

Hunter Holman Utah Bar No. (15165)
Utah Clean Energy
1014 2nd Ave.
Salt Lake City, UT 84103
(801) 244-9227
hunter@utahcleanenergy.org
Attorney for Utah Clean Energy

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

**In the Matter of the Application of Rocky
Mountain Power for Approval of Its Electric
Vehicle Infrastructure Program**

DOCKET No. 20-035-34

PRE-FILED DIRECT TESTIMONY OF THOMAS KESSINGER

ON BEHALF OF

UTAH CLEAN ENERGY

OCTOBER 19, 2021

TABLE OF CONTENTS

| | |
|---|-----------|
| I. INTRODUCTION AND QUALIFICATIONS | 3 |
| II. SUMMARY OF TESTIMONY | 4 |
| III. SUMMARY OF POSITIVE OBSERVATIONS AND SUPPORT OF THE COMPANY'S TRANSPORTATION ELECTRIFICATION PLAN | 5 |
| IV. THE COMMISSION'S ROLE IN SHAPING THE EVIP | 8 |
| V. RECOMMENDED CHANGES AND ADDITIONS TO THE EVIP | 9 |
| VI. ALLOCATION AND REINVESTMENT OF RATEPAYER FUNDS | 24 |
| VII. SITING | 25 |
| VIII. SUMMARY OF RECOMMENDATIONS | 25 |

1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. Please state your name and business address.**

3 A. My name is Thomas Kessinger. My business address is 1014 2nd Avenue, Salt Lake City,
4 Utah 84103.

5 **Q. Please describe your education and background.**

6 A. I obtained my J.D. in the Spring of 2018 from the University of Utah, S.J. Quinney College
7 of Law. There I specialized in energy and the environment and obtained a Natural
8 Resources and Environmental Law Certificate. While obtaining my degree I studied under
9 and worked for prominent energy law scholars including now-Federal Energy Regulatory
10 Commissioner, the Hon. Allison Clements, Dean Lincoln Davies of the Ohio State College
11 of Law, and Dean Amy Wildermuth, of the University of Pittsburg College of Law. I have
12 worked on several multimillion-dollar energy infrastructure projects including Rocky
13 Mountain Carbon Safe, a carbon capture and sequestration demonstration project in central
14 Utah. In addition, I oversaw the Board of Oil, Gas, and Mining’s regulation of Magnum
15 Development’s Western Energy Hub near Delta, Utah. Before working for Utah Clean
16 Energy (“UCE”) I represented the Utah Department of Natural Resources on behalf of the
17 Utah Office of the Attorney General and enforced cybersecurity regulations over the bulk
18 power system for the Western Electricity Coordinating Council.

19 **Q. What are your responsibilities at UCE?**

20 A. I operate UCE’s Beneficial Electrification Program focused on the electrification of the
21 built environment and the transportation sector. This includes analyzing and synthesizing
22 electrification policies and transportation policies. UCE’s Beneficial Electrification

23 Program is interdisciplinary with a focus on energy, environment, and economic solutions
24 to address climate change and improve public health.

25 **II. SUMMARY OF TESTIMONY**

26 **Q. Can you provide a summary of your testimony?**

27 A. Yes. In general, UCE commends the Utah Legislature, Rocky Mountain Power (the
28 “Company”), and the Utah Public Service Commission (the “Commission”) for engaging
29 in the electrification of the transportation sector. It is critical that we address mobile source
30 emissions, switch from gasoline and diesel to electricity to fuel our transportation sector,
31 and electrify our economy. The Electric Vehicle Implementation Plan (“EVIP”) supports
32 the beneficial electrification of our transportation sector, and the Commission plays a direct
33 role in shaping the transportation plan component of the EVIP (“Transportation Plan”) by
34 requiring the Company to facilitate any measure that produces significant benefits to
35 ratepayers.¹² Through meaningful engagement with stakeholders and the Company, as well
36 as increased transparency distribution system planning, the Commission can help ensure
37 the statutory intent driving the EVIP is achieved as the Company deploys additional
38 infrastructure through the program.

39 My testimony highlights several positive components of the EVIP including the extension
40 of Schedule 120 to address at-home charging, the market transformation opportunities at
41 the Inland Port, the deployment of a small portfolio of Company-owned chargers, and the
42 location of chargers near existing multifamily development.

43 **Q. Do you have any specific recommendations that would better align the EVIP with the**
44 **intent of HB396 – Electric Vehicle Charging Infrastructure?**

¹ See Utah Code 54-4-41 (7) (c) (3).

² *Id.* at (c)(1).

45 A. Yes. I recommend the Commission approve the EVIP with the following additions and
46 changes:

- 47 • Additional stakeholder engagement with opportunity for input as follows:
 - 48 i. An annual report to the Commission that includes:
 - 49 (1) the program's status, operation, funding, and benefits;
 - 50 (2) the disposition of program funds;
 - 51 (3) the charging infrastructure program's impact on rates; and
 - 52 (4) the program's budget and allocation for the upcoming year.
 - 53 (5) Stakeholders should have the opportunity to file comments
 - 54 on the annual report to ensure that the planned expenditures
 - 55 are permissible under EVIP as approved.
 - 56 ii. Engage in transparent distribution system planning that is harmonized
 - 57 with the Company's existing integrated resource planning.
- 58 • Change the proposed rate schedules as follows:
 - 59 i. Increase the Schedule 120 incentive to support controllable
 - 60 charging infrastructure and necessary upgrades, consider
 - 61 tying the incentive to service under a time of use rate, and
 - 62 ensure adequate Schedule 120 funding throughout the life of
 - 63 the EVIP.
 - 64 ii. Either establish an idle-fee under Schedule 60 now, or
 - 65 determine it at a future proceeding like any other rate.
- 66 • Cordon a portion of make-ready funds specifically for multifamily
- 67 housing developments to ensure that multifamily residents and
- 68 residents without access to a garage, or dedicated parking spaces
- 69 have access to charging infrastructure.
- 70 • Require the Company to undertake a concerted effort to include
- 71 equity in the Plan by identifying and engaging with Traditionally
- 72 Under-Represented Communities.

