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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

<p>In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations</p>	<p>Docket No. 20-035-04</p>
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PREFILED SURREBUTTAL TESTIMONY OF

AARON J. KRESSIG

ON BEHALF OF

WESTERN RESOURCE ADVOCATES

November 6, 2020

1 **Q: Please state your name, position, and business address.**

2 A: My name is Aaron J. Kressig. I am employed by Western Resource Advocates (WRA) in
3 its Clean Energy Program as the Transportation Electrification Manager. My business
4 address is 2260 Baseline Road, Suite 200, Boulder, Colorado 80302.

5 **Q: Are you the same Aaron Kressig who provided direct testimony (on Phase II issues)**
6 **on behalf of Western Resource Advocates?**

7 A: Yes.

8 **Q: Please summarize your rebuttal testimony.**

9 A: The purpose of this surrebuttal testimony is to respond to the Rebuttal Testimony of
10 Robert Meredith. Specifically, I disagree with his position that keeping both the existing
11 and proposed 6A rates is not in the public interest, and I also disagree with his arguments
12 against developing a dedicated Commercial EV rate.

13 **Q: Please review your recommendation regarding Schedule 6A.**

14 A: In my direct testimony, I recommended that the Commission keep both the existing and
15 proposed 6A rates. I recommended including special conditions in the Schedule 6 rates to
16 avoid excessive rate switching.

17 **Q: Please summarize the Company's rebuttal to your direct testimony regarding**
18 **keeping both the existing and proposed Schedule 6As.**

19 A: The Company disagreed with my proposal to retain the existing Schedule 6A, stating that
20 they had designed the new 6A rates to ensure that revenue impacts were adequately

21 captured, and that keeping both presented revenue risk to the company: “the revenue for a
22 new non-capped separate time of use option would not be accounted for, which would
23 increase risk for the Company and non-participating customers.”¹ Presumably, the
24 Company is concerned that too many customers would choose to stay in the existing 6A,
25 if provided the option, and create a revenue imbalance.

26 **Q: Do you agree with the Company’s rebuttal that your proposal regarding Schedule**
27 **6a is not in the public interest?**

28 A: No. I understand the Company’s concern, but the Company has not provided enough
29 information for me to assess the magnitude of the revenue risk. I believe the public
30 interest is served, particularly at this time, by keeping both rate options. In terms of rate
31 design, the new Schedule 6A is quite a departure from existing Schedule 6A and from
32 any current rate design used by the Company. I support it because I see it as facilitating
33 Utah’s burgeoning EV market, as discussed in my direct testimony and below. WRA
34 thinks the public benefit may outweigh the revenue risk, but admits that the Company has
35 not provided enough data or analysis to quantify the degree of this risk. That being said,
36 if the Company is truly concerned about the revenue risk, the Commission could propose
37 this new 6A be implemented as a pilot program and keep the existing 6A until the
38 Company has more data about the impact of this new proposed Schedule 6A on
39 customers.

¹ Meredith Rebuttal Testimony at lines 827-829.

40 Q: **Did the three examples of hypothetical EV charging customers convince you that**
41 **switching from the existing 6A to the proposed 6A is preferable to keeping both**
42 **rates?**

43 A: No. Mr. Meredith's examples provide support for approving the proposed 6A, but do not
44 address the need to keep both the existing and proposed 6A rates. To be clear, I agree
45 that the proposed 6A redesign should be approved. However, the examples Mr. Meredith
46 provides do not address my concerns that shifting to the proposed 6A will lead to
47 significant cost increases for customers with load factors between 5% and 20%, a range
48 where some EV charging stations likely are today and where many will be entering in the
49 next few years as the EV market grows.

50 As you can see in Table 1 of my Direct Testimony, switching from existing 6A to the
51 proposed 6A will lead to cost increases of roughly 12.7% for customers with a 5% load
52 factor, 18% for customers with a 7.5% load factor, 15% for customers with a 10% load
53 factor, and 11% for customers with a 15% load factor. Because these cost increases for
54 higher load factor EV charging customers are so significant, I recommend the
55 Commission keep both the current and existing 6A, at least until the Company offers a
56 dedicated commercial EV rate.

57 Q: **Please review your recommendation regarding establishing a commercial EV rate.**

58 A: In my direct testimony I recommended that the Commission require PacifiCorp to
59 propose a commercial rate design specifically for EV customers, no later than January 1st
60 2023. Further, I recommended that the Commission require PacifiCorp to hold at least

61 two stakeholder meetings to gather input and solicit feedback on the Commercial EV rate
62 before filing the rate with the Commission.

