Investigation into Policy Issues Related to the Implementation of RCW 80.28.360, Electric Vehicle Supply Equipment Docket UE-160799

Comments Received by August 16, 2016

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1. 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	
Avista	When an electrical company seeks recovery of the capital expenditures for EVSE, the company should provide supporting testimony and/or evidence of the prudence of such expenditures. The company would provide the necessary information to determine if the net impact to customers is above or below one-quarter of one percent.
Pacific Power	Pacific Power proposes that all of the components of an EVSE investment be reviewed as part of a formal filing with the Commission. As part of that filing, utilities could provide the estimated rate impact and other relevant information demonstrating that the proposed EVSE investment meets the requirements provided under RCW 80.28.360. This would enable the Commission to review the details of the utility's proposal and ensure that the proposed projects meet the criteria outlined in the statute.
Puget Sound Energy	Current ratemaking mechanisms can be used to ensure compliance with this portion of the statute and can be determined by comparing capital EVSE investments to the total approved revenue requirements in the utility's most recent general rate case.
Public Counsel	The Commission will need to determine the appropriate means of calculating whether this limitation has been reached. Public Counsel does not recommend a specific approach at this time.
NWEC	The statute is silent on whether the 0.25% rate impact cap should be applied with respect to gross capital cost impacts or applied to net of offsetting new rate revenue from transportation. NWEC recommends applying the rate impact cap on a net basis, reflecting actual net bill impacts.
Energy Project	---
ChargePoint	ChargePoint recommends evaluating market need and leveraging private investment. Utilities should work with charging station vendors and existing market players to determine the size of the market, active participants, and need for investment. Utilities should also be required by the Commission to provide data on current and expected

	EV adoption to ensure programs are sized appropriately. Utilities can reduce cost to ratepayers by requiring the site host, which is the property owners that would host a charging station owned by the utility or receive an incentive to install a charging station on their own property, to contribute "skin in the game" in the form of a payment to the utility or direct purchase of a portion of the investment such as the equipment cost and O&M. The Commission should consider requiring utilities to present an argument for the business model chosen for their program and how that best reduced costs to ratepayers and leveraged funding in the most efficient way possible. The Commission should consider the following two models in California: 1) Southern California Edison's Charge Ready pilot is structured so that the utility has invested in the "make ready" which includes the lines, wires, conduit, and paneling needed to install a charging station, up to but not including the equipment itself. The site host for this charging station then receives a rebate covering a portion of the cost for that site host to directly purchase from a charging station vendor the equipment of their choice. In this instance, the site host, rather than ratepayers, is covering the cost of Operations & Maintenance (O&M) which further reduces the overall program cost. 2) San Diego Gas & Electric's Electric Vehicle Grid Integration Pilot Program requires all site hosts to pay a "participation payment" even though the utility is ultimately owning the equipment. The Commission ruled in its decision on SDG&E's case that this participation payment should be used to "offset the O&M costs incurred" by the pilot. In May 2016, SDG&E filed an advice letter defining the participation payment amount, which is currently under review by the CPUC. Utilities should focus investments in specific areas of need, such as underserved communities or multifamily housing, which is an underpenetrated market for charging stations. This will ensure that ratepayer funding is leveraged where there is greatest need and a lack of existing private funding to serve the same purpose. The Commission should also review the proposed rules developed by the Oregon Public Utilities Commission in AR 599. This criteria, while directed by specific legislation that is different from HB 1853 in Washington, provides a thorough study of all points needed for utilities in that state to seek rate recovery on an EV charging station investment.
b) The EVSE investments are pursued on a fully regulated basis similar to other capital investments behind a customer's meter	
Avista	Because RCW 80.28.360 allows an electrical company to own EVSE behind a customer's meter, it is Avista's recommendation that capital expenditures for EVSE be treated similar to all other utility capital investments.
Pacific Power	See 1A, above
Puget Sound Energy	PSE interprets this statement to mean that in order to qualify for the incentive rate of return, the service expending capital for EVSE investments must be developed and operated by PSE, whose rates, tariffs and programs are regulated and approved by the Commission, and not by an unregulated subsidiary.
Public Counsel	The performance and reporting metrics adopted by the Commission in the Avista EVSE pilot proceeding in Docket UE-160082 are a useful starting point for reporting and data collection considerations. Public Counsel

