

–BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH–

IN THE MATTER OF THE APPLICATION OF)	
ROCKY MOUNTAIN POWER FOR APPROVAL OF)	
ITS ELECTRIC VEHICLE INFRASTRUCTURE)	DOCKET No. 20-035-34
PROGRAM)	Exhibit No. DPU 1.0 DIR
)	
)	

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FOR THE DIVISION OF PUBLIC UTILITIES
DEPARTMENT OF COMMERCE
STATE OF UTAH

Direct Testimony of

ROBERT A. DAVIS

October 19, 2021

REDACTED

Docket No. 20-035-34
DPU Exhibit 1.0 DIR
Robert A. Davis

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INTRODUCTION

Q: Please state your name and occupation.

A: My name is Robert A. Davis. I serve in the capacity of Utility Technical Consultant at the Utah Department of Commerce-Division of Public Utilities (“Division”).

Q: What is your business address?

A: My business address is 160 East 300 South, Heber Wells Building-4th Floor, Salt Lake City, Utah, 84111.

Q: On whose behalf are you testifying?

A: The Division.

Q: Please describe your educational and professional experience.

A: I earned a master’s degree in business administration with master certificates in finance and economics from Westminster College in May of 2005. I have attended the NARUC Rate School, MSU/IPU Advanced Regulatory Studies Program, and Depreciation Fundamentals by the Society of Depreciation Professionals. I have attended several regulatory seminars and conferences. I have been employed by the Division since May of 2012.

Q: Please describe your current position responsibilities.

A: My responsibilities include financial, economic, and accounting analysis of regulated utility matters.

20 **Q: Have you previously testified before the Public Service Commission of Utah**
21 **(“Commission”)?**

22 A: Yes. I have testified numerous times before the Commission.

23 **PURPOSE of TESTIMONY**

24 **Q: What is the purpose of your testimony?**

25 A: My testimony introduces the Division’s witnesses and then summarizes the legislative
26 objectives set forth for the Division in general and then specifically in the Electric
27 Vehicle Infrastructure Program (“EVIP”) enabling statute. I also address the EVIP
28 statute’s public interest requirement required by the enabling statute. I also offer the
29 Division’s recommendations for the reporting of the program to stakeholders.

30 **Q: Please identify the Division’s witnesses providing testimony and the topics they**
31 **address.**

32 A: The Division’s witnesses for this docket include:

- 33 • Mr. Robert A. Davis – I am the policy witness for the Division in this docket and will
34 provide testimony about the Division’s review of the public interest and prudence
35 requirements of Rocky Mountain Power’s (“RMP” or “Company”) EVIP program
36 supported by RMP witness Mr. James A. Campbell. I also address the Division’s
37 reporting recommendations.
- 38 • Mr. David Williams - Mr. Williams will provide testimony about the Division’s
39 review of the competitive requirements of RMP’s EVIP program supported by RMP
40 witness Mr. Campbell.

- 41 • Dr. Abdinasir M. Abdulle - Dr. Abdulle will provide testimony about the Division's
42 review of the Cost of Service and Rate Design of RMP's EVIP program supported by
43 RMP witness Mr. Robert M. Meredith.

44 **Q: Please summarize the work and investigation that has been performed in this**
45 **docket.**

46 A: The Division has reviewed the application and the testimony of RMP's witnesses Mr.
47 Campbell and Mr. Meredith along with the attachments and exhibits filed by each
48 witness. After analyzing the filings, the Division submitted forty-two data requests
49 seeking explanation, clarification, and additional support for the assumptions and
50 concepts used by RMP in its application and testimony. The Division has reviewed
51 RMP's responses to those data requests and those of other stakeholders, participated in
52 discussions with RMP representatives and other stakeholders to obtain additional
53 information and clarification on multiple aspects of RMP's application, and performed its
54 own independent analysis of the application.

55 **Q: Would you offer a synopsis of the Division's analysis and conclusions for the EVIP**
56 **program?**

57 A: Yes. RMP's proposed EVIP program is innovative but lacks substantial evidence that the
58 program and ensuing projects will perform as expected or satisfy the statutes enabling the
59 program. RMP's analysis is based on high-level assumptions and dated information. The
60 Division proposes some modifications.

