Service Date: August 28, 2024



# STATE OF WASHINGTON

# UTILITIES AND TRANSPORTATION COMMISSION

621 Woodland Square Loop S.E. • Lacey, Washington 98503

P.O. Box 47250 • Olympia, Washington 98504-7250

(360) 664-1160 • TTY 1-800-833-6384 or 711

August 28, 2024

# NOTICE OF OPPORTUNITY TO FILE WRITTEN COMMENTS (Due by September 26, 2024, at 5 p.m.)

RE: Commission-led workshop series to review and potentially revise the 2017 Policy and Interpretive Statement concerning Commission regulation of electric vehicle (EV) charging services, Docket UE-160799.

#### TO ALL INTERESTED PERSONS:

On July 2, 2024, the Washington Utilities and Transportation Commission (Commission) held an introductory workshop to discuss the scope of a revised policy statement, to discuss transportation electrification issues within the Commission's purview, and to hear from interested parties.

During the July 2 workshop the Commission heard from the following parties and discussed their roles within the transportation electrification industry.

- Department of Commerce Provided an overview of the Transportation Electrification Strategy (TES)<sup>1</sup> and 2024 workplan for the Interagency Electric Vehicle Coordinating Council (IAEVCC).<sup>2</sup>
- Investor-Owned-Utilities (IOU) Avista, Puget Sound Energy, and PacifiCorp provided overviews of their respective Transportation Electrification Plans (TEP), as well as challenges and successes related to equity in the transportation electrification space.
- Clark County Public Utility District (PUD) Presented on Clark PUD's transportation electrification program as well as challenges and successes related to equity.
- Alliance for Transportation Electrification Non-profit trade association uniting a coalition of utilities, manufacturers, electric vehicle supply equipment vendors and others to promote electric vehicles in state-level policy across the country.

<sup>&</sup>lt;sup>1</sup> <u>Transportation Electrification Strategy</u>

<sup>&</sup>lt;sup>2</sup> See RCW 43.392

• Joint Office of Energy and Transportation (JOET) – A joint office team offering technical assistance and policy guidance for those at the intersection of energy and transportation.

- Portland General Electric Portland General Electric provided an overview of its municipal charging program to help reach underserved communities.
- Northwest Energy Coalition (NWEC) NWEC offered insights to ensuring an equitable transition to electric vehicles.
- IAEVCC Charging Committee Summary of the work and goals to ensure adequate charging infrastructure to meet increasing needs of EV drivers.

After reviewing the discussions from this initial workshop, the Commission has identified charging infrastructure as the most critical component of this transition. To meet current and forecasted EV needs across the state, Washington needs to have 1.3 million chargers by 2030, and approximately 3 million chargers by 2035 to meet this demand.<sup>3</sup> In the near-term, utilities may be able to utilize existing capacity to meet short term needs but must balance this capacity to ensure the grid remains resilient.

By 2030, Washington has a target requirement of 100 percent of new light-duty vehicle sales to be electric. Although this target is five years away, the planning process for utilities must begin now, in order to provide adequate service to meet the needs of the transportation sector as well as typical residential, commercial, and industrial utility service. In some cases, EV infrastructure can take at least a year from planning to operation and use. In other instances, it takes multiple years from the initial planning phase to electrons flowing through a charger. Even after chargers are active and electrified, they must remain reliable for EV users. Reliability concerns are equally as critical for utilities as they are for drivers.

To that end, the next workshop will cover the topic of rate recovery and rate design for utilities. Each investor-owned-utility transportation electrification program has its own programs and plans that reflect the specific needs of its customers. The Commission is providing this Notice of Opportunity to File Written Comments to all parties to understand each specific utilities' needs from a rate recovery or rate design perspective.

Please provide responses to the questions below by submitting your responses to Docket UE-160799.

