

January 22, 2024

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, PA 17120

**VIA ELECTRONIC FILING**

**Re: Electric Utility Rate Design for Electric Vehicle Charging;  
Docket No. M-2023-3040755**

Dear Secretary Chiavetta:


Please find enclosed for filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") the Joint Initial Comments of Industrial Energy Consumers of Pennsylvania ("IECPA") and Walmart Inc. ("Walmart"), in the above-referenced matter.

This document was filed electronically with the Commission on this date. All parties are being served a copy of this document in accordance with the enclosed Certificate of Service.

Please contact the undersigned if you have any questions concerning this filing.

Sincerely,

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Certificate of Service

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of the foregoing document upon the following parties to this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by participant).

**VIA E-MAIL**

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Barry A. Naum

Dated: January 22, 2024

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Electric Utility Rate Design for** : **Docket No. M-2023-3040755**  
**Electric Vehicle Charging** :  
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**JOINT INITIAL COMMENTS OF  
INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA  
AND WALMART INC.**

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On December 23, 2023, the Pennsylvania Public Utility Commission's ("PUC" or "Commission") Proposed Policy Statement Order ("Proposed Policy Statement") in the above-referenced docket was published in the *Pennsylvania Bulletin*. The Proposed Policy Statement requested interested parties submit Comments on the Proposed Policy on electric utility rate design for electric vehicle ("EV") charging in Pennsylvania. Interested parties were provided 30 days from the Proposed Policy Statement's publication in the *Pennsylvania Bulletin*, or by January 22, 2024, to submit Comments.

The Industrial Energy Consumers of Pennsylvania ("IECPA") and Walmart Inc. ("Walmart") jointly file these Initial Comments in response to the Proposed Policy Statement. The fact that IECPA and Walmart do not address each and every policy recommended by the Proposed Policy Statement should not be construed as either support or opposition to the policy as stated in the Proposed Policy Statement, or as presented by other stakeholders in their Comments, and IECPA and Walmart reserve the right, individually or together, to respond to other Comments as they pertain to any element of the Proposed Policy Statement.

IECPA<sup>1</sup> is an association of energy-intensive industrial consumers of electricity taking service from regulated utilities in Pennsylvania, including Duquesne Light Company ("Duquesne"); Metropolitan Edison Company ("Met-Ed"); PECO Energy Company ("PECO"); Pennsylvania Electric Company ("Penelec"); Pennsylvania Power Company ("Penn Power"); PPL Electric Utilities Corporation ("PPL"); and West Penn Power Company ("West Penn").

Walmart is an energy-intensive commercial consumer of electricity taking service from multiple regulated utilities in Pennsylvania. Walmart also has substantial experience with offering EV charging to its customers and is actively growing its presence in the EV charging space. Specifically, Walmart currently hosts more than 1,200 public Direct Current Fast Chargers ("DCFC") at 285 different locations and across 43 states. As announced recently, Walmart intends to build its own EV fast-charging network at thousands of Walmart and Sam's Club locations across the U.S. over the next few years. Walmart retail sites are ideally situated for EV charging stations because of their large parking lots, easy public access, and multi-site locations.

**A. IECPA and Walmart Generally Support the Proposed Policy Statement with Certain Clarifications.**

IECPA and Walmart generally support the Commission's Proposed Policy Statement as reasonable. With that said, IECPA and Walmart detail below specific comments and positions on each of the four proposed Sections of the Proposed Policy Statement to clarify their understanding of certain proposed policies.

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<sup>1</sup> For the purpose of this matter, IECPA's membership consists of: Air Products & Chemicals, Inc.; Benton Foundry, Inc.; Carpenter Technology Corporation; East Penn Manufacturing Company; Keystone Cement Company; Knouse Foods Cooperative, Inc.; Linde, Inc.; Marathon Petroleum Corporation; Nestle Purina PetCare Company; Proctor & Gamble Paper Products Company; and United States Gypsum Company.

