") launched its Electric Vehicle Time-of-Use Pilot default service supply rate program ("EV TOU Pilot") for residential, small commercial and industrial ("C&I") and medium C&I customers with less than 200 kW¹ of demand who use default service supply. The Company's EV TOU Pilot was approved by the Pennsylvania Public Utility Commission ("Commission") on January 14, 2021, as part of the Company's Default Service Plan IX ("DSP IX").²

Pursuant to Act 129 of 2008,³ the Company submits this Annual Report assessing the EV TOU Pilot for the period June 1, 2022 through May 31, 2023.

Overview

As previously noted, the Company's EV TOU Pilot began on June 1, 2021. The EV TOU Pilot is an optional time-of-use default supply service rate available to eligible customers. To be eligible for the EV TOU Rate, a residential, small C&I or medium C&I customer with demand less than 200 kW must own or lease an EV or operate EV charging infrastructure at the service location. Customers who are eligible for hourly priced service ("HPS"), or those who participate in the Customer Assistance Program ("CAP"), virtual meter aggregation or budget billing are not eligible for the EV TOU rate. Participating customers may withdraw from the EV TOU Pilot at any time without penalty but may not re-enroll for a period of twelve months thereafter.

¹ Duquesne Light customers with demands less than 200kW are eligible for default supply under the Company's tariffed Rider No. 8 – Default Supply Service. The Company evaluates a customer's twelve (12) most recent months of monthly billing demand of the preceding year. If the customer's average monthly billing demand is greater than or equal to 200 kW, the customer will become eligible for default service under Rider No. 9 – Day Ahead Hourly Price Service.

² See Petition of Duquesne Light Company for Approval of its Default Service Plan for the Period from June 1, 2021 through May 31 2025, Opinion and Order, Docket No. P-2020-3019522, entered Jan. 14, 2021. The Order included approval of the EV-TOU Stipulation, which required, among other things, DLC to file a report prior to its next DSP filing that includes information regarding customer enrollments, bill impacts, energy usage shifts and customer installation of separate meters for EV charging. The EV-TOU Stipulation also provided for stakeholder review and feedback on EV-TOU Pilot customer education materials and required DLC to convene a collaborative meeting around the midpoint of DSP IX to discuss the EV-TOU Pilot Program implementation, results to-date and rates for mass transit and fleet EVs. ³ 66 Pa. C.S. § 2807(f)(5) (". . . The default service provider shall submit an annual report to the [time-of-use rate and real-time] price programs and the efficacy of the programs in affecting energy demand and consumption and the effect on wholesale market prices.")

Participating customers receive EV TOU service for the entire usage served by their smart meter. Customers are charged different supply rates for Peak, Off-Peak and Super Off-Peak⁴ time periods as follows:

Schedule	Time Period
Peak	1 p.m. – 9 p.m.
Off-Peak	6 a.m. – 1 p.m.
	9 p.m. – 11 p.m.
Super Off-	11 p.m. – 6 a.m.
Peak	

The Company obtains default service supply for EV TOU customers through the same products that provide default service supply for the respective customer classes.

The Company determines the EV TOU supply rates for each time period by modifying the adjusted wholesale price for each class using rate class factors that are based in part upon hourly locational marginal prices for energy, respective energy consumption patterns and capacity requirements. The Company annually resets the EV TOU supply rate factors as part of its tariff supplements updating Default Service Supply Rates effective June 1st of each year.

Customer Participation

Eligible customers were able to enroll in the EV TOU Pilot beginning June 1, 2021. As of May 31, 2023, 562 residential, two small C&I and three medium C&I customers were actively enrolled, including 102 residential customers also participating in net metering.

⁴ DLC's initial DSP IX filing included the terms "On-Peak," "Shoulder" and "Off-Peak" for the EV-TOU time periods. In its Supplement No. 23 replacement pages, DLC amended the period names to "Peak," "Off-Peak" and "Super Off-Peak" for consistency with other utilities' terminology and customer preference. See Duquesne Light Company – Tariff Electric – PA P.U.C. No. 25; Supplement No. 23 Replacement Pages and Request for Waiver of 60-Day Notice Period, Docket No. P-2020-3019522, submitted Apr. 28, 2021. The Commission served, at this docket, a Secretarial Letter on May 11, 2021, approving the replacement pages.

There were 406 total enrollments during this reporting period, which is a 35% increase in enrollments compared to the previous reporting period. There were also 91 customers that withdrew from the pilot during this reporting period, which is a 333% increase compared to the previous reporting period. This increase is as expected since the rate has now been offered for a longer period compared to the previous reporting period and enrollment levels have increased. Please find a breakdown of monthly enrollments and unenrollments below.

