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January 22, 2024

VIA ELECTRONIC FILING

Ms. Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
2nd Floor, Room-N201
400 North Street
Harrisburg, PA 17120

**Re: Electric Utility Rate Design for Electric Vehicle Charging
Docket No. M-2023-3040755**

Dear Secretary Chiavetta:

Enclosed for filing please find Duquesne Light Company's Comments in the above referenced proceeding.

If you have any questions regarding the information contained in this filing, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "LBQ", is positioned above the typed name of the sender.

Lindsay A. Baxter
Manager, Regulatory and Clean Energy Strategy

Enclosure

cc: Regi Sam rsam@pa.gov
Joseph P. Cardinale, Jr. jcardinale@pa.gov
Tiffany L. Tran, tiftran@pa.gov
Karen Thorne, kathorne@pa.gov

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**COMMENTS OF
DUQUESNE LIGHT COMPANY**

I. INTRODUCTION

On October 19, 2023, the Pennsylvania Public Utility Commission (“Commission” or “PUC”) issued a Proposed Policy Statement Order related to electric utility rate design for electric vehicle charging. This proceeding stems from the petition filed by ChargeEVC-PA on February 4, 2022, asking the Commission to “initiate a proceeding that will result in issuance of a Policy Statement on electric utility rate design for electric vehicle (‘EV’) charging in Pennsylvania.” Based on comments filed in response to the petition, the Commission issued an Order December 1, 2022 directing the Bureau of Technical Utility Services to establish a working group on EV-charging rate design. On March 30, 2023, the working group recommended the following: 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; and 3) that Commission staff utilize the informal working group, as necessary, when drafting the proposed Policy Statement for Commission review. The Commission issued an order May 18, 2023 approving ChargeEVC-PA’s petition (Docket No. P-2022-3030743).

The October 19, 2023 Order proposes draft policy statement language and invites comments from interested stakeholders, to be filed within thirty (30) days of publication in the

Pennsylvania Bulletin, with reply comments due sixty (60) days following publication. The Order was published December 23, 2023. *53 Pa.B. 7935*.

II. BACKGROUND

Duquesne Light Company (“Duquesne Light” or “Company”) is a public utility as the term is defined under Section 102 of the Public Utility Code, 66 Pa.C.S. § 102, and is certificated by the Commission to provide electric distribution service in portions of Allegheny and Beaver Counties in Pennsylvania. Duquesne Light provides electric service to approximately 605,000 customers in and around the City of Pittsburgh. As an electric distribution company (“EDC”), the Company operates several programs for electric vehicle owners and operators, including an EV specific time-of-use default service supply rate pilot program, a portfolio of charging infrastructure programs, and a portfolio of customer education and technical assistance programs. The outcome of this proceeding may impact Duquesne Light’s current and future rates and electric vehicle programs.

The Company filed informal comments April 11, 2022, along with reply comments on May 11, 2022 at Docket No. P-2022-3030743 and was an active participant in the working group convened by the Commission on this topic. Accordingly, Duquesne Light hereby submits these comments for consideration.

III. COMMENTS

The Order states that the working group process on this topic resulted in 25 recommendations regarding EV charging rate design. Commission staff largely based the proposed Policy Statement on these recommendations from the working group. The Company’s comments address each section of the proposed Policy Statement, as follows:

§ 69.3551. Purpose and scope.

The Company is supportive of the purpose and scope as described. A policy statement is intended to provide guidance, but not detailed requirements. The proposed language is in keeping with this intent.

Duquesne Light believes this section would benefit from more clarity in regards to how “fairness and equity” are defined and measured. Rates are already required by statute to be “just and reasonable.”¹ The Commission should consider either striking the introduction of these new terms, or provide further guidance as to how they are to be measured.

§ 69.3552. Electric Vehicle Charging Rate Tariffs.

The Company is generally supportive of § 69.3552.

§ 69.3553. Electric Vehicle Charging Rate Design.

In general, the Company is supportive of § 69.3553. However, the language should be adjusted to more generally speak to the need for time variant rates, designed in a way that benefits customers and ensures usage patterns benefit the grid, rather than emphasizing specific hours. The way customers use and, in the case of distributed generation, produce electricity continues to evolve. As such, it is reasonable to expect that the time of day or even the season of peak demand could shift. Further, peak and off-peak windows for generation compared to distribution may not always align.

