BEFORE THE WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Rulemaking To Consider Policy Issues Related To Implementation of RCW 80.28.360, Electric Vehicle Supply Equipment	DOCKET UE-160799 INITIAL COMMENTS OF THE ENERGY PROJECT (CR-101)

I. INTRODUCTION

1 The Energy Project files these comments in response to the Commission's Preproposal Statement of Inquiry (CR-101) (October 31, 2016) and the Notice of Opportunity To File Written Comments (Notice) issued November 2, 2016. The stated purpose of this proceeding is to further examine the issues raised in the prior Staff Investigation and to consider the adoption of a rule or policy statement to implement RCW 80.28.360. The Energy Project filed comments in the Staff Investigation phase of the docket and participated in the Recessed Open Meeting on September 13, 2016.

II. COMMENTS

2 In these initial comments, The Energy Project addresses two of the questions raised by the Commission in the November 2 Notice: (1) whether a rule or policy statement is necessary to implement the statute; and (2) whether the Commission should consider or adopt other policies to improve access to electric vehicle supply equipment (EVSE). Other issues may be addressed in future comments as appropriate.

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A. There Is A Need For A Rule Or Policy Statement.

3 The Energy Project recommends that the Commission adopt either a rule or a policy statement to assist with the implementation of RCW 80.28.360. The Commission noted in Order 01 in Docket UE-160082 that "RCW 80.28.360 raises many policy and implementation questions that remain unresolved."[1] The Staff Investigation was intended to assist the Commission in determining whether to open a rulemaking or issue a policy statement.[2] The Investigation began the exploration, but further work is needed on the key issues. Issuance of either a policy statement or rule would help provide needed guidance and greater certainty to the regulated electric utilities and other stakeholders. Preliminarily, The Energy Project believes a policy statement may be the better approach at this stage. Given the range of outstanding issues, at this point in time it may be difficult to develop satisfactory administrative rules. In addition, experience under the Avista and PSE pilots[3] that are currently under way may provide additional information that could assist with rule development.

B. The Commission Should Adopt Policies To Improve EVSE Access For Low-Income Customers and Communities.

4 RCW 80.28.360(1) provides that the Commission may allow an incentive rate of return on EVSE "that is deployed for the benefit of ratepayers." RCW 80.28.360(3) further provides that: "The incentive rate of return…applies only to projects…which are reasonably expected…to result in real and tangible benefits for ratepayers by being installed and located where electric vehicles are most likely to be parked for intervals longer than two hours."

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[1] *Washington Utilities & Transportation Commission,* Docket UE-160082 (Avista EV Pilot), Order 01, ¶ 25.
[2] Notice Of Opportunity To File Written Comments, June 24, 2016, p. 2.

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5 These provisions are significant from the perspective of the low-income utility consumers who constitute a substantial proportion of Washington utilities' customer base.[4] They establish a requirement that any deployment must be designed to create ratepayer benefits. This in turn implies it is a reasonable expectation that any deployments that are based on the statutory incentive should be designed to have benefits for low-income customers or communities, as well as for other ratepayers, as a matter of regulatory fairness. As The Energy Project's comments in the Staff Investigation stated, low-income customers will certainly be paying the additional incentive rate of return for EVSE investments under the statute but will see few, if any, benefits unless specific policies are in place to address the unique issues faced by low-income customers.[5]

6 Transportation electrification can yield both public health benefits and economic impacts that have special benefits for low-income customers. The Washington State Electric Vehicle Action Plan (EV Action Plan) describes the public health benefits of electric vehicles due to improved air quality, noting that "in the Puget Sound region alone, more than 200,000 people live within 200 meters of a major highway and are exposed to elevated pollution from vehicles almost every day."[6] It is reasonable to assume that many of those living in proximity to

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[3] *Avista EV Pilot*, Docket UE-160082; *In the Matter of the Petition of Puget Sound Energy For An Accounting Order Authorizing Accounting Treatment Related To Funding And Cost Recovery Of The Electric Vehicle Charger Incentive Program And Waiver Of WAC 480-100-223,* Docket UE-140626 (PSE EV Pilot), Order 01.

[4] 28 percent of Washington residents (over 2 million individuals) are at or below 200 percent of the Federal Poverty Guidelines. Kaiser Family Foundation, Distribution Of The Total Population By Federal Poverty Level. http://kff.org/other/state-indicator/population-up-to-200-fpl/?currentTimeframe=0 (Kaiser Family Foundation estimates based on the Census Bureau's March 2016 Current Population Survey (CPS: Annual Social and Economic Supplements).

[5] Comments of Shawn Collins, The Energy Project (August 16, 2016), p. 1.

