BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF UTAH

DOCKET NO. 19-035-T16

Rocky Mountain Power's Proposed Tariff Revisions to Schedule 120, Plug-in Electric Vehicle Incentive Pilot Program.

INITIAL COMMENTS
OF CHARGEPOINT, INC.

ChargePoint, Inc. ("ChargePoint"), respectfully files these initial comments in the above-named proceeding pursuant to the Commission's Second Notice of Filing and Comment Period and Order Suspending Tariff, issued November 26, 2019.

Background

In Advice Letter No. 19-16, Rocky Mountain Power (RMP or the Company) proposed to make changes to its Plug-in Electric Vehicle Program administered through Electric Service Schedule No. 120. The changes proposed by the Company make adjustments to incentive levels, add customer project caps, and add a new offering for residential customers. ChargePoint thanks the company for the program currently in place and submits the following modifications to certain aspects of its proposal. ChargePoint's proposed modifications are reflective of decade's long experience partnering with utilities and other stakeholders to develop best practices to drive EV adoption across the country.

ChargePoint further thanks the Commission for granting ChargePoint's request for an extension of time to file comments in this proceeding. This proceeding raises complicated issues in a rapidly changing regulatory landscape and evolving market. For that reason, ChargePoint

submits that workshops or other collaborative and efficient regulatory process is warranted to fully explore the issues raised in RMP's filing and ChargePoint's response to same.

Summary of Recommendations

For the reasons that ChargePoint will discuss herein, ChargePoint respectfully recommends that the Commission in its final order:

- Maintain the existing per-charger maximum incentive levels of $2,500 and $3,500 for non-residential single port and dual port chargers, respectively.
- Specify that RMP's proposed incentive cap for non-residential L2 chargers is inclusive of both charger and installation costs.
- Codify RMP's current requirement that all incentives for L2 chargers (residential and non-residential) be UL listed, ENERGY STAR certified, and smart to drive best practices.
- Increase the incentive amount for residential L2 charger to $600 per charger to foster optimal adoption.

RMP's Rationale and Proposed Changes to its Existing EV Program

In justifying its proposed changes, the Company suggests that customers who participate in the Company's EV Program and in a newly developed program from the Department of Environmental Quality ("DEQ") *could* in certain situations "receive more money through incentives than the actual cost of the equipment they have purchased and installed."[1]

To address this potential, the Company proposes to reduce the incentive for AC Level 2 (L2) Chargers and add per project cost caps as follows:

[1] Advice No. 19-16, pg. 2.

- reduce the single port L2 charger incentive from a maximum of $2,500 to a maximum $1,000 (60% reduction) and the multi-port L2 charger incentive from a maximum $3,500 to a maximum of $1,500 (57% reduction).
- cap the incentive amount to a level that ensures the customer will not receive more than 75% of the total charger cost after accounting for incentives the customer receives from other sources, such as DEQ; and
- cap the total incentive that a customer may receive in a year at $75k for L2 chargers.

Analysis of Proposed Changes

Level 2 – Monetary Equipment Incentive Levels

The Company is proposing to make significant cuts to its incentives for non-residential L2 charging equipment. ChargePoint submits these proposed cuts (1) are overly broad to address the potential issue (customers receiving total incentives that exceed the actual cost of buying and installing the equipment); and (2) will not properly incentivize customers to install high quality smart chargers and could push customers toward choosing charging equipment that does not take advantage of the latest advances in L2 charging technology.

To address the first concern, ChargePoint proposes that the existing per-charger incentive levels of $2,500 and $3,500 for non-residential single port and dual port chargers be maintained, so long as the participating customer would not exceed the percentage based maximum incentive limit based on the cost of the equipment and installation.

