BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

APPLICATION OF ROCKY MOUNTAIN	)	
POWER FOR APPROVAL OF ITS ELECTRIC	)	Docket No. 20-035-34
VEHICLE INFRASTRUCTURE PROGRAM	)	

REBUTTAL TESTIMONY OF SARA RAFALSON ON BEHALF OF EVGO SERVICES, LLC

NOVEMBER 4, 2021

I. INTRODUCTION AND PURPOSE OF TESTIMONY

Q. PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS.

A. My name is Sara Rafalson. I am the Vice President of Market Development and Public Policy at EVgo Services, LLC ("EVgo"). My business address is 11835 W. Olympic Blvd. Suite 900E Los Angeles, CA 90064.

Q. DID YOU SUBMIT DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes, I submitted direct testimony in this proceeding, which includes my qualifications.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. The purpose of my rebuttal testimony is to highlight and comment on common themes present in the direct testimony. I will also explain EVgo's positions on specific proposals made by other parties related to reporting, stakeholder engagement and the make-ready application process and budget.

II. COMPANY-OWNED CHARGERS AND RATE PROPOSAL

Q. WHAT COMMON THEMES DID YOU NOTICE IN DIRECT TESTIMONY RELATED TO RMP'S COMPANY-OWNED CHARGERS AND RATE PROPOSAL?

A. It is clear from the direct testimony in this proceeding that multiple parties have competitiveness concerns with RMP's proposal for Company-owned chargers, and that those concerns are exacerbated by the proposed below-market pricing for RMP customers.

Staff of the Utah Department of Commerce-Division of Public Utilities ("Division") recommends the Commission "not approve RMP's application at this time,"[1] concluding "that RMP's EVIP program design poorly supports the public interest requirements of Utah Code Section 54-4-41."[2] Division witness Mr. Davis notes that "[t]he 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 (a), (b), and (d) to varying degrees."[3] Similarly, Division witness Mr. Williams states that "overall, the program as proposed will not sufficiently enable competition to be in the public interest."[4] Division witnesses highlighted particular issues that led them to this conclusion. Regarding the make-ready and incentive programs, Mr. Davis stated that "RMP's proposal for make-ready infrastructure to help third-party operators install charging infrastructure along with incentives to purchase Level 2 and DC Fast Chargers do not seem adequate to achieve the desired adoption by third-party operators,"[5] while Mr. Williams stated that "capital spending that disproportionally goes to Company owned charging stations does not enable competition."[6] Finally, Mr. Williams raises the concern "that a monopoly utility with a rate of return will not have the same incentive to keep costs down, pick profitable charging locations, or to follow trends in technology and market, that a private company would."[7]

While the prospect of an abundance of Company-owned chargers alone is enough to create competitiveness issues, the inequities between third-party, privately-owned stations and a

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[1] Direct Testimony of Robert A. Davis, at 19:339-341.
[2] *Id.* at 19:338-340.
[3] *Id.* at 19:331-333.
[4] Direct Testimony of David Williams, at 3:36-38
[5] Direct Testimony of Robert A. Davis, at 19:333-337.
[6] Direct Testimony of David Williams, at 13:216-218.
[7] Direct Testimony of David Williams, at 4:68-70.

utility-owned network are compounded by the below-market rates that the Company seeks to charge drivers at its stations. Regarding the proposed rate at Company-owned chargers, Mr. Williams states, "if a utility offers charging at a cost substantially lower than the market cost, competition will not be enabled, as private companies will not be able to match the artificially low cost." [8] Division witness Mr. Abdulle explains that the "Division is concerned that the magnitude of the discount proposed by RMP is not justified and is not in the public interest…"[9] He also states, "[g]iven RMP serves approximately 80% of Utah residents, the proposed discount would pose an entry barrier for non-RMP owned stations and operators. Electric vehicle charging stations not owned and operated by RMP will not be able to compete…"[10]