	agrees with Commission Staff's proposed reporting requirements in Docket UE-160082, and reporting should document program participation levels, expenditures, and revenues of a proposed EVSE program. The location of DC fast chargers, their utilization rates, and revenue contribution to fixed and variable costs should be reported consistent with the Avista EVSE pilot. Reporting metrics of amperage, voltage, date, time and battery state attained should be collected and reported, and the supplementary metric, including the reporting of incidents and costs relating to the rewiring for the installation of any EVSE, should be included. The Commission should receive regularly reporting on DC fast charging stations to review and revise the retail rate as appropriate (pg. 4).The following should be monitored and tracked: participant behavior, reliability of the grid and infrastructures, and costs associated with EVSE.
NWEC	See 3, below
Energy Project	---
ChargePoint	ChargePoint recommends that the Commission should find that a utility's EVSE capital investments are fully regulated - and therefore eligible for an incentive rate of return - if the utility provides the Commission with a description of the terms and conditions under which it will offer EVSE incentives to customers and specifies a maximum amount of expenditures it will make providing these incentives. A description of the types of EVSE incentives the utility plans to offer, coupled with a spending cap, should provide the market with clarity on the potential program impact and be sufficient to deem a utility's EVSE capital investments fully regulated for the purposes of RCW 80.28.360, and to qualify the utility for an incentive rate of return, if it seeks one. The Commission's oversight will ensure that the utility's capital investments in EVSE are prudent, allow for competition, and that the EVSE is used and useful to the utility's customers.
c) The projects are installed and located where electric vehicles are most likely to be parked for intervals longer than two hours.	
Avista	Electric companies should do so by providing information about the location of each specific charger.
Pacific Power	See 1A, above
Puget Sound Energy	It is reasonable to expect that electric vehicles will be parked for longer than two hours at the same locations as regular vehicles are parked. The electric vehicle industry has generally identified the following locations as areas where vehicles are likely to park for two hours or longer: residences (including multi-family dwellings); workplaces; overnight parking locations such as hotels or overnight parking lots. It is important to note that in order to support electric vehicles, a mix of charging speeds and locations are necessary to have a robust network that can support vehicle charging. The statute does not limit utility involvement to only longer-term parking duration locations, it does authorize the Commission to allow the incentive rate of return on capital expenditures for projects installed or located where electric vehicles are most likely to be parked for intervals longer than two hours.
Public Counsel	Public Counsel does not recommend a specific approach at this time. However, performance and reporting metrics that can be used for determining if an electric company has met this criterion of the law, as seen in 1(b).

NWEC	See 3, below
Energy Project	---
ChargePoint	This language appears to limit utility investment to Level 2 charging infrastructure. A 50kW Direct Current Fast Charger (DCFC) can provide 200 miles of range in one hour of charge. There are currently no vehicles with a battery size that would require more than one hour of charge. And though there are several models of EVs expected in the next few years at 200 miles of range, including the Chevy Bolt, it is not expected that battery sizes will accommodate more than an hour of charge, and definitely not 2 hours of charge, at a DCFC. Additionally, DCFC technology is expected to advance to 150-350 kW, which will further reduce needed charge times. This higher speed technology was recently referenced in an announcement by the White House. It therefore appears this language does not allow utilities to receive an incentive rate of return on DCFC investments.
2. In order for EVSE to be considered eligible for the incentive rate of return, RCW 80.28.360 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." **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	
Avista	Prudence determinations should be based on investments and operating costs compared to reasonably established benefits that EVs provide customers as a whole on Avista's system. The benefits that should be identified and, to the extent possible, quantified, would include but not necessarily be limited to the following: (1) Reduced carbon emissions; (2) Lower toxic air pollutants; (3) Operational cost savings resulting in macro-economic benefits; (4) Net contributions to electric rates (billed revenue from EV charging, net of costs to deliver power); (5) Reduced line losses resulting from higher voltage supply (e.g., to the extent the program results in higher voltage equipment being used than otherwise would occur absent the program); (6) Value provided to participating customers by providing cost-effective, trustworthy EVSE products and services, alleviating informational and first-cost barriers; and, (7) Providing a basic level of reliable and available EVSE infrastructure, thereby elevating electric driving range confidence and the adoption of EVs. Studies which include critical variables and sensitivity analyses could provide insight on the relative magnitude of different effects and establish a reasonable baseline for the net benefits that EVs and EVSE provide to ratepayers.
Pacific Power	The Company interprets the language in RCW 80.28.360(3) to say that EVSE placed in a location where vehicles are reasonably expected to be parked for intervals of longer than two hours will result in a real and tangible benefit for ratepayers. As such, no quantification of benefits is required, only a demonstration that the equipment is installed in a location where electric vehicles are reasonably expected to be parked for intervals longer than two