[6] Washington State Electric Vehicle Action Plan (2015-2020), Washington State Dept. of Transportation, February 2015 (EV Action Plan), p. 2.

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highways are low-income customers.[7] Improved air quality will have direct local benefits for those communities. By the same token, economic benefits of EV car ownership – lower fuel and maintenance costs – make up a proportionately greater percentage of household budgets and are therefore more beneficial for low-income households.[8]

7 The EV Action Plan identifies major strategies that are necessary to advance transportation electrification, including: (1) acceleration of electric vehicle sales and adoption; and (2) strengthening of Washington's EV charging network.[9] With respect to the first strategy, while the cost of electric cars is falling,[10] it remains unrealistic, in The Energy Project's view, to expect that significant numbers of low-income customers in Washington will have the means in the near term to purchase EVs and make use of EVSE infrastructure directly.[11]

8 RCW 80.28.360 does not address the question of access to vehicles for any customer group. It is worth noting, however, that this prong of the EV Action Plan strategy is being addressed for low-income customers in some states. California's Enhanced Fleet Modernization Program has implemented a "Scrap and Replace" voucher program that provides incentives for low-income customers to scrap older polluting vehicles and replace them with hybrids or electric

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[7] "In the United States, it is widely accepted that economically disadvantaged and minority populations share a disproportionate burden of air pollution exposure and risk (*26,27*). A growing body of evidence demonstrates that minority populations and persons of lower socioeconomic status experience higher residential exposure to traffic and traffic-related air pollution than nonminorities and persons of higher socioeconomic status (*5,28–31*). Two recent studies have confirmed that these racial/ethnic and socioeconomic disparities also exist on a national scale (*32,33*)." Residential Proximity to Major Highways — United States, 2010. https://www.cdc.gov/mmwr/preview/mmwrhtml/su6203a8.htm.

[8] EV Action Plan, pp. 2-3. Other benefits noted by the Washington Action Plan include economic growth and increased employment which also benefit low-income customers generally.

[9] EV Action Plan, pp. v-vi.

[10] Bloomberg New Energy Finance, https://about.bnef.com/press-releases/electric-vehicles-to-be-35-of-global-new-car-sales-by-2040/

[11] EV Action Plan, p. 7 ("High up-front costs to low-income consumers").

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vehicles.[12] Financial incentives are also provided for low-income customers to purchase charging equipment. For those customers who scrap a vehicle but do not wish to acquire a new vehicle, there is a "mobility option" that provides vouchers for public transit or car-sharing.[13]

9 As the electric vehicle market matures, a secondary market for used EVs is developing. The EV Action Plan points out that "[i]n Washington, about 65 percent of electric vehicles are leased for two or three years. Rather than purchasing the car, at the end of the lease most drivers opt to lease a new vehicle. Soon, these previously-leased electric vehicles will be flooding the used-car market."[14] While economic barriers remain, used EVs may be increasingly within reach of low-income households, particularly if rebate and incentive programs are extended to include used vehicles. The California "Scrap and Replace" vouchers are in some cases sufficient to cover all or most of the cost of a used EV or plug-in hybrid.[15] While directly addressing access to EVs is beyond the scope of this docket, requiring infrastructure deployment strategies to improve access for low-income customers and communities is a complementary approach that will support the types of efforts described above.

10 As noted in The Energy Project's initial comments, there are other means for low-income customers to benefit from EVSE infrastructure, other than through direct vehicle ownership. Many low-income customers rely on dedicated transportation systems provided by various income-eligible programs serving low and moderate income households. Head Start and

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[12] California Air Resources Board, Enhanced Fleet Modernization Program – Car Scrap (CARB EFMP Pilot), https://www.arb.ca.gov/msprog/aqip/efmp/efmp.htm.
[13] CARB EFMP Pilot Fact Sheet, https://www.arb.ca.gov/msprog/aqip/ldv_pilots/efmp_plus_up_faq.pdf.
[14] EV Action Plan, p. 7.
[15] Greenlining Institute, http://greenlining.org/publications-resources/electric-vehicles-for-all/?doing_wp_cron=1470811941.3193140029907226562500#tab4-section2.

