

September 12, 2024

VIA E-FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
400 North Street, 2nd Floor
Harrisburg, PA

Re: Pennsylvania Public Utility Commission v. PECO Energy Company – Electric Division,
Docket Nos. R-2024-3046931, *et al.*; **EVgo Statement in Support of Settlement**

Dear Secretary Chiavetta:

Enclosed for filing with the Commission is EVgo Services LLC's Statement in Support of Settlement in the above-referenced matter.

Please contact me if you have any questions concerning today's filing.

Very truly yours,



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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
v. : **Docket No. R-2024-3046931, et al.**
PECO Energy Company – Electric Division :

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of EVgo Services LLC’s Statement of Support, upon the parties of record in the above-captioned proceeding in accordance with the requirements of 52 Pa. Code § 1.54. via electronic mail:

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Dated this 12th day of September, 2024

/s/ Bernice I. Corman

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PENNSYLVANIA PUBLIC UTILITY
COMMISSION**

v.

**PECO ENERGY COMPANY –
ELECTRIC DIVISION**

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DOCKET NO. R-2024-3046931

STATEMENT OF EVGO SERVICES LLC

IN SUPPORT OF THE

JOINT PETITION FOR NON-UNANIMOUS SETTLEMENT

I. INTRODUCTION

EVgo Services LLC (“EVgo”), by and through its counsel, hereby submits this Statement in Support of the Joint Petition for Non-Unanimous Settlement of Rate Investigation (“Joint Petition”) in the above-captioned proceeding (the “Proceeding”) of the Pennsylvania Public Utility Commission (“PUC” or the “Commission”). EVgo submits that the terms of the Joint Petition, and the settlement terms set forth therein, are reasonable and respectfully requests that the Joint Petition be approved by the Commission without modification.

II. BACKGROUND

The August 30, 2024, Joint Petition sets forth the procedural background of this proceeding. As noted therein, in Section I., Paragraph 1., on March 28, 2024, PECO Energy Company (“PECO” or the “Company”) filed with the Commission its proposed Tariff Electric – Pa. P.U.C. No. 8 (Tariff No. 8) (the “Proposed Tariff”). Among other things, PECO’s Proposed Tariff contained revisions to PECO’s existing Electric Vehicle Fast Charging (“DCFC”) Pilot Rider (“EV-FC Rider”). On April 29, 2024, Administrative Law Judges (“ALJs”) Darlene Heep and Marta Guhl issued a Prehearing Conference Order. On May 1, 2024, EVgo filed a Petition to Intervene and Notice of Appearance of Counsel. On May 6, 2024, EVgo filed its Prehearing Memorandum. On May 7, 2024, the call-in telephonic prehearing conference was held as scheduled. In the ALJs’ May 21, 2024 Pre-Hearing Order, Ordering Paragraph 3, EVgo’s Petition to Intervene was granted. On June 7, 2024, PECO issued Interrogatories, Set I, including to EVgo. On June 17, 2024, EVgo filed its Statement No. 1: the Direct Testimony and Exhibit of Lindsey R. Stegall on behalf of EVgo Services, LLC (“EVgo Initial Direct Testimony”), and also served Responses to PECO’s Interrogatories Set 1. On July 16, 2024, EVgo filed its Rebuttal

Testimony of Lindsey R. Stegall on behalf of EVgo Services, LLC (“EVgo Rebuttal Testimony”). On August 2, 2024, EVgo filed its Surrebuttal Testimony of Lindsey R. Stegall. An evidentiary hearing was held in this proceeding from August 8, 2024, through August 12, 2024. PECO and parties, including EVgo, filed a Joint Stipulation of Testimony and Exhibits that were admitted into the record without objection. EVgo participated in settlement discussions with the parties, reaching the agreements reflected in the Joint Petition at Paragraph 53.

