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March 2, 2016

Washington Utilities and Transportation Commission
Attention: Mr. Steven King, Executive Director & Secretary
1300 S. Evergreen Park Drive S. W.
P.O. Box 47250
Olympia, Washington 98504-7250

RE: Avista Response to ChargePoint Request to Suspend Filing in Docket UE-160082

Dear Mr. King,

On January 14, 2016, Avista Corporation, doing business as Avista Utilities (“Avista” or “Company”), filed proposed tariff WN-U28, Schedule 77, Electric Vehicle Supply Equipment (EVSE) Pilot Program. The purpose of this tariff filing is to establish a new tariff for the Company’s proposed EVSE Pilot Program. The Company proposed an effective date of the tariff of March 14, 2016. The tariff filing is scheduled to be heard at the Commission’s Open Meeting on March 10, 2016.

On February 29, 2016 ChargePoint, Inc. (“ChargePoint”) filed a letter with the Commission requesting that “the Commission suspend this filing and open a proceeding at its March 10, 2016 Open Meeting.”¹ Avista appreciates the opportunity to respond to the comments in ChargePoint’s letter.

The Company requests that the Commission adopt the EVSE Pilot Program as proposed. As explained in the filing made on January 14th, the Company has proposed a limited scale pilot to install different types of EVSE. An Avista EVSE program is key to enabling greater Electric

¹ChargePoint Letter at I.

Vehicle (EV) adoption that results in benefits to all customers. Avista's proposed EVSE Pilot Program does in fact align with State policy goals to achieve societal benefits, is responsive to customers, and addresses critical adoption barriers. Of most importance may be that the EVSE Pilot Program provides important channels for learning that the Company would not otherwise experience. Ultimately, the Company hopes to understand the costs and benefits of off-peak charging, enable improved system planning, and lower total life-cycle costs of grid infrastructure.

Excerpts from House Bill 1853 state as follows:

(1) The legislature finds that the transportation sector is Washington's largest contributor to greenhouse emissions and hazardous air pollutants as defined by federal national ambient air quality standards and mobile source air toxics rules...

(2) ...The legislature finds that state policy can achieve the greatest return on investment in reducing greenhouse gas emissions and improving air quality by expediting the transition to alternative fuel vehicles, including electric vehicles. (emphasis added)

*(3) The legislature finds that utilities, who are traditionally responsible for understanding and engineering the electrical grid for safety and reliability, must be fully empowered and incentivized to be engaged in electrification of our transportation system. The legislature further finds that it has given utilities other policy directives to promote energy conservation which do not make the benefits of building out electric vehicle infrastructure, as well as any subsequent increase in energy consumption, readily apparent. **Therefore the legislature intends to provide a clear policy directive and financial incentive to utilities for electric vehicle infrastructure build-out.** (emphasis added)*

As described, the Company is responsible for understanding and engineering the electrical grid for safety and reliability. The primary purpose of the Company's EVSE Pilot Program is to enable a number of learning objectives, including a better understanding of how EV charging impacts the electrical grid. The growth of EV's and EVSE on the Company's distribution system appears to be inevitable. Without the Avista EVSE Pilot Program the Company would not have the ability to achieve the learning objectives it seeks. In addition to the learning objectives, the program provides for a small step toward supporting greater adoption of EV's in the State of Washington, which aligns with a variety of policies on both the State and Federal level. For these reasons, along with the additional benefits described in the Company's filing, it believes the EVSE Pilot Program is in direct alignment with House Bill 1853 as well as provides many benefits to all of its customers.

The Company provides the following responses to the specific comments raised by ChargePoint:

I. The Commission Should Consider Overarching Policy Concerns Asserted by the State Legislature in H.B. 1853 Prior to Approving Avista’s Pilot.

RESPONSE: As stated above the primary goals of Avista’s proposed EVSE Pilot Program are to meet the learning objectives described while taking a step forward to enhance the adoption of EVs, which will provide value to all of its customers. The Company does not disagree that the Commission should consider additional policy concerns at some point in time. However, the Company does not agree that this must happen prior to the approval of Avista’s Pilot Program. Avista’s Pilot Program will provide actual experience and learning for the Company, the Commission, and its customers that will aide in the informed development of future policy considerations.

II. As Currently Structured, Avista’s Pilot Does Not Meet the Legislative Intent of H.B. 1853 to Promote Choice and Competition.