61 Given the demonstrative nature of projects like RMP's proposed Electric Vehicle ("EV")
62 infrastructure program, the public interest requires a careful approach, where best
63 practices are utilized to develop the program and a measure of indulgence is given to
64 implementing ideas despite the lack of evidentiary support. A program like this will
65 necessarily need to begin with less data than many other programs.

66 To this end, the Division suggests that the program as proposed is not in the public
67 interest, but some modifications may allow the program to proceed. The Division's
68 suggestions will help to ensure that competition is not stifled, ratepayer impacts are
69 maintained at reasonable levels, and factual reporting of outcomes to stakeholders is
70 timely, allowing stakeholders to monitor the progress of the program and the
71 Commission to modify it given changing market conditions over the life of the program.

72 **Q: Please provide your recommendations to the Commission.**

73 A: EV technology and adoption is rapidly evolving. Based on the foregoing discussion and
74 subsequent testimony and the testimony provided by the other Division witnesses, the
75 Division recommends the Commission not approve the EVIP program until changes are
76 made and RMP can provide more supportable evidence that the program is in the public
77 interest under Utah Code Annotated Section 54-4-41.¹ The Division's witnesses offer
78 some suggestions toward that end.

¹ See Utah Code Annotated Section 54-4-41, https://le.utah.gov/xcode/Title54/Chapter4/54-4-S41.html?v=C54-4-S41_2020051220200512.

79 Should the Commission approve the program, the Division recommends the Commission
80 limit the program funding to five years and adjust the rates to market changes annually if
81 needed. Near the end of the five-year period, the Commission can decide whether and
82 how the program should continue.²

83 The Division also recommends that the Commission direct RMP to report annually to the
84 Commission and stakeholders. This reporting would be in addition to the report required
85 by statute to the Utah Legislature and would include *all* costs, expenses, and revenues
86 along with current market assumptions and conditions to account for the program and
87 ensure the program remains within the allowed \$10 million annual budget over the five
88 years. The Division recommends the Commission direct RMP to ensure that all
89 operation, maintenance, administrative, and general (“OMAG”), operation and
90 management (“O&M”) Network Service, Charger Incentives, and any other expenses are
91 contained within the program’s annual budget allowance.

92 RMP requests that the Commission approve its balancing account in its application but
93 does not include information that illustrates the balancing account details including
94 revenues, expenses, and carrying charge.³ The Division asked RMP to provide its
95 balancing account proposal detail in Division Data Request DPU 3.1.⁴ Should the

² See Rocky Mountain Power’s response to Division data request DPU 1.19 in Appendix A.

³ See Rocky Mountain Power’s Application, Docket No. 20-035-34, August 23, 2021, p. 16, (2), <https://pscdocs.utah.gov/electric/20docs/2003534/320055RMPpplctn8-23-2021.pdf>.

⁴ *Supra* n2, DPU 3.1.

96 Commission approve the program, it should direct RMP to include additional balancing
97 account detail as part of its order.

98 **Q: Will you briefly review the background and factual framework surrounding this**
99 **docket?**

100 A. Yes. On August 23, 2021, RMP filed its application with the Commission pursuant to
101 Utah Code Annotated Section 54-4-41, also known as House Bill 396 (2020) — Electric
102 Vehicle Charging Infrastructure Amendments, requesting approval of its EVIP program.⁵
103 RMP requests approval from the Commission for ratepayers to fund up to \$50 million
104 over the first five years for all costs and expenses associated with the deployment of
105 utility-owned and non-utility owned electric vehicle charging infrastructure and vehicle
106 charging service provided.⁶ RMP proposes to move the program to full cost of service, if
107 successful, from years six to ten. In addition to the utility owned charging infrastructure,
108 the program provides for make-ready infrastructure investment to help non-utility EV
109 charging operators in constructing their own charging stations. The program also offers
110 incentives to third-party operators for the purchase of chargers and allows RMP to
111 participate in innovative partnerships and projects with other entities throughout the State
112 of Utah.