73
74 **III. SUMMARY OF POSITIVE OBSERVATIONS AND SUPPORT OF THE**
75 **COMPANY'S TRANSPORTATION ELECTRIFICATION PLAN**

76 **Q. Please summarize your positive observations of the Company's Electric Vehicle**
77 **Infrastructure Plan.**

78 A. The EVIP is an important step in the electrification of Utah's transportation sector. UCE
79 agrees that the deployment of additional infrastructure will encourage more adoption of
80 light-duty electric vehicles ("EV") in Utah. The adoption of EVs directly translates to

81 reduced emissions, which helps our communities achieve local air quality goals. However,
82 it is important to remember that as we consider transportation electrification generally in
83 Utah, the Company’s EVIP, (i.e., its Transportation Electrification Plan (“TEP”)) should
84 not be viewed in a vacuum. Instead, the Commission should build on the knowledge of
85 other states and other utility regulators and their consideration of TEPs from other utilities
86 to inform their analysis of the EVIP.

87 UCE also strongly supports the extension of Schedule 120, which provides modest
88 incentives for residential and non-residential chargers, and encourages the Company to
89 fund it throughout the life of the EVIP. It is generally understood that most—80%—of
90 vehicle charging will take place at home³, and the incentives offered through Schedule 120
91 improve residential customers’ access to lower cost and more feature-rich level 2 chargers
92 that allow for smart, demand responsive, or other managed charging features. With more
93 feature-rich chargers, ratepayers will have access to a wider range of benefits flowing from
94 time of use (“TOU”) rates and charging demand response programs.

95 **Q. Do you support the deployment of a small portfolio of Company-Owned chargers?**

96 A. Yes. UCE supports a small portfolio of Company-owned chargers. Allowing the Company
97 to own and operate a small portfolio of chargers is acceptable only where the siting of the
98 chargers would not otherwise prohibit natural competition. As explained in the Company’s
99 Application and Testimony, the location of EVIP chargers does not immediately appear to
100 disincentivize competition.

101 **Q. Do you support the “innovative partnerships and projects” discussed in the**
102 **Transportation Plan?**

³ Electric Power Research Institute, *Consumer Guide to Vehicle Charging* (Dec. 2019), at 3, available at <https://www.epri.com/research/products/3002009442>.

103 Yes. In general, UCE supports market transformation activities, including the
104 electrification of the Inland Port. For example, UCE supports the F-LED Demonstration
105 Project.

106 **Q. Do you support the inclusion of a make-ready portion of the EVIP?**

107 A. Yes. Make-ready infrastructure is the infrastructure that must be implemented before
108 installing a charging station. The use of make-ready infrastructure is widely seen as the
109 most efficacious way to electrify our transportation sector, provide infrastructure to low-to-
110 moderate income communities, enable competition, and facilitate competitive charging
111 business practices.

112 **Q. Is there anything unclear about how the make-ready portion of the EVIP will be**
113 **administered?**

114 A. Yes. It is unclear how much of this funding will be available outside of the special projects
115 outlined in statute, i.e., the Inland Port and the Point of the Mountain.

116 **Q. Are you concerned that there will not be sufficient funding allocated to make-ready**
117 **projects outside of the Inland Port and Point of the Mountain? If so, what is your**
118 **recommendation?**

119 A. Yes. UCE supports the use of a portion of the EVIP funding to support market
120 transformation activities at the Inland Port, specifically the F-LED demonstration project.
121 While this project is worthy of investment, this ratepayer money should also support make-
122 ready infrastructure beyond these projects including at existing multifamily housing, which
123 is currently not served with electric vehicle charging. UCE recommends that the
124 Commission cordon off a portion of the make-ready infrastructure specifically for

125 multifamily residents and customers without access to a garage or dedicated parking space.
126 I will discuss this in greater detail later in my testimony.