- a. **Utility ownership of EVSE equipment should be carefully scrutinized for competitive impact.**
- b. **The make-ready rebate proposal fails to address a significant barrier for charging station deployment.**
- c. **Charging for the charging service is legal under Washington state law.**
- d. **Alternative programs have been approved in other states.**

RESPONSE: Avista disagrees that its filing does not meet the legislative intent of House Bill 1853, which states “The Commission must consider and may adopt other policies to improve access to and promote fair competition in the provision of electric vehicle supply equipment.”² As with any project in which the Company uses a third-party vendor or contractor, the Company will use a Request for Proposal (RFP) process to select vendor(s) to provide both the equipment and installation services as part of the EVSE Pilot Program. An RFP process provides for a competitive opportunity and allows vendors such as ChargePoint to submit a bid for the equipment needed and/or installation work required. Based on a set of objective criteria the Company will a select vendor(s) that provide the equipment and services that provide the most value to its customers.

Regarding Avista owning the EVSE equipment as proposed in the Company’s filing, the Company believes this is an acceptable framework for the purpose of the EVSE Pilot Program as proposed. House Bill 1583 states “the commission may allow an incentive rate of return on capital expenditures for electric vehicle supply equipment...”³ For the purposes of this limited scale EVSE Pilot Program, the Company has proposed to own and maintain the equipment. In order to reduce risks, control costs, support strong participation, and ultimately achieve the pilot’s objectives, the Company strongly believes this is the most appropriate model to utilize for this limited-scope pilot.

² House Bill 1853, Section 2(1), lines 19-22.

³ House Bill 1853, Section 2(1), lines 15-16.

The Company does not agree that the process laid out above will have a “damaging effect on the market”⁴ as stated by ChargePoint. Rather the Company is attempting to run a well thought out pilot program, on a limited scale and for a limited period of time. The Company has proposed to install up to 265 AC Level 2 EVSE port connections and 7 DC fast charger EVSE. This could represent approximately 199 total installation locations (120 residential with one port per EVSE, 72 workplace/MUD/public with 2 ports per EVSE, and 7 DC fast charger EVSE). Comparatively, Puget Sound Energy’s (PSE) current EVSE rebate program provides rebates for up to 5,000 residential customers who install AC Level 2 Chargers. The Company believes that if it owns and maintains the small number of chargers proposed within the EVSE Pilot Program, that it will not have damaging effects on the marketplace or hinder competition in any meaningful way. On the contrary, the use of a fair and thorough RFP process can help ensure customers receive the highest competitive value possible from the wide array of available EVSE vendors and service providers.

The Company agrees that the premises wiring costs can be a significant barrier for charging station deployment, particularly given the relatively low adoption rate in our service territory. For this reason the Company proposed the premises wiring reimbursement amounts of up to \$1,000 per residential location and \$2,000 per port connection at all other AC Level 2 EVSE locations. Given the information the Company has reviewed, the proposed premises wiring reimbursement amounts are adequate for the purposes of the Pilot Program. Understanding premises wiring and installation costs are another learning objective the Company intends to achieve as part of the program.

Avista agrees that Washington state law allows entities to resell electricity from EVSE if “that entity is not otherwise subject to commission jurisdiction as an electrical company” as pointed out by ChargePoint.⁵ For this reason the Company stated in its filing that a limited number of public Level 2 EVSE may be capable of user payment.

Lastly, the Company appreciates that ChargePoint pointed out that alternative programs to Avista’s proposed EVSE Pilot Program have been approved in other states. What this shows is there are other models which have been adopted by other utilities that can provide value to customers. Avista evaluated the models of several other utilities during the development of its proposed program. The Company believes that its program as proposed is best tailored to the current situation in our service territory, and will provide the most value to our customers and overall learnings it intends to achieve.

III. Avista’s Pilot Includes Several Forward-Thinking Elements That Should Be Acknowledged and Retained.

RESPONSE: The Company appreciates ChargePoint’s acknowledgement that several elements of the Pilot Program are forward-thinking elements that should be retained. The Company put a great deal of thought and effort into developing an EVSE Pilot Program that would provide the learning objectives it desires, while remaining at a small scale and providing benefits to its

⁴ ChargePoint Letter at III.

⁵ RCW 80.28.320

customers. The Company believes that the Pilot Program as proposed will provide the necessary outcomes needed to adequately inform the development of any future EVSE programs.

IV. ChargePoint Requests That the Commission Suspend the Tariff and Open a Proceeding.

RESPONSE: Based on the support provided in the Company's initial filing, and the additional information included herein, the Company requests that the Commission **not** suspend its tariff filing. The Company understands that others may view its proposed program as precedent setting, but the pilot is not intended to be precedent setting. By way of example, Puget Sound Energy (PSE) has an approved EVSE program in place today, which has not resulted in setting major precedents. Avista has proposed a small scale pilot program which is very different from PSE's program. The information gleaned from both PSE and Avista's programs will aide in the informed development of future policy decisions.

If you have any questions related to Avista's response or tariff filing please contact me at (509) 495-2782.

Sincerely,

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