#### 1. For all parties:

What types of ratemaking tools should the Commission consider for EV charging infrastructure? For each option, please explain why such tools are appropriate:

- a. A system benefits charge for all customers that create a budget for utilities?
- b. Capital expenses for EV infrastructure recovered in base rates?
- c. Increased incentives for Multi-Unit Dwelling building owners or developers?
- d. A line extension allowance similar to that proposed in Oregon?<sup>5</sup>

<sup>&</sup>lt;sup>3</sup> TES Page 113 (Policy Recommendation 2.9)

<sup>&</sup>lt;sup>4</sup> See RCW 43.392.020

<sup>&</sup>lt;sup>5</sup> See Oregon CUB comments re: Line Extension Allowances Docket UM-2033 (Dec. 6, 2019).

e. An option not listed here (please describe both the preferred option and why it is preferred.)

# 2. For all parties:

In a time of upward pressure on utility rates, how can the Commission balance the need for more proactive planning with transportation electrification infrastructure while sufficiently protecting ratepayers and mitigating risks? (i.e. overbuilding or unanticipated costs)

a. Please provide any known resources or examples demonstrating your proposal.

# 3. For all parties:

At what point should Transportation Electrification programs be rate-based rather than customer specific tariff schedules?

- a. At what percentage of use (percent of time used for charging) do public chargers "break even" for EVSE owners?
- b. Does this percentage of use vary based on geographic location? If yes, please describe the variation and causes of variation by geographic location.
- c. Does this percentage of use vary for L1, L2, or DCFC? If so, please provide the percentages for each charging type, and explain the reason for the variation.
- d. Are there any other factors that contribute to differences in percentage of use?

# 4. For all parties:

Some utilities across the country have implemented (or plan to implement) a flat-rate charging program for EVs. (i.e. For \$35 per month, a customer can charge as much as they want during off-peak hours) Would a similar construct be viable in Washington?

- a. If so, what dollar amount would the utility need to recover for such a program to be economically feasible?
- b. Would this practice be equitable if a discounted flat-rate option was available for low-income EV customers? (i.e., low-income customers could pay \$20 per month for unlimited off-peak charging, whereas other customers would pay \$35 per month)
- c. For charging stations with high intensity, but infrequent use, the utility may assess a demand charge which may be passed on to the charging provider and ultimately customers. Do third-party providers absorb significant costs for demand charges?
- d. If so, provide the percentage of all chargers subject to a demand charge detailed by utility owned chargers and third-party owned chargers.

#### 5. For utilities only:

What data sources does your utility utilize when estimating EV ownership within your territory?

a. How does your utility incorporate these datasets into your resource planning/distribution system planning/capital decision planning assumptions? Please include at least the following planning assumptions and how you determine them:
- Number of EVs (broken down by LDV and MHD) in service territory by 2030, 2035, and 2040.

- The number of chargers needed at each level (L1, L2, DCFC)
- Distribution, transmission, and resource acquisition needs specifically attributed to EV load growth
- Distribution of costs to ratepayers (all customer classes for all investments? Just EV customers? Both?)
  - b. How do these datasets influence distribution system planning processes?
  - c. What barriers has your utility identified that prevents widespread EV adoption within your territory?

## 6. For utilities only:

What data does your utility obtain from EV telematics software on private chargers in its service territory? How does your utility use this data?

- a. Provide the number of public and private chargers in your service territory broken down by L1, L2, and DCFC.
- b. Provide the number of customers/vehicles on a managed charging program in your service territory.
- c. What are the most common consumption rates for utility owned chargers within your service territory specified by charger type? (L1, L2, and DCFC)
- d. What are the most common consumption rates for all chargers within your service territory specified by type? (L1, L2, and DCFC)
- e. What is the average usage or utilization rates for utility owned chargers of each type? (L1, L2, and DCFC)
- f. What is the average usage or utilization rates for all chargers within your service territory by type? (L1, L2, and DCFC)

#### 7. For utilities only:

Some estimates note that approximately 80 percent of light-duty vehicle (LDV)<sup>6</sup> charging is completed at home. If this charging is unmanaged, the periodic demand increases can quickly eliminate any available capacity at the distribution level. Managed charging mechanisms can help spread this demand to off-peak hours and mitigate the load stress of the system. What managed charging programs does your utility offer?