Similar to the Division, ChargePoint does not believe RMP's Company-owned charger proposal satisfies the criterion of "enabl[ing] competition, innovation, and customer choice in electric vehicle battery charging services, while promoting low-cost services for electric vehicle battery charging customers"[11] and recommends several programmatic design changes. ChargePoint witness Mr. Wilson notes that "RMP's capital budget overemphasizes the Company-owned Charger proposal over make-ready infrastructure investments, which will be much more effective at enabling competition and customer choice and will lead to a larger number of charging station deployments with the same budget."[12] Regarding the Company-owned charger rate Mr. Wilson explains, "RMP's proposal to offer DC fast charging service at prices well below the prices that competitive providers will be able to offer will have significant

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[8] *Id.* at 5:73-75.
[9] Direct Testimony of Abdinasir M. Abdulle, at 6:106-118.
[10] *Id.* at 6:114-118.
[11] Direct Testimony of Justin D. Wilson, at 34:624-35:630.
[12] *Id.* at 35:645-648.

negative impacts on competition for DC fast charging in Utah…the long-term effects of RMP undercutting the market will be detrimental to EV drivers and RMP's customers."[13]

Additionally, Western Resource Advocates witness Ms. Kapiloff expressed concerns about the proposed rate at Company-owned chargers for RMP customers, stating "[t]he Company's proposed rates for Rocky Mountain Power customers offers a 75% discount for DC fast charging…My concern is that such a significant discount will undercut other charging providers and actually reduce competition in the EV charging market."[14]

Q. WHAT IS YOUR OBSERVATION REGARDING THESE COMMON THEMES?

A. These concerns mirror the concerns raised by EVgo in direct testimony. The fact that parties from multiple perspectives have raised similar concerns related to the ability of the EVIP to enable competition, innovation, and customer choice in electric vehicle battery charging services in accordance with Utah Code Section 54-4-41, suggests that the Commission should require the Company to modify the EVIP in ways that will address the anti-competitive issues, including both limiting the scope of utility-ownership and adjusting the proposed below-market rates charged at utility-owned stations. Therefore, I continue to recommend the Commission adopt the recommendations in my Direct Testimony, which aim to accomplish this.

Q. CAN YOU REITERATE THE RECOMMENDATIONS IN YOUR DIRECT TESTIMONY?

A. Yes, I recommend the Commission:

1. Approve RMP's proposal to develop Company-owned chargers to fill corridor gaps across the state in rural areas not currently served by DCFC.

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[13] *Id.* at 49:926-931.
[14] Direct Testimony of Deborah Kapiloff, at 28:572-578.

2. Direct RMP to postpone the development of Company-owned DCFC in populated, metropolitan locations[15] for 2.5 years from the effective date of the program. This will allow the private market time to leverage the make-ready and incentive programs in the EVIP, as well as leveraging potential federal funding, to address charging needs at the identified urban locations without expending ratepayer dollars. Following that timeframe, RMP should be allowed to develop Company-owned stations to fill the remaining public charging gaps, maximizing the distance between Company-owned and existing DCFC through a quantifiable metric (e.g. at least 10 miles from an existing privately owned DCFC).

3. Direct RMP to modify the RMP customer rate at its chargers to be set at a level that is competitive with the private market as a whole. In designing this rate, the utility should consider the pricing of all privately-owned chargers in its service territory, not only one provider, and should take into account all costs, including operations and maintenance costs.

III. REPORTING & STAKEHOLDER ENGAGEMENT

Q. WHAT PROPOSALS RELATED TO REPORTING AND STAKEHOLDER ENGAGEMENT WILL YOU RESPOND TO IN THIS SECTION?

[15] This includes all identified locations not designated as filling corridor gaps or serving rural areas by RMP in Table 2 “Location Selection Criteria” in Attachment JAC-1: Ogden, Clearfield, Farmington, Woods Cross, Salt Lake City, South Salt Lake, West Valley City, Millcreek City, Taylorsville, Midvale, South Jordan, Bluffdale, American Fork, and Orem.

A. I will address the proposals of the Office of Consumer Services ("OCS"), Utah Clean Energy ("UCE"), Western Resource Advocates ("WRA"), and ChargePoint related to reporting and stakeholder engagement.