	hours. If the utility is able to meet this requirement, in addition to meeting the Commission's traditional standards for prudence review, the utility will have met the requirement to show real and tangible benefits.
Puget Sound Energy	All benefits are likely to directly or indirectly benefit ratepayers, falling into two categories of benefits: economic and environmental. Benefits exist for both customers using electrified transportation and those not using electrified transportation, as clearly outlined by the legislature is HB 1853 Sec 1. <u>Economic Benefits</u> -For utility rates, if revenues to PSE from electric transportation exceed costs associated with electric transportation, there is a clear and direct benefit to ratepayers using electrified transportation and those not using electrified transportation. -For transportation costs, there is a decrease in operating costs to the electrified transportation user. Fuel costs are lower, with PSE's current residential electricity rate being the equivalent of approximately $1.26 per gallon when compared to gasoline. Further, maintenance costs for electric transportation are lower than for traditional fuels as there are fewer oil changes and brake replacements. There is also a value to the consumer in low volatility of fuel cost from electricity versus gasoline or diesel. This value is difficult to quantify, especially for the individual, but it exists. <u>Environmental Benefits</u> - Lower lifetime carbon emissions than use of gasoline and diesel. While this value is often considered societal, there are also direct effects on the consumer. Notably, when carbon emissions carry a price, the difference in carbon emissions produces direct costs to the consumer, which vary depending on the fuel they use. While there is no direct price on carbon in Washington State today, a rulemaking underway by the Department of Ecology and Ballot Initiative 732 may create a price for carbon in the near future. PSE routinely includes estimated costs for carbon pricing/taxes in its Integrated Resource Planning. - Reduced emissions of traditional pollutants. In some regions of the country, there are direct prices on these pollutants. In the Northwest, no direct prices currently exist, but there is still value in improved human health due to reduced emissions. All of these benefits should be considered given the broad benefit of transportation electrification and the role of customer choice in selecting their transportation fuel. Prudent decision-making should be different than the traditional prudence tests and processes used for other utility investments.
Public Counsel	Public Counsel supports EVSE investments, but does not have a specific recommendation at this time regarding the methods or criteria the Commission should employ to determine real or tangible benefits to rate payers.
NWEC	Customers' lower fuel costs relative to gasoline or diesel, downward pressure on utility rates, value to the utility of transportation loads as a distributed energy resource, reduced greenhouse gas emissions, and improved human health from reduced air toxics emissions.
Energy Project	---
ChargePoint	The Commission should require utilities to demonstrate that investments in EVSE provide maximum benefits and minimum costs to ratepayers. Real and tangible benefits could be achieved by incentivizing equipment that is

	"future proofed" with demand response capabilities, networking, and load management technology. The utility could also maximize grid benefits of increased EV load through managed charging or by simply encouraging charging at certain times of date using rate signals to the EVSE site host. These efforts could improve overall grid efficiency, integration with renewable energy, and overall downward pressure on rates impacting all ratepayers. The California Transportation Electrification Assessment by E3 discusses the societal and grid benefits of utility investment in EVSE. Utilities should also be required to stimulate, rather than suppress, competition, customer choice, and innovation. It is not prudent (or possible) for the utility alone to provide EV charging infrastructure for all driver needs. Instead, it would be prudent for the utility to incentivize further adoption and increased load by working with EV charging equipment and service vendors to build a sustainable and vibrant EV charging market.
b) Authorize an incentive rate of return	
Avista	The incentive rate of return should be applicable to installations at residences, at workplaces, and in public locations within walking distance to shopping, restaurants, parks, and entertainment venues where the EV driver could be expected to spend two hours or more while their car is parked. In addition to the location of the EVSE, the Commission should consider the same benefits outlined in the response to question 2(a) above.
Pacific Power	See 2A, above
Puget Sound Energy	While the law neither mentions nor dictates that the Commission makes a prudence determination in the traditional sense, costs and benefits to ratepayers must be considered by the Commission. PSE believes that meeting the criteria as outlined in RCW 80.28.360 and meeting the criteria as outlined in 2a) are necessary to demonstrate that the incentive rate of return should be authorized.
Public Counsel	A proposed schedule for the depreciable life of the EVSE capital investment should be developed and filed with the Commission, along with supporting documentation, prior to Commission authorization of an incentive rate of return. This is consistent with the requirements of RCW 80.28.360(4). Consider if benefits largely accrue to those owning or operating electric vehicles or are there any benefits to the utility's distribution system.
NWEC	Commission rules should support broader transportation electrification efforts, including not just passenger vehicles but also transit buses, work fleets, short haul vans and shuttles, light and heavy rail, non-road equipment such as forklifts, port electrification, etc. The utilities should be able to consider pursuing additional transportation electrification programs on a fully regulated basis without asking for the incentive rate of return, earning instead a standard return, perhaps with fewer restrictions (issue raised with PSE).
Energy Project	---
ChargePoint	See 2A, above

