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Attorneys for Rocky Mountain Power

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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In the Matter of the Application of Rocky Mountain Power for Approval of Electrical Vehicle Infrastructure Program

Docket No. 20-035-34

APPLICATION FOR APPROVAL OF ELECTRIC VEHICLE INFRASTRUCTURE PROGRAM AUTHORIZED BY ELECTRIC VEHICLE CHARGING INFRASTRUCTURE AMENDMENTS AND MOTION FOR PROTECTIVE ORDER

PacifiCorp, dba Rocky Mountain Power ("Rocky Mountain Power" or the "Company"), hereby submits this Application ("Application") to the Public Service Commission of Utah ("Commission"), pursuant to section 54-4-41 of the Utah Code, also known as House Bill 396 (2020) – Electric Vehicle Charging Infrastructure Amendments, requesting approval of the Company's Electric Vehicle Infrastructure Program ("EVIP") authorized by the statute.

In addition, pursuant to Utah Administrative Rule R746-1-602(2), the Company requests that the Commission enter a Protective Order denying all intervening parties

access to the information and materials designated by Rocky Mountain Power as "Confidential" in this matter.

With this Application, the Company is seeking Commission authorization for:

A. The implementation of the EVIP, as described in Rocky Mountain Power's Transportation Plan for the Electric Vehicle Charging Infrastructure Program, contained in Exhibit RMP___(JAC-1), which allows funding from the Company's customers up to \$50 million for all costs and expenses associated with the deployment of utility-owned electric vehicle charging infrastructure and vehicle charging service provided by the Company, pursuant to Utah Code section 54-4-41(2);

B. Beginning January 1, 2022, the implementation of a new Electric Service Schedule No. 198 - Electric Vehicle Infrastructure Program (EVIP) Cost Adjustment, ("Schedule 198") through which the Company will collect \$5 million per year for 10 years with percentage increases applied to the Power Charge, Energy Charge, Facilities Charge, Back-Up Power Charge, Excess Power Charge, Daily Power Charge and Voltage Discount;

C. The approval to establish a balancing account that reflects the costs of the Company's prudent investments in the EVIP, offset by the collections through Schedules 60 and 198, and a carrying charge, provided for in Utah Code section 54-4-41(6);

D. Beginning January 1, 2022, the implementation of the new Electric Service Schedule No. 60 - Company Operated Electric Vehicle Charging Station Service ("Schedule 60"), which lists the prices and details for the electric vehicle charging stations owned by the Company,

E. A six-month extension of Electric Service Schedule No. 2E – Residential Service – Electric Vehicle Time-of-Use Pilot Option – Temporary ("Schedule 2E"),

which will extend the automatic termination of the tariff from January 1, 2022, to June 30, 2022, and

F. The extension of Electric Service Schedule No. 120 - Plug-in Electric Vehicle Incentive Pilot Program ("Schedule 120") throughout the duration of the EVIP, which is a custom incentive program originally created under the Sustainable Transportation and Energy Plan ("STEP") pilot program that is scheduled to terminate January 1, 2022.

In support of this Application, Rocky Mountain Power states as follows:

1. Rocky Mountain Power is a division of PacifiCorp, an Oregon corporation, that provides electric service to retail customers in the states of Utah, Wyoming, and Idaho. Rocky Mountain Power is a public utility in the state of Utah and is subject to the Commission's jurisdiction with respect to its prices and terms of electric service to retail customers in Utah. The Company serves approximately 948,000 customers in Utah. Rocky Mountain Power's principal place of business in Utah is 1407 West North Temple, Suite 320, Salt Lake City, Utah 84116.

2. Communications regarding this Application should be sent to:

Jana Saba Utah Regulatory Affairs Manager Rocky Mountain Power 1407 West North Temple, Suite 330 Salt Lake City, UT 84116 Email: jana.saba@pacificorp.com

Emily L. Wegener Stephanie Barber-Renteria Rocky Mountain Power 1407 West North Temple, Suite 320 Salt Lake City, Utah 84116 E-mail: <u>emily.wegener@pacificorp.com</u> stephanie.barber-renteria@pacificorp.com In addition, the Company respectfully requests that all data requests regarding this matter be addressed to:

By e-mail (preferred):	datarequest@pacificorp.com
By regular mail:	Data Request Response Center PacifiCorp 825 NE Multnomah St, Suite 2000 Portland, Oregon 97232

Informal inquiries related to this Application may be directed to Jana Saba, Utah Regulatory Affairs Manager, at (801) 220-2823.