⁵ *Supra* n3.

⁶ See Utah Code Annotated Section 54-4-41(2)(a), https://le.utah.gov/xcode/Title54/Chapter4/54-4-S41.html?v=C54-4-S41_2020051220200512.

113 RMP plans to implement Electric Service Schedule No. 198 — Electric Vehicle
114 Infrastructure Program (EVIP) Cost Adjustment and Schedule No. 60 — Company
115 Operated Electric Vehicle Charging Station Service. RMP also proposes a six-month
116 extension of Schedule No. 2E — Residential Service – Electric Vehicle Time-of-Use
117 Pilot Option – Temporary, and an extension of Electric Service Schedule No. 120 —
118 Plug-in Electric Vehicle Incentive Pilot Program for the duration of the EVIP. RMP
119 requests approval to establish a balancing account as noted above, including a carrying
120 charge, which reflects the costs of RMP’s prudent investments in the EVIP, offset by the
121 collections through Schedule Nos. 60 and 198.⁷

122 **PUBLIC INTEREST REQUIREMENT**

123 **Q: Please explain how the legislative principles and Division objectives under Utah**
124 **Code Annotated Section 54-4a-6 pertain to this docket.**

125 A: The new EVIP statute provides some criteria for determining whether a proposed
126 program is in the public interest. In evaluating these criteria, the Division is also informed
127 by its general statutory guidance concerning the public interest. Although the legislative
128 principles and objectives in 54-4a-6 are the guiding force behind the Division’s day-to-
129 day activities, the Division’s main statutory duty in this matter is to determine if this
130 program proposal is in the public interest as articulated in Section 54-4-41.

131 **Q: Please explain the public interest requirements for the EVIP program.**

⁷ *Supra* n3, pages 2-3, ¶s A-F.

132 A: Utah Code Annotated Section 54-4-41(4) provides the requirements that RMP's proposed
133 EVIP program must meet for the Commission to find it in the public interest:

134 The commission shall find a charging infrastructure program to be in the public interest if
135 the commission finds that the charging infrastructure program:

136 (a) increases the availability of electric vehicle battery charging service in the
137 State;

138 (b) enables the significant deployment of infrastructure that supports electric
139 vehicle battery charging service and utility-owned vehicle charging
140 infrastructure in a manner reasonably expected to increase electric vehicle
141 adoption;

142 (c) includes an evaluation of investments in the areas of the authority
143 jurisdictional land, as defined in Section 11-58-102, and the point of the
144 mountain state land, as defined in Section 11-59-102;

145 (d) enables competition, innovation, and customer choice in electric vehicle
146 battery charging services, while promoting low-cost services for electric
147 vehicle battery charging customers; *and*

148 (e) provides for ongoing coordination with the Department of Transportation,
149 created in Section 72-1-201.⁸

150 Note that another subsection, Subsection 54-4-41(7) separately addresses whether
151 expenses are prudently incurred. This subsection appears to apply after the expenditure of
152 funds, not in the initial evaluation of a program.

153 **Q: Has RMP met these public interest requirements with its filing?**

154 A: No. RMP's witnesses, Mr. Campbell, and Mr. Meredith, address the five requirements in
155 brief detail to provide the Commission with sufficient evidence to approve the program
156 based on each of the five requirements. However, Mr. Campbell, and Mr. Meredith, rely

⁸ See Utah Code Annotated Section 54-4-41(4), https://le.utah.gov/xcode/Title54/Chapter4/54-4-S41.html?v=C54-4-S41_2020051220200512.

157 on high-level, sometimes “best guess” assumptions, to justify the public interest
158 requirements of the proposed \$50 million program over the proposed ten-year life.⁹ More
159 and better support is needed.

160 **Q: Please explain why RMP’s proposal may not satisfy 54-4-41(4)(a).**

161 A: The Division concludes this requirement is likely met under almost any program unless
162 the program is anti-competitive and prevents entry by other market players (see Division
163 witness Mr. Williams at lines 36-42).¹⁰ If this is the case, the anti-competitiveness could
164 actually result in fewer services over the life of the program if it keeps third-party
165 operators out who would otherwise enter the market in the absence of any program or the
166 presence of a well-designed one. Nevertheless, on the surface, \$50 million of investment
167 seems likely to increase charging availability in the near term.

