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November 23, 2016

*Via Electronic Mail*

Steven V. King, Executive Director and Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
1300 S. Evergreen Park Drive S.W.  
Olympia, Washington 98504-7250

**Re: Docket UE-160799**  
**Comments of Puget Sound Energy on electric vehicle supply equipment**

**Dear Mr. King:**

Puget Sound Energy (“PSE” “Company”) submits the following comments in response to the Washington Utilities and Transportation Commission’s (“Commission” “WUTC”) Notice of Rulemaking and Opportunity to File Written Comments pursuant to RCW 80.28.360 (“Notice”) issued on November 2 in Docket UE-160799. PSE appreciates the Commission’s proactive approach to address the issues raised during the legislature’s discussion of HB1853, the enabling legislation for RCW 80.28.360, and in UE-160082 and provides the following responses to the questions raised in the Notice.

*Whether a rule or policy statement is necessary to implement RCW 80.28.360;*

PSE does not believe a rule or policy statement is necessary to implement RCW 80.28.360, but would appreciate guidance under a policy statement. The WUTC could treat the issues raised in RCW 80.28.360 in individual proceedings as it did in UE-160082. However, given the interest in electric vehicle charging from all utilities and in existing state policy, PSE feels that a policy statement would be beneficial to clearly identify the parameters for utilities to provide electric vehicle programs to their customers.

While a rule could also provide this direction, PSE believes that a rule may not be flexible enough to meet the pace of technology and market change in the electric vehicle market. A

policy statement would provide the direction needed. A rule could always be implemented at a later date if additional structure is necessary.

*How the Commission will consider whether an investment is eligible for the incentive rate of return;*

Consistent with PSE's August 16, 2016 comments in this docket, PSE believes that RCW 80.28.360 provides sufficient guidance to determine which investments are eligible for the incentive rate of return.

*How other relevant statutes and Commission rules and standards apply to utility investment in EVSE; and*

There are both statutes and rules currently in effect in Washington State that apply to utility investment in EVSE. Further, the Commission has considered investments by utilities in other infrastructure that has policy parallels to EVSE.

Statutes and rules that speak directly to utility investment in EVSE include:

RCW 80.28.320 is specific in regards to utility investment in EVSE: "An electrical company may offer battery charging facilities as a regulated service, subject to commission approval." This statute also specifically exempts non-utilities from commission oversight of their "rates, services, facilities, and practices" over battery charging facilities offered for hire.

RCW 80.28.360, the subject of this proceeding, speaks to utility investment of EVSE. The legislative intent of this section is clear: "the legislature intends to provide a clear policy directive and financial incentive to utilities for electric vehicle infrastructure build out."

WAC 468-602, the rules implementing RCW 47.04.350, the Electric Vehicle Charging Pilot Program, specifically identify utilities as infrastructure owner-operators of charging equipment. These rules also specify that municipalities and public utility districts are eligible bidders for the Electric Vehicle Charging Pilot Program.

There are other statutes and Commission discussions that may relate to investment in EVSE.

For example, any interpretation of Commission precedent or statutory authority that attempts to demarcate a line at the customer's meter for determining the regulatory nature of a proposed utility service could apply to utility investment in EVSE. PSE supports the Commission's interpretation in its recent leasing Order in Dockets UE-151871 and UG-151872 that states "there is no support in statute or Commission precedent to support imposing such a jurisdictional bright line at the customer meter. Nor do we think such a standard would reflect appropriate public policy. Rather, in light of the rapid technological change in the utility environment, the preferable approach is to consider each proposed service individually to determine whether it serves a public purpose that Commission regulation is designed to foster."

Another rule that may affect utility investment in EVSE is WAC 480-100-178. This rule regarding billing requirements may relate to how a utility could ultimately display pricing at a utility-owned charging station. For EV charging to be successful, it will be important that utilities be allowed the flexibility display pricing to customers in a clear format that allows customers to make comparisons and decisions in advance of arriving at a charging location. There is existing rule support for flexibility in pricing in WAC 480-80-112(2), which allows for banded rate tariffs for any nonresidential electric service that is subject to effective competition from energy suppliers not regulated by the Commission.

*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;*

PSE previously commented on several potential policies in its August 16, 2016 comments in this Docket. To help clarify the policy issues most important to address, PSE discusses issues herein that a policy statement or other policy mechanism from the Commission should address to foster utility investment in EVSE and allow a competitive market for charging services to develop.

