ROCKY MOUNTAIN POWER
A DIVISION OF PACIFICORP

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December 24, 2019

VIA ELECTRONIC FILING

Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attention: Gary Widerburg
Commission Secretary

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

On November 26, 2019, the Public Service Commission of Utah ("Commission") issued a Second Notice of Filing and Comment Period in the above referenced matter, allowing parties extended time to file comments and reply comments by December 17 and 24, 2019, respectively. Utah Clean Energy ("UCE") and Southwest Energy Efficiency Project ("SWEEP") submitted joint comments December 13, 2019. The Division of Public Utilities ("DPU"), Office of Consumer Services ("OCS"), ChargePoint, and Siemens filed comments December 17, 2019. Rocky Mountain Power (the "Company") provides these reply comments in response to comments filed by the aforementioned parties.

DISCUSSION

The DPU recommends approval in their comments, concluding the Company's proposed changes are reasonable and in the public interest. The OCS also recommends approval in their comments, with an additional recommendation that the Company provide Time of Use ("TOU") information to participating residential customers with incentive payments. The Company is agreeable to this and will take steps to ensure participating residential customers receive or are made aware of some form of TOU education as part of their participation process.

UCE/SWEEP are in support of the Company's proposed new residential offering as well as enabling a cap on customer incentives, with the additional following recommendations:

- Create a permanent Electric Vehicle ("EV") TOU rate structure by 2021;
- Explore smart charging opportunities;
- Maintain existing program incentive levels;
- Create new program elements for disadvantaged and low-income customers; and
- Expand the program beyond the scope of the pilot phase.

Time of Use Rates

The EV TOU rates available through Schedule 2E will not terminate until January 1, 2022, unless modified by order of the Commission.[1] The TOU program however, will not accept new customers onto the tariff rate schedule after December 31, 2020, to align with Schedule 2E's Special Conditions, namely, committing participating customers to a term of not less than one year, the purpose of which is to provide the Company at least 12 months of usage data to help inform future TOU rate design efforts. The Company will analyze the findings obtained from the EV TOU pilot period to inform the possibility of a permanent TOU rate structure.

Smart Charging

While the Company acknowledges there may be future potential benefits of having every charger be "smart," the current EV Program pilot allows customers to choose for themselves what equipment works best for them. Smart chargers come with a higher initial cost, and ongoing networking fees that customers would be subject to if they wanted their equipment to remain connected. These higher initial costs and ongoing fees would be a financial barrier to customer participation and limit the building of electric vehicle infrastructure if smart equipment is required. Additionally, with the EV Program's budget constraints, incentives could not be set at a high enough amount to yield meaningful participation without running out of funds mid-year. Customers with smart equipment can also cancel their networking subscription, making them unreliable to be used for grid management without an additional requirement that customers maintain their networking subscriptions.

Pursuant to the Sustainable Transportation and Energy Plan Act, the EV incentive program's purpose and focus is to promote customer choice in EV charging equipment and service that includes the installation of EV charging infrastructure and TOU pricing. To that end, the Company's EV Program should remain simple and easy for customers to participate. If too many conditions and specific requirements are put in place, such as requiring all equipment to be smart, this will take the focus off of and reduce the amount of infrastructure that is installed through the EV Program. Additionally, requiring equipment to be smart would not align with DEQ's program, creating additional complexities and barriers. It is worth noting however, that the majority of incentivized DC Fast Chargers have been smart, with many of the incentivized AC Level 2 Chargers smart as well, with data already being collected from them.