PREFILED TESTIMONY

3. As support for this Application, the Company files herewith the testimony and exhibits of James A. Campbell, Innovation and Sustainability Policy Director, and Robert M. Meredith, Director, Pricing and Cost of Service. Mr. Campbell's testimony will describe the goals and elements of the EVIP, and he will discuss how the program satisfies the requirements of Utah Code section 54-4-41. Mr. Meredith's testimony will describe the Company's two new proposed tariffs, Schedule 60 and Schedule 198. Mr. Meredith will also discuss the Company's recommendation to temporarily extend Schedule 2E and extend Schedule 120 for the life of the EVIP.

APPLICATION PREREQUISITE – CONSIDERATION OF INPUT

4. Utah Code section 54-4-41(3) requires the Company to seek and consider input regarding the EVIP from various state agencies,¹ third-party electric vehicle battery charging service operators, and any other person who files a notice with the Commission.

¹ The state agencies are the Division of Public Utilities, the Office of Consumer Services, the Division of Air Quality, the Department of Transportation, the Governor's Office of Economic Development, the Office of Energy Development, the board of the Utah Inland Port Authority, and representatives of the Point of the Mountain State Land Development Authority. *See* Utah Code Ann. § 54-4-41(3)(a) – (h).

In compliance with this provision, Rocky Mountain Power filed a notice of intent with the Commission on August 27, 2020, requesting the Commission issue a public notice of an initial input meeting via conference call, which was then held on September 24, 2020. In addition, the Company held a second input meeting via conference call on June 29, 2021. The Company invited participants at the meetings to provide suggestions and input to the Company regarding the EVIP. Rocky Mountain Power has considered the feedback it has received in the development of the EVIP.

EVIP OVERVIEW

5. The EVIP will enable the deployment of utility-owned electric vehicle charging infrastructure and vehicle charging service provided by the Company, pursuant to Utah Code section 54-4-41. The specific goals of the EVIP are to (1) increase electric vehicle adoption in the state of Utah; and (2) operate as an efficient and low-cost infrastructure program that ultimately adds revenue to the system. These goals are more fully discussed in the testimony of Mr. Campbell and in Exhibit RMP (JAC-1).

6. There are four elements of EVIP through which these goals will be achieved. The elements are briefly described below and are fully described in the testimony of Mr. Campbell and in Exhibit RMP__(JAC-1).

<u>Company-Owned Chargers</u> – The Company will invest in 20 – 25 charging station locations during the first five years of the program. The locations will contain between two and six direct current ("DC") fast chargers, designed to charge at 350 kilowatts ("kW"), 150 kW, and 50 kW for legacy vehicles. The Company coordinated with the Utah Department of Transportation ("UDOT") and Utah State University ("USU") to identify

statewide charging station location needs, and it has proposed 20 communities as potential sites for Company-owned chargers. The potential sites were evaluated using criteria described in Exhibit RMP___(JAC-1) to determine if the proposed communities were appropriate for EV infrastructure. The final locations of the sites will be determined following detailed engineering and market evaluations. The Company plans to issue a Request for Proposals ("RFP") to select an operator to establish the network of Company-owned chargers.

- ii. <u>Make-ready Infrastructure</u> The Company will provide an application process for customers to seek Company investment in make-ready infrastructure systems, which generally includes all the necessary electrical infrastructure between the utility grid interconnection and the chargers, such as stepdown transformers, electric service panels, conduit, conductors, switchgear and power conditioning units, mounting pads or brackets, trenching, boring, and other such elements. Non-Company EV charging operators are eligible to apply for make-ready infrastructure investments.
- <u>Incentives</u> The Company proposes to continue the incentives that have been offered through the STEP program under Schedule 120 since 2017. The incentives cover a portion of the costs for customers to install electric vehicle chargers and they have been popular and effective in increasing charging infrastructure in the service territory. Schedule 120 is set to terminate on January 1, 2022, with the expiration of the STEP program and the Company hereby requests an extension of Schedule 120 for the duration

of the EVIP. The Company plans to utilize the same process that is currently in place for EV infrastructure incentives.