168 **Q: Please address RMP’s proposal under 54-4-41(4)(b).**

169 A: RMP’s provided evidence about EV adoption suffers from a number of shortcomings,
170 discussed below. Mr. Campbell provides several exhibits in support of his direct
171 testimony about the prospects for EV adoption. RMP Workpapers JAC 1 — Average
172 KWH Price & Emissions Calculations, and CONFIDENTIAL RMP Exhibit JAC 2 —
173 Estimated Program Expenditures (Excel).

⁹ See Rocky Mountain Power witness Mr. James Campbell’s Direct Testimony, Docket No. 20-035-34, August 23, 2021, lines 207-209, and response to Division Data Request DPU DR 1.32, Appendix A.

¹⁰ See Division witness Mr. David Williams Direct Testimony, Docket No. 20-035-34, October 18, 2021.

174 **Q: Please explain the Division’s conclusions regarding Mr. Campbell’s RMP**
175 **Workpaper JAC 1.**

176 A: In Exhibit JAC 1, Mr. Campbell puts forth the EVIP’s potential benefits as the adoption
177 of EVs increase over the ten-year horizon and ensuing reduction in carbon dioxide
178 (“CO₂”) emissions based on a study by Utah State University (“USU”).¹¹

179 The researchers at USU base their analysis on the Bass Model. This model is used to
180 determine the adoption of new technology.¹² The Division asked RMP in its data request
181 DPU DR 1.22 if USU researched any other adoption models other than the Bass Model.¹³
182 RMP’s response was that it was not aware of other modeling methods used by USU.¹⁴
183 The Division asked RMP to provide the analysis and support for the *market potential*
184 (M), and other components of the Bass Model in its data request DPU DR 2.1 and 2.2,
185 respectively.¹⁵

186 RMP’s responses to the Division’s data requests did not adequately answer the questions
187 and required further clarification. While the Division recognizes that the Bass Model is a
188 widely used tool for forecasting adoption rates, an evaluation of these core assumptions is
189 critical to understanding the projected modeling that enable the program. Without a

¹¹See Rocky Mountain Power witness Mr. James Campbell’s Direct Testimony, Docket No. 20-035-34, August 23, 2021, RMP Exhibit JAC 5 – USU Analysis 8-23-21.

¹²*Id.*, page 1, Electric Vehicle Adoption Forecast.

¹³Pacific Northwest National Laboratory – PNNL, S.T. Gilshannon & D.R. Brown, Review of Methods for Forecasting the Market Penetration of New Technologies, December 1996, researched the topic for the U.S. Department of Energy. The researchers studied five models: The Normal Noncumulative Adopter Distribution Method; the Bass Model; the Mansfield-Blackman Model; the Fisher-Pry Model; and a Meta-Analysis of Innovation Diffusion Studies. https://inis.iaea.org/collection/NCLCollectionStore/_Public/28/043/28043472.pdf.

¹⁴*Supra* n2, Data Request DPU DR 1.22.

¹⁵*Supra* n2, Data Request DPU DR 2.1, and 2.2, September 30, 2021.

190 vetted review and understanding of the best practices and current assumptions used to
191 estimate the adoption of EVs over the next ten years, there is no way of knowing whether
192 RMP's proposal is in the public interest or what alternatives might provide greater or
193 different benefits. The Division has issued follow-up questions with RMP and may
194 respond further on this topic in subsequent filings.

195 **Q: Has the Division identified other issues with Mr. Campbell's Workpaper JAC 1?**

196 A: Yes. The Division updated Mr. Campbell's JAC 1 Exhibit, Emissions Calculation Tab
197 with the responses provided by RMP through data request DPU 1.28 CONFIDENTIAL
198 and Confidential Attachment 1.28, with assumptions from the recently filed Integrated
199 Resource Plan ("IRP"). Using these updated assumptions and the model as presented by
200 Mr. Campbell, the Division concludes that the net reduction in CO₂ actually decreases as
201 EV mileage increases. This is counterintuitive to the purpose of the program as shown in
202 the following illustrations.¹⁶

¹⁶ See Division witness Robert A Davis, Docket No 20-035-34, October 19-2021, DPU Exhibit RAD 1 – Average KWH Price & Emissions Calculation 10-18-2021 (DPU Analysis with Updated Assumptions).