127 **Q. Do you support the extension of Schedule 2E until June 30, 2022?**

128 A. Yes. Extending Schedule 2E will allow for additional data collection.

129

130 **IV. THE COMMISSION’S ROLE IN SHAPING THE EVIP**

131 **Q. Did the Legislature intend the Commission to play a direct role in shaping the EVIP?**

132 Yes. The Utah Legislature delegated significant discretion to the Commission to make
133 several important decisions.⁴ The best expression of the intent of the Legislature is the plain
134 meaning of the statute, only where a term is ambiguous is it permissible to look outside the
135 text of the statute and infer the Legislature's intent. A plain reading of the statute
136 demonstrates that the Legislature intended the Commission to determine at least three
137 things: whether the Company’s proposed EVIP 1) “demonstrates ... that the investment can
138 reasonably be anticipated ... to reduce transportation sector emissions over a reasonable
139 time period *as determined by the commission;*” 2) provides Company customers
140 “significant benefits;” and 3) “facilitate[s] any other measure that the commission
141 determines ... creates significant benefits in the long term for customers of the
142 [Company].” The third directive enables the Commission to consider including measures
143 into the final EVIP that provide significant benefits to customers, but that may not have
144 been included in the Company’s proposal. The Company agreed with this intent in Section
145 6 of the Transportation Plan and asserts that the investments are prudent only when, inter
146 alia, they “facilitate any other measure determined by the Commission.”⁵ These provisions

⁴ See Utah Code § 54-4-41(5) (future amendments to the EVIP), and (7) (Commission determination on reasonable timeframe for emission reductions and other prudent measures).

⁵ Transportation Plan at 26.

147 of the statute, in particular the third, establish the clear legislative intent that the
148 Commission take an active role in crafting the best program possible for customers, which
149 may include incorporating additional provisions beyond the Company’s original proposal.

150 **Q. Does the Commission also play a role in determining whether the EVIP facilitates a**
151 **competitive charging market?**

152 A. Yes. The Commission must decide whether the EVIP is in the public interest. One of the
153 enumerated considerations for the definition of “public interest” in §54-4-41(4) is whether
154 the EVIP “enables competition, innovation, and customer choice in electric vehicle battery
155 charging services[.]”⁶

156 **V. RECOMMENDED CHANGES AND ADDITIONS TO THE EVIP**

157 **A. The Commission should require additional reporting, stakeholder**
158 **engagement, and more transparency in distribution system planning**
159 **through the duration of the EVIP.**

160 **Q. Have there been any opportunities for meaningful stakeholder engagement prior to**
161 **filing?**

162 A. No substantive opportunities for engagement were offered to UCE. Transportation
163 electrification is complicated and rapidly evolving. This docket has not afforded as much
164 analysis as I have seen in other states. The Company held two informal meetings, one in
165 the Fall of 2020 and another in the Summer of 2021. Neither of those meetings circulated a
166 draft of the Plan to stakeholders at a reasonable time before the meeting, making it difficult
167 to provide substantive feedback during the meetings. Further, the second meeting was
168 presented after the Company had mostly finalized the terms of the program, and parties
169 only had two weeks to provide feedback. Accordingly, while UCE had notice of the EVIP
170
171

⁶ Utah Code § 54-4-41(4)(d).

172 and its broad strokes, UCE does not believe that there has been any meaningful process of
173 soliciting and incorporating stakeholder feedback prior to this proceeding.

174 **Q. In terms of planning and analysis, what is different about the EVIP than TEPs filed**
175 **before other utility regulators?**

176 A. Nationally, when a TEP is filed with the utility regulator, it is typically after the result of
177 careful planning and analysis of the specific system that receives the investment. For
178 example, in Hawaii, before determining which charging locations it would allow to be
179 utility-owned, the Public Utilities Commission required the utility to conduct a critical
180 back-bone analysis.⁷ Alternatively, in states like New York, the Commission took
181 transportation electrification policy under its control and then directed how the
182 infrastructure roll-out would take place.⁸ Here, although there has been some limited gap-
183 analysis performed by UDOT, as well as a study at Utah State University, REVWest, the
184 Company does not have any actual plans to site infrastructure. This is a strong reason for
185 the Commission to include in its order increased stakeholder engagement throughout the
186 program to help ensure prudent investments of ratepayer funds.

187 **Q. In terms of oversight, if the Commission were to approve the EVIP as drafted, how**
188 **would ratepayers be informed of how the funds are spent?**

189 A. Utah Code § 54-4-41 only requires a single annual report to the Utah Legislature, it is
190 unclear what level of detail is required. The Company has not committed to any additional
191 reporting.

⁷ See, Hawaiian Electric Company, *Electric Vehicle Critical Backbone Study: Planning Methodology*, (July 2019), available at

https://www.hawaiianelectric.com/documents/clean_energy_hawaii/electrification_of_transportation/2018-0135_20190730_cos_ev_backbone_study.pdf.

⁸ <https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={652C94FC-7669-4578-9B89-70EC65AC9C55}>.

192 **Q. Does the Company have any risk if this program were to fail?**

193 A. No. The EVIP is funded by ratepayers through proposed Schedule 198. As drafted, the
194 Company could continue to collect under Schedule 198 “until all authorized costs have
195 been collected” even if the program was a failure.

196 **Q. Have you identified any inconsistencies between what was contained in the
197 Transportation Plan and what was received in Data Responses from the Company
198 that would benefit from more transparent planning?**

199 A. Yes. The Transportation Plan states that the F-Led Demonstration Project will be funded
200 through the make-ready portion of the expenditures.⁹ However, in a response to the
201 Division of Public Utilities, the Company states that its expenditures on that project will be
202 through Company-owned chargers *or* make-ready investments. The speed at which this
203 program was evaluated by stakeholders may be responsible for small inconsistencies like
204 this. But this is another good example of why we need continued stakeholder involvement
205 to ensure that the program is administered as planned.

