

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)

**SURREBUTTAL TESTIMONY OF
SARA RAFALSON
ON BEHALF OF EVGO SERVICES, LLC**

NOVEMBER 17, 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 TESTIMONY IN THIS PROCEEDING?

A. Yes, I submitted direct testimony and rebuttal testimony in this proceeding.

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

A. The purpose of my surrebuttal testimony is to emphasize the importance of modifying the EVIP to appropriately balance the objectives set forth in Utah Code, including enabling “competition, innovation, and customer choice in electric vehicle battery charging services”¹ and achieving the goal of broader transportation electrification while minimizing costs to ratepayers. Specifically, I will provide further explanation related to certain recommendations in my Direct Testimony and I will respond to the Rebuttal Testimony of RMP witness, Mr. Campbell, related to these recommendations.

Q. WHICH EVGO RECOMMENDATION DID RMP WITNESS MR. CAMPBELL RESPOND TO IN HIS REBUTTAL TESTIMONY?

¹ 54-4-41(4)(d) of Utah Code.

A. Mr. Campbell responded to my recommendation related to the timing and scope of the Company-owned charger program. In my Direct Testimony I recommended 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, and (2) direct RMP to postpone the development of Company-owned DCFC in populated, metropolitan locations² for 2.5 years from the effective date of the program. The goal of this proposed timeframe is to 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 time frame, RMP should be allowed to develop Company-owned stations to fill any 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). I explained that this approach would result in a careful, pragmatic use of ratepayer funds, and would be well-aligned with other utility programs across the country and in the West specifically.

Q. WHY IS THE TIMING AND SCOPE OF THE COMPANY-OWNED CHARGER PROGRAM IMPORTANT?

A. As I have explained previously, RMP’s proposal has the potential to have unintended consequences on the private market for deploying EVSE, especially in metro areas where the business case is strongest for the private sector, which depends on charger usage to sustain its

² 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.

economics. Under the owner-operator model, usage of the charging network is the primary source of revenue, so providers like EVgo tend to build in metro and suburban areas where charger usage is typically higher. Thus, RMP's proposal for chargers located in metropolitan areas is likely to result in the utility's chargers consuming the usage that the private market relies on to sustain its economics. If a third-party operator like EVgo does not foresee adequate utilization to sustain its network in a given area, it may be discouraged from future investments in EV charging infrastructure in that area.

While utilities have a role to play in supporting EV adoption, it is important for Commissions to ensure that utility activities related to transportation electrification are complementary to private market activities. The EV charging industry has developed expertise, over the course of a decade, that makes it particularly suited to addressing demand for EV fast charging. It would be beneficial to ratepayers to leverage this expertise and encourage the private sector to address the market they are designed to serve because this will allow ratepayer funding to stretch farther.

Many other Commissions and utilities are effectively balancing the deployment of utility-owned DCFC with the deployment of privately-owned DCFC to accelerate transportation electrification in ways that enable competition, innovation, and customer choice in EV charging services. I explain five of these examples of best practices being employed by utilities both nationally and in the West in my Direct Testimony.³

³ Direct Testimony of Sara Rafalson, at 15-18.

Q. HOW MAY THE AVAILABILITY OF OTHER FUNDING SOURCES SUPPORT EVGO'S RECOMMENDATION?

A. In my testimony, I noted the possibility of federal funding, which was being discussed in Congress at the time, as another possible reason a delay in utility-owned infrastructure may be prudent. Since then, the Bipartisan Infrastructure Framework has been signed into law by President Biden, which will direct up to \$7.5 billion to the state and local levels to support public charging deployment.⁴ This further supports EVgo's suggestion for a delay in the deployment of utility-owned DCFC, and for the utility's role to be focused on gaps in the charging network that are not being addressed by the private sector.

Q. WHAT WAS THE COMPANY'S RESPONSE TO YOUR RECOMMENDATIONS RELATED TO THE TIMING AND SCOPE OF THE COMPANY-OWNED CHARGER PROGRAM?

A. In response to the recommendation to postpone the deployment of utility-owned chargers for 2.5 years, made by ChargePoint witness Mr. Wilson and myself, RMP states, "[t]he Company strongly disagrees with this proposal"⁵ and that "Mr. Wilson's and Ms. Rafalson's claims of competition being impacted by the EVIP are overstated."⁶ RMP also notes that EVgo did not address the potential impact of delaying implementation of utility-owned infrastructure on program goals and statutory requirements.⁷

Q. WHAT IS EVGO'S RESPONSE TO THIS?

⁴ Infrastructure Investment and Jobs Act, H.B. 3684, 117th Congress (2021-2022).
<https://www.congress.gov/bill/117th-congress/house-bill/3684/text>

⁵ Rebuttal Testimony of James Campbell at 13:252-264.

