



UE-250266

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Jeff Killip, Executive Director and Secretary Washington
Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

**RE: Advice No. 2025-26
Puget Sound Energy's Electric Tariff Revision**

Dear Executive Director Killip:

Pursuant to RCW 80.28.060, and WAC 480-80-101 and -105, please find enclosed for filing the following proposed revisions to the WN U-60, tariff for electric service of Puget Sound Energy ("PSE" or the "Company"):

| | | |
|--------------------------|-----------------|---|
| 2 nd Revision | Sheet No. 139 | Voluntary Long Term Renewable Energy Purchase Rider |
| Original | Sheet No. 558 | General Service for Electric Fleet Charging |
| Original | Sheet No. 558-A | General Service for Electric Fleet Charging (Continued) |
| Original | Sheet No. 558-B | General Service for Electric Fleet Charging (Continued) |
| Original | Sheet No. 558-C | General Service for Electric Fleet Charging (Continued) |
| Original | Sheet No. 558-D | General Service for Electric Fleet Charging (Continued) |
| Original | Sheet No. 558-E | General Service for Electric Fleet Charging (Continued) |
| Original | Sheet No. 558-F | General Service for Electric Fleet Charging (Continued) |
| Original | Sheet No. 558-G | General Service for Electric Fleet Charging (Continued) |

Purpose of Filing and Background

The purpose of this filing is to propose a new tariff Schedule 558, Electric Vehicle Fleet Charging General Service, to further promote the installation of and use of transportation electrification ("TE") solutions and load management strategies for non-residential customers throughout PSE's Electric Service area in support of PSE's Commission acknowledged Transportation Electrification Plan in Docket UE-210191.

PSE recognizes the impact fleet electrification presents to our system and customers. While increased energy volume offers the potential benefit of spreading fixed costs across a larger base potentially reducing rates for all customers - PSE must carefully manage the associated capacity challenges.

Commercial Electric Vehicle (“EV”) Charging, unlike distributed residential charging, creates concentrated load pockets that can significantly impact both local electric distribution and system capacity. Without proper management, these loads could drive substantial infrastructure investments and potentially strain PSE’s ability to serve new load growth.

This dynamic creates a complex barrier for fleet operators considering electrification, as they face either potential service limitations or prohibitive cost structures. To address this challenge, PSE has developed a targeted rate solution specifically for this customer class of fleet operators. The Company’s approach was informed by extensive stakeholder engagement conducted between October 2023 and June 2024, including in-depth consultations with key customer accounts that have significant fleet electrification initiatives underway. To ensure broader applicability, PSE supplemented these direct discussions with a comprehensive survey of its commercial customer base in spring 2024, focusing on fleet operators' electrification plans and rate design preferences.

The proposed Schedule 558 Electric Vehicle Fleet Charging General Service (which may also be referred to as: Up & Go Electric for Fleet) design is grounded in empirical analysis of actual charging behavior from existing depot and en-route charging installations within PSE’s service territory. Load research and rate modeling were integrated into the cost-of-service framework to develop rate components that appropriately reflect both the costs and opportunities presented by fleet charging loads. The resulting rate structure aims to facilitate commercial fleet electrification while ensuring PSE system costs are fairly allocated and capacity constraints are effectively managed.

Summary Schedule 558, Electric Vehicle Fleet Charging General Service

The following section provides a summary of the proposed tariff schedule:

Schedule 558 General Service for Electric Vehicle Fleet Charging is a non-residential service offering from PSE that, with the Commission’s approval, will become available on or after December 31, 2025, for Energy Only, Demand Only, and Energy and Demand Pricing Options. The service also includes a Subscription Pricing Option that will become available beginning January 1, 2027.

This schedule is specifically designed for customers who have permanently installed electric meters serving Electric Vehicle Supply Equipment (“EVSE”) at depot or fleet charging site. Total product enrollment will be limited to either 35 Points of Delivery or a total aggregated peak demand of 3 Megawatts (“MW”) on a monthly basis, for all customers taking service under tariff Schedule 558, whichever is reached first. Data from this limited availability stage will be used to inform the expansion of Schedule 558 service availability at a later date.

To participate, customers must have appropriate metering equipment, including a demand meter, installed by PSE, and must have operable fleet charging equipment available on their premises. Notably, customers who are taking Schedule 150 Net Metering Services for Customer-Generator Systems are not eligible for this service due to the incompatibility of proposed billing options with net metered billing as defined in RCW 80.60. Likewise, due to metering functions, customers participating in optional Schedules 667 and 686 will not be eligible for this service. PSE maintains sole discretion to limit and control individual customer participation based on the customer's fleet charging needs and PSE's need/criteria to conduct studies, measurements, and evaluations.