iv. <u>Innovation Partnerships and Projects</u> – The Company recognizes that as EV charging technology advances, it will be important for the EVIP to stay current and evaluate implementation of the latest technology. In addition to monitoring advances in technology, the Company will also participate in several studies and projects, such as the Freight Logistics Electrification Demonstration project, which involves a collaboration between USU, UDOT and the Inland Port Authority to electrify heavy-duty freight and hauling operations within the Inland Port, and the WestSmatEV@Scale project, a grant-funded program through the Department of Energy to create an enduring regional electric vehicle ecosystem across the West. The Company will also continue to explore technology developed from the Intermodal Hub project, a STEP-funded project with USU, studying the potential for a power balance and control system at Utah Transit Authority's ("UTA") Central Station.

RATES AND PROPOSED TARIFFS

<u>Schedule 198 – Electric Vehicle Infrastructure Program Cost Recovery</u>

7. Utah Code section 54-4-41(2)(a) allows the Commission to authorize the EVIP and to authorize the Company to implement tariffs to provide funding for the program for a maximum of \$50 million. The funding is for all costs and expenses associated with the deployment of utility-owned vehicle charging infrastructure and vehicle charging service provided by the Company. *See* Utah Code Ann. § 54-4-41(2)(a).

Pursuant to this section, the Company submits with this Application proposed Schedule 198 – Electric Vehicle Infrastructure Program Cost Recovery, included as Exhibit RMP___(RMM-1) to this Application. Schedule 198 is discussed in the testimony of Mr. Meredith.

8. Through Schedule 198, the Company will collect \$5 million per year for 10 years and the costs of the EVIP will be spread to customer classes as an equal percentage of total base revenue. Rates were designed as percentage increases to the Power Charge, Energy Charge, Facilities Charge, Back-Up Power Charge, Excess Power Charge, Daily Power Charge and Voltage Discount. Furthermore, the Company will periodically monitor its collection pursuant to Schedule 198 to ensure that it does not collect more than the \$50 million authorized by the statute.

<u>Schedule 60 – Company Operated Electric Vehicle Charging Station Service</u>

9. Utah Code section 54-4-41(2)(c) authorizes the Company to create a new customer class with an electric vehicle charging service rate structure that (1) is determined by the Commission to be in the public interest, (2) is a transitional rate structure expected to allow the Company to recover its costs full cost of service over a reasonable time frame, and (3) may allow different rates for large-scale customers. Pursuant to this section, the Company submits with this Application proposed tariff Schedule 60 – Company Operated Electric Vehicle Charging Station Service, included as Exhibit RMP ___(RMM-1) to this Application. Schedule 60 and the basis for the prices therein are fully described in the testimony of Mr. Meredith.

10. Th	e proposed rate structure in Schedule 60 is as fo	llows:
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	Non-RMP	RMP
	Customer	Customer
DC Fast Charging:	\$0.40 per kWh	\$0.15 per kWh
Level 2 Charging up to 19 kW:	\$0.08 per kWh	
Off-Peak Discount:	-\$0.05 per kWh	
Per Session Charge:	\$1.00	

11. As the foregoing table demonstrates, individuals using Company-owned charging stations will be charged a session fee and an energy charge. The session fee is a charge assessed each time a user plugs into a charging station, and it is a charge the Company has determined is important to help recover the fixed costs associated with providing Company-owned charging stations. Energy charges for the use of DC fast chargers vary depending on whether the individual using the charging station is a customer of Rocky Mountain Power (above "RMP Customer") or not (above "Non-RMP Customer"). The Company proposes that RMP Customers receive a 75 percent discount in energy charge price because they will already be paying for the EVIP as part of their monthly bills through Schedule 198.

12. The Company has proposed in Schedule 60 that for the first five years of the program the prices will change by the same percentage as base retail price changes rounded to the nearest cent. From the sixth to the tenth years of the EVIP, the Company proposes that the prices listed in Schedule 60 transition to the cost of service.

13. To encourage individuals to make charging stations available as soon as their charging session is completion, the Company has included in Schedule 60 a provision allowing the Company to impose penalties on customers who fail to make the charging station available after their session is complete.

