

COMMONWEALTH OF PENNSYLVANIA



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February 21, 2024

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

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

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Reply Comments in the above-referenced proceeding.

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully submitted,

/s/ Andrew J. Zerby
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Certificate of Service
*4876-9744-0679

CERTIFICATE OF SERVICE

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

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Reply Comments, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 21st day of February 2024.

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

REPLY COMMENTS OF THE OFFICE OF CONSUMER ADVOCATE

I. INTRODUCTION AND BACKGROUND

On January 22, 2024, the Office of Consumer Advocate (OCA) filed comments in response to the Proposed Policy Statement Order, at Docket No. M-2023-3040755. Twenty-one other parties filed comments. The OCA submits these Reply Comments in order to respond to some of the issues that have been raised by other parties. A lack of response to a specific party or issue does not indicate the OCA’s agreement with that party or issue.

II. REPLY COMMENTS

The OCA has reviewed the Comments filed by other Commenters in this proceeding, and based on those comments, the OCA is providing the following additional comments.

A. Fairness and Equity are Crucial to the Proposed Policy Statement.

The OCA agrees with Commenters that support the “fairness and equity” language in the Purpose and Scope section of the Proposed Policy Order. CAUSE-PA Comments at 1. The inclusion of fairness and equity within the proposed policy statement is crucial. As noted by the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), it is vital to ensure that EV rates are designed in a manner that is fair, equitable, just, and that do not cause unintentional harm or otherwise impose additional costs on low-income ratepayers. CAUSE-

PA Comments at 1. The OCA also agrees with CAUSE-PA that low-income Pennsylvanians already struggle to afford life necessities and oftentimes have to choose between paying for food/medicine or keeping their vital electric utility service. CAUSE-PA Comments at 2.

To that end, the OCA strongly disagrees with the removal of fairness and equity as proposed in the Comments filed by Duquesne Light Company (DLC). DLC Comments at 3. Removing the inclusion of fairness and equity in the Commission's policy statement has the potential of leading to low-income customers subsidizing EV charging for those who can afford to own an EV. More clarity regarding how fairness and equity should be measured would be beneficial, while removing any mention of equity and fairness would likely result in harm to low-income ratepayers through subsidized EV rates.

B. Increased Clarity Throughout the Policy Statement.

Multiple Commenters commented on a need for increased clarity within the Policy Statement. *See generally* CAUSE-PA Comments at 3; DLC Comments at 3. As a general matter, the OCA agrees with the idea of increasing clarity within the Policy Statement. OCA Comments at 2. As currently proposed, the Policy Statement is vague and may result in multiple interpretations. This vagueness may cause difficulties in the implementation of the Policy Statements goals and result in unintended consequences like delayed implementation and duplication of efforts.

For example, the proposed policy statement is vague as to how low-income rates should be developed to avoid cross-subsidization. In its current form, the proposed policy statement is unclear as to whether low-income EV charging rates should be established, or if only the effect of EV rates on low-income ratepayers should be considered. As such, the proposed policy statement

could be interpreted as either suggesting ratepayer subsidies for low-income EV owners and/or EV charging subsidies for low-income communities. If the Commission desires EDCs to consider the effect of EV rates on low-income customers instead of creating rates based on income levels or other socio-economic factors, the Commission should clarify as such.

The proposed policy statement also lacks clarity as it encourages EDCs to develop tariffs with both distribution and default service generation, but does not clarify whether these rate should be reviewed in distribution base rate cases, default service cases, or both. OCA Comments at 2. Improved clarity and removing ambiguity would improve the policy statement as interested stakeholders would have a better understanding of the Commission's position on these important issues.

C. Avoidance of Unreasonable Cross Subsidization and Undue Financial Burden

As stated in the OCA's Comments, the OCA supports the avoidance of unreasonable cross-subsidization as electric distribution ratepayers should not be subsidizing the costs of EV ownership. OCA Comments at 4-6, 11. In the OCA's Comments, the OCA recommended that the policy statement should include language to ensure that any EV charging tariff should be tested as a well-designed pilot with measurement and evaluation metrics with periodic review to ensure that the pilot is functioning as intended and is revenue neutral to ratepayers who do not utilize EV charging. OCA Comments at 6. Multiple Commenters stated support for the avoidance of unreasonable cross subsidization. *See generally* Office of Small Business Advocate Comments; CAUSE-PA Comments at 2. Avoidance of unreasonable cross subsidization will ensure that costs of EV charging will be borne by the parties that benefit from it and therefore prevent unnecessary harm to those who do not or cannot utilize EV charging.

The OCA strongly disagrees with the recommendation by DLC to remove the language that EV Charging rates “should not create undue financial burdens for low-income customers or disadvantaged communities.” DLC Comments at 4. This language, however, is appropriate as EDCs develop EV charging policies designed to meet all of their customers’ needs. The inclusion of the language in this policy statement is an important component of a successful EV charging build-out that avoid unreasonable cross-subsidization. Low-income and disadvantaged communities should not be at risk of bearing the burden of EV owners’ charging rates. By directly stating the necessity of avoiding undue financial burden on low-income customers or disadvantaged communities, the policy statement is clear that EV charging rate costs should not be unreasonably borne by these groups, the removal of that language has the potential to result in undue cross subsidization by the groups least able to afford it.

D. Avoidance of Default Service Ratemaking Language Within the Policy Statement

The OCA opposes the addition of language to the proposed policy statement that would bring default service costs and least cost considerations into the scope of the policy statement. Therefore, the OCA disagrees with the addition of language proposed by RESA/NRG which would add the following language to section 69.3553 of the proposed policy statement “include all administrative costs needed to support the default service rate offer.” RESA/NRG Comments at 3. The OCA opposes the inclusion of this language, or any language that would bring default service costs and least cost considerations within the scope of the policy statement, because default service costs are covered by section 2807(e)(3.7) of the Public Utility Code, and any discussion or determination of default service rates should be confined to those proceedings. It is the OCA’s belief that the proposed policy statement should focus on EV Charging, and any language that encourages or encroaches on the determination of default service rates should be rejected.

III. CONCLUSION

The OCA appreciates the opportunity to further comment on this ongoing proceeding. The OCA believes that additional clarification in the language of the proposed policy statement would be beneficial, but strongly opposes the removal of the language outlined above relating to fairness and equity and the avoidance of undue financial burdens.

Respectfully submitted,

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