ChargePoint submits that the Company's L2 incentives should codify and expand its existing practice of requiring that the charging technology that align with leading industry best practices and that will ensure the chargers that the Company incentivizes will be able to participate

in any new programs the Company may offer in the future (such as demand response programs or time-based rates to encourage off-peak charging) as follows:

UL Listed: Charging equipment should be UL listed per compliance with standards UL 2594, UL 2231-1, UL 2231-2, and UL 916. Underwriters Laboratory (UL) is an OSHA-accredited Nationally Recognized Testing Laboratory that test products, including EV charging stations to applicable UL standards for safety. Having products be required to be UL listed gives customers and regulators confidence that they are purchasing or incentivizing products that have been rigorously tested to ensure safety and reliability.

ENERGY STAR certified: The US Environmental Protection Agency awards ENERGY STAR certification to EV charging equipment that meets specific efficiency standards in standby mode, showing that a charger conserves energy when not actively charging. ENERGY STAR certified chargers can use up to 40% less energy than standard chargers while not in active use.

Smart: Smart or networked charging equipment has the ability to connect to the internet and manage the charging of the electric vehicle. As electric vehicle adoption increases, the Company may seek to offer program for EV drivers and charging station site hosts that leverage the capability of smart chargers. Examples of such programs include SDG&E's Power Your Drive Program,[2] SCE's Charge Ready Program,[3] PG&E's EV Charge Program,[4] and Xcel Energy Minnesota's Residential EV Service Pilot.[5] Each of these programs leverage the capabilities of L2 smart chargers to manage charging in a way that

[2] https://www.sdge.com/residential/electric-vehicles/power-your-drive
[3] https://www.sce.com/business/electric-cars/Charge-Ready
[4] https://www.pge.com/en_US/large-business/solar-and-vehicles/clean-vehicles/ev-charge-network.page
[5] Minnesota Public Utility Commission Docket Number E002/M-17-817

improves grid and generation efficiency. These programs also have the benefit of saving EV charging site hosts money through time differentiated rates. They also benefit all customers by encouraging higher kWh sales during off peak periods, thereby spreading utility fixed cost over a greater number of kWh. While we are not suggesting that RMP develop any similar programs in this proceeding, we believe keeping potential future applications in mind is important when evaluating these programs. Encouraging customers to purchase smart chargers is a way to ensure they will be able to participate in programs in the future to the benefit of those customers and the customer base as a whole.

Level 2 – Percentage Based Maximum Equipment Incentive

In addition to proposing to reduce the monetary incentive for L2 chargers, the Company also proposes to change how it calculates per project caps. The Company proposes to cap the per project incentive at 75% of the "total charger cost" taking into account "incentives from all funding sources, such as state, federal, and utility."

The Company justifies its proposed reduction by stating that the cap will "further prevent over-incentivizing customers." ChargePoint is concerned that this provision gives the Company too much responsibility over the independent actions of other entities, such as the DEQ, and may lead to a discriminatory implementation of the program. Fundamentally, the Company is making an assumption that 75% of charger costs is the incentive level that all funding sources believe is appropriate. This unilateral determination diminishes the impact that other funding sources could have in accelerating the installation of charging equipment. If the state or federal government wanted to make up the 25% funding gap, those entities should have the ability to do so, but the change proposed by RMP would deny those entities the ability to serve their constituents in this way. In the case of the incentives offered by DEQ, presumably the State Legislature was aware of

RMP's existing program when it created the DEQ's program. Accordingly, the Commission should not assume (as RMP seems to have assumed) that the hypothetical "over-incentivizing" that RMP seeks to avoid was somehow a mistake on the part of the State Legislature.

ChargePoint also seeks clarification on how this 75% will be calculated, in particular for non-residential L2 charging equipment. In the Advice Letter the Company states:

> *"prescriptive incentive amounts for AC Level 2 and DC Fast Chargers are on a per charger basis up to 75 percent of total charger cost."*

However, the Company's tariffs use two different methodologies for calculating percentage-based maximums:

- The Company's monetary "incentive up to" provision in Tariff 120.2 for Residential and DCFC charging stations provides for incentives up to 75% of total charger and installation cost.
- The Company's monetary "incentive up to" provision in Tariff 120.2 for non-residential L2 charging stations provides for incentive up to 75% of total charger cost only.