14. The rate structure proposed by the Company is consistent with Utah Code section 54-4-41(2)(c) because it is in the public interest and it is a transitional rate structure. The Company proposes a ten-year time frame for the transition to full cost of service. To accomplish this, the Company will begin including the Company's charging stations in the Company's cost of service studies starting in 2022², and it will begin adding annual pricing adjustments that move the pricing 20 percent toward cost-of-service in the sixth year, 40 percent in the seventh year, 60 percent in the eighth year, 80 percent in the ninth year, and 100 percent in the tenth year. The Company will also monitor and consider if changes to pricing are warranted in the first five years.

<u>Schedule 2E – Residential Electric Vehicle Time of Use Pilot</u>

15. Schedule 2E implements an optional time of use pilot for residential customers that can provide proof of electric vehicle registration. The pilot was authorized pursuant to the STEP program and took effect in 2017. The pilot was closed to new participants at the end of 2020 and at the end of 2021, the Company will submit a report addressing the costs and benefits of the program. Currently, Schedule 2E is set to terminate on January 1, 2022. The Company proposes to revise Schedule 2E to extend the termination date to June 30, 2022. The Company seeks the six-month extension to allow interested parties time to provide comments and evaluate whether the program should continue in some form or whether the program should terminate entirely on June 30, 2022. The Company submits with this Application the revised tariff Schedule 2E – Residential Electric Vehicle Time of Use Pilot, included as Exhibit RMP__(RMM-1) to this Application.

² The cost of service study for calendar year 2022 will be filed June 15, 2023.

<u>Schedule 120 – Plug-in Electric Vehicle Incentive Program</u>

16. To implement the incentive element of the EVIP, the Company proposes to continue the incentives offered under Schedule 120, which is currently set to terminate January 1, 2022. The incentives cover a portion of the costs for customers to install electric vehicle chargers and have been effective in increasing charging infrastructure in the service territory. The Company requests that Schedule 120 be extended for the duration of the EVIP. The Company submits with this Application the revised tariff Schedule 120 – Plug-in Electric Vehicle Incentive Program, included as Exhibit RMP__(RMM-1) to this Application.

EVIP IS IN THE PUBLIC INTEREST

17. The EVIP satisfies Utah Code section 54-4-41(4) and is in the public interest because the program (a) increases the availability of electric vehicle battery charging service in the state; (b) enables the deployment of infrastructure that supports electric vehicle battery charging service and Company-owned charging stations in a manner expected to increase electric vehicle adoption; (c) includes an evaluation of investments in the areas of the jurisdictional land, defined in Utah Code section 11-58-102 (the Inland Port) and the point of the mountain land, defined in Utah Code section 11-59-102 (Point of Mountain); (d) enables competition, innovation, and customer choice in charging service, while promoting low-cost services for electric vehicle battery charging customers; and (e) provides for ongoing coordination with UDOT. *See* Utah Code Ann. § 54-4-41(a) - (e).

18. The EVIP will increase the availability of electric vehicle battery charging service in the state in two ways. First, Rocky Mountain Power will invest in 20 - 25

Company-owned charging stations that will be deployed throughout the state. As discussed previously, the network of Company-owned charging stations will be operated by an entity selected through the RFP process and will be strategically located to complete charging gaps throughout the state. Second, the Company will seek applications from interested customers for make-ready infrastructure to be deployed throughout the state.

19. The EVIP enables the significant deployment of infrastructure that supports battery charging service and Company-owned charging stations in a manner that is reasonably expected to increase electric vehicle adoption through ongoing coordination by the Company and UDOT to identify statewide charging needs along with potential locations for high volume electric vehicle users. This targeted process for the strategic selection of Company-owned charging station locations compliments existing charging stations to create a robust charging network in the state. Such a network is reasonably anticipated to increase electric vehicle adoption because it will address a significant concern that studies have shown to be a barrier in electric vehicle adoption, namely, the lack of availability of charging service and the fear of becoming stranded.

20. During the development of the EVIP, Rocky Mountain Power met with representatives from the Point of the Mountain Development Commission and the Utah Inland Port Authority to evaluate potential investments. The Company has signed Cooperation Agreements with both entities, and it will continue to work with the entities as required by section 54-4-41(4)(c) of the Utah Code.

