BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION (UTC)

Docket UE-210804

COMMENTS OF THE ALLIANCE FOR TRANSPORTATION ELECTRIFICATION (ATE)

Re: Developing a Commission Jurisdictional Specific Cost-Effectiveness Test for Distributed Energy Resources Incorporating CETA

July 25, 2025

Introduction

The Alliance for Transportation Electrification ("ATE" or the "Alliance") is pleased to have the opportunity to provide comments in this Docket that relates to the development of a cost-effectiveness test (otherwise referred to as a cost-benefit analysis or "CBA") for distributed resources under the Washington State Legislature's 2019 Clean Energy Transformation Act (CETA). These comments are in response to the Commission's "Notice of Opportunity to Comment and Virtual Workshop" that was issued on July 5, 2022. In that notice, the Commission (UTC) is soliciting feedback from interested persons on Commission staff's investigation to determine whether additional guidance related to the cost-effectiveness of distributed energy resources (DERs) is necessary. The Notice also states that Staff intends to develop a jurisdiction-specific test for DERs that incorporates the goals of the Clean Energy Transformation Act and that Staff's investigation will follow the process and principles described in the "National Standard Practice Manual For Benefit-Cost Analysis of Distributed Energy Resources (NSPM)." Accompanying the Notice are Excel worksheets with details on policies and metrics that would guide Commission CBA policy in the State.

ATE is a 501(c)(6) non-profit corporation established in early 2018 and is active in over 20 state proceedings in the country. We engage with policymakers at the State and local government level to remove barriers to EV adoption and to encourage the acceleration of EV infrastructure deployment with a particular emphasis on open standards and interoperability. We currently have over 50 members that include many electric utilities, auto and bus manufacturers, EV charging and service providers (EVSPs), and related trade associations and non-profit organizations. We have been actively involved in the Washington TE (transportation electrification) stakeholder process and in other TE -related issues before the Commission.

Overall Comments

As is evident from our name, the Alliance is focused on just the aspect of DER cost-effectiveness or cost benefit analysis tests relating to the evaluation of proposed transportation electrification projects. In December 2021, ATE filed comments related to the first Commission request in this Docket where we noted that while many of the elements of cost-effectiveness tests or CBAs will generally be the same for DERs, there are important differences in impacts on the electric system, the customer or participant,

and for the societal impacts for transportation electrification. Although we believe that an EV (or EVSE, the equipment and network itself) generally fits the category of a "distributed energy resource", it is substantially different from other resources such as distributed generation (DG) and distributed storage (DS) and demand response (DR) set forth in the template. EVs can in fact play a valuable role in flexible load management techniques, such as demand response and once bi-directional energy flows are more fully proven, the use of the vehicle's battery for vehicle-to-grid (V2G, instead of just V1G) does reflect a unique grid asset. But the vehicles, together with the batteries, should be regarded primarily as a means of transportation and mobility for customers, and not as a fixed source of generation at the edge of the grid.

Moreover, we believe that while V2G holds promise for the future, we need to see much greater scale of adoption (more "butts in seats") and further engineering work done on specific end use cases before the broader benefits of V2G are realized. In the meantime, we think it is more useful to regard EV adoption and EVSE as incremental loads on the distribution system that consume large amounts of electricity at certain times of the day that are sometimes "peaky" and hard to predict today for publicly accessible charging. As such, the EVSE loads really need to be studied and assessed further at greater scale, and need to be managed through both technology and rate design so that these peak loads can be shifted in a manner beneficial to both the customer and the grid.

There are other important differences between EVs and other DERs that would be a focus of future Commission investigations. Many of the potential benefits to society of TE are different than other DERs – for example increased mobility for LMI citizens in underserved communities whether urban or rural. Other benefits (or costs) may accrue to the transportation sector from vehicle electrification which would not be reflected in CBA for energy resources, where the costs and benefits are usually limited to impacts on electric or gas utilities and their customers – as is reflected in the Commission's proposed templates which do not discuss transportation system impacts. We think that TE has many unique attributes (such as its mobility, flexible load management potential, potential customer resiliency benefits, impacts on mobility), which imply that it will have an overlapping but different set of costs and benefits from other DERs.

All of this is to say that with respect to utility electric vehicle programs, even if EVs are considered a DER in the Commission's view, we believe using a fixed template designed for DERs such as that proposed in the Commission's Notice is not appropriate for EV programs. First, the policy goals for TE emanate from different legislation and different government policies and may have very different elements than for other DERs. And second, while some of the metrics for measuring costs and benefits may be similar, the CBA metrics that are covered in the Commission's template do not encompass those related to TE. While we understand that the Commission would prefer to use a consistent CBA method across all DERs, transportation electrification raises issues which we think preclude them from being considered using the same methods as energy efficiency, distributed generation, distributed storage, or demand response.