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?	
Avista	The incentive rate of return should apply to EVSE investments for the public at large and those that serve the company's electric customers. In order to increase EV adoption it is important for utilities and others to invest in each type of EVSE. The greater the adoption of EVs, the greater the benefit to a utility's electric customers and society at large. It is for this reason that Avista believes investments in EVSE should be looked at as a whole rather than individually by EVSE type.
Pacific Power	A utility's investment in EVSE should be reasonably expected to serve its electric customers, but should not be required to serve the utility's electric customers exclusively. In addition to enabling local day-to-day use, public EVSE can reduce range anxiety for long-range travel to advance EV adoption. Rather than attempting to analyze transportation patterns to estimate the extent to which a particular EVSE installation will be used by an electric utility's customers, Pacific Power suggests that the incentive rate of return should apply to any EVSE investment within a utility's electric service area.
Puget Sound Energy	RCW 80.28.360(2) does not make this distinction and PSE believes the Commission should not attempt to make it. Given the mobility of electric vehicles, limiting use of EVSE to only a company's electric customers would create a barrier to adoption of electric vehicles, which is inconsistent with the intent of HB 1853.
Public Counsel	Public Counsel does not have a specific recommendation at this time, but supports thoughtful and timely reporting of EVSE associated metrics, which can be employed to document the trends associated with the increased implementation of EVSE, but may also demonstrate compliance with RCW 80.28.360 and help determine ratepayer benefits. Establishing comprehensive and regular reporting of EVSE metrics will enable the Commission to proactively review issues related to EVSE infrastructure deployment, and monitor whether any revisions are needed.
NWEC	More discussion is needed as the location of charging infrastructure behind a customer meter or on a separate meter often depends on site-specific conditions. NWEC can envision both public-facing and customer-only use settings that would qualify for the incentive rate of return and other that would not. NWEC's provided a detailed decision matrix in their comment letter for passenger vehicles, transit/school buses, vans, rail, forklifts, etc. and decisions pertaining to "Level 1 or 2 charging", "DC Fast Charging", "Behind Customer Meter?", ">2 Hour Dwell Time?", "Incentive Rate of Return", and "Regular Rate of Return."
Energy Project	---
ChargePoint	The Commission should avoid any policy that limits the use of the EVSE to one set of utility customers as this would also be counter to encouraging utilization of the asset. Instead, the "utility customer" in this case is site host, who is ultimately the customer of record with the utility, and who benefits from having EV drivers visit their location to charge, even if the utility ultimately owns that equipment.