***Clearly identify that utility investment in charging infrastructure is in the public interest.*** This has been made clear in existing statute and legislative intent, and the Commission should re-iterate this intent through this Docket. As has been thoroughly studied by the Washington State Joint Transportation Commission<sup>1</sup>, networks of public charging stations are not financially self-sustaining. To address this issue, the

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<sup>1</sup> [http://leg.wa.gov/JTC/Documents/Studies/EV/FinalReport\\_EVChargingNetworksWEB.pdf](http://leg.wa.gov/JTC/Documents/Studies/EV/FinalReport_EVChargingNetworksWEB.pdf)

Washington State and the Federal government have expended public funds or directed fines and environmental penalties towards funding for charging infrastructure deployment. Auto manufacturers have also been substantial funders of charging infrastructure. Utilities, if permitted to do so, could be another party to provided needed investment for infrastructure. Utility investment should not be intended to supplant existing funding, but rather complement these other sources of funding, which to date have been variable in their amount and timing.

Within this framework, there are multiple ways in which utilities and other parties could co-invest to the benefit of the utility's customers. For example, utilities could seek to partner with other funding entities, and use the funds from these other parties to reduce the amount of capital required for utility construction of a network of public chargers in its service territory. As another example, a utility could develop an interoperability agreement with other charging networks in its region to help leverage its investment for the benefit of its customers. These opportunities and needs will evolve over time, and policy today should not be overly prescriptive at this point in time.

***Requiring any utility investments in public charging infrastructure to be coordinated with other investments in public charging infrastructure.*** This issue was discussed in UE-160882. The exact need for both type and amount of charging infrastructure will continue to evolve as the number of electric vehicles on the market grows. However, at the current time, the existing public charging infrastructure in Washington State is insufficient for significant growth in the number of electric vehicles. As discussed in the previous section, sources and amounts of funding are likely to vary. Utility investments coordinated with other investments could provide a more stable funding source. Ideally, any public monies used to fund charging infrastructure would have similar coordination requirements, though PSE recognizes it is not the Commission's role to coordinate such investment.

***Identifying cost-benefit or other tests to be used to measure the public interest of utility investment.*** Previous questions and comments in this Docket discuss this issue at length. Any utility programs should serve the public interest, as has been discussed. Policies set by the Commission should clarify how this benefit will be determined to assist both the Commission and the utilities in evaluating different utility programs. Specific utility

programs may change over time, but the underlying evaluation of public benefit should not.

***Allowing utilities to provide clear pricing to customers for EV charging.*** While this is a clear part of current statutes for utility service, current practices and rules governing utility bill display may cause confusion with customers at a point of sale such as an electric vehicle charging station. Utilities should be allowed flexibility and be encouraged to display pricing in formats that allow customers and the public to determine what it will cost them to charge in advance of arriving at a utility funded charging stations. Given the relatively low number of public charging stations currently deployed, pricing transparency will allow customers to make informed choices. There is existing rule support for flexibility in pricing in WAC 480-80-112(2), which allows for banded rate tariffs for any nonresidential electric service that is subject to effective competition from energy suppliers not regulated by the Commission.

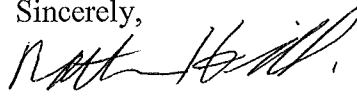
In addition to these policies that the Commission should adopt, there are other policy issues in which PSE encourages the Commission to continue to be engaged. Formal policies from the Commission are not necessary at this time for the issues discussed below. Many of these issues are either part of existing oversight of the utilities by the Commission or include parties and statutes outside that of utility regulation. These policy issues include:

- Interoperability or universal access to charging equipment;
- Reporting of charging station siting and utilization to aid in efficient infrastructure planning, especially when utility or public funds are used to support the infrastructure;
- Utility engagement of its customers who drive electric vehicles to assist with program design;
- Clear and documented procurement processes by utilities, and;
- Program design that considers technology evolution.

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PSE appreciates the opportunity to provide these responses to the questions identified above in the Notice of Opportunity to File Written Comments. Please contact Nate Hill, Regulatory Affairs Initiatives Manager at (425) 457-5524 or myself at (425) 456-2110 for additional information about this filing.

Sincerely,



Manager  
Regulatory Initiatives

for

Ken Johnson  
Director, State Regulatory Affairs

cc: Sheree Carson