Rate Options

1. Energy Only

This option has different rates for peak and off-peak hours, and customers pay based on the kilowatt-hours (kWhs) used during each time period. To optimize this option, customers can avoid charging during Peak hours and instead utilize off-peak hours as the best time to charge. This option is ideal for customers who want simple bills and to have control over energy costs through time of charging. It may not work for fleet operators with strict hours and schedules. This option requires a low to moderate level of change in charging behavior.

2. Demand Only

Under this option, both peak and off-peak charges are applied to the two periods based on when the highest usage is determined during the peak and off-peak time periods. The customer pays based on their highest electric demand use in a period. This option is ideal for fleet operators with predictable electricity needs, those who can stagger equipment start-up and vehicle charging, energy management systems, and who use smart charging systems. This option requires a moderate to high level of change in charging behavior.

3. Energy and Demand

This option is calculated with the highest demand established during a billing month, with either peak or off-peak charges applied depending on when the peak demand occurred. Under this option, how much and how fast the customer can charge will determine how they are able to optimize this option, as they will pay for both the total electricity they use and their highest kWh usage during a 15-minute period in the billing month. This option is ideal for larger customers who can manage their peak usage, large charging and fleet operations, and mixed-use charging facilities. It requires a moderate to high level of change in charging behavior.

4. Subscription

Under this option, the highest monthly demand is divided by the corresponding Rate Group fixed kW to determine the number of multiples of the Subscription Charge, rounded up to the nearest whole number. Customers taking service under this option will optimize this option by avoiding charging during peak hours and by spreading out their charging. This option is ideal for customers who want predictable bills, who have predictable fleet operations and regular

commuter charging, and locations with stable usage patterns. It requires a low to moderate level of change of charging behavior.

Interested Party Engagement

PSE would like to thank the interested parties who provided comments, questions, and their experience in the development of this proposed Schedule 558 filing. There were three key groups with whom the Company engaged in 2024. Those groups were comprised of representatives from several key accounts, representing last mile delivery and public transit services, and a broader audience of commercial customers engaged through a direct survey, and the Joint Utility Transportation Electrification Stakeholder Group¹. Feedback from these engagements helped inform this tariff filing as detailed below.

- **Customer Engagement**

PSE hosted several discussion-based engagements with key parties including logistics companies and public transit agencies. These discussions revealed a desire among fleet operators to minimize grid impacts, but needing both financial and informational signals to be able to accomplish those impacts.

PSE also surveyed commercial customers (included with this filing as Attachment B) to understand feedback on alternative rate designs for commercial electric vehicle charging. The survey was distributed to 24,669 customers and received 214 complete responses, achieving a 95% confidence level with a 10% margin of error.

Key Findings:

Business Firmographics:

- Most respondents (91.1%) were small businesses with 1-50 employees
- 39.7% of respondents had fleet vehicles
- Only 9 respondents (the "Fleet EV group") currently had electric vehicles in their fleet.

Rate Design Preferences: The Fleet EV group ranked the proposed rate structures in the following order:

- Energy & Demand (average rank 1.8)
- Energy Only (average rank 2.0)
- Demand Only (average rank 2.8)
- Subscription (average rank 3.4)

¹ Docket UE-160799 - Policy Statement EV Charging Services.pdf, Policy and Interpretive Statement Concerning Commission Regulation of Electric Vehicle Charging Services at page 40, section vii. Stakeholder Engagement, paragraph 91:
<https://apiproxy.utc.wa.gov/cases/GetDocument?docID=147&year=2016&docketNumber=160799>

Peak Window Preferences:

- 44.4% preferred a 6-hour window (4pm-10pm)
- 33.3% preferred a 4-hour window (5pm-9pm)
- 22.2% preferred a 7-hour window (3pm-10pm)

Key Customer Concerns:

- Desire for flexibility in charging times
- Interest in integration with solar production
- Need to prioritize operational requirements over peak pricing
- Cost minimization and stabilization
- General dislike of demand charges

Future Electrification Interest: Among the Fleet EV group:

- 44.4% were "Extremely interested" in further fleet electrification
- 22.2% were "Very interested"
- 22.2% were "Somewhat interested"
- 11.1% were "Not at all interested"

Recommendations: The survey results suggest that while Energy & Demand and Energy Only rates were most preferred, customers had difficulty engaging with theoretical rate designs. Therefore, to support the customer journey and promote a positive experience with these depot rates, PSE will engage in direct communication for modeling and education with interested customers during the limited availability phase of the schedule.