Q. WHAT DID THESE FOUR PARTIES RECOMMEND RELATED TO REPORTING AND STAKEHOLDER ENGAGEMENT?

A. The OCS recommended that "RMP be required to periodically make filings, establish a comment period, and hold technical conferences to update interested parties on the overall program's implementation and actual investments. This process should also facilitate stakeholder input and prudence review of the specific investments made by RMP using this ratepayer funding source."[16]

Similarly, Utah Clean Energy suggested the Company file an annual report including specific items and that "[s]takeholders should have the opportunity to file comments on the annual report to ensure that the planned expenditures are permissible under EVIP as approved."[17]

WRA recommended the Company be required to "file regular (e.g., annual) reports with the Commission,"[18] and stated "[i]n addition to an opportunity to provide formal comments with the Commission on program reports, I recommend that the Company hold informal stakeholder meetings, at least biannually, to solicit feedback on the program over time."[19]

Finally, ChargePoint recommended the Commission "[p]rovide an opportunity for stakeholders to provide comments regarding the program performance and propose potential modifications as a part of the annual reporting process."[20]

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[16] Direct Testimony of Alex Ware on behalf of the Office of Consumer Services, at 20:435-21:442.
[17] Direct Testimony of Thomas Kessinger on behalf of Utah Clean Energy, at 5:47-55.
[18] Direct Testimony of Deborah Kapiloff, at 34:704-706.
[19] *Id.* at 35:736-36:740.
[20] Direct Testimony of Justin D. Wilson, at 72:1402-1404.

Q. WHAT IS YOUR POSITION ON THESE RECOMMENDATIONS?

A. I support these recommendations for an annual reporting process at the Commission, the ability for stakeholders to formally comment on these reports, and a regular utility-led stakeholder engagement process. The EVIP will benefit from greater transparency and a more robust stakeholder engagement process that will allow stakeholders to provide input and recommendations, which will also make the utility's programs more successful and provide the Commission with ongoing information needed to ensure that utility investments in the EVIP are in the public interest. This type of engagement process is considered a best practice across the country. For example, the Colorado Public Utilities Commission ("PUC") recently approved a Transportation Electrification Plan ("TEP") for Public Service Company of Colorado that includes a requirement for semi-annual reporting at the PUC and quarterly stakeholder meetings led by the utility. The PUC found that "accountability through transparent and frequent reporting will allow the Commission, stakeholders, and ratepayers to evaluate how effectively the TEP is meeting the goals in SB 19-077 and will provide the roadmap for future TEP review and implementation."[21]

Q. WHAT DO YOU RECOMMEND?

A. I recommend the Commission:

1. Establish an annual reporting process that includes a comment period during which stakeholders can provide input regarding program and rate implementation, performance, and expenditures and propose potential modifications.

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[21] Colorado Public Utilities Commission, Proceeding No. 20A-0204E, Decision No.C21-0017, at paragraph 254, March 2, 2021.

2. Direct RMP to host regular stakeholder meetings related to the EVIP on at least a biannual basis.

Q. DO YOU HAVE ANY OTHER RECOMMENDATIONS RELATED TO REPORTING?

A. Yes. Regarding specific reporting requirements, I recommend the Commission direct the Company to report annually on the utility's average cost per port for each of its programs, including its Company-owned charger program. This will provide transparency for the Commission and will allow the Commission to ensure that the costs incurred result in significant benefits for utility customers, as required by 54-4-41(7)(b) and 54-4-41(c)(ii).

Q. HAVE COMMISSIONS IN OTHER STATES ADOPTED SIMILAR REPORTING REQUIREMENTS?

A. Yes. The Public Service Commission in Maryland has a similar reporting requirement where the utilities must file semi-annual reports with the Public Service Commission that detail the actual costs of implementation at each non-residential site broken down by cost category (e.g. capital, operations, maintenance), including incentive and make-ready costs, and must do the same for the utility-owned and operated sites in the public program.[22] The California Public Utilities Commission also requires utilities to report program-specific average costs per port.[23]

IV. MAKE-READY INFRASTRUCTURE PROGRAM

[22] Office of Staff Counsel, Case No. 9478, EV Portfolio Reporting Guidelines, ML 226293, July 31, 2019 and State of Maryland Public Service Commission, Case No. 9478, EV Portfolio Reporting Guidelines, ML 226512, August 21, 2019, available at https://www.psc.state.md.us/search-results/?q=9478&x.x=12&x.y=14&search=all&search=case

[23] California Public Utilities Commission, R.18-12-006, Transportation Electrification Framework Energy Division Staff Proposal, at 175-176, filed 2/3/20, at 113, available at https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M326/K281/326281940.PDF.