21. The EVIP will enable competition, innovation, and customer choice in electric vehicle batter charging services, while promoting low costs. By increasing the availability of charging station locations throughout the state, the EVIP will provide

additional access to charging services for electric vehicle owners, as well as increase competition for charging services, through the deployment of both Company-owned charging stations and through make-ready infrastructure investments. The prices for charging service are competitive and the rates are discounted for Rocky Mountain Power customers. The reduced rates reflect the customers' contributions to the Company-owned infrastructure. The Company will ensure that infrastructure investments under the EVIP are innovative and employ the latest technology by continuing to partner and engage with leading experts in electric vehicle technology like USU, the University of Utah, the U.S. Department of Energy, the Utah Transit Authority, and the Utah Office of Energy Development.

22. The Company has been engaged in ongoing discussions and coordination with UDOT regarding the development of a statewide electric vehicle charging network since the conclusion of the 2020 legislative session, and UDOT has provided valuable input into the development of the EVIP. The Company and UDOT have agreed to continue their collaborative efforts as the EVIP is implemented, as required by Utah Code section 54-4-41(4)(e).

RECOVERY OF PRUDENTLY MADE INVESTMENT

23. Section 54-4-41(6) of the Utah Code provides that the Commission shall authorize recovery of the Company's investments in the EVIP through a balancing account or other ratemaking treatment that reflects (a) the EVIP's costs associated with prudent investment, including the Company's pre-tax average weighted cost of capital approved by the Commission in the Company's most recent general rate proceeding, and associated revenue and prudently incurred expenses, and (b) a carrying charge.

24. The Company's investment in the EVIP is prudent because the EVIP can reasonably be anticipated to result in projects that are in the public interest of the customers of Rocky Mountain Power to reduce transportation sector emissions over a reasonable time. *See* Utah Code Ann. § 54-4-41(7)(a). Specifically, the EVIP is anticipated to lead to increased electric vehicle use in the State of Utah, which will in turn lead to a reduction in transportation sector emissions. Through the deployment of Company-owned charging stations at strategic locations, the Company will help to create a robust charging network throughout the state. The creation of such a network is anticipated to increase electric vehicle adoption since one of the primary barriers to electric vehicle adoption is insufficient charging infrastructure.

25. The Company's investment in the EVIP satisfies the second prong of prudence because the EVIP can reasonably be anticipated to provide the customers of Rocky Mountain Power significant benefits that may include revenue from the electric vehicle charging service that offsets the Company's costs and expenses. *See* Utah Code Ann. § 54-4-41(7)(b). The Company anticipates that high volume users of charging services, such as fleets and medium and heavy-duty vehicles will generate revenue to offset the Company's costs and expenses.

26. The Company will also ensure that the investments in the EVIP are prudently made by facilitating any other measure the Commission determines will promote the deployment of utility-owned charging infrastructure and charging service or create significant long-term benefits to Rocky Mountain Power's customers. *See* Utah Code Ann. § 54-4-41(7)(c).

MOTION FOR PROTECTIVE ORDER

27. In support of this Application, the Company is submitting confidential commercial and financial information and trade secrets, which, if disclosed to the intervening parties, could be used to put the Company at a competitive disadvantage. Specifically, the Company is providing detailed estimates of its yearly expected expenditures, the per cost estimate for each charging station location, the estimated operating costs of the EVIP, and the Company's calculations of revenue breakeven at various utilization levels.

28. This information could be used by intervening parties during the performance of normal job functions to competitively disadvantage the Company. The information could be used by parties for competitive insight and advantage during the RFP process the Company will use to select an operator for the network of Company-owned chargers. Additionally, intervening parties may use the information to compete directly with Rocky Mountain Power as a provider of charging station locations.

29. Because the Company could be competitively disadvantaged if the intervening parties are permitted to review and receive the Company's confidential information, the Company requests that the Commission enter a Protective Order denying all intervening parties access to the information and materials designated as "Confidential," pursuant to Utah Administrative Rule R746-1-602(2).

30. The Company recognizes that the Commission, the Division of Public Utilities, the Office of Consumer Services, and counsel and staff of these agencies are entitled to receive and review all confidential information.

WHEREFORE, by this Application, Rocky Mountain Power respectfully requests that the Commission:

(1) approve this Application and authorize the EVIP,

(2) authorize the recovery of the Company's investments in the EVIP through a balancing account,

(3) approve the tariff sheets, as filed, with an effective date of January 1, 2022, and

(4) enter a Protective Order preventing intervening parties from receiving and reviewing information designated as "Confidential."

DATED this 23rd day of August 2021.

Respectfully submitted, ROCKY MOUNTAIN POWER

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