203

(DPU Analysis - 2026 31,000 additional EVs)			
Mileage	MWh used by EVs	CO2 System Emissions by EVs (MT)	Net CO2 Reduction Per Year (lbs)
5,000	46,500	15,903	279,318,740
10,000	93,000	31,806	244,258,668
11,500	106,950	36,577	233,740,647
15,000	139,500	47,709	209,198,296
20,000	186,000	63,612	174,138,525
25,000	232,500	79,515	139,078,453

204

(DPU Analysis - 2031 150,000 Additional EVs)			
Mileage	MWh used by EVs	CO2 System Emissions by EVs (MT)	Net CO2 Reduction Per Year (lbs)
5,000	225,000	44,325	1,423,468,019
10,000	450,000	88,650	1,325,748,237
11,500	517,500	101,948	1,296,432,303
15,000	675,000	132,975	1,228,028,456
20,000	900,000	177,300	1,130,308,674
25,000	1,125,000	221,625	1,032,588,893

205 The Division understands this to mean that with the current generation mix, as additional
206 EVs are added, the energy needed to charge those EVs causes more CO₂ from the
207 generation resources than is saved by the EVs. RMP needs to explore this phenomenon
208 and offer an explanation.

209 **Q: Please explain the Division’s conclusions regarding Mr. Campbell’s RMP**
210 **Workpaper JAC 2.**

211 **A:** Mr. Campbell illustrates the revenues, expenses, and capital spending for the EVIP
212 program in RMP Confidential Exhibit JAC 2 (“JAC 2”). The Division concludes that
213 JAC 2 provides basic information but lacks the necessary granularity to analyze the

214 revenues, expenses, and capital spending that may be expected over the life of the
215 project. Some of this information is pertinent to the Subsection (b) inquiry, but all of it is
216 needed to understand the program and adapt it as more is learned.

217 Utilizing dated national averages for a rapidly evolving technology like EV charging
218 infrastructure such as the 2019 Rocky Mountain Institute study summary included in
219 RMP Confidential Exhibit JAC 2,¹⁷ or a single adoption model such as the Bass Model,¹⁸
220 may or may not adequately illuminate the expected outcome of the program. The
221 Division concludes RMP's proposal requires a more robust examination of expected EV
222 adoption and impacts to its system and its ratepayers. The Division's review of this topic
223 will continue after the filing of its direct testimony as more information becomes
224 available.

225 **Q: Please explain what you mean by necessary granularity.**

226 **A:** The revenue projections are based on EV adoption and pricing assumptions from a single
227 third-party EV charging operator (Electrify America) and adjusted for RMP customer and
228 non-customer credits and premiums.¹⁹ The expenses appear to be determined in the same
229 manner. The Division's initial review of RMP's Utah EV Spend Analysis – HB0396 tab
230 in JAC 2 resulted in more questions than answers. A more granular breakdown of the

¹⁷ See Rocky Mountain Power witness Mr. James Campbell's Direct Testimony, Docket No. 20-035-34, August 23, 2021, RMP Confidential Exhibit JAC 2, Expenditures Tab, cells B43:E65.

¹⁸ The Division is not asserting that use of the Bass Model is fundamentally flawed. The Division is lacking the necessary model assumptions needed to review the model and vet the conclusions.

¹⁹ See Rocky Mountain Power witness Mr. Robert Meredith, Direct Testimony, Docket No. 21-035-34, August 23, 2021, lines 59-62.