Incentive Levels

UCE/SWEEP, ChargePoint, and Siemens all recommended maintaining the current incentive levels for various reasons. With the 75 percent cap taking into account incentives from all funding sources, this should help to prevent customers from getting over-incentivized. The Company intends to implement this for all DC Fast Charger participation, given that this participation is at a manageable level to work with participating customers and the DEQ to ensure an appropriate incentive amount is given. However, the volume of AC Level 2 participants is significantly higher

[1] Sheet 2E.3 Section 8.

than DC Fast Chargers and may prove problematic and confusing to customers to calculate their incentives based on the assumption of also receiving funds from the DEQ. It is critical that the prescriptive incentive amounts be lowered as proposed in order to prevent over-incentivizing AC Level 2 customers in the event that calculating incentives in this way for every participant proves impractical. Based on the actual participation the Company has seen, lowering these incentives is not anticipated to reduce participation; rather, the Company anticipates higher participation because the EV Program will have additional funds available. Additionally, lowering the AC Level 2 incentives will help ensure the EV Program can be managed such that funds remain available throughout the year. If the current incentive levels are maintained, not only is there potential for over-incentivizing customers, but also the likelihood of the EV Program's depletion of funds mid-year, causing a disruption for customers having to wait until funds become available again.

UCE/SWEEP's recommendation to maintain current incentive levels was predicated on their concern of multi-family properties being ineligible for DEQ's program. The Company has discussed this topic with the DEQ directly and does not believe this to be of concern. The majority of multi-family complexes typically have leasing offices, maintenance crews, or other employees on site, making them fully eligible for the DEQ offering. The DEQ has confirmed multiple instances of providing incentive offers to multi-family properties to date. In the instances where a smaller multi-family property does not have employees on site, making them ineligible for DEQ's incentive, the same type of property is not likely to be on a commercial rate schedule, thus making them also ineligible for the Company's EV Program incentive. The Company maintains that the lowering of its current incentives aligns with the DEQ's program, and will not adversely affect multi-family properties as UCE/SWEEP's comments suggest. It is also worth noting that the DEQ's and Company's requirements are similar, so any customer ineligible to receive funding from the DEQ, be it multi-family or otherwise, will in turn likely be ineligible to receive a prescriptive incentive from the Company.

Siemens' recommendation to increase the proposed residential incentive to $600 is predicated on requiring all equipment to be smart, which comes at a higher cost. Given that the Company does not recommend to make smart equipment a requirement for the reasons discussed herein, the proposed incentive level of $200 is anticipated to be adequate for participation without adversely affecting the available funds for other EV Program offerings throughout the year.

Low-Income Customers

The existing EV Program allows any eligible customer to participate, including disadvantaged and low-income customer properties. The new proposed residential offering will also be available to low-income customers. The Company acknowledges that the current prescriptive incentives do not fulfill every customer's specific needs, which is why the EV Program offers custom incentives. A low-income multi-family property could submit a custom application and potentially receive a custom incentive for a project. Because each low-income project would likely have different needs, a custom application may best address this customer segment.

Program Expansion

As mentioned above, the current EV Program is a pilot program with a defined budget and scope. The EV Program's pilot phase currently ends December 31, 2021. The Company will compile and analyze the findings obtained from the market and TOU data to help inform any subsequent programs and offerings for electric vehicles and associated equipment. The Company anticipates working with interested parties on future program design, TOU rate structure, cost-benefit analysis methodology, and any other relevant items such as technology and payment standards, as raised in comments.

The Company will continue to analyze the EV Program and make adjustments as necessary through the pilot term to maintain a well-balanced, prudent program that will remain focused on the installation of EV charging infrastructure and TOU rates.

CONCLUSION

Based on the reply comments discussed herein, as well as the approval recommendations of the DPU and OCS, the Company continues to believe its proposal, as filed, is prudent and in the public interest, and recommends the Commission approve Advice No. 19-16 as filed, effective January 1, 2020. If approved, the Company will submit a compliance filing to update the effective date of the tariff sheets.

Sincerely,

Michael S. Snow
Manager, Regulatory Affairs

CERTIFICATE OF SERVICE

Docket No. 19-035-T16

I hereby certify that on December 24, 2019, a true and correct copy of the foregoing was served by electronic mail to the following:

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