November 23, 2016

State of Washington Utilities and Transportation Commission

1300 S. Evergreen Park Dr. S.W.

PO Box 47250

Olympia, WA 98504-7250

RE: Rulemaking to consider policy issues related to implementation of RCW 80.28.360, electric vehicle supply equipment Docket UE-160799

To Whom It May Concern:

EVgo Services LLC (“EVgo”) is pleased to submit comments in the above reference docket. EVgo’s objective in supplying comments is to ensure that WUTC has an updated understanding of the competitive market for electric vehicle charging. Among the questions that WUTC asked, we focus these comments on the fourth question: “whether the Commission should consider or adopt other policies to improve access to electric vehicle supply equipment and allow a competitive market for charging services to develop.”

**EVgo Background**

EVgo owns and operates the country’s largest fast charging network, with DC charging stations in over 50 metro markets, including 15 fast charging stations at 10 sites in the greater Puget Sound area. EVgo has been in business since 2010, originally as a subsidiary of NRG Energy, Inc, a Fortune 200 energy company. In July 2016, EVgo was purchased from NRG by Vision Ridge Partners, a Colorado-based investment firm focused on clean energy technologies and businesses. With this investment, EVgo currently has approximately $100 million of capital to invest in electric vehicle charging infrastructure. Other charging station companies (eg. Chargepoint) have also raised significant amount of capital.

EVgo has focused its business on providing a high quality charging station experience for electric vehicle drivers. We spend significant resources making sure stations are always operating; we have high quality retail host sites[[1]](#footnote-1); and we have a strong commitment to customer service, including a 24/7 call center. We also have partnerships with automakers to make sure drivers hear about our network at the dealership and through other automaker communication channels.

**Competitive Market Status**

We mention the above to indicate that there is a growing industry for electric vehicle infrastructure and related services that is already providing real benefits to Washington ratepayers. The experience, learnings, and the technologies that this industry has developed are not easily replicated by a utility entering the business for the first time.

At the same time, EVgo does believe that there is an important role for utilities to play in promoting and investing in electric vehicle charging. The key is to focus in areas that are complimentary to the competitive market, rather than trying to replicate what the competitive market is already able to do.

**Specific Scenarios**

The below list identifies scenarios for utility investment.

*Utility Charging Station Ownership* - One important question for the WUTC is whether the utility should be allowed to own the charging station and the corresponding network itself. In this area, there is almost no precedent around the country for a successful, utility-owned charging network, especially for DC charging. For example, in the recent California Public Utility Commission’s proposed decision on Pacific Gas and Electric’s proposed electric vehicle program, the Commission restricted PG&E ownership to level 2 stations in underserved communities, citing the importance of “avoid(ing) anticompetitive market impacts” [[2]](#footnote-2). The idea of a competitive market is an important principle, but more importantly, it also means real benefits to electric vehicle drivers. Specifically, the driver benefits from being the customer of a company whose sole focus is providing them a positive experience.

Apart from the customer experience, competitive markets can also bring funding. For example, EVgo has built the Puget Sound network with funding from its own investors, and from global automakers, specifically Nissan and BMW. In a utility owned network, there will be no interest from outside investors, so ratepayers will be needlessly left paying for the entire cost.

*Utilities as part of charging station financing –* A better solution for utility involvement is that they play a role in financing charging station development, but do not actually own the station. While EVgo has built a network of stations in the Puget Sound (we also have a station in Woodland, WA in our Portland market), we recognize that competitive markets are not yet building all of the stations that Washington needs. There are several types of installations where financing incentives (from a utility or in the form of state grants) would significantly speed up charging station development. Examples include: DC charging stations along corridors and/or outside of major metropolitan areas; level 2 installations at workplaces or in multi-family settings; or installations in certain underserved communities. While there is interest from the private sector community in these markets, the benefits of entering these markets often do not outweigh the costs, especially in this early market development period.

A precedent for WUTC to review is the Charge Ahead Colorado grant program (administered by the Colorado Energy Office) to partially offset the capital cost of new DC and L2 infrastructure.[[3]](#footnote-3) However, there are a number of other ways utilities would be able to partially offset the cost of charging station development. For example, Southern California Edison’s Charge Ready program will construct “make ready infrastructure.”

Rate design is another area where utilities can play a strong role in supporting charging station financing. With charging station usage still relatively limited in this early market development period, demand charges can have an outsize impact on charging station profitability. The creation of a pilot rate for charging station owners that does not have a demand charge would help defray some of the cost of providing EV charging stations to customers.

*Market Outreach.* Utilities can play a valuable role in educating their customers on the value of electric vehicles, and on the charging options available to them. A recent report from the International Council on Clean Transportation (ICCT) identified EV educational events as one of several primary factors for EV market share growth, noting that “the five metropolitan areas with the greatest number of electric vehicle promotion actions make up five of the six areas with the highest electric vehicle market shares.”[[4]](#footnote-4)

The Energy+Environmental Economics (E3) study for Seattle City Light demonstrated a positive net regional benefit for vehicle electrification across a range of scenarios. In conjunction with a strong private sector investment in EV infrastructure, Washington utilities can help meet the Legislature’s interest in expediting the transition to electric vehicles.[[5]](#footnote-5)

Sincerely,



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1. For example, EVgo just opened a two station site at the REI Flagship store on Yale Avenue in Seattle [↑](#footnote-ref-1)
2. California Public Utilities Commission Commission *Decision Directing Pacific Gas and Electric Company to Establish an Electric Vehicle Infrastructure and Education Program* November 14, 2016

<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M169/K668/169668696.PDF>, p 37 [↑](#footnote-ref-2)
3. See program details here <http://cleanairfleets.org/programs/charge-ahead-colorado> [↑](#footnote-ref-3)
4. Nic Lutsey, Peter Slowik, Lingzhi Jin, Sustaining Electric Vehicle Market Growth in U.S. Cities, October 2016, page 16. [↑](#footnote-ref-4)
5. RCW 80.28.360 Findings-Intent. [↑](#footnote-ref-5)