206 **Q. In terms of stakeholder engagement, what would you like to see if the EVIP is
207 approved?**

208 A. I believe it is appropriate to include an annual filing for the duration of this program that
209 provides stakeholders vital information to understand how the program is unfolding, and
210 how the Company plans to continue making investments. First, this annual filing should
211 summarize the program's current state, including existing operating chargers, funding, and
212 customer benefits. Second, the annual filing should include a summary of how EVIP funds
213 have been allocated to date, and how these funds have impacted rates. For example, the

⁹ Transportation Plan at 13 (“For example, contributions to the F-LED project at the Inland Port will be captured through the “make-ready” infrastructure investments.”). *But see* DPU DR 1.21.

214 Company should describe how much funding was collected under Schedule 198 and
215 whether it is offset by charging revenues, and if so by how much. Finally, the annual report
216 should provide a forecast of the program’s budget and how that budget will be allocated by
217 project or program component for the upcoming year including a forecast of additional
218 chargers and make-ready investments. This information will help stakeholders better
219 understand how successful the administration of the EVIP is in accomplishing the statutory
220 goals and concerns, including whether competition is being enabled. And to ensure that
221 stakeholders are allowed to comment on the EVIP as it unfolds, the annual update should
222 provide stakeholders the opportunity to file comments for the Commission’s consideration.
223 This annual process will afford the Commission, regulators, and stakeholders the ability to
224 ensure that the planned expenditures are permissible under EVIP as approved by the
225 Commission and that the program is accomplishing the stated goals in § 54-4-41.

226 **Q. Do you recommend any additional stakeholder processes that may help ensure funds**
227 **collected through the proposed Schedule 198 are spent in a manner that is consistent**
228 **with the approved program?**

229 A. Yes, I am recommending that the Commission order the Company to make its distribution
230 system planning process transparent and available to interested stakeholders to ensure that
231 EVIP funds that contribute to distribution system upgrades are spent consistent with the
232 approved EVIP. Distribution system upgrades occur every year. As the Company changes
233 the way people interact with the distribution system by facilitating greater installation of
234 EV chargers through the EVIP, there must be some ongoing stakeholder process to
235 evaluate the needs of distribution planning in light of these program funded upgrades and
236 in light of the changing impacts on the grid with increased electrification. This will not

237 only help ensure that distribution system upgrades to facilitate the EVIP infrastructure are
238 the most cost-effective option and consistent with the approved EVIP. Transparent
239 distribution system planning will also support the robust analysis and consideration of cost-
240 effective non-wires solutions such as managed charging and other distributed energy
241 resources to keep costs down for all customers. Transportation electrification is rapidly
242 evolving and upgrades that may be contemplated today may not be the most cost-effective
243 or efficient in the future. If this plan was approved as drafted, there would be no additional
244 stakeholder engagement required, only a single annual report to the Utah Legislature each
245 year. Meaning any material deviation from the planned distribution system upgrades today
246 will not have been approved by the Commission’s order in this docket. Technologies will
247 likely evolve beyond what the company proposes in this EVIP. The Company itself has
248 already committed to reviewing new technologies such as “mega-watt high-powered
249 charging, static and dynamic inductive wireless charging, energy storage coupled with
250 charging, smart charging, vehicle to grid (“V2G”) and vehicle to infrastructure (“V2I”),
251 autonomous vehicles, drone and flying vehicles.”¹⁰ Stakeholders must be given the
252 opportunity to continue engaging with the utility to help inform the implementation of the
253 EVIP and the most economic investments in the distribution system over time.

254 **Q. Do you have a recommendation for when this transparent distribution planning**
255 **should take place?**

256 A. I recommend that the information derived from transparent distribution planning be
257 integrated into the Integrated Resource Planning process so that the impact of
258 electrification and non-wires alternatives can be considered as the Company conducts its

¹⁰ Transportation Plan at 8.

259 20-year plan. The Company already conducts distribution system planning, however, this
260 planning unlike the Integrated Resource Planning is done without opportunity for
261 stakeholder input. I am open to suggestions for a more convenient time to host this new
262 stakeholder process.

263 **Q. In terms of rate design, is continued stakeholder engagement important?**

264 A. Yes. Regarding Schedule 60, two items necessitate future stakeholder engagement. First, it
265 is important to understand whether the imposition of a session fee will disincentivize the
266 use of a Company-owned charger. If that portion of the rate were to be removed, the per
267 kwh would likely need to be increased. Session fees are still used by private charging
268 operators, however, some operators have stopped using them entirely.¹¹ Gaining clarity on
269 when, why, or where session fees should be included requires additional engagement over
270 time.

271 Second, Robert Meredith’s testimony states that Schedule 60 will transition to the
272 Company’s cost of service over “a 10-year time frame ..., with greater pricing stability in
273 the first 5 years, subject to limited adjustments or modifications *if warranted*. After this
274 initial period, the transition would then follow a prescribed glide path to cost-of-service
275 over the next five years”¹² A determination of whether adjustments or modifications are
276 warranted necessitates stakeholder engagement. In addition, the Company is currently
277 reviewing its cost-of-service methodologies which could change over the next 5-10 years.
278 In that case, Commission and stakeholder engagement would be necessary to determine
279 whether the proposed glide path is still prudent. This discussion should include whether the

¹¹ See, e.g., EVgo, *EVgo Fast Charging Pricing*, (Sep. 2021), available at <https://www.evgo.com/pricing/> (including session fees in CA, but not a sampling of other states), *but see e.g.*, Electrify America, *Pricing and Plans for EV Charging*, available at <https://www.electrifyamerica.com/pricing/> (session fees excluded from all rates).