Additionally, the Commission should consider expanding the language to more broadly consider alternative rate designs, rather than placing emphasis on time-varying rates. Duquesne Light currently offers a successful EV time-of-use (“TOU”) rate and is supportive of expanding

¹ 66 Pa. C.S. § 1301

time-varying rates. However, there may be other innovative rate designs that are appropriate to support EV charging and the equitable distribution of costs. The Commission should avoid narrowing the focus to time-varying rates alone. Expanding this section to be more inclusive of other potential types of rate design enables innovation and ensures the Policy Statement remains relevant and inclusive as technology and customer preferences continue to evolve.

§ 69.3554. Electric Vehicle Charging Rate Equity.

Duquesne Light agrees that “distribution and default service generation rates be designed to promote fairness and equity.” The Company has designed its existing transportation electrification programs and TOU rate consistent with this guiding principle. Because this Policy Statement addresses evolving technology, the Company recommends slight edits to the language in this section. Specifically, the Commission must recognize that there may be instances where technical specifications prohibit participation by all applications in certain programs or rates. For example, some EV-only rates in other jurisdictions utilize vehicle telematics or charging station data.² Not all vehicle types or charging stations may meet the technical requirements to provide data, and thus some customers may not be eligible to participate. These restrictions on participation may be necessary and appropriate, especially for pilots, and do not represent undue discrimination. This matter should be reserved for consideration in individual company proceedings.

The Company also has concerns with the guidance that distribution and default service generation electric-vehicle charging rates “should not create undue financial burdens for low-income customers or disadvantaged communities.” There is a lack of clarity of what constitutes an undue financial burden for this specific set of customers. The Commission should strike this

² See Proposal to Implement a Statewide Electric Vehicle Portfolio. PC44 Electric Vehicle Working Group Leader. January 19, 2018. Docket No. 9478. <https://webpsc.psc.state.md.us/DMS/case/9478>.

sentence or substantially edit for clarity. As discussed above, the statute already requires rates to be just and reasonable.

Additionally, this section suggests that “[e]lectric distribution companies may need to consider customer-specific and electric distribution company region-specific rates to best serve the needs of their communities.” Duquesne Light recommends striking this sentence. In the vast majority of cases, rates established at the customer class level will be the most equitable. The Company can envision limited instances where a region- or customer-specific rate may be appropriate—for example for a public transit customer or a large fleet operator. However, EDCs already have tools available to them to implement more tailored rates where necessary. By including this language in the Policy Statement, it gives the impression the Commission is encouraging EDCs to use more customer- or region-specific rates.

Finally, the Company supports language indicating the importance of customer education to enable “efficient and effective use of electric-vehicle charging infrastructure and proper knowledge of available distribution and default service generation rates.”

Separately, in addition to its feedback on the proposed Policy Statement language, the Company recommends the Commission consider additional forums to advance the body of knowledge on metering requirements. There is potential to use billing determinants resulting from technology other than a revenue quality meter. For example, some jurisdictions have allowed for data from the vehicle’s telemetry system or the customer’s charging station to be used for billing purposes, allowing for vehicle charging-only rates (as compared to whole-home) without the need for a costly second meter, which serves as a barrier to rate adoption. With the continued evolution of advanced metering technology, there may also be opportunities to discern usage through detection algorithms. Duquesne Light does not recommend the Commission

expand the proposed Policy Statement to include this topic. Because this is a rapidly evolving topic, it may best be addressed through a specific working group or informal guidance.

IV. CONCLUSION

Duquesne Light has consistently been a leader in developing and implementing innovative programming to unlock the benefits of transportation electrification in its service territory. Rate design is and will continue to be a critical component to ensuring EV adoption occurs in a way that uses the grid most efficiently and minimizes potential impacts, to the benefit of all customers. The Company appreciates the opportunity to share its feedback on the proposed Policy Statement and looks forward to continued engagement with the Commission and other stakeholders on this issue.

Respectfully submitted,



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