Additionally, DEQ's program uses a different methodology, which provides incentives up to 50% of the purchase and installation cost for a pre-approved EVSE project.[6]

The Company's advice letter also states that "the 75 percent cap takes into account incentives from all funding sources, such as state, federal, and utility". If Company's calculation to come up with the 75% limit only uses the cost of the charger to calculate the limit, while also

[6] https://deq.utah.gov/air-quality/workplace-electric-vehicle-charging-funding-assistance-program

debiting installation cost against the limit to determine the RMP incentive amount, ChargePoint believes that RMP incentives would be severely limited.

ChargePoint believes that because the DEQ program, the Company's DCFC incentive, and the Company's proposed residential incentive all use charger and installation cost to determine the percentage-based maximums, that the non-residential L2 program should use this methodology as well. ChargePoint sees no reason that the non-residential L2 program should be treated differently.

Level 2 – Annual Customer Incentive Caps

In the advice letter, the Company proposes to add the same $75K annual customer cap on incentives for L2 incentives as is currently in place for the DCFC incentives. ChargePoint seeks to clarify if the Company is planning to implement this provision based by viewing each individual meter as a customer or viewing each corporate entity as a customer. ChargePoint believes that the distribution of charging stations, particularly publicly available charging stations is important and corporate entities interested in supporting the deployment of charging stations should be encouraged to do so. Accordingly, ChargePoint recommends that the $75K annual customer cap apply to individual meters or locations, not on the corporate entities to allow to allow entities seeking to install charging stations at several locations the ability to do so.

RMP's Proposed Residential Program

ChargePoint appreciates that the Company has proposed to add a residential incentive program that would provide $200 per charger up to 75% of the "total charger and/or installation cost." ChargePoint supports the proposal to incentivize residential EV charging stations because we believe that facilitating faster home charging with a L2 smart charging station is an effective means of encouraging EV adoption. More and more residential customers are finding L2 smart chargers to be an essential part of EV ownership. As EVs' battery size and range increases, the

basic 110 V charging cord that comes with most EVs will not be enough to charge a vehicle overnight. Drivers appreciate the faster charging times, added convenience, and features that L2 smart chargers offer, such as the ability to program charging times, remotely control charging with a smartphone to take advantage of time-of-use (TOU) rates, or participate in other programs utilities may offer.

Reducing the cost of an L2 smart charger through RMP's proposed rebate program will encourage more single-family residential customers who purchase an EV to charge their EV in the most economical and grid efficient manner. Additionally, through programs such as those described above, the utility and customers can leverage the smart charging capabilities to track load, manage charging times, and respond to price signals.

For these reasons, ChargePoint recommends that the Company impose the same technical requirements for the proposed residential program as we recommended for the non-residential program, above. Specifically, the Company should require that in order to receive funding from the program, residential chargers be UL listed, ENERGY STAR certified, and smart (*i.e.*, have the ability to connect to the internet and manage the charging of the electric vehicle).

ChargePoint further recommends that RMP increase the incentive amount for residential chargers to up to $600 per smart charger, up to 75% of total equipment and installation costs. A higher incentive amount is consistent with other recent utility proposals that have succeeded at meaningfully driving customer uptake. For example, Interstate Power and Light (Alliant Energy) in Iowa recently proposed to provide incentives of up to $750 per smart charger for residential customers.[7]

[7] *See* Interstate Power and Light General Rate Case, Iowa Utilities Board Docket No. RPU-2019-0001, Direct Testimony of Jason P. Nielsen, p. 30.

Summary of Recommendations

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CERTIFICATE OF SERVICE

I hereby certify that I have on December 17, 2019, I have duly served a true and correct copy of the foregoing **INITIAL COMMENTS OF CHARGEPOINT, INC.** upon all parties via email.

/s/ Scott F. Dunbar
Scott F. Dunbar