



April 11, 2022

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17105-3265

**Re: Petition of ChargeEVC-PA to Initiate a Proceeding to Consider Issuance of a Policy Statement on Electric Utility Rate Design for Electric Vehicle Charging  
Docket No. P-2022-3030743**

Dear Secretary Chiavetta:

Pursuant to the Commission's Secretarial letter issued on February 25 and published in the Pennsylvania Bulletin on March 11, 2022,<sup>1</sup> Natural Resources Defense Council (NRDC) and Sierra Club submit the following comments to reiterate our support of the Commission's initiating a proceeding on electric vehicle (EV) charging rate design, and clarify our view of "the parameters of the proceeding, if opened."<sup>2</sup>

As members of ChargeEVC-PA and signatories to the Petition under consideration, Sierra Club and NRDC strongly support the opening of a docket to address rate design for EV charging. We submit these comments to emphasize our support for including equity considerations in the proceeding, and to urge that the proceeding be focused narrowly on rate design for EV charging, rather than enlarged to encompass more general rate design questions or issues concerning EV infrastructure.

**I. The Commission should initiate a rate design proceeding for EV charging that explicitly includes equity considerations.**

Section N of the Petition recommends that the Commission include the following question in the proceeding: "How should low-income and equity considerations be considered for EV-specific rate design?"

---

<sup>1</sup> See 52 Pa.B. 1564

<sup>2</sup> Secretarial Letter, Docket No. P-2022-3030743, Petition to Initiate a Proceeding to Issue a Policy Statement on Electric Utility Rate Design for Electric Vehicle Charging, at 1 (Feb. 25, 2022).

However, in its Answer<sup>3</sup> to the Petition, CAUSE-PA notes a potential tension between this recommendation and section O, which urges “that the proceeding be limited to considerations of electric utility rate design for EV charging,” though there are other “important issues regarding EV adoption and electric utility support that are worthy of the Commission’s attention, including ... equity for low-income consumers and communities ...”

CAUSE-PA interprets the language in Section O as suggesting “that, while an important issue worthy of discussion, concerns about ‘equity for low income customers and communities’ should not be included within the scope of the proposed proceeding on EV rate design,” and responds that “equity considerations, including consideration of the impact of rate design on low income customers and communities, must be a distinct and articulated component of this proceeding to ensure that alternative rate structures to support EV adoption are just, equitable, and do not cause unintentional harm or impose additional costs on low income ratepayers who already struggle profoundly to afford basic home energy services.”

NRDC and Sierra Club agree with CAUSE-PA and urge the initiation of an EV charging rate design proceeding that explicitly centers equity. We believe that the question is not *whether* equity considerations should figure in this proceeding, but, as the question in Section N suggests, *how* they should be considered.

Regarding the language in Section O, our intention was to note that the transition to EVs raises equity and other considerations that are outside the sphere of rate design, including but not limited to the extent to which electric distribution companies (EDCs) should be able to recover costs related to EV infrastructure from customers. Our intention was not to suggest that we were agreeable to the potential exclusion of equity considerations. That said, we agree with CAUSE-PA that as drafted, the language can be interpreted as being in tension with the question in Section N. We ask the Commission to resolve this ambiguity in favor of including equity considerations.

In our view EV charging – and therefore the rate design for EV charging – inevitably has equity implications, because how and when charging occurs is a factor in determining rates for all EDC customers. As the Petition notes:

The growth of EVs potentially presents the most significant load-growth challenge for electric utilities in decades. If managed properly, though, through appropriate rate design, this growth could potentially lower rates for all customers. However, if customers do not receive price signals through rates or other encouragement to charge during off peak periods, this growth could drive significant increases to system investments, and thus rates for all customers.

EV charging at scale has the potential to either put upward or downward pressure on rates for all customers, including those that do not drive an EV, depending on whether time of charging is

---

<sup>3</sup> CAUSE-PA, Petition to Intervene and Answer of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (February 24, 2022).

managed.<sup>4</sup> Therefore, it is imperative that the PUC develop a policy to manage charging before EV adoption happens at scale. The ability of EV-specific rates, whether based on time-of-use (TOU), managed charging, or other variables based on the specific use case, to affect positive behavior change is independent of most other policy variables related to EVs, and thus rate design consideration and implementation should not be delayed by the consideration of these independent, often much more complicated questions. Other questions, such as the role of utilities in broader charging infrastructure investment and the equity ramifications thereof, surely deserve consideration by the commission, but we believe that such consideration would be more appropriate in a separate docket.

## **II. Sierra Club and NRDC oppose addressing rate design for customers who do not drive EVs within the scope of this proceeding.**

Regarding “the parameters of the proceeding, if opened,” one particular question has already arisen in connection with Section N of the Petition: whether, in a proceeding concerning rate design for EV charging, the Commission should address default service rates more generally.

By way of background, section N of the Petition recommends several questions for the Commission to pose in an EV charging rate design proceeding. Question 4 asks, “[s]hould the rates as designed be default or opt in? Should EV-specific rates be required for those customers participating in other approved utility EV programs?”