Q. WHAT PROPOSALS RELATED TO THE MAKE-READY INFRASTRUCTURE PROGRAM WILL YOU RESPOND TO?

A. I will respond to ChargePoint's recommendation to direct RMP to dedicate more capital spending to make-ready infrastructure and WRA's recommendation to establish application periods and criteria for the Company's make-ready infrastructure program.

Q. PLEASE EXPLAIN CHARGEPOINT'S RECOMMENDATION IN MORE DETAIL.

A. ChargePoint witness Mr. Wilson recommends that "the Commission direct RMP to dedicate at least half of its capital spending to make-ready infrastructure to support third party-owned EV charging stations."[24] He explains that "[d]ividing the capital budget evenly between make-ready infrastructure for third party site hosts and RMP's Company-owned chargers will go a long way toward leveling the playing field between RMP, with all of its built-in competitive advantages, and the competitive market."[25]

Q. WHAT IS YOUR POSITION ON THIS RECOMMENDATION?

A. I support this recommendation. I agree with ChargePoint that this is one of the steps that is needed to ensure that the program is in the public interest, enabling "competition, innovation, and customer choice,"[26] pursuant to Utah Code. This recommendation is also in line with the Division's conclusion that "[t]he overall spending should be tilted more towards make-ready investments, and less towards Company-owned charging stations."[27]

Q. WHAT DO YOU RECOMMEND?

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[24] Direct Testimony of Justin D. Wilson, at 39:710-712.
[25] *Id.* at 39:712-715.
[26] Utah Code Subsection 54-4-41(4)(d).
[27] Direct Testimony of David Williams, at 14:235-236.

A. I recommend the Commission adopt ChargePoint's recommendation to direct RMP to dedicate at least half of its capital spending to make-ready infrastructure to support third party-owned EV charging stations. However, I also maintain my previous recommendation to postpone the development of Company-owned DCFC in metropolitan locations for 2.5 years from the effective date of the program because this will encourage private investment and participation in the make-ready and incentive programs, allowing the private market time to utilize these programs to address charging needs at the identified urban locations, thus avoiding unnecessary expenditure of ratepayer dollars.

Q. PLEASE EXPLAIN WRA'S RECOMMENDATION REGARDING THE MAKE-READY PROGRAM.

A. Ms. Kapiloff points out that "[t]he Company does not specify their process for selecting make-ready infrastructure projects other than that they will be evaluated as to their alignment with the Company's program goals, and with public interest and prudence considerations as outlined in sections 54-4-41(4) and 54-4-41(7) of the Utah Code, respectively."[28] Therefore, she recommends that "the Company establish application periods whereby third parties can request make-ready infrastructure support for specific projects. During these application periods the Company would accept applications for a set period of time, then close off to new bids and evaluate all the applications submitted over the course of the application period. This process will allow the Company to evaluate applicants based on the merit of their applications rather than the timeliness of their application."[29]

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[28] Direct Testimony of Deborah Kapiloff, at 33:677-680.
[29] *Id.* at 33:683-688.

In addition to this recommendation on the application process, Ms. Kapiloff made the following recommendation on application evaluation criteria: "[i]n order to be able to compare project applications and determine which will receive funding, the Company will need to develop a concrete framework for evaluation of make-ready applications. Such a process is exemplified by the Public Service Company of Colorado's make-ready infrastructure application, attached as Exhibit WRA__(DK-5) which utilizes quarterly application solicitation and review periods."[30]

Q. WHAT IS YOUR POSITION ON THESE RECOMMENDATIONS?

A. I support these recommendations. Having an established application process with pre-selected application periods, and transparent criteria for evaluation is important, as these give potential applicants more certainty around the timing of the process and more insight into the type of projects the utility is seeking. I agree with Ms. Kapiloff that Public Service Company of Colorado's quarterly make-ready application process that was approved by the Colorado Public Utilities Commission ("PUC") is a sound example. It is also important that evaluation criteria are transparent to bidders and are thoughtfully designed with input from stakeholders.

