

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Electric Utility Rate Design for Electric
Vehicle Charging

:
: Docket No. M-2023-3040755
:

January 22, 2024

**COMMENTS OF
LANDIS+GYR**

I. INTRODUCTION

Thank you for the opportunity to comment on a draft Policy Statement on Electric Utility Rate Design for Electric Vehicle (EV) Charging (Policy Statement) for the state of Pennsylvania. This Policy Statement is a tremendous first step in supporting the EV market in Pennsylvania, and the feedback from stakeholders in this proceeding will strengthen this foundation. As a provider of EV charging hardware and software solutions, Landis+Gyr offers a small but important suggestion to the Statement: Recognize and provide pathways to recover demand management software.

II. BACKGROUND

Landis+Gyr is the leading global provider of integrated energy flexibility management solutions for the utility sector. Offering one of the broadest portfolios of products and services to address complex industry challenges, the company delivers comprehensive solutions for the foundation of a smarter grid, including smart metering, distribution network sensing and automation tools, load management, analytics, and electric vehicle charging. In 2021, Landis+Gyr announced the acquisition of EV Infrastructure provided by Etrek d.d.o. and True Energy. Etrek provides building blocks for a diverse range of e-mobility solutions. Their interactive charging stations, complemented with the advanced OCEAN software suite, are a backbone of any e-mobility business. True Energy provides load management capability and is EV charger agnostic, providing a mobile app that enables users to automatically charge their EV's when the price is cheapest or most carbon friendly. Additionally, chargers can be grouped and controlled together in a Big Battery concept for grid stabilization or a Local Battery concept to minimize congestion across distribution feeders or other sections of the grid. Landis+Gyr's flexibility management portfolio provides multiple options for EV charging use cases, with potential enhancements as EV and solar markets continue to grow.

III. COMMENTS

EV charging policy is in its early stages in Pennsylvania, providing a unique opportunity to promote industry best practices and create value. The policy statement proposed by the commission represents a great starting point to thoughtfully develop and manage Pennsylvania’s EV market, but the statement does not make any mention of the software solutions required to implement the rate designs contemplated. This is an important subtopic to address because electric distribution companies (EDCs) often face difficulties in capitalizing software costs in the rate base. Absent a full transportation electrification planning process and accompanying prudence ruling, the utilities do not yet have a pathway to evaluating or recovering the costs of the software that will implement the rate design structure as proposed.

We recommend that the commission consider adding language to promote grid flexibility solutions that can automatically balance peak demand – taking into account customer preferences and rate incentives – by curtailing EV charging when necessary. The existing policy statement describes “what” rates will look like, but not “how” to implement them. While the Commission will ultimately remain agnostic to what solutions can best meet the policy goals, it is crucial to name “demand management software” as a topic, at least, for further investigation by the utilities. Evaluation and prudent rate recovery of software-based solutions will be necessary for all utilities meeting the EV charging challenge.

Charging management is also critical to achieving the Policy Statement’s goals to promote fairness and equity. Software-run applications, as part of broader customer engagement programs, will help customers and utilities alike manage EV load to create value. Without including such language in the policy statement, rate programs might be designed and implemented without the opportunity to automate or enhance the customer experience. Customers may have to make their own behavioral adjustments without clear insights into the impacts of their actions, which may lead to higher costs. Some charger-integrated and third-party software solutions can automate and curtail load according to carbon emissions, lowest cost, and other scenarios, which would enable other policy goals in the Commonwealth.

IV. CONCLUSION

As noted in the Commission’s November 15, 2023 proposed Policy Statement order, “it is imperative that the Commission develop a Policy Statement that advances effective management of energy and infrastructure costs.” Landis+Gyr largely agrees with the Policy Statement but suggests an additional section that explicitly acknowledges the role of flexibility software in enabling transportation electrification objectives. Specifically, real-time, flexible demand management is necessary to support the shared goals for customer engagement and enablement, peak shaving, carbon emissions management, equity and fair access, affordability, reliability, and safety.

Thank you for your consideration,

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