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?	
Avista	As the TRC is normally used, it may not be an appropriate measure of whether EVSE investments provide net benefits to ratepayers since the primary benefit calculated with the TRC is typically through avoided energy and capacity costs.
Pacific Power	The statute provides clear guidance on the criteria that must be met to receive an incentive rate of return, which does not include cost-effectiveness. The Company does not believe attempting to quantify benefits in this nascent market is appropriate, but programs should be designed to gather information that could inform future cost effectiveness analysis.
Puget Sound Energy	TRC is not an appropriate measure because transportation electrification programs are different and distinct from electric and natural gas energy efficiency programs as they fall outside of the area of power supply or savings. TRC is currently applied to energy efficiency electric programs to determine if the broad benefits of a program or group of programs in the form of reduced electric power supply costs exceed the costs. While the Total Resource Cost test as applied to energy efficiency does not directly apply to transportation electrification, consideration of costs and benefits of transportation electrification to utility ratepayers as a whole is appropriate because all costs are likely to be borne by voluntary EV tariff participants and public benefits will accrue to non-participants, who are in essence receiving a costless bonus.
Public Counsel	TRC is worth strong consideration as a potential measure of whether EVSE investments provide benefits to ratepayers.
NWEC	This requires additional study and NWEC is not prepared to comment. Other jurisdictions are looking at modified versions of the TRC, including: Societal Cost Test (SCT) and the Ratepayer Impact Measure (RIM). These tests often compare gas to electric vehicles on measures such as acquisition price, available tax credits, fuel cost, carbon emissions, air toxics and charging infrastructure costs.
Energy Project	---
ChargePoint	TRC alone may not effectively quantify the ratepayer benefits of EVSE investments. There may be societal benefits associated with reduction in air pollution from cleaner vehicles, balancing load to support increased renewable energy or hydro on the grid, and other indirect or locational benefits. ChargePoint encourages the Commission to ensure that all benefits to ratepayers, even those outside of the traditional cost-effectiveness tests, are included in any evaluation of EVSE investments. Section 1 of HB 1853, outlines benefits of transportation electrification beyond traditional cost effectiveness. Given that the intent of the law appears to be enabling utility investments based on societal or grid benefits not quantified by traditional cost effectiveness tests, the Commission should take these benefits into account when reviewing utility applications.

5. What, if any, modifications to traditional cost-effectiveness tests are necessary or appropriate to use for investments in EVSE?	
Avista	An expansion to include environmental and societal benefits that are not monetized but still provide quantifiable benefits. At a minimum, appropriate cost-effectiveness tests must also take into account the net operational cost savings of driving electric instead of gasoline, and reductions in air pollution and greenhouse gas emissions. The appropriate time horizon to use in assessing the accumulation of benefits is important because investments required to support and encourage EV adoption may not result in immediate benefits, but rather may accumulate over time as adoption increases, technologies improve, and costs are reduced.
Pacific Power	See 4, above
Puget Sound Energy	A cost-benefit test that considers the overall costs and benefits of transportation electrification across all utility ratepayers is appropriate to determine the allowable level of investment by the utility to support users of electric transportation while providing net benefit to all ratepayers. Investments above this level should be made by the electric vehicle drivers, not the utility, as they are not expected to generate benefits. Any cost-benefit test should consider at least the following factors: *Costs: incremental vehicle costs, charger costs, marginal energy costs, marginal generation capacity costs, ancillary services or other energy supply costs, T&D costs* *Benefits: vehicle O&M savings, avoided direct carbon costs, avoided gasoline costs, federal tax credits*
Public Counsel	See 4, above
NWEC	See 4, above
Energy Project	---
ChargePoint	See 4, above

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	
Avista	The Commission should consider policies that allow utilities to own and operate public EVSE, including ownership of premises wiring from the transformer to the meter and the EVSE.
Pacific Power	The Commission should encourage utilities to improve access to EV charging by providing clear and standard processes to seek approval and recovery of EVSE programs.
Puget Sound Energy	The Commission should issue an order requiring electric utilities to submit tariff schedules to implement EV charging service options as a regulated public service. These proposals should be consistent with the factors outlined in 80.28.360 and discussed through this docket.
Public Counsel	Preferably, utility investment in EVSE would result in benefits to all ratepayers, not only to those owning electric vehicles or participating in EVSE programs, as all ratepayers will bear the capital and implementation costs of EVSE deployment. The Commission should look at information from the Avista pilot, and also the PSE level two

