

March 31, 2017

VIA ELECTRONIC FILING

State of Washington
Utilities and Transportation Commission
1300 S. Evergreen Park Dr. S.W., P.O. Box 47250
Olympia, Washington 98504-7250

RE: Docket UE-160799

Joint Automaker Comments on Draft Policy and Interpretive Statement Concerning Commission Regulation of Electric Vehicle Charging Services

The Alliance of Automobile Manufacturers and General Motors (together, Joint Automakers) appreciate the opportunity to comment on RCW 80.28.360, which authorizes Washington utilities to accelerate transportation electrification by installing charging infrastructure. Together, the Joint Automakers represent twelve different car and light truck manufacturers (BMW Group, FCA US Group LLC, Ford Motor Company, General Motors, Jaguar Land Rover, Mazda, Mercedes-Benz USA, Mitsubishi Motors, Porsche, Toyota, Volkswagen, and Volvo).

The Joint Automakers are committed to developing the market for PEVs and helping to realize the grid benefits that these vehicles can provide. Automakers are investing billions of dollars in electric vehicle technologies and are also working on several innovative programs to facilitate market development. Examples of this work include extensive efforts to facilitate infrastructure deployment, train dealers, and expose more people to electric vehicles. Additionally, the Joint Automakers are committed to supporting and implementing policies and programs that can help support transportation electrification, including battery electric, plug-in hybrid, and hydrogen fuel cell technologies.

We commend the Commission for the work that has gone into the Draft Policy and Interpretive Statement and offer the following comments to help further transportation electrification in Washington.

Utilities have an important role to play in transportation electrification. We agree with the Commission that “In enacting RCW 80.28.360, the Legislature supported broad utility participation in electrification of the transportation system.”¹ We also agree that “Charging availability and consumer awareness, in particular, are barriers that electric utilities are naturally positioned to address”² Outstanding infrastructure needs include single family home, multi-unit dwelling, workplace, DC fast charge corridors and urban clusters, and destinations. An incentive rate of return could facilitate

¹ Draft Policy Statement ¶72.

² Draft Policy Statement ¶65.

buildout of this infrastructure.³ Additionally, supportive rate structures are essential to efforts to facilitate electrification and vehicle-grid integration. Utility engagement in this sector should not just enable market transformation, but should also provide significant benefits for the grid as well as additional ratepayer benefits that stem from emissions reduction and cross-sector energy savings.

The Commission requested input on the definition of Electric Vehicle Supply Equipment (EVSE). The Draft Policy Statement seems to suggest that EVSE refers to the actual charging station hardware. This makes sense at this time. The California Public Utilities Commission recently defined the term in this way in the context of a Commission Decision: “Electric Vehicle Service Equipment, or EVSE, is defined as the EV charger equipment as opposed to the supply infrastructure, which we refer to as the make-ready infrastructure.”⁴ The question of who should own this asset is the subject of much debate, and we believe the Commission takes the right approach in leaving open the possibility of both utility and third party ownership. At this early stage in the market, it is important to remain flexible.

A portfolio approach is appropriate, but the guidance and requirements should remain flexible. We support the idea that the utilities should be allowed to “provide customers with multiple options for EV charging services, designed to serve a range of customer types, target multiple market segments, and evolve as technology changes.”⁵ The charging needs and challenges vary widely, and so will the solutions. Ultimately we believe there are many different potential models for partnerships between utilities, third-party Electric Vehicle Service Providers (EVSPs), and site hosts.

The Draft Policy Statement contains much discussion of different potential models for utility engagement, including “provider” of EV charging services and “manager” of EV charging services. While these different scenarios and structures are useful for the sake of illustration, we caution against being overly prescriptive at this time by strictly defining the “provider” and “manager” models. We encourage the Commission to remain open to a variety of program structures – both with and without utility ownership of the actual EVSE – so long as they meet policy objectives. For example, there may be compelling instances where utility ownership of EVSE is justified but where it is not reasonable in the near-term to expect rates “to be sufficient to recover the costs of service” as envisioned in the description of the “provider” model.⁶

A well-designed portfolio approach should also be able to capture the substantial grid benefits that transportation electrification can provide. It is important to note that the provision of grid services should not be limited to “manager” type programs as implied in ¶¶ 74-75 and Table 2. Utilities and their

³ We are encouraged that the Commission is not adopting a bright line rule regarding the need for long dwell time (2+ hours) to justify an incentive rate of return. As noted in ¶ 55, DC fast chargers are not likely to meet this requirement.

⁴ D.16-12-065. *Decision Directing Pacific Gas and Electric Company to Establish an Electric Vehicle Infrastructure and Education Program*. California Public Utilities Commission, December 2016. <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M171/K539/171539218.PDF>

⁵ Draft Policy Statement ¶73.

⁶ Draft Policy Statement ¶74. One example that highlights the need for flexibility is a DC fast charger that has relatively low utilization during this market transformation phase and therefore limited opportunity to recover costs, but that is a crucial part of an overall network.