In its Answer, CAUSE-PA expresses concern that this question could be construed as an expression of openness to the consideration of mandatory or default time-varying rates for all consumers, not just those with EVs:

Of particular concern to CAUSE-PA, ChargeVC-PA’s Petition at section N, question 4 appears to contemplate consideration of mandatory or “default” time-varying use rates for all consumers... CAUSE-PA is strongly opposed to mandatory or default time-varying use rates for residential consumers in light of serious equity, access, health, and safety concerns that can arise. While time-varying use rates can promote conservation for those with the ability to shift electric usage to off-peak times, such rates can also cause deprivation for those without discretionary usage. We urge the Commission to not entertain proposals in this proceeding that would institute mandatory or default time-varying use rates on all residential consumers.

Like CAUSE-PA, NRDC and Sierra Club oppose the use of this docket as a vehicle to consider whether default or mandatory TOU rates should be imposed on non-EV customers.

First, we view the question of mandatory or default TOU rates for non-EV customers as extraneous to the Petition, which concerns EV charging. Second, in a more general rate design

---

<sup>4</sup> For an example of EV leading to downward pressure on rates, see Jason Frost, Melissa Whited, and Avi Allison, Synapse Energy Economics, “Electric Vehicles Are Driving Rates Down” (June, 2020 update), available at [https://www.synapse-energy.com/sites/default/files/EV\\_Impacts\\_June\\_2020\\_18-122.pdf](https://www.synapse-energy.com/sites/default/files/EV_Impacts_June_2020_18-122.pdf).

proceeding, default TOU rates would have to be considered along with a host of alternative default service rate designs, making it unlikely that rate design for EV charging would receive the urgent attention it deserves. Third, we believe that the consideration of TOU rates for non-EV drivers raises a much more complicated set of equity considerations than it does for EV drivers, and would be more appropriately considered in a docket focused on default service. It is relatively easy for EV drivers to modify charging behavior in response to price signals using the vehicles' built-in technology. Broader household behavior modifications are much more complicated and require study of an entirely different set of variables.

### **III. Sierra Club and NRDC oppose addressing infrastructure questions within the scope of this proceeding, except to the extent that infrastructure may be necessary to implement proposed EV-specific TOU rate designs.**

As noted in the Petition,<sup>5</sup> we believe that this proceeding should be narrowly focused on EV rate design for public and private EV charging.

CAUSE-PA questions the proposed exclusion of infrastructure investments from a proceeding, as follows:

The ChargeVC-PA Petition also seems to suggest that EV infrastructure issues should be considered beyond the scope of the requested proceeding.... Yet at the same time, the Petition contemplates consideration of rate structures that may require additional equipment and infrastructure installation at residential homes to facilitate such rates. If the Commission contemplates rates that would require infrastructure investment, it must also grapple with whether and to what extent utilities should be permitted to subsidize such infrastructure needs with ratepayer dollars and – if so – who pays. While the Commission may wish to narrow the scope of EV infrastructure questions in this proceeding, we are concerned that the complete bifurcation of rate design and infrastructure issues will undermine efforts to develop a holistic and equitable path for broad-scale EV deployment in Pennsylvania – especially in light of the substantial federal EV investments pending deployment in Pennsylvania, and the potential for rate design issues to substantially intersect with certain infrastructure needs.”

NRDC and Sierra Club believe that to the extent this docket considers questions related to EDC investment in infrastructure, it should be limited to any equipment that may be necessary to implement proposed EV-specific residential TOU rate designs. We note, however, that additional meters are not required in order to measure EV-specific load, which can be accomplished in most instances with a Level 2 home charger and an internet connection.<sup>6</sup>

---

<sup>5</sup> See, e.g., Section O.

<sup>6</sup> See, e.g., Vermont Public Utilities Commission, Case No. 19-3586-TF, Tariff filing of Green Mountain Power Corporation for approval to implement two new electric vehicle (“EV”) charging rates to be effective on bills rendered on or after November 4, 2019, Final Order Approving EV Rates, at 7 (July 20, 2020) (“Electric use under both EV Rates will be measured using the metering capability of the EV-charging equipment.”). See also, North Carolina Utility Commission, Docket Nos. E-7, Sub 1266 and E-2, Sub 12-91, In the Matter of Application by Duke Energy Carolinas, LLC and Duke Energy Progress, LLC for Approval of Proposed Transportation Project, at 2

The prospect of EDC investments in EV charging infrastructure beyond residential charging raises various questions of law, policy, and equity that the Commission should consider, but we believe that a separate docket is the more appropriate place for consideration of those broader questions.

Thank you very much.

Sincerely,

/s Mark Szybist

Mark Szybist  
Senior Attorney  
Natural Resources Defense Council  
[mszybist@nrdc.org](mailto:mszybist@nrdc.org)

/s Tom Schuster

Tom Schuster  
Clean Energy Program Director  
Sierra Club Pennsylvania Chapter  
[tom.schuster@sierraclub.org](mailto:tom.schuster@sierraclub.org)

/s Kathy Harris

Kathy Harris  
Clean Vehicles and Fuels Advocate  
Natural Resources Defense Council  
[kharris@nrdc.org](mailto:kharris@nrdc.org)

/s Nathaniel Shoaff

Nathaniel Shoaff  
Senior Attorney  
Sierra Club  
[nathaniel.shoaff@sierraclub.org](mailto:nathaniel.shoaff@sierraclub.org)

---

(explaining that the proposed managed charging pilot will allow the utility to “offer a variety of new EV pricing options without the need for a costly second meter.”).