¹² Robert Meredith, Direct Testimony, lines 171–174 (emphasis added).

280 proposed on/off-peak times are still appropriate as the system incorporates more variable
281 generation and whether the on/off-peak price differential should increase over time.

282 **Q. Are certain customers currently afforded more transparency in distribution system**
283 **planning than others?**

284 Yes, the Company has entered into cooperation agreements with the Inland Port and the
285 Point of the Mountain. In each of the cooperation agreements the Company commits to
286 “work[ing] together to identify future transmission and distribution infrastructure needs.”¹³

287 **Q. Is there any reason why all ratepayers shouldn’t be afforded the same level of**
288 **transparency as the Point of the Mountain and the Inland Port?**

289 A. No. All ratepayers are funding this infrastructure. Increased transparency in distribution
290 system planning better ensures that all ratepayers receive the benefits of their investment.

291 **Q. Will you summarize this portion of your testimony?**

292 A. Yes. Increased stakeholder engagement and more transparent distribution system planning
293 are mutually advantageous to the Company and its customers. Stakeholders have had less
294 than two months to engage with the final proposed EVIP. The EVIP adds significant
295 complexity to the distribution system and the use of ratepayer money to facilitate these
296 upgrades only adds to the need for more transparent distribution system planning. It is
297 imperative in this case that ratepayers can see how their money is used to improve the
298 administration of the EVIP and distribution system.

299 **B. Rate Schedules:**

300
301 i. The Commission should increase the incentive offered under Schedule
302 120, ensure adequate funding of Schedule 120 throughout the life of the
303 EVIP, and tie the incentive to service under a time of use rate.

¹³ RMP Response to UCE First Data Request, 1.3-2 (Cooperation Agreement between the Company and The Point of the Mountain), *see also* UCE First Data Request 1.3-1 (Cooperation Agreement between the Company and the Inland Port Authority).

304

305 **Q. Do you support the proposed revisions to Schedule 120?**

306 A. In general yes.

307 **Q. What would you change about Schedule 120?**

308 There are two specific changes I would make (1) increase the incentive to allow for (and
309 potentially require) feature-rich chargers with control capabilities for the customer and the
310 utility and more extensive retrofits, (2) consideration of tying the incentive to participation
311 on a TOU rate, once such a rate is implemented.

312 **Q. Why would you recommend that even as the price of chargers decreases we should
313 maintain or increase the \$200 incentive?**

314 A. There are two reasons. First, feature-rich, *i.e.*, demand responsive, Wi-Fi-enabled, and
315 programmable consumer-level chargers are currently available.¹⁴ Incentives could be tiered
316 to encourage customers to purchase a more feature-rich charger, enabling better grid
317 management and distribution system efficiencies. Indeed, the Company has already
318 modeled some demand response options related to EVs and found this measure to be the
319 most sizeable and cost-effective source of load control over a 20-year horizon.¹⁵

320 **Q. What is the second reason?**

321 A. The second reason relates to electrification more generally but may be triggered by the
322 installation of an EV charger. Many homes were built with a 100-125-amp electric service
323 panel.¹⁶ To install an EV charger they may need costly upgrades to their panel and

¹⁴ See, e.g., Moloughney, Tom, Forbes Magazine, *Best Home EV Chargers for 2021*, (July 2021) available at <https://www.forbes.com/wheels/accessories/best-home-ev-chargers/>.

¹⁵ See PacifiCorp IRP Volume III at Fig 7.8.

¹⁶ See generally, Pecan Street, *Addressing an Electrification Roadblock: Residential Electric Panel Capacity* (Aug. 2021).

324 complete other retrofits. Schedule 120 incentives could be used to access these homes that
325 require additional incentives to take advantage of the EVIP.

326 **Q. Do you have any additional recommendations for Schedule 120?**

327 A. Yes, I recommend that the Commission consider tying the incentive under Schedule 120 to
328 a TOU rate as soon as it is available. The adoption of an opt-out TOU rate is a way to
329 maximize the value from transportation electrification. Overall, UCE urges the
330 Commission to consider requiring TOU rates when accepting an incentive under Schedule
331 120 once a TOU rate is implemented for all residential customers. The EVIP is a ten-year
332 program, and a TOU rate will likely be implemented during the life of this program. We
333 know that the smart management of the increased load resulting from EV chargers through
334 TOU rates will generate the most benefits for all ratepayers through reduced distribution
335 system costs.¹⁷

336 **Q. Is Schedule 120 adequately funded throughout the life of the EVIP?**

337 A. No. In 2020 the Company allocated \$2,000,000 in Schedule 120 incentives.¹⁸ This funding
338 amount should be maintained every year under the EVIP. If approved as drafted, Utah State
339 University opined that the EVIP would increase the number of electric vehicles in Utah by
340 over 100,000 EVs. As discussed above the incentives could be used to support controllable
341 charging at home, which has significant benefits to all customers. With 80% of charging
342 taking place at home and the least amount of charging taking place using DCFC¹⁹, the
343 Commission should consider whether the capital expenditures as outlined in the

¹⁷ *Supra* at n. 12–14.

¹⁸ Rocky Mountain Power, STEP Program Status Report at 2.0 (Apr. 2021), available at <https://pscdocs.utah.gov/electric/21docs/2103529/318497RMP20204thSTEPPrgrmStsRprt4-29-2021.pdf>.

