



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: Utah Public Service Commission

From: Office of Consumer Service
Michele Beck, Director
Cheryl Murray, Utility Analyst

Date: December 17, 2019

Subject: Proposed Changes to Schedule 120, Plug-in Electric Vehicle Incentive Pilot Program. Docket No. 19-035-T16

Introduction and Background

On November 18, 2019, Rocky Mountain Power (Company) filed with the Public Service Commission (Commission) proposed tariff changes to Schedule 120, Plug-in Electric Vehicle Incentive Pilot Program. On November 20, 2019, the Commission issued a Notice of Filing and Comment Period setting December 3, and December 10, 2019 as the dates by which parties may submit comments and reply comments, respectively.

On November 25, 2019, ChargePoint, Inc. (ChargePoint) filed with the Commission a motion to intervene in the docket combined with a motion for extension of the procedural schedule. Specifically, ChargePoint requested that the Commission extend all deadlines by two weeks. On November 26, 2019 the Commission issued a Second Notice of Filing and Comment Period and Order Suspending Tariff. In this second notice the Commission suspended the tariff and revised the dates for comments and reply comments to December 17, 2019 and December 24, 2019, respectively.

Discussion

Through this Application the Company is requesting Commission authorization to modify Electric Service Schedule 120, "specifically to adjust existing incentives, add customer project cap capability, and add a new offering for residential customers." The Company requests an effective date of December 18, 2019, however as noted above the Commission suspended the tariff and revised the dates for comments.

Company Explanation for Proposed Changes

In this filing the Company explains that the State Legislature, in the 2019 General Legislative Session, appropriated \$4.9 million to be used as an incentive for the installation of Electric Vehicle Supply Equipment (EVSE) throughout the state. The program is administered by the Utah Department of Environmental Quality (DEQ). Businesses, non-profit organizations, and governmental entities are allowed to apply for a grant for reimbursement of up to 50 percent of the purchase and installation costs for a pre-approved EVSE project. Purchase and installation of both AC Level 2 and DC Fast Charging equipment are eligible for reimbursement.

The Company also offers incentives on this equipment through the EV Program¹. The Company states that the combination of the DEQ and Company incentives creates a situation where customers may be able to receive more incentive money than the cost of the equipment purchased and installed. The Company provides examples of how this circumstance may occur under the current Schedule 120 incentives. In order to remove the possibility of this unintended consequence the Company proposes to modify the current Schedule 120 offering as discussed below.

In addition to the concern with unintended consequences of the dual incentive offerings, the Company states that “participation in the EV Program has grown steadily since inception, and decreasing incentives will also allow for additional participation and equipment to be installed within the EV program’s budget.”

Description of Changes

Adjustments to Existing Incentives

Schedule 120 allows the Company to provide incentives “up to” a maximum amount. The Company does not propose to change the maximum allowed incentive but rather to reduce the current incentive offering. For non-residential and multi-family AC level 2 chargers the Company proposes to reduce the current incentive offering as indicated in the table below.

Proposed Adjustments to Existing Incentives

Category	Measure		Current Incentive	Proposed Incentive
Plug-in Electric Vehicle Charging Stations	Non-Residential & Multi-Family AC Level 2 Charger	Single Port	\$2,500	\$1,000
		Multi-Port	\$3,500	\$1,500

Note: Per Schedule 120, incentive amounts are per charger up to 75% of total charger cost.

The Office asserts that incentives should be set at levels that do not provide 100 percent cost recovery for participants. It is our opinion that customers should have a financial

¹ The EV Program is funded through the Sustainable Transportation and Energy Plan (STEP).

stake in incentive programs, therefore, we support the proposed reduction in the current incentive offering and believe it is appropriate to consider all sources of incentive funding when determining incentive amounts to be paid by rate payers.²

Program Controls

The Company has modified the information on its website to clarify that the applicable 75 percent cap takes into account incentives from all funding sources, such as state, federal, and utility. This is meant to prevent over-incentivizing customers for AC Level 2 and DC Fast Chargers.

In the Special Conditions section of Schedule 120 under Non-Residential and Multi-Family DC Fast Charger Prescriptive Incentive³ one pre-approval criteria that may be included is (f) Number of chargers and per project caps. The purpose of this condition is to help spread out customer incentives, prevent runs on the EV Program, and prevent a single customer from depleting a significant amount of the available funding.

The Company observes that the EV Program is beginning to see customer applications for high amounts of AC Level 2 Chargers. While the total number of applications increasing, the concern lies with any one participant (or several) requesting incentives for a significant number of chargers at a single location, thereby consuming a substantial portion of the yearly budget. This result could limit both the total number of customers able to take advantage of the program and the desire to have chargers available across a wider sector of the Company's Utah service territory. Therefore, the Company is proposing to add the same Special Condition (Application may be subject to charger and per project caps) for residential, non-residential and multi-family AC Level 2 charger prescriptive incentives to enable the Company to cap customers' annual incentives based upon budget availability. Again, this change is proposed to prevent runs on this offering and help the EV program funding last throughout the year.

The Office does not oppose the Company's proposed language change which we believe provides adequate flexibility to allow the Company to make adjustments if there is a significant decline in applications. As stated above we support consideration of all available sources of incentives in setting incentive levels in rate payer funded programs.

New Offering for Residential Customers

The Company proposes to add a new offering to the EV Program for residential AC Level 2 Chargers. As the capacity of electric vehicle batteries is increasing, the Company asserts that this creates a need for residential customers to be able to charge their vehicles faster at home and that for many electric vehicles charging overnight with a basic level 1 Charger will not provide a full charge. Thus, the Company proposes to add an

² The Company's filing demonstrates that the proposed reduced incentive levels, consideration of all incentives received and a 75% cap will require some financial contribution from a participating customer.

³ First Revision of Sheet No. 120.2.

offering to the EV Program for residential AC Level 2 Chargers. The maximum incentive will be \$200 per charger up to 75 percent of total charger and/or installation cost. The initial offering will be at the \$200 maximum.

The Office supports the addition of an incentive to help residential customers acquire Level 2 chargers. Residential customers are providing financial support to the program through their rates therefore it is appropriate that they are also given the opportunity to receive incentives for Level 2 chargers.

The Office has some concern regarding the potential impact on peak load that increasing the number of Level 2 chargers may have. However, we recognize that a shorter charging time may allow charging to begin later in the evening thus providing a benefit rather than a burden. The Office recommends that the Company educate customers and include time-of-use information with incentive applications and be required to provide information encouraging participation in the Company's time-of-use tariff with incentive payments.

Recommendation

The Office recommends that the Commission approve the Company's proposed modifications to Schedule 120. The Office further recommends that the Company be required to provide time-of-use information to residential customers with each incentive payment.