231 accounting for the OMAG, O&M Network Services, Incentives, Property Tax, and
232 Carrying Charge, is necessary for a robust review of the program. For example, RMP
233 bases its incentive level for EV chargers including installation on the results of the
234 retiring sustainable transportation and energy plan act (“STEP”) EV program, where
235 roughly \$2 million of incentives were awarded annually.²⁰ RMP provides no substantial
236 evidence why it chose [REDACTED] per year for the incentive, and given the costs projected
237 by RMP (approximately [REDACTED] to install its own chargers depicted in JAC 2) to
238 install Level 2 and DC fast chargers, the incentive aspect of the EVIP program may be
239 underfunded.

240 The use of dated assumptions as noted in the footnotes on the JAC 2 expenditures tab
241 raises skepticism of the assumptions’ ongoing usefulness. The Division asked RMP to
242 provide additional detail in its data request DPU 3.2 but has not received RMP’s response
243 at the time of this filing for Confidential RMP Exhibit JAC 2 asking for supporting
244 analysis to explain its rationale for the forecasted numbers provided in its original filing.
245 RMP should provide better support for its assumptions used in RMP Exhibit JAC 1 and
246 Confidential RMP Exhibit JAC 2. The Division plans to continue its review and may
247 comment further in subsequent filings.

248 **Q: Please explain why RMP has failed to satisfy Subsections 54-4-41(4)(c) and (e).**

²⁰ See Rocky Mountain Power’s 2021 Annual STEP Status Report, Docket No. 21-035-29, April 30, 2021, page 2.0, <https://pscdocs.utah.gov/electric/21docs/2103529/318497RMP20204thSTEPPrgrmStsRprt4-29-2021.pdf>.

249 A: There is minimal support in the record whether RMP has or has not met the public
250 interest requirements required under Section 54-4-41(4)(c) and (e) for the evaluation of
251 investments and coordination with any of these entities. The Division asked RMP in data
252 request DPU DR 1.8 to provide the minutes from the meetings it has had with the Inland
253 Port Authority, Point of the Mountain State Land, and the Utah Department of
254 Transportation (“UDOT”). RMP’s response states that the meetings have been informal,
255 and no minutes had been taken.²¹ The weight of statutory requirements demands greater
256 formality.

257 RMP should provide more information about its work with the statutorily listed third
258 parties. RMP’s claim that it has met the requirements of 54-4-41(4)(c) and (e) is
259 conclusory. RMP should provide, at a minimum, more detail of the discussions it has
260 with the Inland Port Authority, Mountain States Land, and UDOT entities with detail
261 how the parties evaluate the investments as part of the reporting requirements discussed
262 further below in my testimony. Furthermore, the statute requires that relationships with
263 UDOT provide for continuous coordination. The proposal should include at least
264 rudimentary structure for regular communication, program adoption, and the like.

265 **Q: Has RMP met the requirement to enable competition under 54-4-41(4)(d)?**

266 A: No. Division witness Mr. Williams, addresses the competitive requirement of Section 54-
267 4-41(4)(d) in his direct testimony. Based on RMP’s supporting testimony and exhibits,

²¹ *Supra* n2, DPU 1.8, Appendix A.

268 the Division concludes RMP's proposal does not meet the competition-related public
269 interest requirements as proposed because of excessive discounts and focus on utility
270 charging stations.

271 **Q: Please explain the Division's understanding and conclusions of RMP's proposed**
272 **innovative make-ready infrastructure plan under 54-4-41(4)(d).**

273 A: Mr. Williams discusses this further in his testimony. In short, the proportion of resources
274 devoted to make-ready infrastructure is disproportionately small relative to the proposed
275 expenditures for company-owned charging.

276 **Q: Has the Division evaluated RMP's proposed rate schedules?**

277 A: Yes. Division witness Dr. Abdinasir Abdulle addresses the proposed rate schedules in his
278 direct testimony.

279 **Q: Please explain the Division's understanding and conclusions regarding RMP's**
280 **proposal to run the program for up to ten years.**

281 A: RMP proposes to spend \$50 million in the first five years to get the program up and
282 running with fixed rates under Schedule 60. Considering the rapid changes in EVs and
283 charging infrastructure, the Division suggests that the timing of the program should be
284 limited to five years. Limiting the program to five years will allow the Commission and
285 stakeholders time to evaluate whether to continue the program as a service schedule with
286 a path to full cost of service or end the program outright. Other program adjustments
287 might be warranted. Whatever conclusions are drawn after five years, the Division
288 recommends that the Commission direct RMP to meet with stakeholders prior to the end

289 of year five before any filing addressing the continuation, adjustment, or conclusion of
290 the program.