¹⁹ Electric Power Research Institute, *Consumer Guide to Vehicle Charging* (Dec. 2019), at 3, available at <https://www.epri.com/research/products/3002009442>.

344 confidential testimony are reasonably likely to meet the Legislature’s goals of quickly
345 increasing the adoption of EVs and whether an increased incentive for home chargers
346 might generate more EV adoption.

347 ii. In regard to Schedule 60, the Commission should determine the idle-fee
348 in this proceeding.
349

350 **Q. What would you change about Schedule 60?**

351 A. The idle-fee rate component must be determined in a proceeding before the Commission.
352 The idle-fee is a rate, and all rates must be determined to be just and reasonable in a
353 Commission proceeding. In addition, the Company should be required to notify customers
354 that they will begin to accrue idle-fees at least ten minutes in advance of their accrual.

355 **Q. Does the Company have the discretion to determine an idle-fee without Commission**
356 **approval?**

357 No. The proposed Schedule 60 states “[t]he Company may impose a penalty on any
358 individual who, upon session completion, does not make their station available to others.”
359 The Company has not identified a dollar amount for that penalty, instead leaving it to their
360 discretion. Utah Code § 54-4-41 does not provide the Company with this discretionary
361 authority. If the Company intends to set an idle-fee it must be done through a proceeding
362 before the Commission.

363 **Q. In general, do you support the imposition of an idle-fee?**

364 A. Yes. Idle-fees are likely to increase the overall utilization of EV charging infrastructure.
365 For example, the Tesla Supercharger network²⁰ and Electrify America²¹ both charge idle-
366 fees, starting at \$0.50/min and \$0.40/min respectively.

²⁰ See, Tesla, *Supercharge Idle Fee*, available at <https://www.tesla.com/support/supercharger-idle-fee>.

²¹ See, Electrify America, *Pricing and Plans for EV Charging*, available at (“Idle Fee: Once charging stops, you pay \$0.40/min after a 10-minute grace period.”).

367 **C. The Commission should cordon a portion of make-ready funds**
368 **specifically for multifamily housing developments.**

369 **Q. Are you concerned with how the EVIP allocates make-ready expenditures between**
370 **the projects contemplated within the EVIP?**

371 **A.** Yes, it is unclear how much of the make-ready funding will be used specifically to support
372 multifamily dwellings as opposed to creating an electric transportation corridor or used
373 within the Inland Port.

374 **Q. Has the Company made any statements in its IRP that demonstrate why the**
375 **apportioned make-ready funds are focused more on increasing an electric**
376 **transportation corridor, as opposed to neighborhood level investments?**

377 **A.** Yes. In its most recent IRP, the Company focuses on the creation of an electric
378 transportation corridor as opposed to investing at a neighborhood level. Specifically, the
379 Company stated on page 5 of Volume I of the 2021 IRP “we’re expanding workplace
380 charging, *supporting regional solutions to electrify interstates for cleaner freight*
381 *transportation*, and making electric vehicle ownership more *accessible for rural* and
382 underserved communities.”²² The Company later reaffirms on page 73 that it is “investing
383 to support EV fast chargers *along key corridors*, develop workplace charging programs,
384 research new rate designs and implement time-of-use pricing pilots, *create partnerships for*
385 *smart mobility programs* and develop opportunities for customers in our *rural*
386 *communities.*”²³ As the 2021 IRP discusses transportation electrification in more detail,
387 underserved communities are increasingly excluded from the plan.

388 **Q. Do you support investments in rural Utah?**

²² 2021 IRP at 5 (emphasis added).

²³ 2021 IRP at 73 (emphasis added).

390 A. Absolutely, but they must be balanced with other underserved communities.

391 **Q. In general, is there industry consensus about the need and benefit for make-ready**
392 **investments?**

393 A. Yes. A recent LBNL report says:

394 [T]here is largely industry and stakeholder consensus — even
395 among those who oppose utility ownership of EV chargers —
396 around the importance of utilities installing “make ready”
397 infrastructure before the charger interface, completing
398 interconnections expeditiously, and educating consumers.²⁴

399
400 **Q. How does make-ready infrastructure benefit all ratepayers?**

401 A. Make-ready infrastructure can provide the utility and its customers with benefits by buying
402 down the costs of installing the rest of the charging equipment for private sector partners
403 and enabling the siting of infrastructure in other cost-prohibitive locations, such as
404 multifamily dwellings.

405 **Q. What are the barriers to EV adoption in multifamily dwellings?**

406 A. Access to charging infrastructure is a key barrier to EV adoption, but the charging
407 infrastructure is prohibitively expensive,²⁵ which is why make-ready funding for
408 multifamily dwellings is important. Without investing in charging infrastructure at these
409 locations, EV adoption will likely lag.

410 **Q. What is the importance of make-ready funding for multifamily dwellings?**

²⁴ Lawrence Berkeley National Laboratory, *The Future of Transportation Electrification: Utility, Industry, and Consumer Perspectives* (Aug. 2018) at 59, available at https://eta-publications.lbl.gov/sites/default/files/feur_10_transportation_electrification_final_20180813.pdf (citing Atlas Public Policy, Nigro, Nick et al, *Advancing Industry Collaboration in the EV Market Key Focus Areas for the Leading Companies in The EV Industry* (2016), available at https://atlaspolicy.com/wp-content/uploads/2016/11/2016-11-07_Advancing_Industry_Collaboration_in_the_EV_Market.pdf).