	charger program, regarding costs, lessons learned, and participant and system benefits from the EVSE deployment. Establishing comprehensive and regular reporting of EVSE metrics will enable the Commission to proactively review issues related to EVSE infrastructure deployment, and monitor whether any revisions are needed. Any utility charging a retail rate to participants using public charging stations, such as Avista's DC fast charging stations, should report to the Commission regularly to review and revise the retail rate as appropriate.
NWEC	The Commission should write rules directing utilities to reach low-income customers with charging service, as adopted in California, and consider the following: public electric car share for low income communities, partnerships with medical transport services or public housing authorities to electrify their fleet and ride share vehicles, country transit agency vanpools, and port and industrial equipment electrification.
Energy Project	The Energy Project is concerned with the investment of ratepayer dollars in EV supply and equipment and infrastructure. Low-income households will most certainly be paying for the investment in any approved application of the technology, and they will see very little in the way of direct benefit without some specific policy addressing the unique issues they face. Access to EV equipment and infrastructure through ownership of a personal EV for a low-income household is unrealistic. There are many ways that low-income households are helped through transportation based services such as Head Start, Medicaid Transportation and other income eligible services. Low-income households can best be served by ensuring that EV equipment and infrastructure is available to low-income households through aligning EV equipment and infrastructures. This could be very beneficial in rural areas where transportation needs for low-income households are critical.
ChargePoint	Utilities should consider where "improved access" is actually needed, such as disadvantaged communities or multifamily housing. It is important to consider data on current and future EV adoption as well as existing EV charging infrastructure and expected investments prior to making any predetermination on the appropriate size and scope of any utility program. The specific barriers to EV charging infrastructure deployment for that utility territory must also be considered. The needs of the industry in Eastern Washington may be very different from the barriers that exist, if any, for the private sector to sell and install charging stations. The Commission should carefully consider what is being "improved" when reviewing utility applications for EVSE pilots and programs.
b) Ensure that the utility procurement process for charging equipment is fair and competitive	
Avista	Policies should direct utilities to follow established Request for Proposals (RFP) processes in order to select the products and services that provide the most value to its customers and the public at large.
Pacific Power	The Commission could require that the utility provide documentation supporting its equipment selection and procurement process as part of a formal filing. Whether by a formal RFP process or another standard Company procurement process, the Commission would be able to review the decision-making process similar to other types of prudent utility investments before they are placed in rates.
Puget Sound Energy	It is important that policies balance issues of fair and competitive procurement, prudent decision-making and administrative burden. Utilities should be held accountable for prudent decision-making in designing a procurement process for EVSE and be required to provide reports to the Commission describing how their

	equipment selection was made. This approach best balances the burden of administering new tariff services while ensuring a thoughtful and fair selection process was conducted.
Public Counsel	There may be a role for Commission Staff in the review of utility procurement for charging equipment, possibly in consultation with other agencies to ensure the process is fair and competitive. The Commission should consider coordinating with state, regional and local agencies, including the Washington Department of Transportation.
NWEC	Market impediments are not a concern at this time, considering Avista received 18 responses to the RFP from various hardware/network service vendors for vehicle charging infrastructure. Policies should direct utilities to work with their customers to find solutions for lowest cost and optimum utility benefit. It is not clear which is lower cost, the best value and most advantageous: charge management "smart" program that reside inside the charging station equipment, or a utility directly interfacing with the vehicles to manage charge times or power levels. Utilities should pilot test different methods and modes and present cost-benefit data for future roll-outs.
Energy Project	---
ChargePoint	ChargePoint encourages the Commission and utilities to consider the following principles for developing a fair and competitive procurement process: customer choice, rolling vendor qualification, and allow procurement of multiple business models. The site host must have the ability to choose, from a list of multiple qualified vendors, the technology they want installed on their own site. Customer choice allows multiple vendors qualified into a utility program to compete directly for a customer (the site host) even if the utility ultimately owns the charging equipment. Utilities should set requirements for charging stations and grid management capabilities (including demand response) but allow for future innovation by creating a "rolling" vendor certification program. By allowing new technologies or new charging station vendors to apply for certification mid-program, additional products and features for network and chargers can be brought to market to enable competition and differentiation. The charging station industry has evolved with multiple business models that respond to specific and unique needs of site hosts in different verticals. It is premature in the market for a utility (or Commission) to force a selection of a winner. This means in practice that utilities should not restrict vendors to bid separately on hardware, software, and O&M. It is not "fair market competition" to allow a utility to select a single software vendor and then force all hardware vendors to bid separately on their ability to use one proprietary software. Software and hardware need to be integrated seamlessly in order to ensure functionality and it may be necessary to bid a combined product. Some hardware and/or software vendors also offer O&M services which should be allowed to bid into a program.
c) Allow a competitive market for charging services to develop	
Avista	The Commission should include within its policies a directive that customers may have the option to select EVSE installed at their location, but procured and owned by the utility, provided that the EVSE has proven functionality with a utility's network using open communication protocols. The utility should be allowed to require the customer to pay a portion of the cost of the EVSE if the unit they choose exceeds a certain threshold. By directing