EVgo’s direct testimony recommended the Commission approve the proposed extension of the EV-FC rider through December 31, 2030, and approve the proposed modifications to the EV-FC rider. EVgo also recommended that the Commission direct the Company to conduct an evaluation of the modified Rider and put forth a proposal for a permanent EV rate in its next rate case with stakeholder feedback. Specifically, in its evaluation, EVgo recommended the Company assess the 36-month duration of the credit and whether a longer duration credit would be appropriate in a permanent rider to provide greater certainty to the market when evaluating investment decisions.

EVgo’s rebuttal testimony responded to certain issues discussed and recommendations made in the Direct Testimony of Pennsylvania Office of Consumer Advocate (“OCA”) witness Ron Nelson and Direct Testimony of Electrify America witness Jigar Shah in this proceeding. Mr. Nelson recommended that the pilot only be extended to May 31, 2029, to align with the timing of PECO’s default service plan. EVgo did not oppose this recommendation as long as the Company was required to ensure that a long-duration successor rate to encourage EV fast charging is available to customers prior to the expiration of the EV-FC Pilot Rider. EVgo also clarified that with its use of the phrase “permanent EV rate,” EVgo meant a rate that will be available for a long duration, such as 10 years. Mr. Shah’s testimony recommended that the term

of the demand credit be extended through December 31, 2030, and only supported the proposed modification to the demand charge credit calculation only if PECO removed any minimum billing demand provisions in the EV-FC Pilot Rider. EVgo responded by also recommending that PECO modify the duration of the credit term to extend throughout the entire pilot period and eliminate the minimum billing demand provision for EV-FC rider customers to increase the value of the rider and thus ensure its effectiveness in incentivizing deployment of charging infrastructure.

Finally, EVgo's surrebuttal testimony responded to certain issues discussed by Company Witness Steven J. DeMott in his rebuttal testimony. EVgo reiterated its recommendation that the Company to be required to propose a long duration successor rate, as this type of rate has become increasingly common across the U.S. to support commercial EV charging. EVgo also responded to Mr. DeMott's suggestion "that as EV market penetration grows, well-sited and managed DCFC sites should be able to take advantage of that growth to achieve increasing capacity factors that enable them to be profitable without electric rate subsidies," by pointing out the lack of data to support these claims as well as the impact of higher usage on customer experience.

As described below, and in the spirit of compromise, all of the issues raised by EVgo's witness are addressed in the Joint Petition; hence, EVgo respectfully requests that the Joint Petition be approved without modification.

III. SETTLEMENT

The Joint Petition sets forth that each term and condition included therein constitutes material consideration for the Joint Petitioners' agreement to enter into the proposed Settlement.

Accordingly, EVgo supports the Joint Petition in entirety. Moreover, EVgo does not take a position on the request made by any non-settling parties. Below, EVgo highlights provisions of the Joint Petition that address the specific recommendations on which EVgo's witness testified:

In the Joint Petition, PECO has proposed that the EV-FC Pilot Rider will extend through May 31, 2029. The EV-FC Pilot Rider demand credit will be calculated as 30%, rather than 20%, of a customer's measured demand. Finally, PECO has agreed to work with stakeholders through its transportation electrification collaborative working group in calendar year 2027 to design and conduct an evaluation of the modified EV-FC Pilot Rider, determine whether a successor DC fast charging rate is warranted, and if warranted, design such a successor rate and propose it to be effective upon the expiration of the EV-FC Pilot Rider.

In this proceeding, EVgo witness's recommendations aimed to improve the EV-FC Pilot Rider in order to ensure that the rider results in benefits to EV charging customers, as PECO intended, thereby supporting private investment in DCFC infrastructure. *See* EVgo Initial Direct Testimony, p. 5, lines 13 – 15, stating that effective commercial EV rates are essential in enabling transportation electrification at scale. *See also*, EVgo Rebuttal Testimony, page 4, line 9 – page 5, line 5, explaining how the design of the Rider modification as proposed could continue to preclude many charging stations from reaping the benefits of the demand reduction PECO intended.