²⁵ See, Rocky Mountain Institute, Nelder, Chris et al., *Reducing EV Charging Infrastructure Costs*, at 7, available at <https://rmi.org/wp-content/uploads/2020/01/RMI-EV-Charging-Infrastructure-Costs.pdf>.

411 A. The funding helps enable EV ownership for families living in multifamily dwellings.²⁶ The
412 retrofit costs to update an existing multifamily dwelling unit with full-scale EV charging is
413 expensive. In addition, many people may rent their dwelling, meaning they are unlikely to
414 pay for any permanent improvements.²⁷ Accordingly, providing access to make-ready
415 funds is the best way for a utility to incentivize EV adoption for these communities.

416 **Q. Would an increased focus on multifamily make-ready result in a more equitable**
417 **EVIP?**

418 A. Yes. Additional allocation of funds to a multifamily make-ready program would likely
419 allow for a more equitable distribution of funds.

420 **Q. Based upon those statements, what would you recommend to the Commission?**

421 A. I recommend that a specific portion of make-ready funds be used at multifamily dwellings.
422 The creation of an electric transportation corridor is positive, but more needs to be done to
423 equitably invest the EVIP funds back into all customer classes.

424 **D. The Commission should require the Company to undertake a**
425 **supplementary analysis of charging locations to genuinely include**
426 **equity in the Plan.**

427 **Q. Are there other states that have recently gone through a similar proceeding?**

428 A. Yes. Many states are taking bold action to electrify their transportation sectors.

430 **Q. Have you reviewed those proceedings?**

431 I have reviewed portions of TEP proceedings in the following states: California, Colorado,
432 Hawaii, Nevada, New Mexico, and New York.

²⁶ See generally, Energy Innovation, Baldwin, Sara et al., Increasing Electric Vehicle Charging Access at Multi-Unit Dwellings: Workshop Summary Report, (Sep. 2020) available at https://energyinnovation.org/wp-content/uploads/2020/09/Increasing-Electric-Vehicle-Charging-at-Multi-Unit-Dwellings_FINAL3.pdf.

²⁷ *Id.* at 8 (split incentives).

433 **Q. In terms of equity considerations, summarize what you see as some of the biggest**
434 **contrasts between those proceedings and this proceeding?**

435 A. I have not reviewed a single TEP that does not address and incorporate principles of equity.
436 Indeed, the Company’s EVIP consciously ignores any consideration of equity.²⁸ Even
437 though they included a ninth factor, which could have been determinative of siting
438 locations, the Company stated that they would not change anything if the ninth factor was
439 included with the other eight. At a time where environmental, social, and governance
440 concerns are top of mind in the media and boardrooms, and when other utilities are making
441 significant investments with equity in mind,²⁹ it is hard to understand why the Company
442 would not make a good faith attempt at incorporating equity into its plan. As an example of
443 how equity may be incorporated, NV Energy, a related corporate subsidiary, “designed
444 programs to prioritize investments [in historically underserved communities,]” exceeding
445 what was required by statute.³⁰

446 **Q. How does the EVIP describe underserved communities?**

447
448 A. The Plan identifies underserved communities by “compar[ing] the non-white population of
449 the community with the average non-white population of the state. If the community had a
450 greater amount of non-white population, then it was included as a traditionally under-
451 represented community.”³¹

452 **Q. Are there other equity considerations you would like to highlight for the Commission?**

²⁸ Response to UCE Data Request – 1-14 and 1-15.

²⁹ A study of utility TEPs found that 2.1 billion of 2.4 billion spent in the last 9 years on transportation electrification “have either some focus or prioritization on underserved communities.” Utility Dive, Walton R., *States, utilities must ensure equitable investment in electric vehicle infrastructure, new report warns*, (Apr. 2021), available at <https://www.utilitydive.com/news/states-utilities-must-ensure-equitable-investment-in-electric-vehicle-infr/597849/>.

³⁰ NV Energy, *Economic Recovery Transportation Electrification Plan*, at 128 (Sept. 2021), available at http://pucweb1.state.nv.us/PDF/AxImages/DOCKETS_2020_THRU_PRESENT/2021-9/12270.pdf.

³¹ Transportation Plan at 16.

453 A. Beyond directly identifying and investing in historically underserved communities, the
454 Company should continue to meaningfully engage with its stakeholders and engage in
455 more transparent distribution system planning so that all ratepayers can experience the
456 shared financial benefits from increased electrification.