	utilities to allow for the utilization of equipment from multiple EVSE manufacturers, it will provide for a competitive market to continue to develop and progress as demand and technology advances.
Pacific Power	---
Puget Sound Energy	There are numerous vendors that supply charging equipment and "network services" with competing hardware and software technologies. This is a competitive market and should continue to evolve competitively. It is important to note that the Commission generally regulates rates, and not competitive markets. RCW 80.28.360 states, the utilities must be "fully empowered and incentivized to be engaged in electrification of our transportation system" and the Legislature "intends to provide a clear policy directive and financial incentive to utilities for electric vehicle infrastructure build-out." In considering the rates and tariff services of the utilities, the Commission should encourage the competitive markets for charging equipment and networking services by ensuring the utilities employ good management practices through competitive selection processes, as previously discussed. The Commission should also avoid creating barriers to markets through lengthy processes or inflexible pricing structures which would limit the competitiveness of regulated services with non-utilities as contemplated in RCW 80.28.320.
Public Counsel	See 6b, above
NWEC	See 6b, above
Energy Project	---
ChargePoint	ChargePoint strongly believes that customer choice in equipment and services within a utility program creates this appropriate balance and enables a competitive marketplace regardless of whether the utility or the site host ultimately owns the charging equipment. Economist Charles Cicchetti of Pacific Economics Group recommends, "*A balanced mix of incentives that support rather than supplant private investment, and policies supportive of competition encourages innovation and lets consumer preferences emerge in the market. Competitive markets are more efficient in sorting out what works and what consumers want than a large utility's planners. The same opportunities for a combination of regulatory encouragement, utility financial support, and competition are available in the EV charging station market.*"

7. Considering RCW 80.12.020, 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?	
Avista	As described in RCW 80.28.360(4), Avista believes it is appropriate to gift EVSE to the property owner on which the EVSE is located when the capital investment has been fully depreciated, or at such other time that economics or other circumstances would warrant. Avista believes there is no conflict with this statute and RCW 80.12.020. As discussed, there are benefits to a utility's electric customers with greater adoption of EVs. Gifting EVSE infrastructure will not impact these benefits. In terms of notice, Avista would recommend that a utility's policy for gifting of EVSE be described within its tariff for an EVSE program or described prior to the installation of EVSE. Providing notice each time a single EVSE would be gifted would be inefficient.

Pacific Power	---
Puget Sound Energy	It would be appropriate for a utility to dispose of an EVSE when it is no longer "necessary or useful". The terms under which an electric company would gift EVSE to a customer would be described in a tariff schedule that is providing the electric vehicle equipment service.
Public Counsel	A proposed schedule for the depreciable life of the EVSE capital investment should be developed and filed with the Commission, along with supporting documentation.
NWEC	---
Energy Project	---
ChargePoint	RCW 80.12.020 states, "No 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….without having secured from the commission an order authorizing it to do so…." Given the prohibition on disposing property in RCW 80.12.020, "gifting" of an EVSE to a customer is allowed so long as the EV charger is fully depreciated. However, if the utility seeks to offer a charging station rebate rather than own equipment itself, RCW 80.12.020 would not apply. A rebate for charging equipment, such as the home charging station rebate currently offered by Puget Sound Energy, would not qualify then as a gift to customer since the utility never owned the equipment in the first place.

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?	
Avista	Avista believes it is important to look at investments in EVSE as a program rather than individual assets. Each different type of EVSE, home, workplace, and public (both Level 2 and DC Fast Charging), is necessary to enable travel with EVs and to support a greater adoption of EV purchases. The Commission should also consider EVSE programs beyond light-duty passenger vehicles. As discussed in the intent of House Bill 1853, transportation is the largest contributor to greenhouse gas emissions. The Commission should consider alternatives to traditional rate design when considering the rates to be charged at utility-owned public EVSE. The Commission should consider policies or provisions that allow rates to be changed quickly to align with the market without necessarily requiring approval via a tariff filing.
Pacific Power	---
Puget Sound Energy	To ensure that proposals by utilities do provide benefits across as many customers as possible, consistent with the utilities' role in providing services to all customers, the Commission should consider: 1) Access. In order for a utility to own and operate EVSE as a regulated service, it should be open to all of the utility's customers and non-customers, thus providing reasonable access to all customers. This standard explicitly does not apply to unregulated providers of charging (as outlined in RCW 80.28.320) who can allow or not allow use of their charging equipment by any person or corporation, or can charge different prices to different entities based on any factor.

