

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17120

**ChargeVC-PA Petition to Initiate a
Proceeding to Consider Issuance of a Policy
Statement on Electric Utility Rate Design
for Electric Vehicle Charging**

**Public Meeting held November 10, 2022
3030743-LAW
P-2022-3030743**

**JOINT MOTION OF CHAIRMAN GLADYS BROWN DUTRIEUILLE AND
VICE CHAIRMAN STEPHEN M. DEFRANK**

On February 4, 2022, ChargeVC-PA¹ filed a Petition requesting that the Commission initiate a proceeding that will result in issuance of a Policy Statement on electric utility rate design for electric vehicle (EV) charging. ChargeVC-PA noted that by 2030, EV sales in the United States are expected to be 25-30% of total vehicle sales and reach 45-50% by 2035. ChargeVC-PA contends this growth of EVs potentially presents the most significant load-growth challenge for electric utilities in decades. Expounding further that 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. Conversely, the increase in consumption posed by EV charging has the potential to reduce system costs and rates for all customers if infrastructure investments are managed effectively in conjunction with increased electricity consumption. As ChargeVC- PA posits, rate design has the capacity to shift this new EV load into off-peak hours when system load is lower, which likely will reduce future system costs as well as energy costs.

On February 25, 2022, the Commission issued a Secretarial Letter requesting comments addressing whether the PUC should initiate an EV charging rate design policy statement proceeding. The vast majority of the Comments received were supportive of the Commission's consideration of electric vehicle rate design. A common thread found in the Comments is support for the establishment of an informal process to first explore the issues surrounding EV charging rate design. In particular, the Commission received Comments from the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania, ChargePoint, *et al.*,² Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company, Duquesne Light Company, the Office of Consumer Advocate, PECO Energy Company, and PPL Electric Utilities Corporation advocating for the initiation of an informal process to further inform the Commission of the issues regarding EV charging rate design. Notably, ChargeVC-PA replied that it concurs with the recommendation that we commence an informal working group prior to initiating any formal policy statement proceeding. ChargeVC-PA Reply Comments at 5.

¹ ChargeVC-PA is a coalition formed to serve as a resource for research and information on, and as an advocate for, advanced EV adoption and market development in Pennsylvania. ChargeVC-PA consists of the following members: Electrification Coalition, Greenlots, Keystone Energy Alliance, Natural Resources Defense Council (NRDC), Plug In America, Sierra Club and Adams Electric Cooperative.

² ChargePoint, Electrify America, EVgo, and Tesla (collectively ChargePoint, et al.)

Nearly all major vehicle manufacturers have announced their intentions to commit significant capital to EV production and to transition sales to EVs. Transportation electrification is already underway and is projected to grow exponentially.³ Pennsylvania's Department of Environmental Protection and Department of Transportation have led efforts to support current and future deployment of EV charging and ownership in the Commonwealth, including implementing various federal directives and policies. This Commission, as the economic regulator of 11 electric distribution companies (EDCs) in the Commonwealth serving over 5 million accounts, is charged by the IJA with considering EDC rate design for EVs. While the exact timing and significance of the EV load growth impact on EDCs cannot be known with precision, numerous indicators, as detailed above, point to significant increases in EV utilization in the near-term and long-term. To that end, and to ensure this Commission maintains a nimble posture ahead of this electrification transition, it is imperative that we research and consider rate designs that advance effective management of energy and infrastructure costs.

As such, we agree that a working group should be convened to better inform the Commission regarding the rate design options that are best suited for EV charging, and management of the increased load that the EV rollout may place on the electric distribution grid.

THEREFORE, WE MOVE THAT:

1. ChargeVC-PA's request to initiate a formal Policy Statement proceeding is granted, in part, and denied, in part, consistent with the Motion.
2. Within thirty (30) days of issuance of this Opinion and Order, the Bureau of Technical Utility Services shall convene an electric vehicle charging rate design working group of interested parties, including, but not limited to, the Parties to this docket, to discuss electric vehicle rate design.
3. The recommendations of the working group shall be filed at this docket no later than March 31, 2023.

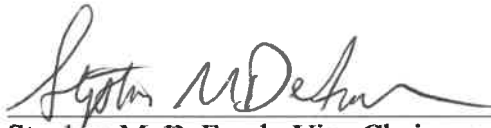
³ The Infrastructure Investment and Jobs Act of 2021 (IIJA) includes \$7.5 billion for a nationwide EV charger network along highway corridors. The IIJA provides several investments in EV charging in the Commonwealth, including \$171 million Pennsylvania expects to receive over a five-year period to support the expansion of an EV charging network. There is also the opportunity for the Commonwealth to apply for billions of additional grant funding dedicated to EV charging investments. All of these investments will increase sales of EVs in Pennsylvania, which underscores the need to develop electric distribution company rate designs to manage this change. The IIJA also amends the Public Utility Regulatory Policies Act of 1978 (PURPA) to require states to consider measures to promote electrification of the transportation sector, including establishment of rates that promote charging options for customers, improve customer experience, accelerate third-party investment in public charging, and appropriately recover costs related to electricity supply for EVs and associated infrastructure.

4. The Bureau of Technical Utility Services in conjunction with the Law Bureau shall prepare an order considering ChargeEVC-PA's request for a Policy Statement and the working group's recommendations relative to electric vehicle rate design by June 1, 2023.
5. The Law Bureau shall issue an Opinion and Order consistent with this Motion.

Date: November 10, 2022



Gladys Brown Dutricuille, Chairman



Stephen M. DeFrank, Vice Chairman