December 13, 2019
VIA EMAIL

UTAH PUBLIC SERVICE COMMISSION
Heber M. Wells Building
160 East 300 South, 4th Floor
Salt Lake City, Utah 84111

Re: Docket No. 19-035-T16: In the Matter of Rocky Mountain Power's Proposed Tariff Revisions to Schedule 120, Plug-in Electric Vehicle Incentive Pilot Program

Comments of Southwest Energy Efficiency Project and Utah Clean Energy

Southwest Energy Efficiency Project (SWEEP) and Utah Clean Energy (UCE) submit these comments to the Public Service Commission of Utah ("the Commission") in response to Rocky Mountain Power's November 18, 2019 filing "Proposed Tariff Revisions to Schedule 120, Plug-in Electric Vehicle Incentive Pilot Program Docket No. 19-035-T16".

SWEEP is a public interest non-profit organization working to advance energy efficiency in Utah and across the region through education, policy development and advocacy. SWEEP and UCE were involved in the development of the Rocky Mountain Power (RMP) STEP program, which laid the groundwork for greater electric utility involvement in vehicle electrification in Utah. Our groups view transportation electrification as one of the largest available opportunities to reduce energy consumption, save money and prevent pollution.

Recommendations

SWEEP and UCE recommend the Commission partially approve RMP's proposed changes to the Plug-in Electric Vehicle (PEV) Incentive Pilot program with the modifications listed below. We recommend the Commission:

- Approve the proposed Residential Charger incentive program;
- Direct RMP to create a permanent EV-TOU rate structure by 2021, based on the findings from the pilot;
- Explore "smart charging" pilot opportunities with EVSE companies and EV manufacturers to best manage EV charging and maximize grid benefits;
- Cap the RMP incentive so that the "Total Customer Incentive" (including incentives from both the Utah Department of Environmental Quality (DEQ) and RMP) does not exceed 75% of the total project cost;
- Maintain the existing program incentive levels for the Non-Residential and Multi-Family incentive;

- Direct RMP to develop new EV program elements that expand electric transportation access for disadvantaged and low-income customer segments;
- Encourage RMP to increase the scale of investment in transportation electrification beyond the pilot phase to maximize the economic and environmental benefits for all ratepayers.

Background

Electrifying transportation can provide utility customers significant fuel cost savings, reduce emissions of both greenhouse gases and local air pollutants, and put downward pressure on the price of electricity to the benefit of all utility customers.

There are three primary barriers to EV adoption: 1) incremental vehicle cost; 2) the lack of charging infrastructure; and 3) the lack of consumer awareness. Electric utilities are uniquely situated to help overcome these barriers and meaningfully accelerate the adoption of light-, medium-, and heavy-duty EVs. RMP should develop programs and rate options that increase fuel cost savings, speed the deployment of EV charging infrastructure, increase consumer awareness of the benefits of EVs, and improve the utilization of the electric grid for the benefit of all customers.

Residential Charger Incentive Program:

Home charging is the foundational EV-charging category. According to the National Academies of Sciences, it is a "virtual necessity" for EV ownership.[1] The home is the location where cars are most often parked, where most charging occurs, and where drivers are likely to have the most control over fueling their vehicles. As a result, the opportunities for load management are most significant at home. Off-peak overnight residential charging also presents the greatest opportunity to improve the utilization of the electric grid and put downward pressure on electric rates and utility bills in the process. For these reasons, we support RMP's proposed Residential Charger Incentive Program.

Time-Of-Use charging rates send customers price signals to charge their vehicles in ways that maximize the grid benefits of EVs. RMP's current EV TOU pilot, Schedule 2E, is scheduled to end on December 31, 2020 and is not available to customers with rooftop solar or those participating in the Company's community solar program, Subscriber Solar. We recommend that Rocky Mountain Power develop a permanent TOU rate for all customers with EVs, including those with solar.

RMP should also explore "smart charging" pilot partnerships with EV charging providers and EV manufacturers to best manage EV charging, like Xcel Energy's "Charging Perks Pilot."[2] Other

[1] National Research Council of the National Academy of Sciences, *Overcoming Barriers to the Deployment of Plug-in Electric Vehicles*, the National Academies Press, 2015, p. 6.

[2]See: Xcel Energy, *Charging Perks Pilot*: https://www.xcelenergy.com/staticfiles/xe-responsive/Company/Rates%20&%20Regulations/Charging-Perks-Pilot-Product-Write-Up.pdf

successful load management strategies are outlined in Smart Electric Power Alliance's "A Comprehensive Guide to Electric Vehicle Managed Charging."[3]

Non-Residential and Multi-Family Charger Incentive Program:

SWEEP and UCE recognize the need to reconcile RMP's EV program with DEQ's Workplace Electric Vehicle Charging Funding Assistance Program and correct the program design so that the total incentive level is below 100% of the total cost of the project. We support RMP's proposal to maintain the cap of 75% of the total project costs. However, we oppose the proposal to reduce the current incentive level for non-residential & multi-family AC Level 2 Chargers because multi-family properties are not eligible for the DEQ workplace charging incentive.