- **Joint Utility Transportation Electrification Stakeholder Group Engagement²**

PSE's engagement with the Joint Utility Transportation Electrification Stakeholder Group included:

- Presentation and discussion of the EV Fleet Charging General Service strategy and product design concepts at the EV Policy Statement workshop meeting on January 15, 2025;
- Distribution and preview of the draft tariff sheets pertaining to this filing to Utility Transportation Staff via electronic mail on February 6, 2025;
- Distribution and preview of the draft tariff sheets pertaining to this filing to the Joint Utility Transportation Electrification Stakeholder Group via electronic mail on February 13, 2025, for a 45-day review and comment period concluding on March 30, 2025; and

² Policy and Interpretive Statement Concerning Commission Regulation of Electric Vehicle Charging Services, Docket UE-160799, at page 40, section vii. Stakeholder Engagement, paragraph 91.

- PSE received questions from the Joint Utility Transportation Electrification Staff and Interested Parties on the draft EV tariff schedule and provided answers by March 30, 2025.
- PSE received zero written comments on the draft tariff sheets from Joint Utility Transportation Electrification Interested Parties.

PSE has included as Attachment A to this filing a summary of these questions received from UTC Staff and Joint Utility Transportation Electrification Stakeholder Group, and responses from PSE for each question raised.

Cost Recovery

PSE designed these rates using load research unique to EV fleet charging customers and using the cost of service and revenue allocation modeling for electric Schedule 24 General Service, Schedule 25 Small Demand General Service, Schedule 26 Large Demand General Service, and Schedule 31 Primary General Service approved in Dockets UE-240004 and UG-240005 (Consolidated). The rates established in this tariff schedule are designed to maintain revenue neutrality. The rate structure ensures that as customers transition from Schedules 24, 25, 26, and 31 to this new schedule, the Company will collect the same total revenue from those customer as if they had remained on their previous rate schedules, assuming no behavioral changes. This means that while individual customer bills may vary based on their usage patterns, time they utilize the grid, and the chosen pricing option selected, the aggregate revenue impact to the Company is expected to be zero or negligible, unless customers change behaviors and shift their load from expensive periods to cheaper periods to operate the grid. This approach allows us to offer new rate options while maintaining financial stability and avoiding cost shifts between customer classes. In addition, it allows customers to enjoy lower potential bills while possibly helping PSE reduce its reliance on costlier generation being operated.

Reporting

Consistent with the commitment made in PSE's Addendum to its 2021 Transportation Electrification Plan dated July 14, 2021³, ("Addendum"), PSE will release, through an informational filing with the Washington Utilities and Transportation Commission ("Commission"), periodic reports to Transportation Electrification Plan ("TEP") stakeholders. These periodic reports will focus on major program progress or changes, expenses, and revenues.

Conclusion

As detailed in the Company's TEP, PSE is committed to creating a better and cleaner energy future as it proactively works to do its part to support Washington State's clean energy goals. PSE believes this proposed Schedule 558 marks another significant step toward meeting that objective and will help accelerate Transportation Electrification in Washington State, deliver

³ Docket UE-210191

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benefits to all customers, and alleviate barriers and maximize desired benefits for customers. PSE is excited to deploy the service proposed in this filing and wants to thank the Commission, PSE customers, and valued TEP interested parties for their support as PSE takes the next steps in executing on the strategies outlined in its TEP.

The tariff sheets described herein reflect an issue date of April 16, 2025, and an effective date of May 23, 2025. Posting of proposed tariff changes, as required by law and the Commission's rules and regulations, is being completed through web, telephone and mail access in accordance with WAC 480-100-193.

Please contact Veronica Martin at veronica.martin@pse.com or Paul Gardner at (425) 456-2787 or paul.gardner@pse.com for additional information about this filing. If you have any other questions, please contact me at birud.jhaveri@pse.com.

Sincerely,

/s/ Birud D. Jhaveri

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cc: Lisa Gafken, Public Counsel
Sheree Carson, Perkins Coie

Attachments: Electric Tariff Sheets (listed above)
Attachment A: Interested Party Comments
Attachment B: Business Account Survey for Electric Pricing Options
Work paper