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Medicaid transportation programs directly benefit such households. For example, Head Start programs may provide bus service to households enrolled in the program. Medicaid transportation services for clients include transit passes for public transportation, gas vouchers for use of personal vehicles, inter-city buses, taxi, paratransit, and cabulance services. Aligning EVSE infrastructure with these types of programs would provide direct benefits to low-income communities served by these programs by allowing opportunities for the programs to electrify their fleets.[16] Facilitating electrification of these transit modes is consistent with state goals to transform public and private vehicle fleets[17] as well as efforts to encourage electrification of local government vehicles.[18]

11 One mechanism that could be considered is a requirement that a certain percentage of deployments be located in low-income neighborhoods. This approach has been pursued in California. For example, under a settlement agreement, Pacific Gas & Electric (PG&E) agreed to a $160 million charging station deployment pilot over a three-year period. PG&E agreed that at least 15 percent of EV facilities would be installed in disadvantaged communities. In addition, $5 million of the budget was set aside for equity programs aimed at increasing access to clean transportation in disadvantaged communities.[19]

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[16] Charging for low-income transport program vehicles is likely to be able to meet the "two-hour parking" requirement of 80.28.360(3) if placed at fleet parking or garage areas. NWEC's comments in the Staff Investigation docket contain a chart noting that "depot charging" would meet the requirement in their view. NWEC Comments, August 16, 2016, at p. 4.

[17] EV Action Plan, p. 26.

[18] EV Action Plan, p. 20. Western Washington Clean Cities Coalition (clean and efficient fleet assistance), local government infrastructure requirements.

[19] *In The Matter Of The Application Of Pacific Gas And Electric Company For Approval Of Its Electric Vehicle Infrastructure And Education Program,* California Public Utilities Commission, Docket A.15-02-009, Joint Motion For Adoption of Settlement Agreement (Charge Smart and Save program) (February 9, 2015), p. 15.

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12 Deployment of charging stations to federal, state, and locally subsidized multifamily housing (or "multi-unit dwellings" (MUDs)) is another means to reach low and moderate income households. For example, new affordable housing units are constructed throughout Washington State each year. Incorporating EVSE infrastructure into these projects will help to ensure that income eligible households have the ability access charging stations.[20] This would dovetail with any efforts for complementary EV car-sharing programs that may be developed for income-eligible households within these multifamily units in the future. Along these same lines, in the PG&E settlement discussed above PG&E agreed that at least 20 percent of the charging stations would be deployed in MUDs. Avista's current EVSE pilot includes deployment of charging equipment to MUDs.[21] Although establishing charging stations in multifamily housing poses special challenges,[22] it continues to be pursued as a means of expanding electrification efforts, as the Avista pilot, and the California settlement indicates.

13 In early 2016, the Oregon Legislature passed the Clean Electricity and Coal Transition Act (SB 1547). Among many other topics, the bill contained provisions addressing transportation electrification and included a legislative finding that: "Widespread transportation electrification requires that electric companies increase access to the use of electricity as a transportation fuel in low and moderate income communities [.]" Washington should similarly recognize that EV policy must address low-income customer access.

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[20] EVSE located at multifamily units can be expected to meet the "two-hour parking" requirement. NWEC Comments, August 16, 2016, p. 4 (table).
[21] *Avista EV Pilot,* Order 01, ¶ 2.
[22] EV Action Plan, p. 8.

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14 For the reasons discussed above, The Energy Project recommends that any rule or policy statement in this docket provide that a reasonable proportion of utility EVSE deployments must be designed to reach low-income customers and communities.[23] Specific targeting of locations for deployment can be worked out in collaboration with serving utilities, transportation providers, social service agencies, and other stakeholders. [24] Such a group would be convened to provide input on infrastructure decisions and sites to help ensure that project designs include benefit for low-income customers. The Energy Project recommends this stakeholder group concept be included in any policy that is adopted.

III. CONCLUSION

15 The Energy Project supports the Commission's decision to initiate a CR-101 process to consider establishing policy guidance for utilities and other stakeholders regarding implementation of RCW 80.28.360. The Energy Project recommends that any policy statement or rule resulting from this docket should require EVSE deployments to include locations in low-income communities, or other tangible improvements in access. Deployments are best developed by utilities in collaboration with low-income groups and other interested stakeholders. Such a policy will ensure the broadest possible benefit to ratepayers from new EVSE deployment based on rate of return incentives, and help create the "real and tangible benefits" that the statute

[23] NWEC and ChargePoints comments in the Staff Investigation echo this point. ChargePoint states that "utilities should focus investments in specific areas of need such as underserved communities or multifamily housing, which is an underpenetrated market for charging stations." Comments of ChargePoint, Inc., August 16, 2016, p. 4. NWEC commented that the Commission should adopt rules "directing utilities to reach low-income customers with charging service [.]" NWEC Comments, p. 5.

[24] PSE recommends a similar "user group" idea in its prior comments. PSE Comments, August 16, 2016, p. 8.

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requires. The Energy Project looks forward to working with the Commission and other stakeholders as this docket moves forward.

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