



State of Utah
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Division of Public Utilities

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Reply Comments

To: Utah Public Service Commission

From: Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Manager

Doug Wheelwright, Utility Technical Consultant Supervisor

Bob Davis, Utility Technical Consultant

Date: December 24, 2019

Re: **Tariff Sheet Changes, Docket No. 19-035-T16** – Rocky Mountain Power’s Proposed Tariff Revisions to the Plug-in Electric Vehicle Program (“EV Program”) administered through Electric Service Schedule No. 120, specifically to adjust existing incentives, add customer project cap capability, and add a new offering for residential customers.

Recommendation

The Division of Public Utilities (“Division”) has reviewed the comments filed by Utah Clean Energy and Southwest Energy Efficiency Project (“UCE/Sweep”), ChargePoint, Siemens, and the Office of Consumer Services (“OCS”) in response to Rocky Mountain Power’s (“RMP”) proposed changes to Electric Service Schedule No. 120. Based on the comments filed by the parties, the Division maintains its original recommendation to approve the revisions to Schedule No. 120, which are reasonable and in the public interest.

Issue

On November 18, 2019, RMP filed with the Commission its proposed revisions to Electric Service Schedule No. 120 and requested an effective date of December 18, 2019. On November 18, 2019, the Commission issued an action request to the Division requesting it to review RMP’s filing and make recommendations. The Commission asked the Division to report back by December 3, 2019. On November 20, 2019, the Commission issued its Notice of Filing

and Comment Period allowing any interested party to submit comments on or before December 3, 2019 and reply comments on or before December 10, 2019. RMP met with the Division, OCS, and UCE on November 12, 2019, to explain the proposed changes to Schedule No. 120. On November 25, 2019, ChargePoint, Inc. (“ChargePoint”) filed a combined motion to intervene, a motion for extension of procedural schedule, and requested a revised effective date of January 1, 2020. On November 26, 2019, the Commission issued its Second Notice of Filing and Comment Period and Order Suspending the current Tariff. The PSC gave notice that any interested party may submit comments on the Tariff Revisions on or before December 17, 2019 and reply comments on or before December 24, 2019. On December 13, 2019, UCE/Sweep filed comments in this matter. On December 17, 2019, the Division, OCS, ChargePoint, and Siemens filed comments. This memorandum represents the Division’s reply comments. The Division’s lack of response to any or all of any party’s recommendations does not mean the Division either supports or denies the merits of those recommendations.

Discussion

The purpose of this matter is to propose revisions to Electric Service Schedule No. 120 that align incentives offered through the STEP EV Program with incentives offered by the Division of Environmental Quality (“DEQ”),¹ add caps, and offer incentives to residential customers for Level 2 chargers.

The STEP Act, Utah Code Annotated §54-7-12.8 (6)(b) grants the Commission the authority to authorize a large-scale utility to spend \$2M annually on an approved electric vehicle incentive program described in Section 54-20-103. The Commission approved the EV Program in its Phase III Report and Order on June 28, 2017.² The Division, OCS, and other parties contributed to the original development of the program. The current tariff including incentive levels, the time of use (“TOU”) rate structures, and load research study is the result of the Commission’s Order and are applicable to the 5-year STEP EV Program pilot. This docket is not

¹ During the 2019 General Legislative Session, the State Legislature appropriated \$4.9 million to be used as an incentive for the installation of Electric Vehicle Supply Equipment. Rocky Mountain Power, Advice No. 19-16 Filing, November 18, 2019.

² See <https://pscdocs.utah.gov/electric/16docs/1603536/2949541603536ptrao6-28-2017.pdf>

the forum to change the program, determine a rate structure, direct RMP to specify the types or characteristics of any level charger to its customers, or create needs for additional funding, as some parties suggest. While some of the recommendations of other parties may have merit, they appear better suited to the development of a long-run program once the current pilot program and studies are concluded. In this docket, RMP requests relatively minor changes to existing program elements to use available funds more efficiently.

UCE/SWEEP

UCE/SWEEP recommends the Commission direct RMP to create a permanent EV-TOU rate structure by 2021 based on the findings from the pilot, which is not yet complete. EV penetration continues to increase, charging infrastructure technology is evolving, and the purpose of the EV Pilot Program is to determine the necessity and design of a TOU rate for electric vehicles that is in the public interest based on the penetration, technology, and effectiveness of the TOU rate study. The Division concludes that it is imprudent to direct RMP to make a permanent EV TOU rate by 2021 when the study is in progress.

Siemens and ChargePoint

The purpose of the Plug-In Electric Vehicle Incentive Pilot Program, Electric Service Schedule No. 120, is to incentivize plug-in electric vehicle charging infrastructure and study TOU rates. Both Siemens and ChargePoint offer several potentially reasonable recommendations. However, neither party offers data or observations that support their recommendations in any significant manner. Furthermore, the Division concludes that the suggested changes are better suited for consideration when, if warranted, developing a long-run program once the current pilot program and studies are concluded.

The Division does not yet support the recommendations made by ChargePoint and Siemens for exclusive inclusion of chargers with Energy Star certification, UL Listing, and Smart Charger characteristics to receive incentives. The intent of the incentives is to offset the costs to all customers for electric vehicle supply equipment (“EVSE”) and offer incentives to as many customers as possible given the annual maximum cap of the program. The Division has not had the opportunity to research the validity of how many chargers on the market exhibit these

characteristics and potential pricing differences between them. Although these characteristics, in part or in whole, may be desirable in the long-run, the Division is concerned that these requirements may limit customers' choices of qualifying chargers, increase customers costs, and undermine the pilot program.

RMP is currently coordinating with the DEQ to compare customer applications for each program to prevent over-incentivizing customers. The Division recommends that RMP coordinate with others that may offer incentives in the future similar to its coordination with the DEQ. RMP's proposal to decrease incentives for non-residential and multi-family AC Level 2 Chargers seems prudent and makes more funds available for other customers. The Division concludes that RMP's proposal to cap STEP incentives at \$75k, the same cap employed by the DEQ, provides a solution to prevent greater-than-cost incentives. The addition of a residential incentive to install AC Level 2 chargers gives those customers an opportunity to meet their charging needs by reducing purchasing and/or installation costs.

The Division concludes that RMP's proposed changes are an improvement to the incentive program. Incentive programs should generally not relieve the customer of all of the cost of the equipment. In other words, customers should retain a financial stake in the program. The Division will monitor the use of these incentives and may propose changes if the incentives prove to be too high or too low in some instances. RMP should be cautious and report quickly if it observes rapid adoption and exhaustion of dedicated funds.

Conclusion

The Division has reviewed RMP's proposed changes to Electric Service Schedule No. 120 and comments filed by other parties. The Division concludes the revisions to Schedule No. 120 as originally proposed by RMP are reasonable and in the public interest.

Cc: Michael Snow, RMP
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