291 **REPORTING REQUIREMENTS**

292 **Q: What are the Division’s recommendations for reporting requirements.**

293 A: While the statute provides for some legislative reporting, the Commission should impose
294 additional reporting requirements to enable program evaluation and public participation.

295 Utah Code Annotated Section 54-4-41(8) provides the EVIP reporting requirements:

296 A large-scale utility that establishes and implements a charging infrastructure program
297 shall annually, on or before June 1, submit a written report to the Public Utilities, Energy,
298 and Technology Interim Committee of the Legislature about the charging infrastructure
299 program’s activities during the previous calendar year, including information on:

- 300 (a) the charging infrastructure program’s status, operation, funding, and benefits;
301 (b) the disposition of charging infrastructure program funds; and
302 (c) the charging infrastructure program’s impact on rates.²²

303 **Q: What additional reporting requirements should be adopted?**

304 A: The Division recommends that the Commission require annual reports. The annual report
305 should contain enough information about the program’s progress in addition to the
306 requirements of the statute to allow the Commission to determine if the program is in the
307 public interest and whether expenditures have been prudent. This will require complete
308 information about revenues, expenses, projections, or other studies, including and
309 assumptions used.

²² *Supra* n1, Subsection (8)

310 **Q: Does the Division have a recommendation to the Commission of when RMP should**
311 **report to the stakeholders?**

312 A: Yes. The Division recommends that the Commission direct RMP to meet with the
313 stakeholders within the first six-months of the program's first year of operation, if
314 approved, and determine a format of required information to be reported annually with
315 the Commission by March 30 following each program plan year (beginning March 30,
316 2023, for the 2022 program year). This would give RMP ample start-up time for the
317 program and a reasonable amount of historical data to base its conclusions. Other parties
318 may suggest timelines or requirements that could also be appropriate in lieu of the
319 Division's suggestions.

SUMMARY

320
321 **Q: Would you summarize the Division's review and conclusions for RMP's EVIP**
322 **program?**

323 A: Yes. RMP's application for its proposed EVIP program lacks sufficient evidence that the
324 program and ensuing projects are in the public interest. The application relies on high-
325 level assumptions and dated information.

326 The testimony provided by RMP witnesses Mr. Campbell and Mr. Meredith attempts to
327 document and defend the utility's methodology based on high-level assumptions. This
328 type of approach makes it difficult for the Division and stakeholders to evaluate the
329 program or trust RMP's conclusions. A more detailed analysis of the proposed program
330 should be completed.

331 The Division is especially skeptical the competitiveness requirement in Section 54-4-
332 41(4)(d) is met. Anti-competitiveness could also jeopardize satisfaction of Subsections
333 (a), (b), and (d) to varying degrees. RMP's proposal for make-ready infrastructure to help
334 third-party operators install charging infrastructure along with incentives to purchase
335 Level 2 and DC Fast Chargers do not seem adequate to achieve the desired adoption by
336 third-party operators. Coupled with a steep discount to RMP customers, the proposal is
337 not tailored to induce competition.

338 Based on the foregoing, the Division concludes that RMP's EVIP program design poorly
339 supports the public interest requirements of Utah Code Section 54-4-41 and recommends
340 the Commission not approve RMP's application at this time. If the program is approved,
341 significant changes should be made. Additionally, the approval should require that RMP
342 reports at least annually to the Commission and stakeholders in addition to the Utah
343 Legislature. Reporting should include *all* costs, expenses, and revenues with current
344 assumptions to account for the program and ensure the program remains within the
345 allowed \$10 million annual budget allowance. The Division recommends the
346 Commission direct RMP to ensure all OMAG, O&M Network Service, Incentives, and
347 any other expenses are contained within the program's allowed budget.

348 **Q: Does this conclude your testimony?**

349 **A:** Yes.