- a. For utilities with time-of-use rates (on-peak, off-peak, and etc.) please provide graphs displaying your on-peak hours, off-peak hours and any super off-peak hours. Please include whether participation in these programs is the default option or if customers must opt-in.
- b. Please provide the raw number (and percentage) of EV customers that participate in some form of static load control. (i.e., customers that allow for the utility to dictate when charging occurs by use of vehicle telematics or software on the smart charging device)

<sup>&</sup>lt;sup>6</sup> NREL "Incorporating Residential Smart Electric Vehicle Charging in Home Energy Management Systems" (April 2021).

- i. For those customers using active load control, please detail the load reductions at the most granular level available as a result of these programs.
- c. Please provide the raw number (and percentage) of EV customers that participate in some form of dynamic load control. (i.e., customers that participate in time-of-use rates or other charging programs specifically for EV customers)
  - i. For those customers using passive load control, detail the load reductions at the feeder level seen at the most granular level available as a result of these programs?

#### 8. For utilities only:

EV infrastructure are common targets for theft and vandalism. What studies or programs are you aware of that address issues of vandalism and/or theft of EV supply equipment?

- a. Does your utility track information and expenses related to instances of damage, theft, or vandalism of EVSE?
- b. If so, please detail the costs your utility has spent for 2022 and 2023 to repair or replace vandalized EVSE infrastructure in your service territory?

# 9. For utilities only:

What is your utility's process to repair inoperable EVSE equipment? Please detail the process and timelines from the moment the utility is notified to re-energization of the EVSE.

- a. Does your utility track and maintain records on the operability of EVSE equipment in your service territory? If so, does your utility track solely public or utility-owned EVSE or does it track 3<sup>rd</sup> party owned as well?
- b. Does your utility contract with a 3<sup>rd</sup> party provider to fix and/or repair EVSE? If so, please provide the names of each third-party contractor.
- c. Please provide the names of each 3<sup>rd</sup> party provider contracted with your utility as well as the cumulative costs your utility has incurred for these services for 2022 and 2023.

#### WRITTEN COMMENTS

The Commission provides notice that interested persons may file comments in this Docket by 5 p.m. on September 26, 2024. Pursuant to Washington Administrative Code (WAC) 480-07-250(3), written comments must be submitted in electronic form, specifically in searchable .pdf format (Adobe Acrobat or comparable software). As provided in WAC 480-07-140(5), those comments must be submitted via the Commission's web portal at www.utc.wa.gov/e-filing. If you are unable to submit documents via the portal, you may submit your comments by email to the Commission's Records Center at records@utc.wa.gov or by mailing an electronic copy to the Commission's Records Center on a flash drive, DVD, or compact disc that including the filed document(s). Comment submissions should include:

- The docket number of this proceeding (Docket UE-160799).
- The commenting party's name.

• The title and date of the comment or comments.

The Commission will post on its website all comments that are provided in electronic format. The website is located at https://www.utc.wa.gov/casedocket/2016/160799. If you are unable to file your comments electronically the commission will accept a paper document by mail. If you need translation materials, please contact records@utc.wa.gov or call (360) 664-1234.

#### STAY INFORMED

Information related to this proceeding, including comments filed by interested persons, will be posted on the Commission's website as it becomes available. Persons filing comments will receive future communications the Commission issues in this Docket. If you do not file comments but wish to receive such information you may contact the Commission's Records Center by telephone at (360) 664-1139 or by email at records@utc.wa.gov and ask to be including on the mailing list for Docket UE-160799.

When contacting the Commission, please refer to Docket UE-160799 to ensure that you are placed on the appropriate service list. The Commission's mailing address is:

Executive Director and Secretary Washington Utilities and Transportation Commission P.O. Box 47250 Olympia, WA 98504-7250

If you have any questions regarding this proceeding or the information contained in this Notice, you may contact either Aaron Cahen, Energy Policy Advisor at (360) 489-2666 or <a href="Maron.Cahen@utc.wa.gov"><u>Aaron.Cahen@utc.wa.gov</u></a> or Andrew Sellards, Energy Policy Advisor at (360) 664-1112 or <a href="Maron.Cahen@utc.wa.gov"><u>Andrew.Sellards@utc.wa.gov</u></a>.

JEFF KILLIP Executive Director and Secretary