Q. WHAT ARE YOUR RECOMMENDATIONS?

A. I recommend the Commission adopt WRA's recommendation to direct the Company to establish application periods whereby third parties can request make-ready infrastructure support for specific projects.

I also recommend the Commission direct RMP to work closely with stakeholders following the final Decision in this proceeding to develop the specific criteria and framework for

[30] *Id.* at 33:688-693

evaluating make-ready applications. The Company should be required to file a report with the Commission before the first round of solicitations that includes a description of the final evaluation criteria and includes the opportunity for stakeholder comment.

The Colorado PUC established a similar requirement in the Public Service proceeding Ms. Kapiloff mentioned above, where it required that Public Service "work with stakeholders to develop specific criteria for evaluating public DCFC applications and require the Company to file a report in this instant Proceeding…"[31]

V. SUMMARY OF RECOMMENDATIONS

Q. PLEASE ONCE AGAIN SUMMARIZE YOUR RECOMMENDATIONS FOR THE COMMISSION IN THIS PROCEEDING.

A. I recommend the Commission adopt the following recommendations, in addition to the recommendations in my Direct Testimony, which are particularly fundamental to the success of the EVIP (restated below in numbers 1 through 3).

1. Approve RMP's proposal to develop Company-owned chargers to fill corridor gaps across the state in rural areas not currently served by DCFC.
2. Direct RMP to postpone the development of Company-owned DCFC in populated, metropolitan locations[32] for 2.5 years from the effective date of the program. This will allow the private market time to leverage the make-ready and incentive programs in the EVIP, as well as leveraging potential federal funding, to address charging needs at the

[31] Proceeding No. 20A-0204E, Decision No.C21-0017, Para 153.

[32] This includes all identified locations not designated as filling corridor gaps or serving rural areas by RMP in Table 2 "Location Selection Criteria" in Attachment JAC-1: Ogden, Clearfield, Farmington, Woods Cross, Salt Lake City, South Salt Lake, West Valley City, Millcreek City, Taylorsville, Midvale, South Jordan, Bluffdale, American Fork, and Orem.

identified urban locations without expending ratepayer dollars. Following that timeframe, RMP should be allowed to develop Company-owned stations to fill the remaining public charging gaps, maximizing the distance between Company-owned and existing DCFC through a quantifiable metric (e.g. at least 10 miles from an existing privately owned DCFC).

3. Direct RMP to modify the RMP customer rate at its chargers to be set at a level that is competitive with the private market as a whole. In designing this rate, the utility should consider the pricing of all privately-owned chargers in its service territory, not only one provider, and should take into account all costs, including operations and maintenance costs.
4. Establish an annual reporting process that includes a comment period during which stakeholders can provide input regarding program and rate implementation, performance, and expenditures and propose potential modifications.
5. Direct RMP to host regular stakeholder meetings related to the EVIP on at least a biannual basis.
6. Direct the Company to report annually on the utility's average cost per port for each of its programs, including its Company-owned charger program to allow the Commission to ensure that the costs incurred result in significant benefits for utility customers, pursuant to 54-4-41(7)(b) and 54-4-41(c)(ii).
7. Adopt ChargePoint's recommendation to direct RMP to dedicate at least half of its capital spending to make-ready infrastructure to support third party-owned EV charging stations. This recommendation should go hand-in-hand with my recommendation above to postpone the development of Company-owned DCFC in metropolitan areas for 2.5

years because this will encourage private investment and participation in the make ready program.

8. Adopt WRA's recommendation to direct the Company to establish application periods whereby third parties can request make-ready infrastructure support for specific projects.
9. Direct RMP to work closely with stakeholders following the final Decision in this proceeding to develop the specific criteria and framework for evaluating make-ready applications. The Company should be required to file a report with the Commission before the first round of solicitations that includes a description of the final evaluation criteria and includes the opportunity for stakeholder comment.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.