457 **Q. Do you have any examples of this type of engagement?**

458 A. Yes. The Sacramento Municipal Utility District created its “Sustainable Communities
459 Resource Priorities Needs Map” using publicly available information and tools like the
460 EPA’s Environmental Justice screening.³² The map “identif[ies] key areas that are lacking
461 in access to education, healthcare, employment and at high risk of environmental factors...
462 [and] optimize our efforts in neighborhoods that are most in need so we can collectively
463 create healthy, more sustainable communities.”³³

464 **Q. Was the Company required to incorporate equity concerns in the EVIP?**

465 A. No, however, the Company appears to be suggesting that its proposed EVIP is sensitive to,
466 and in fact incorporates equity concerns through its after-the-fact process of applying a
467 ninth factor to “validate that traditionally underserved communities are included in the
468 deployment of chargers.”³⁴ The Company is forthright in saying that “[t]his factor is not
469 determinative, and it was not included in selecting communities.”³⁵ Including this ninth
470 factor to “validate” that predominantly non-white populations are considered, but only after
471 the fact, does not genuinely consider these community members. If the Company truly
472 intends to include equity considerations for traditionally underserved communities it should

³² Sacramento Municipal Utility District, *SMUD releases mapping tool that identifies areas in need based upon key indicators* (May 2020), available at <https://www.smud.org/en/Corporate/About-us/News-and-Media/2020/2020/SMUD-releases-mapping-tool-that-identifies-areas-in-need-based-upon-key-indicators>.

³³ *Id.*

³⁴ Rocky Mountain Power Exhibit JAC 1, page 16. Available at <https://pscdocs.utah.gov/electric/20docs/2003534/320059RdctdRMPEXhJAC18-23-2021.pdf>.

³⁵ *Id.*

473 perform another analysis that allows the ninth factor, or some other method of considering
474 equity, to help dictate which communities are chosen. Only then will the program truly
475 have an equity component.

476 **Q. Are you aware of any other resources the Company could use to better incorporate**
477 **equity into the EVIP?**

478 A. Yes. There are numerous free tools the Company could use to support the equitable
479 distribution of EV infrastructure within its service territory including:

- 480 • U.S. Environmental Protection Agency’s EJScreen tool,³⁶
- 481 • U.S. Department of Energy’s LEAD Tool,³⁷ and the
- 482 • Greenlink Equity Map³⁸.

483 **Q. Can you please summarize your recommendation to the Commission on this issue?**

484 A. The Commission should require the Company to perform another analysis that genuinely
485 considers equity when selecting communities for charging infrastructure. This would help
486 ensure that all ratepayers benefit from these ratepayer-funded investments.

487 VI. ALLOCATION AND REINVESTMENT OF RATEPAYER FUNDS

488 **Q. What should be done with excess revenue from this program?**

489 A. It is unclear how much excess funding could be generated, therefore it is hard to state
490 unequivocally how these funds should be refunded or reinvested. This only adds to the
491 need for continued stakeholder engagement. However, if future stakeholder engagement is
492 not provided, these funds should be either refunded to ratepayers or used to offset the
493 EVIP’s contributions to Schedule 120 incentives.

³⁶ Available at <https://ejscreen.epa.gov/mapper/>.

³⁷ Available at <https://www.energy.gov/eere/slsc/maps/lead-tool>.

³⁸ Available at <https://gem.equitymap.org/>.

494 **VII. SITING**

495 **Q. Do you have any concerns with how the proposed sites were selected?**

496 A. Yes. The factors as currently outlined could be more meaningfully applied. Each of the
497 siting factors should be given a certain weighting as opposed to them all being equally
498 relevant. For example, siting of Company-owned chargers near existing multifamily
499 development should be given a higher weighting than the other factors.

500 **Q. Looking to the many and varied jurisdictions undergoing TEP proceedings, what role**
501 **do utility-owned chargers play?**

502 A. The majority of jurisdictions find that the utility has a role to play beyond make-ready
503 infrastructure. It is commonly understood that certain locations would never reach high
504 enough utilization factors to generate sufficient income for a commercial operator. In those
505 cases, there is a clear role for utility ownership of charging locations.

506 **Q. Do you have any concerns with the proposed site selections other than what you have**
507 **already discussed?**

508 A. Without more specificity beyond the map included in the Transportation Plan, I cannot say.
509 In general, it is important to only site these Company-owned charging stations in a location
510 that does not disincentivize competition. Accordingly, the Company should own chargers
511 in areas that would not otherwise be served by the private market.

512 **VIII. SUMMARY OF RECOMMENDATIONS**

513 **Q. Would you please summarize your recommendations to the Commission?**

514 A. Yes. I recommend the Commission approve the EVIP with the following additions and
515 changes:

- 516 • Additional stakeholder engagement with opportunity for input as follows:
517 i. An annual report to the Commission that includes:

- 518 (1) the program's status, operation, funding, and benefits;
519 (2) the disposition of program funds;
520 (3) the charging infrastructure program's impact on rates; and
521 (4) the program's budget and allocation for the upcoming year.
522 (5) Stakeholders should have the opportunity to file comments
523 on the annual report to ensure that the planned expenditures
524 are permissible under EVIP as approved.
- 525 ii. Engage in transparent distribution system planning that is harmonized
526 with the Company's existing integrated resource planning.
- 527 • Change the proposed rate schedules as follows:
 - 528 i. Increase the incentive offered, tie it to service under a time
529 of use rate, and ensure adequate funding of Schedule 120
530 throughout the life of the EVIP.
 - 531 ii. Either establish an idle-fee now, or determine it at a future
532 proceeding like any other rate.
 - 533 • Cordon a portion of make-ready funds specifically for multifamily
534 housing developments to ensure that multifamily residents and
535 residents without access to a garage, or dedicated parking spaces
536 have access to charging infrastructure.
 - 537 • Require the Company to undertake a concerted effort to include
538 equity in the Plan by identifying and engaging with Traditionally
539 Under-Represented Communities.

540
541 **Q. Does that conclude your testimony?**

542 A. Yes.