



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION
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June 24, 2016

NOTICE OF OPPORTUNITY TO FILE WRITTEN COMMENTS
(Comments due by 5:00 p.m., Tuesday, August 16, 2016)

NOTICE OF OPEN MEETING
(To be considered at the Tuesday, September 13, 2016, Recessed Open Meeting)

RE: Notice of Inquiry into Issuing a Policy-Interpretive Statement Describing Commission Policy Related to Utility Investment in Electric Vehicle Supply Equipment pursuant to RCW 80.28.360.

TO ALL INTERESTED PERSONS:

RCW 80.28.360¹ authorizes the Commission to allow an incentive rate of return on electric utility investment in electric vehicle supply equipment (EVSE) that is deployed for the benefit of ratepayers. On January 14, 2016, in Docket UE-160082, Avista Corporation (Avista) filed revisions to its currently effective Tariff WN U-28 reflecting the addition of Schedule 77, Electric Vehicle Supply Equipment (EVSE) Pilot Program. After consideration of comments from several stakeholders, on April 28, 2016, the Commission issued Order 01 in Docket UE-160082 allowing Avista's EVSE pilot program to proceed subject to conditions.

As the Commission notes in Order 01 of Docket UE-160082, RCW 80.28.360 raises many policy and implementation questions that remain unresolved.² The Commission further notes that, "we intend to initiate a policy workshop to further examine methods for quantifying the benefits of an electrical vehicle (EV) infrastructure and other policy issues raised by RCW

¹ Effected by Washington Laws 2015, c 220 § 2 (June 24, 2015).

² Order 01 at ¶25.

80.28.360, and potentially opening a rulemaking or issuing a policy statement to address these issues.”³

To assist the Commission in determining whether to open a rulemaking or issue a policy statement on this matter, the Commission requests that interested persons provide written comments addressing the following questions:

Regarding the incentive rate of return discussed in RCW 80.28.360(2):

1. RCW 80.28.360 authorizes the Commission to allow an incentive rate of return on investment on capital expenditures for electric vehicle supply equipment under certain circumstances. In addition to being installed after July 1, 2015, the law identifies several criteria for the capital expenditures to qualify for the incentive rate of return. How should an electrical company demonstrate that capital expenditures for EVSE meet each of the following criteria in the law:
 - a) The capital expenditures do not increase costs to ratepayers in excess of one-quarter of one percent,
 - b) The EVSE investments are pursued on a fully regulated basis similar to other capital investments behind a customer’s meter, and
 - c) The projects are installed and located where electric vehicles are most likely to be parked for intervals longer than two hours.

In order for EVSE to be considered eligible for the incentive rate of return, RCW 80.28.360 further requires that EVSE must reasonably be expected, at the time it is placed in the rate base, to result in “real and tangible benefits for rate payers.”

2. What real and tangible benefits to ratepayers should electrical companies be required to quantify and demonstrate in order for the Commission to:
 - a) make a prudence determination, and
 - b) authorize an incentive rate of return?
3. Should the incentive rate of return authorized in RCW 80.28.360(2) apply to EVSE investments that serve the public at large, or only to investments in infrastructure that serve the company’s electric customers?
4. While EVSE increases electrical load, existing tests used by the Commission to determine the cost-effectiveness of energy efficiency investments may be applied or adapted for EVSE. Is the Total Resource Cost (TRC) an appropriate measure of whether EVSE investments provide benefits to ratepayers?

³ Order 01 at ¶14.

5. What, if any, modifications to traditional cost-effectiveness tests are necessary or appropriate to use for investments in EVSE?

Regarding the provision of fair competition as specified in RCW 80.28.360(1):

6. What policies should the Commission consider to improve access to, and promote fair competition within the market? Please comment separately on how the Commission should address the following:
 - a) Improve access to EV charging as a regulated public service
 - b) Ensure that the utility procurement process for charging equipment is fair and competitive
 - c) Allow a competitive market for charging services to develop

Regarding the interaction of RCW 80.28.360 with other statutes:

7. Considering RCW 80.12.020,⁴ when would it be appropriate for an electrical company to “gift” EVSE to a customer, as provided in RCW 80.28.360(4)? What notice should be given?
8. Considering RCW 80.28.320, what other factors should the Commission consider in order to approve investor-owned utility proposals to own and operate EVSE as a regulated service?

The Commission will convene a workshop and consider comments of interested parties at its September 13, 2016, Recessed Open Meeting. The Commission strongly encourages written comments on the report in advance of the meeting. Written comments should be submitted **no later than 5:00 p.m., Tuesday, August 16, 2016**. The Commission requests that comments be provided in electronic format to enhance public access, reduce the need for paper copies, and facilitate quotations from the submissions. Please submit comments via the Commission’s Web portal at www.utc.wa.gov/e-filing or by electronic mail to the Commission’s Records Center at records@utc.wa.gov. Submissions must include:

- The docket number of this proceeding (UE-160799).

⁴ RCW 80.12.020(1) states that “[n]o public service company shall sell, lease, assign or otherwise dispose of the whole or any part of its franchises, properties or facilities whatsoever, which are necessary or useful in the performance of its duties to the public, and no public service company shall, by any means whatsoever, directly or indirectly, merge or consolidate any of its franchises, properties or facilities with any other public service company, without having secured from the commission an order authorizing it to do so. The commission shall not approve any transaction under this section that would result in a person, directly or indirectly, acquiring a controlling interest in a gas or electrical company without a finding that the transaction would provide a net benefit to the customers of the company.

- The commenting party's name.
- The title and date of the comment or comments.

Comments may also be submitted by mailing or delivering an electronic copy to the Commission's Records Center in Adobe Acrobat .pdf format or in Word 2010 or later, on a flash drive, DVD, or CD. Include all of the information requested above. The Commission will post all comments that are provided in electronic format on its website, at www.utc.wa.gov. Written comments (electronic or hard copies) should be addressed to Mr. Steven V. King, Executive Director and Secretary, Washington Utilities and Transportation Commission, P.O. Box 47250, Olympia, WA 98504-7250.

Oral comments may be presented in-person at the recessed open meeting of the Commission to be held on **Tuesday, September 13, 2016**, which is scheduled to start at 9:30 a.m. The meeting will be held at the Commission's headquarters, Room 206, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington 98504-7250. Interested Persons may listen to the presentation and participation in the discussion telephonically by calling the Commission's teleconference bridge line at **(360) 664-3846** at the time of the recessed open meeting.

Questions concerning this investigation should be directed toward Commission Staff member Chris McGuire at cmcguire@utc.wa.gov or (360) 664-1310.

STEVEN V. KING
Executive Director and Secretary