	2) Planning. Any utility investments should have a reasonable expectation of being used and useful. For electric vehicle equipment services that would not have distinct dedicated customers, each utility should be required to convene a group of electrified transportation users to provide input on infrastructure decisions and sites to ensure that they have a reasonable expectation of being used and useful. This user group should include but not be limited to the following: a daily driver of a passenger electric vehicle; a representative of a group of electric vehicle drivers which educates and informs the public in an effort increase the number of electric vehicles; a representative from the State of Washington; a representative from a fleet operating electrified transportation equipment; and a representative from the UTC staff. Further, utility proposals should have clear maintenance plans to ensure that the equipment continues to be available to customers for use. 3) Customer education. Any utility proposed EV charging services should include a customer education component describing the electric transportation charging options available to all customers.
Public Counsel	Unresolved issues should continue to be discussed with stakeholders, including the evidence, methods and criteria the Commission may consider prior to potential approval of an incentive rate of return, such as: (1) achieving qualifications under RCW 80.28.360, (2) demonstration and quantification of "real and tangible benefits to ratepayers," (3) deciphering which EVSE investments qualify, and (4) what evaluation test is suitable for measuring benefits to ratepayers, as well as (5) policies promoting fair competition of EVSE in the market.
NWEC	The Commission should consider a similar structure to Oregon's draft rule, which contemplates two-year cycles for utility transportation electrification plans, which would be acknowledged by the Commission much like an integrated resource plan (IRP). The load forecasts would feed into the IRP and utilities would update their plan every two years, but they would be free to propose individual programs (for example, targeting different vehicle or equipment segments) an ad hoc basis within the plan goals. Utilities in both states would benefit from parallel regulatory structure.
Energy Project	---
ChargePoint	This law allows third parties to own and operate charging stations and set pricing to drivers for charging services without UTC regulation. ChargePoint strongly believes that pricing to the drivers for the charging service should reflect the diversity of site hosts' needs, priorities and commercial motivations. Standard principles of rate regulation may not apply in the same way they do to essential standard electric service that utilities provide to homes and businesses. It is important to allow site hosts the ability to continue to control pricing to the driver for the charging service even if the station itself is subsidized in some way by the utility. The site host, not the utility, is best positioned to manage their own parking lot and many of these pricing configurations include parking policies to maximize utilization. The statute's use of the word, "shall," makes it clear that the Commission cannot regulate pricing for charging services offered by non-utilities. If a utility desires to own charging stations, RCW 80.28.320 would not pose an obstacle to pricing flexibility if the site host is the entity who manages the stations and offers charging services to drivers according to the site host's

	own needs and preferences. Such an arrangement could be accomplished through a lease agreement for the charging station, or the utility could sell electricity to the site host at a regulated rate, and the site host would determine how much to charge drivers for charging services, if it chooses to charge them at all. Charging stations must not be subsidized by the utility's regulated services if the utility is to offer pricing flexibility. In other words, as long as revenue from the charging services that the utility offers is sufficient to cover the cost of the charging stations, the charging services are not subject to UTC regulation. Utilities should be able to avoid cross-subsidization because they will be able to adjust the prices they charge for charging services. If a utility proposes to own and operate EVSE as a regulated service, the Commission should: - allow utilities to demonstrate that cross-subsidization will not occur through reasonable forecasts of expected revenue from charging services. - consider any and all factors that indicate whether the proposal would allow for flexibility and choice for site hosts and drivers. - adapt the ordinary principles of utility regulation in a flexible manner to account for the myriad needs of site hosts and drivers. - consider whether such a service is in the public interest, given that other possible ownership arrangements are more likely to provide the flexibility that is so crucial to successful EVSE deployments. - require the utility to offer customer choice and ensure interoperability, and even if the utility owns and operates the charging stations, it can and should allow site hosts to choose what type of charger is located on their property and what capabilities will be available to their customers. - ensure that a regulated utility charging service only deploys charging stations that offer interoperability and rely on national standards. - consider any and all factors that indicate whether the proposal would allow for flexibility and choice for site hosts and drivers.