EVSP partners, for example, could manage the load in a Level 2 workplace program where the utility is acting more like a “provider” that owns the EVSE.

Rate design is another area that should be part of an overall portfolio approach to transportation electrification. Forward-thinking utilities and regulators are increasingly looking at ways to develop rates that support market transformation and vehicle-grid integration. Rates should be simple, encourage electrification, and help ensure that charging is done in a manner that benefits the grid.

The portfolios and solutions should ultimately be judged based on needs, opportunities, and ratepayer benefits. An overarching goal is to support “transformation of the EV market through utility provision of a portfolio of regulated EV charging services that maximize the benefits of EVs to the electric system and allow a competitive market for EV charging services to continue to develop.”⁷ The portfolios should anticipate future needs such as higher power DC fast charging (possibly in urban clusters) and redundancy to meet growing demand.

The question of whether or not a portfolio is “balanced” should be viewed through each of these lenses: market transformation, ratepayer benefits, and supporting a competitive market. The competition question tends to generate the most debate as there is greater agreement on the other goals. Fair access to services and competition in the charging market can be provided in multiple different ways and need not always require the utilities to offer multiple service model options for customers to choose from. Moreover, requiring utilities to offer multiple program structures in every instance (i.e. offering both “manager” and “provider” type programs as suggested in ¶ 73) is likely to increase program costs by effectively requiring two parallel programs. There may be some cases where simply providing a variety of EVSE options is sufficient to meet goals for consumer choice and competitive markets.

The Commission should encourage a simple, driver-centric approach. As detailed in the Draft Policy Statement, market transformation and widespread transportation electrification requires moving beyond early adopters to a mainstream market. This calls for a driver-centric approach and a concerted effort to make EV charging as simple as possible. We therefore do see some value in the Commission encouraging a simple, painless experience for drivers. Greenlots noted in earlier comments that there has been an ongoing discussion on this topic in California since the passage of the Electric Vehicle Charging Open Access Act with no definitive resolution to date.⁸ More recently, the proposed California ZEV Investment Plan released by Volkswagen as part of the emissions violation settlement provided some driver-centric parameters that could serve as an example: “Infrastructure will also have the ability to accept multiple payment methods (e.g., subscriptions, mobile pay, RFID, credit cards) to simplify usage as much as possible...providing true ‘pay-as-you-go’ access to potential customers, who will be able to use a credit card or other potential payment methods to recharge their vehicles without having a pre-existing relationship with a charging network operator.”⁹

⁷ Draft Policy Statement ¶ 60

⁸ Greenlots Comments at 2 (November 23, 2016).

⁹ Volkswagen Group of America. California ZEV Investment Plan: Cycle 1. Public Version. March 8, 2017. https://www.arb.ca.gov/msprog/vw_info/vsi/vw-zevinvest/documents/vwinvestplan1_031317.pdf

We agree that drivers should be able to charge without having any pre-existing relationships with network operators. We also support multiple different payment options. The Commission need not be overly prescriptive at this time, but there should always be a focus on simplicity and ease of access to enable mainstream market adoption. Barriers to charging access, whether they are subscription requirements or high roaming fees, will slow market growth.

The Commission could provide guidance on backend interoperability. While the Commission should not necessarily define a specific protocol or standard for backend interoperability, it could be helpful to define characteristics that would protect ratepayer interests. For example, it is important to ensure that site hosts can change network providers in the future without having to change hardware. Open protocols (such as the Open Charge Point Protocol, or OCPP) can facilitate this through backend hardware/software interoperability. This is a complicated issue with ongoing discussions in multiple venues. Requiring interoperability analysis to be included in utility proposals as suggested in ¶ 87 is a logical step that would help the Commission and stakeholders continue to work through these issues.

A single joint stakeholder group could facilitate input and information sharing. We generally agree with the Commission's recommendation to create a single joint stakeholder group for engagement on proposals across the three electrical companies. This should reduce administrative burden and enable greater stakeholder participation. However, it will be important to clearly define the roles of this group. We believe these stakeholder groups can provide valuable programmatic input but do not believe that the Commission should delegate decision-making/approval authority to this sort of group. Based on our experience with these sorts of groups in California, the discussions are valuable and can help inform program design and implementation, but it is not realistic to expect consensus on all issues.

The Joint Automakers greatly appreciate the work to date and the opportunity to provide comments. We look forward to a final policy statement and to participation in ongoing Commission discussions and stakeholder groups.

Sincerely,

/s/ Steven Douglas

Steven Douglas
Senior Director, Energy & Environment
Alliance of Automobile Manufacturers
Sacramento, CA
sdouglas@autoalliance.org
Phone: (916) 538-1197

/s/ James Hall

James Hall
Manager, Advanced Vehicle & Infrastructure
General Motors
Sacramento, CA
jamie.hall@gm.com
Phone: (916) 208-9533