Another challenge with applying strict methods to evaluating TE programs using a DER-specific CBA is that we are in a very nascent stage of EV market development, and a lot of the data that is required for accurate CBAs is just not yet available. In many cases, the data needed for CBAs is held by non-utility entities, or 3rd party competitive suppliers, who may or may not be willing to share the data with utilities

on reasonable terms. This information includes telematics data from vehicles (held by the OEMs) or from EV service providers (EVSPs) utilizing managed charging (such as Tesla, Electrify America, ChargePoint, EVgo and others). This creates an "asymmetry of information" in that the distribution utility/grid operator does not always have the necessary and sufficient data sets not only to assess costs and benefits, but to optimally integrate the load in the system. Moreover, the data specifications may be offered in different formats which make their use by utilities and Commissions (and other oversight authorities) more difficult since they are not standardized. As time goes on and more program results and data are developed and/or made available to utilities, we should be able to rely more on CBA to evaluate programs, but we are not at that stage yet.

Referring to our comments last December, we stated: "We don't support the application by the Commission of a single CBA test at this nascent state of market development where there is insufficient data to draw firm conclusions. The most prudent course might be to develop programs that have built in flexibility as more data is developed and experience gained." Accordingly, we believe that instead of applying the factors in the template rigidly, the regulated utilities should be asked to comply with an overall "framework" such as the NSPRM for DERs or the EPRI Total Value Test (TVT) but be provided sufficient flexibility to ensure more useful outcomes in their filings. The EV industry, and the utilization of the infrastructure for EV charging, is developing with various business models and use cases, but generally, it is still in a nascent stage. There is insufficient data and analysis to date, including from the OEMs, the EV service providers (EVSPs), the host sites, the utilities, and other entities, to do a definitive analysis and reach conclusions on costs and benefits, with proper validation as has been done for energy efficiency programs.

Until the TE industry matures and data to conduct full CBAs becomes available, we believe the Commission should utilize the TE stakeholder process it has initiated to learn best practices, listen to experts, assess the experiences to date of utilities and EVSPs, and ultimately find a way to provide guidance to the utilities for future filings. We believe that the Commission should continue to organize workshops around targeted issues as the market evolves, and as programs with multiple sources of funding – utility/ratepayer, 3rd party competitive providers, VW settlement funding, the recent state appropriation for public charging infrastructure for certain market segments, and recently IIJA (bipartisan infrastructure bill) funding through WS-DOT – are deployed in the state over the next several years. We don't know if 5 or 7 workshops is the right number at this stage, but we urge the Commission to be deliberate in its scheduling, and not rush the process to establish a primary CBA for EV programs until we gather much more data from the multiple projects in the state.

Conclusion

In summary, we do not believe that the templates presented by the Commission in its July 5th Notice should be applied to utility TE programs – at least not at this time. More work is needed both in terms of data collection and availability and the unique metrics that apply to TE but not generally to DERs (and vice versa). Ultimately, we believe that the NSPM for DERs could be used as a baseline framework for the TE CBA. Yet we believe there are many gaps and issues that still need to be addressed to make the overall framework meaningful, and the Commission should not and need not tie TE CBA to analyses applicable to all DERs, particularly in these early years of TE market development. We should roll up our sleeves in the months and years ahead, and seek to apply the factors identified in the template (which

are similar to those of the Total Value Test of EPRI), and see how they actually apply in the real world to the use cases of TE – residential, multi-family, workplace, corridors, and DC fast charging in both metro areas and more rural areas. We believe that it will take another two or three years at least to develop sufficient data and analysis.

In the near-term, the Commission should encourage the utilities to make progress in advancing the state of knowledge on metrics to be used for CBAs but should allow the utilities to use multiple tests at their discretion on a utility-specific basis. Since they develop the programs and bear the burden of proof to demonstrate such TE programs to be cost-effective and in the public interest, this should be adequate. And at the same time, the stakeholder process should be utilized to further develop the potential basis for CBA as it can be applied to utility TE programs. We are simply not there yet.

We appreciate the opportunity to provide comments on this important Docket to assess the use of CBAs for transportation electrification investments. The Alliance looks forward to continuing to engage in this process and future workshops in the months ahead.

Submitted this 25th day of July, 2022:

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