⁶ *Id.*

⁷ *Id.*

A. I did address the impact to the program goals and statutory requirements in my testimony by stating that this postponement will allow for a robust response from the private market, which will have the effect of filling many of the charging gaps identified by the Company, while maximizing value for ratepayers. If the Company is seeking to maximize benefits to ratepayers, allowing the private sector to lead while the utilities fill in gaps not met by the private market is a less risky, less costly approach, especially in light of new funding sources from the federal government.

Additionally, RMP acknowledges that its existing DCFC incentive programs⁸ that support the private market have been “successful in getting charging infrastructure in the service territory.”⁹ Therefore, there is reason to believe that the private market would take advantage of the opportunity to invest in DCFC in the metro areas of RMP’s service territory if utility-ownership is postponed, particularly with the addition of a new make-ready program and federal funding.

Further, RMP does not address the impact of implementing its utility-ownership proposal to the EV fast charging market, other than simply suggesting, without evidence, that the “claims of competition being impacted by the EVIP are overstated.”¹⁰ RMP also neglects to address the fact that EVgo did indeed support part of RMP’s proposal and recommended the strategic approach of directing the utility to focus on Company-owned corridor and rural stations in the early years of the program. This is in line with the state priorities set forth in the Utah Statewide EV Charging Plan, by the Utah Department of Transportation (“UDOT”). UDOT states that “[g]ap filling in non-urban areas of the EV mobility network is the initial focus priority of this

⁸ Direct Testimony of James Campbell, at 8.

⁹ *Id.* at 8.

¹⁰ Rebuttal Testimony of James Campbell at 13:263-264.

Plan.”¹¹ Regarding UDOT’s second priority, “Corridor Capacity / Urban DCFC,” UDOT states “[w]e expect this next priority to be fulfilled by both private sector and strategic government investments as EV ownership increases demand for increased EVSE charging capacity.”¹²

In order to comply with the statutory requirement to “enable competition, innovation, and customer choice in electric vehicle battery charging services,”¹³ the Commission should limit the scope of utility-ownership to rural and corridor stations for the first 2.5 years in order to take advantage of private sector investment wherever possible. This approach is supported by section 54-4-41(4)(d) of Utah Code, which states that a program must enable “competition, innovation, and customer choice in electric vehicle battery charging services”¹⁴ in order to be in the public interest. This approach will support a thriving competitive market for EV charging, maximize benefits to RMP ratepayers, and achieve an effective balance of the public interest goals in Utah’s code.

Q. WILL EXPANDING THE MAKE-READY PROGRAM BE SUFFICIENT TO ADDRESS THE ANTI-COMPETITIVE CONCERNS WITHIN THE EVIP AS PROPOSED?

A. No. While I supported ChargePoint’s proposal to direct RMP to dedicate at least half of its capital spending to make-ready infrastructure in my Rebuttal Testimony, expanding the make-ready program alone is not enough. Make-ready programs are not likely to be effective in an environment where the private market must compete with a utility in deploying EV fast chargers. A more holistic solution is needed to realize the benefits of the make- ready program. This

¹¹ Direct Testimony of James Campbell, Attachment JAC-4 at 10.

¹² Direct Testimony of James Campbell, Attachment JAC-4 at 10.

¹³ Direct Testimony of Justin D. Wilson, at 34:624-35:630.

¹⁴ 54-4-41(4)(d) of Utah Code.

should include limiting the scope and modifying the timing of the Company-owned charger program, as I have recommended, which will give third parties the time to utilize the make-ready program and other federal funding sources to fill the identified gaps.

Q. WILL INCREASING THE RATE AT COMPANY-OWNED CHARGERS BE SUFFICIENT TO ADDRESS THE ANTI-COMPETITIVE ISSUES IN THIS PROCEEDING?

A. Setting the Company-owned charger rate at a level that is competitive with the private market was one of the recommendations in my Direct Testimony, and I continue to support it as critically important to market competitiveness. However, this is only one piece of the puzzle and modifying the rate without including limitations on the scope and timing of utility-ownership will not in itself resolve the anti-competitive issues.

Q. WHAT DO YOU RECOMMEND?

A. I continue to 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.
2. Direct RMP to postpone the development of Company-owned DCFC in populated, metropolitan locations¹⁵ for 2.5 years from the effective date of the program. Following that time frame, RMP should be allowed to develop Company-owned stations to fill the remaining public charging gaps, maximizing the distance between Company-owned and

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.

existing DCFC through a quantifiable metric (e.g. at least 10 miles from an existing privately owned DCFC).

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.