**1. § 69.3551. Purpose and scope.**

IECPA and Walmart agree with the Commission's proposal to encourage development of rate structures for EV charging customers and also generally support consideration of fairness and equity principles in developing EV charging rates, under proper parameters. Specifically, and detailed further below, IECPA and Walmart support the development of EV-specific rates, meaning that the EV charging rate structures should optimally be on their own rate schedules and designed to meet the specific needs of EV charging customers. IECPA and Walmart also support cost-based EV charging rates that avoid interclass subsidization.

**2. § 69.3552. Electric Vehicle Charging Rate Tariffs.**

IECPA and Walmart generally support this Section's recommendation that electric distribution companies ("EDCs") develop and implement rates specifically for EV charging customers. EV charging load may not reflect the load and usage profiles of traditional rate schedules. Therefore, creating EV charging specific rates is optimal because it should allow the EDCs to ensure such rates are cost-based and avoid unreasonable cross-subsidization between customers, particularly in the form of traditional tariff customers (either distribution-only or default service customers subsidizing the cost to serve EV customers), and allow for rate designs that meet the specific needs of EV charging customers. Additionally, if an EDC receives funds from the Federal or State government to promote/develop EV charging, separate tariffs will help ensure that the funding from those grants is used for the benefit of EV charging customers and not a larger customer class.

Finally, while not directly addressed in the Proposed Policy Statement, IECPA and Walmart support third-party ownership of EV chargers so as to encourage competition. As such, EV charging rate structures for EV-specific users will help create a level playing field for third-



party owners who do not have the benefit of captive customers to potentially offset the costs of such chargers.

**3. § 69.3553. Electric Vehicle Charging Rate Design.**

Regarding Subsection (a), IECPA and Walmart acknowledge that time-of-use rates can encourage lower usage during peak demand hours; however, as discussed in the Proposed Policy Statement, the timing of EV charging cannot always be controlled by the owner of the charger. For public-facing EV chargers owned by third parties such as Walmart, this is particularly true. In that circumstance, the time of day during which the chargers are used cannot be controlled by the owner, but is rather dictated by the EV owner using the publicly-available charger. Additionally, if an energy-intensive, high-load factor commercial or industrial customer owns and operates a fleet of EVs that are used continuously in support of business operations, there may be little ability to control the timing of EV charging. Given these different use cases and charging patterns, IECPA and Walmart support flexibility for rate structures since a one-size-fits-all tariff structure between EV charging customer classes may not be optimal.

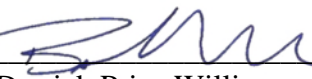
Regarding Subsection (b), IECPA and Walmart agree that EV charging distribution and default service generation rates should be flexible and adaptable. By allowing for flexibility, EV charging rates should be designed to be fair, cost-effective, and efficient. Regarding fairness, no cross-subsidization should occur between EV charging customers and other customers, whether default service customers or shopping customers, or between shopping customers and default service customers using EVs. If EDCs design and implement separate EV charging rates that are based on the cost to serve EV charging customers, interclass subsidization should be appropriately avoided.

**4. § 69.3554. Electric Vehicle Charging Rate Equity.**

As emphasized above, IECPA and Walmart agree that EV charging rates should be designed to promote fairness and equity. With that said, IECPA's and Walmart's position on fair and equitable rates is ideally that they be cost-based, meaning that cross-subsidization between rate classes should be avoided. Specific EV charging rates is an optimal way in which to achieve this goal, but doing so should not create stranded or additional costs that are then imposed on other customers, as that outcome would violate the fairness and equity principles promoted by the Proposed Policy Statement and would risk creating unreasonable cross-subsidization between customers, an outcome that the Proposed Policy Statement provides should be avoided. To the extent the Proposed Policy Statement contemplates the inclusion of principles of equity in the design of EV rates to support low income or disadvantaged communities, IECPA and Walmart recommend that such consideration be centered around the principles of both avoiding cross-subsidization and supporting overall statewide competition for EV providers who may also effectively serve those interests.

Respectfully submitted,

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Dated: January 22, 2024