63 **Q: In rebuttal testimony, Mr. Meredith proposes the creation of a rate design working**
64 **group. What is your response?**

65 A: I support the creation of this working group. It could provide a forum for developing a
66 commercial EV rate and hosting the stakeholder meetings I recommended in my direct
67 testimony.

68 **Q: In his rebuttal testimony, Mr. Meredith claims that you argue that “pricing should**
69 **be designed with a medley of different rate options tailored to different end uses.”²**
70 **Is this accurate?**

71 A: No, this is an inaccurate depiction of my testimony. In my direct testimony, in support of
72 implementing a specific, commercial EV charging rate, I said, “rates should be designed
73 with specific end users and use cases in mind.”³ This statement was in reference to the
74 best practices regulators and utilities should consider *when developing a commercial EV*
75 *rate*. I was not, as is suggested by Mr. Meredith, generally advocating for a broad
76 proliferation of different rate options for different customer types. When read in context,
77 my statement urges the Company and the Commission to consider specific EV charging
78 end users and use cases when developing a commercial EV rate. My recommendation is
79 that PacifiCorp propose a single Commercial EV charging rate, which is fairly designed

² Meredith Rebuttal Testimony at lines 833-834.

³ Direct Testimony of Aaron Kressig at line 399.

80 to consider multiple EV charging end uses, including fleet charging, public fast charging,
81 workplace charging, etc.

82 **Q: Do you agree with anything Mr. Meredith said when discussing your proposal that**
83 **the Commission require the Company to develop a specific commercial EV rate?**

84 A: Yes. Mr. Meredith states that “a very limited number of end use tariffs can be appropriate
85 when a particular customer-type exhibits unique characteristics in the way it uses electric
86 services.” I agree with this statement, and, as I discuss in my Direct Testimony, there is a
87 compelling case to be made that electric vehicle charging stations are the perfect example
88 of “a particular customer-type” that “exhibits unique characteristics in the way it uses
89 electric services.”⁴ Electric vehicles are a unique electric load due to their flexibility,
90 intermittency, and brief periods of very high energy usage.

91 **Q: Are specific Commercial EV charging rates uncommon across the U.S.?**

92 A: No. In a diverse set of states and service territories across the U.S., from Florida to
93 Pennsylvania, to Colorado, and many more, utilities and their regulators are realizing the
94 benefits of dedicated commercial EV rates. Not only are these dedicated EV rates
95 essential to supporting the development of electric vehicle fast charging stations, but they
96 can also ensure that commercial EV charging is maximizing the flexibility of this
97 charging load to the benefit of all utility ratepayers.

98 **Q: Please summarize why you continue to think that commercial EV charging is**
99 **worthy of dedicated electric rates?**

⁴ Meredith Rebuttal Testimony at lines 835-836.

100 A: In summary, I would assert that commercial electric vehicle charging is an example of a
101 “particular customer-type [that] exhibits unique characteristics in the way it uses electric
102 services,”⁵ and warrants a specific end use tariff. Not only is EV charging unique because
103 of its flexibility, intermittency, and brief periods of very high energy usage, but it will
104 likely become an increasingly important load in the coming years. A significant increase
105 in electric vehicles will lead to more commercial EV charging for both public and fleet
106 charging, and is why regulators across the country are approving new commercial EV
107 rates.

108 **Q. Please reiterate your recommendation regarding the existing and proposed 6A**
109 **rates.**

110 A: For the reasons I have provided in my Direct and Surrebuttal testimony, I am advocating
111 that the Public Service Commission:

- 112 • Approve PacifiCorp’s proposed Schedule 6A, but rename it, and keep the existing
113 Schedule 6A.
- 114 • Include special provisions in the Schedule 6 rates to ensure excessive rate
115 switching is avoided.
- 116 • Require PacifiCorp to propose a commercial rate design specifically for EV
117 customers, no later than January 1st 2023.

⁵ Meredith Rebuttal Testimony at 834-836.

- 118 • Require PacifiCorp to hold at least two stakeholder meetings to gather input and
119 solicit feedback on the Commercial EV rate before filing the rate with the
120 Commission.

121 **Q: Does this conclude your surrebuttal testimony?**

122 **A: Yes, it does.**