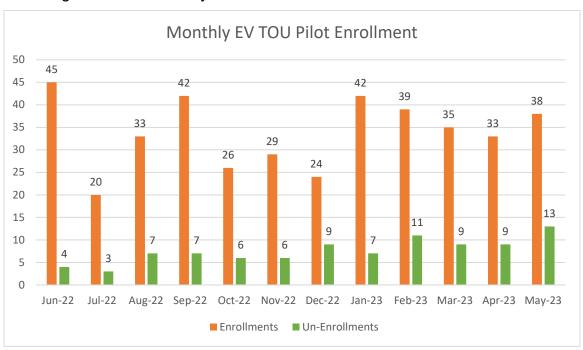


Figure 1: New Monthly EV TOU Pilot Enrollments and Unenrollments

Customer Outreach Summary

DLC conducts periodic customer outreach and education regarding the EV TOU pilot through a variety of efforts, including emails and website updates. In all communications, DLC encourages customers to compare the EV TOU rate with the standard default service rates and with supply offerings from electricity generation suppliers, including on its EV TOU webpage for residential customers at https://www.duquesnelight.com/energy-money-savings/electric-vehicles/wholehome-ev-rate and for commercial customers at https://www.duquesnelight.com/energy-money-savings/electric-vehicles/wholehome-ev-rate and for commercial customers at https://www.duquesnelight.com/energy-money-savings/electric-vehicles/wholehome-ev-rate and for commercial customers at https://www.duquesnelight.com/energy-money-savings/electric-vehicles/business-ev-rate.

In October 2021, DLC launched a Rate Advisor Tool, an online tool residential customers can use to help determine if the EV TOU rate is right for them at https://ev.duquesnelight.com/rates/. Using the Rate Advisor, customers can compare the EV TOU rate with DLC's standard default service rate and electric generation supplier rates to estimate bill impacts. The Rate Advisor was used by customers nearly 3,600 times during this reporting period, which is a 157% increase from the last reporting period.

Consumption Impacts

DLC evaluated the proportion of energy that was consumed during each TOU pricing period. During this reporting period, 70% of EV TOU participants' usage occurred during the super off-peak and off-peak periods, with 39% of consumption occurring during the super off-peak period and 31% occurring during off-peak period.

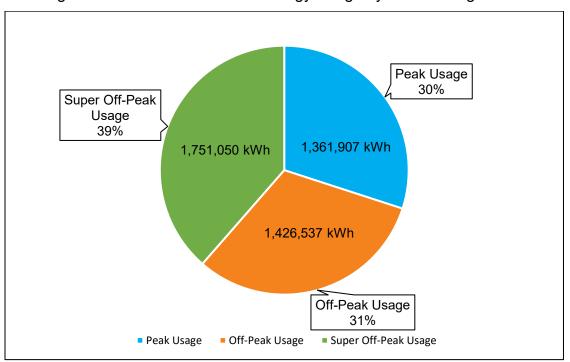


Figure 3: EV TOU Customers' Energy Usage by TOU Pricing Period

DLC compared the share of utilization by time-of-use period by month for EV TOU customers and EV driving customers who were not enrolled in EV TOU.⁵ As shown in Figures 4 and 5, customers enrolled in the EV TOU rate used a much larger share of electricity during the super off-peak period, as compared to EV driving customers who were not enrolled in EV TOU.

The Company also compared the EV TOU participants' usage profile to that of EV owners who did not participate in the EV TOU program. If EV TOU customers had used electricity at the same time period rates as non-enrolled EV driving customers, DLC estimates an additional 406,095 kWh would have been consumed during the peak period. Instead, an additional 402,889 kWh was consumed during the super off-peak period and an additional 3,206 kWh was consumed during the off-peak period. See Figures 4 and 5 below. This suggests that there may be a correlation between EV TOU participation and proportionally lower peak electricity consumption.

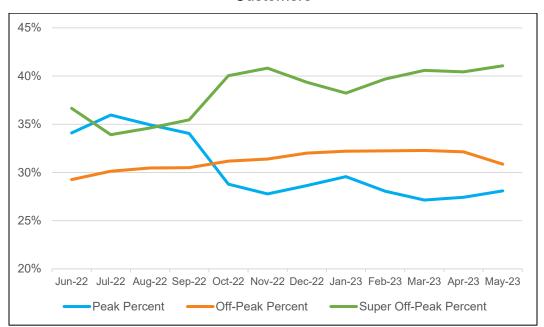


Figure 4: Share of Total Utilization by TOU Time Period and Month for EV TOU Enrolled Customers

⁵ EV driving customers were identified from customers who had registered their EV with the Company.

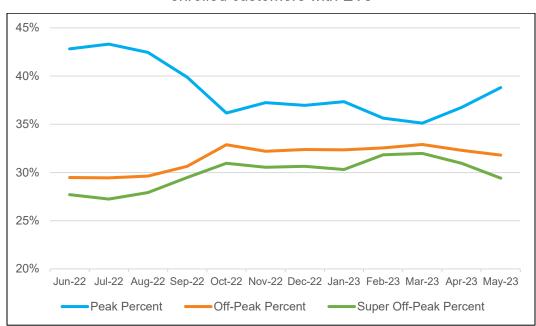


Figure 5: Share of Total Utilization by TOU Time Period and Month for Non-EV TOU enrolled customers with EVs

The average per bill savings over DLC's standard default service rate for the customers enrolled in EV TOU between June 1, 2022, and May 31, 2023, was \$7.65. This is a 13% reduction from the prior reporting period largely due to a larger number of enrolled customers and the adjusted rate factors that took effect on June 1, 2022.

Demand Impacts

Duquesne Light saw no material impact to customer usage and pricing in the wholesale market. Relative to the Company's total system loads, the total electric usage from TOU participants was too low to yield measurable impacts.

Wholesale Market Price Effects

The Company believes that any load shift from Peak hours to Off-peak hours attributable to the EV TOU program did not impact the locational marginal price ("LMP") for the Duquesne Light zone. Relative to the Company's total system loads, the total electric usage from TOU participants was too low to yield measurable impacts.