There are many different ways to design a rate that functions well for EV fast charging stations. *See generally* EVgo Initial Direct Testimony, p. 5, lines 8 – 12, discussing the unique load profile of public DCFC infrastructure that results in the demand charge component of traditional commercial rates leading to disproportionately high effective dollar per kilowatt-hour (“kWh”) costs to operate DCFC. The settlement addresses this issue by including an increase in

the demand charge credit from 20% to 30% of a customer's measured demand. This modification improves the rider and ensures EV charging customers will realize adequate benefits in lieu of the elimination of the minimum demand that EVgo recommended in its rebuttal testimony.

EVgo witness's recommendations also addressed the need to ensure that a rate like the EV-FC Rider is available for the long term, even after this rider expires in order to provide DCFC customers with long term certainty, which is necessary to accelerate charging infrastructure deployment and EV adoption in the Company's service territory and is consistent with other EV rates across the country.¹ *See* EVgo Initial Direct Testimony, p. 7, lines 4 – 10, stating that EV charging rates that are long duration in nature are necessary to provide DCFC customers with substantial certainty in the delivery rates they will pay, as it is unlikely that the load factors will increase to levels typical of other commercial loads, and mitigate the impact of demand charges on DCFC stations.

PECO's initial proposal did not include plans after the conclusion of the pilot, only stating that it "believes that it is appropriate to evaluate the effectiveness of those modifications within an extended pilot before making those provisions permanent."² Accordingly, EVgo recommended that PECO be required to conduct an evaluation of the modified EV-FC Pilot Rider and put forth a proposal for a long-duration successor EV rate in its next rate case available prior to the expiration of the rider after incorporating stakeholder feedback. In the settlement, EVgo has agreed to an inclusive and transparent process with stakeholders prior to

¹ *See* EVgo Rebuttal Testimony, page 6, line 13 – page 7, line 5, providing examples of long duration rates supportive of commercial EV charging approved by regulators across the country in recent years.

² PECO Statement No. 9: Direct Testimony of Steven J. DeMott at 22.

the next rate case, to design and conduct an evaluation of the modified EV-FC Pilot Rider and collaboratively develop a successor rate, if warranted. Through the stakeholder process, EVgo will continue to recommend that if a new rate is warranted that it be made available upon the expiration of the existing rate so that there are no gaps in service for these customers. This compromise provides a prudent path for stakeholders to meaningfully participate in the evaluation of the rider and the development of a potential successor rate supportive of EV charging.

Overall, EVgo submits that the Company's proposed extension and modifications to the EV-FC Rider enumerated in the Joint Petition achieve EVgo's goals and are a reasonable compromise that ultimately provides the long-term certainty necessary to grow EV charging deployments, as PECO intends. Additionally, the extension and modifications of the rider is in the public interest as PECO will effectively support private investment in charging infrastructure across its service territory, which will facilitate widespread EV adoption, resulting in benefits for all ratepayers. This is consistent with the guidance in the Commission's Proposed Policy Statement for Electric Utility Rate Design for Electric Vehicle Charging.³

Furthermore, the Joint Petition reflects the Joint Petitioners' extensive good faith efforts to achieve a fair and reasonable compromise that addresses a majority of the Joint Petitioners' issues and avoids additional administration burden and costs to litigate these matters to conclusion. This settlement also aligns with the Commission's rules and practices encouraging negotiated settlements (see 52 Pa. Code §§ 5.231, 69.391, 69.401). Accordingly, EVgo supports

³ Proposed Policy Statement Order (November 15, 2023) Docket No. M-2023-3040755 *Electric Utility Rate Design for Electric Vehicle Charging*, <https://www.puc.pa.gov/pcdocs/1805606.pdf>

the terms and conditions set forth in the Joint Petition and finds that the Settlement, including the Settlement Rates, is fair, just, reasonable, non-discriminatory, lawful and in the public interest.

IV. CONCLUSION

For the reasons set forth above and in the Joint Petition, EVgo respectfully requests that the Joint Petition, and the settlement terms set forth therein, be approved by the Commission without modification.

Respectfully submitted,



Dated: September 12, 2024

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