The DEQ's electric vehicle incentive program is designed for workplace charging, and so multi-family dwellings are only eligible to receive funding if they have employees on site. The program is designed to accelerate the adoption of EV charging at businesses, non-profit organizations, and certain governmental entities.[4] At the proposed incentive levels for a Multi-Family AC Level 2 charger, the RMP program would cover only 30% of the total project costs, which is not enough to generate significant uptake. While the upfront cost of EVs are coming down over time, they are still more expensive than gas-powered vehicles. The additional $5,000 cost to install a multi-family Level 2 charging station puts the technology out of reach for many prospective EV buyers.

Over half of households in the US do not have access to a dedicated off-street parking space where residents can install a low-cost EV charging station. For the prospective EV buyer living in a multi-family dwelling like an apartment building, the high costs and logistical challenges of installing an EV charging station can be a deal-breaker. As a result, a disproportionate percentage of current EV owners live in single-family homes where they can easily install a low-cost EV charger[5].

In addition, the proposed incentive reductions are based on the assumption that recipients will secure grant funding from both the DEQ and RMP EV charger programs, which is likely to not always be the case. We suggest that Rocky Mountain Power maintain the existing incentive levels for non-residential and multi-family AC Level 2 charging stations, but apply the 75% cap to ensure that the combined incentive level does not exceed the total cost of the project (See Table 1). The incentive cap will guard program funds from any potential incentive surplus. RMP's proposed

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[3] See: Smart Electric Power Alliance, *A Comprehensive Guide to Electric Vehicle Managed Charging*. https://sepapower.org/resource/a-comprehensive-guide-to-electric-vehicle-managed-charging/

[4] See: Utah Department of Environmental Quality, *Workplace Electric Vehicle Charging Funding Assistance Program.* https://deq.utah.gov/air-quality/workplace-electric-vehicle-charging-funding-assistance-program

[5] See: International Council on Clean Transportation, *Quantifying the Electric Vehicle Charging Infrastructure Gap Across U.S. Markets.* https://theicct.org/sites/default/files/publications/US_charging_Gap_20190124.pdf

charger incentive reductions are unnecessary and may have an adverse impact on EV uptake through the program.

Table 1 – Non-Residential and Multi-Family Customer Incentive Examples

Scenario	Incentive Level	Use Case	# of Units	Equipment Cost	Potential DEQ Incentive	RMP Incentive	Total Customer Incentive	% of Total Cost
Existing Program Incentives	$3,500	Multi-Family Residential	20	$100,000	$0	$70,000	$70,000	70%
	$3,500	Workplace, Non-Profit or Gov't Facility	20	$100,000	$50,000	$70,000	$120,000	120%
RMP Proposed Incentives	$1,500	Multi-Family Residential	20	$100,000	$0	$30,000	$30,000	30%
	$1,500	Workplace, Non-Profit or Gov't Facility	20	$100,000	$50,000	$30,000	$80,000	80%
SWEEP/UCE Proposed Incentives*	$3,500	Multi-Family Residential	20	$100,000	$0	$70,000	$70,000	70%
	$3,500	Workplace, Non-Profit or Gov't Facility	20	$100,000	$50,000	$25,000	$75,000	75%

*SWEEP and UCE proposes to maintain the existing program incentive levels and cap the RMP charger incentive so that the "Total Customer Incentive" (DEQ + RMP incentive) does not exceed 75% of the total project cost.

General Comments

According to the filing, "*Participation in the EV Program has grown steadily since inception, and decreasing incentives will allow for additional participation and equipment to be installed within the EV Program's budget*." If the intent is to increase participation in the EV Program and offer greater access to electric transportation for RMP customers, then the best course of action is to increase the budget to accommodate growing demand.

More broadly, we recommend that RMP expand its transportation electrification program beyond the pilot stage. Programs should be scaled to maximize benefits such as emissions reductions,

increasing access to underserved customer segments, co-benefits such as workforce development opportunities, avoided peak load growth, or shared savings benefits while managing reasonable program costs.

Internal combustion vehicles are a major source of local pollution that harms public health and disproportionately harms the health of individuals living in disadvantaged communities. In addition, low-income households spend a greater percentage of their income on transportation costs and, therefore, have the most to gain from switching to a low-cost electric vehicle. To this end, we recommend that RMP develops an electric transportation program for disadvantaged and low-income customers to increase access to the benefits of electric transportation.

Conclusion

We recommend the Commission partially approve RMP's proposed changes to the Plug-in Electric Vehicle (PEV) Incentive Pilot program. Specifically, we recommend the Commission:

- Approve the proposed Residential Charger incentive program;
- Direct RMP to create a permanent EV-TOU rate structure by 2021, based on the findings from the pilot;
- Explore "smart charging" pilot opportunities with EVSE companies and EV manufacturers to best manage EV charging and maximize grid benefits;
- Cap the RMP incentive so that the "Total Customer Incentive" (including incentives from both the Utah Department of Environmental Quality (DEQ) and RMP) does not exceed 75% of the total project cost;
- Maintain the existing program incentive levels for the Non-Residential and Multi-Family incentive;
- Direct RMP to develop new EV program elements that expand electric transportation access for disadvantaged and low-income customer segments;
- Encourage RMP to increase the scale of investment in transportation electrification beyond the pilot phase to maximize the economic and environmental benefits for all ratepayers.

Respectfully submitted,

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Senior Transportation Associate

Southwest Energy Efficiency Project

CERTIFICATE OF SERVICE

Docket No. 19-035-T16

I hereby certify that on December 13, 2019, a true and correct copy of the foregoing was served by electronic mail to the following:

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