REDACTED

Docket No. 20-035-34
DPU Exhibit 1.0 DIR
Robert A. Davis

350

APPENDIX A — DPU DATA REQUESTS

351 **DPU Data Request 1.8**

352 [REDACTED]
353 [REDACTED]
354 [REDACTED]
355 [REDACTED] (The Confidential Portion of this DR is not included)

356 **Response to DPU Data Request 1.8**

357 The meetings were informal and meeting minutes were not taken.

358 **DPU Data Request 1.19**

359 In reference to lines 237-239 from James Campbell Direct testimony, if the program fails after
360 the first five years, and the funds have already been spent in years 1-5, there will be no remaining
361 capital to refund to ratepayers and how does RMP intend to operate its chargers?

362 **Response to DPU Data Request 1.19**

363 The Company should have indications in the first few years that its estimates were off and will
364 adjust its expenditures. That said, if the program fails after the first five years and funds are
365 exhausted, then the chargers will need to generate revenue to cover their operating expenses. If
366 individual locations do not generate enough revenue to cover their expenses, then they will be
367 shut down.

368 **DPU Data Request 1.22**

369 In reference to Exhibit RMP JAC-5 from James Campbell Direct testimony, did USU use any
370 other modeling methods for its EV vehicle adoption forecast other than the Bass model, e.g.,
371 Fisher-Pry Model?

372 **Response to DPU Data Request 1.22**

373 The Company is not aware of other modeling methods used by Utah State University.

374 **DPU Data Request 1.28**

375 [REDACTED]
376 [REDACTED]

377 **Response to DPU Data Request 1.28**

378 Please refer to Attachment DPU 1.28-1 and Attachment DPU 1.28-2.

379 **DPU Data Request 1.32**

380 In referenced to lines 109-112 from Robert Meredith Direct testimony, what is the rationale
381 behind the 75% discount (as opposed to 10% or some other discount)? Please provide any
382 analysis that was used to arrive at the 75% figure.

383 **Response to DPU Data Request 1.32**

384 No particular analysis was completed. Seventy-five percent is a discount level that the Company
385 believes is reasonable and appropriate to provide a benefit for Rocky Mountain Power
386 customers, since they will pay the proposed Schedule 60 surcharge that funds the program.

387 **DPU Data Request 2.1**

388 In reference to Exhibit RMP_(JAC-5), page 1 of 7, Electric Vehicle Adoption Forecast, please
389 provide the analysis and support materials, in Excel format with intact formulae where applicable
390 or any other source, for the “M” component of the BASS model utilized by Utah State
391 University Researcher Dr. Ziqi Song.

392 **Response to DPU Data Request 2.1**

393 Please refer to Attachment DPU 2.1 for all the raw data provided by Utah State University (USU)
394 associated with Exhibit RMP_(JAC-5).

395 **DPU Data Request 2.2**

396 In reference to Exhibit RMP_(JAC-5), page 2 of 7, Electric Vehicle Adoption Forecast, please
397 provide the analysis and support materials, in Excel format with intact formulae where applicable
398 or any other source, for the “p” and “q” components of the BASS model utilized by Utah State
399 University Researcher Dr. Ziqi Song. Please explain in detail the meaning of “calibrated by the
400 historical EV adoption data collected from the Alliance of Automobile Manufactures and Utah
401 DMV for passenger vehicles and light-duty trucks and SUVs.”

402 **Response to DPU Data Request 2.2**

403 Please refer to the Company’s response to DPU Data Request 2.1, specifically Confidential
404 Attachment DPU 2.1 for the analysis and support materials supporting Exhibit RMP_(JAC-5).
405 It is the Company’s understanding that input data from historical electric vehicle (EV) adoption
406 was used in the model. Utah State University (USU) used two sources of input data; the Utah
407 Department of Motor Vehicles (DMV), and the Alliance of Automobile Manufacturers. USU
408 used two sources because the Utah DMV, prior to 2019, was not specific on vehicle registration
409 for EVs in its data collection. Starting in 2019, the Utah DMV began collecting specific, detailed
410 information on EVs, primarily because there was a registration tax for EVs.