

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition to Initiate a Proceeding to Issue a Policy Statement on
Electric Utility Rate Design for Electric Vehicle Charging
Docket No. P-2022-3030743

**COMMENTS OF THE
PENNSYLVANIA DEPARTMENT OF ENVIRONMENTAL PROTECTION
&
DEPARTMENT OF TRANSPORTATION**

The Pennsylvania Department of Environmental Protection (“DEP”) and Pennsylvania Department of Transportation (“PennDOT”) appreciates the opportunity to comment on the Petition to Initiate a Proceeding to Issue a Policy Statement on Electric Utility Rate Design for Electric Vehicle Charging (“Petition”) and to address whether to initiate such a proceeding.

The DEP and PennDOT comments focus on its efforts in supporting and encouraging continuous and robust efforts through programs, education, outreach, and stakeholder efforts to date which could be further bolstered by the PUC initiating a proceeding on electric utility rate design. We encourage the Commission to use the official capacity process and format of a proceeding involving Electric Utility Rate design to advance discussions regarding benefits and opportunities of the coming electric vehicle ownership wave and how it may drive transformation of the electric distribution system’s use relative to electric vehicle (EV) charging.

Along with its stakeholders, the DEP and PennDOT’s efforts in the EV space aim to make progress along multiple pathways to support current and future deployment of EV charging and ownership in this Commonwealth. These comments describe our collective past, current, and future efforts that can support and compliment efforts by the PUC if it adopts the petition and initiates a proceeding.

As is identified in the Petition, the DEP together with the input of various stakeholders participating in the Drive Electric PA (DEPA) Coalition, including PUC Staff, developed and published “The Pennsylvania Electric Vehicle Roadmap” (“Roadmap”) in 2019. The purpose of the Roadmap was to review the state of the EV market in Pennsylvania, present a set of proposed strategies to support expansion, and estimate the potential benefits and impacts to the state from a flourishing EV market. The Roadmap and its brief update in 2021 include highlights on progress made, more actions that can be taken, and a summary of the current EV market in Pennsylvania. The Roadmap continues to stand as the primary forward-looking document in this Commonwealth to inform policymakers, business owners, and other decision makers interested in supporting EV growth in Pennsylvania.

DEP believes the Petition correctly identifies concepts included in the Roadmap which are critical to successful implementation of widespread EV adoption:

- The potential benefits for the public and for utility customers,
- The identification of several critical barriers to deployment of EVs in Pennsylvania, and

- Strategies to overcome these barriers and advance EV adoption in Pennsylvania.

One of the key strategies in the Roadmap is to encourage the development of residential and commercial EV rate designs. DEP's Energy Programs Office, using our State Energy Program formula grant funds from the U.S. Department of Energy, recently developed a scope of work and is in the process of hiring a contractor to develop an EV Electricity Rate Design Report. This report will provide an overview of the current state of electric rates in Pennsylvania as related to EV charging, identify best practices for EV rate designs from around the country, and make recommendations for the design and implementation of rates in Pennsylvania in order to:

- Maximize the economic benefits of EVs
- Minimize any negative impacts of EV charging to electric distribution grids
- Maximize the environmental benefits of EVs
- Facilitate widespread EV charging availability, including publicly accessible DC fast charging stations

The Petition correctly identifies \$171 million coming to Pennsylvania over a five-year period to support the expansion of an EV charging network. PennDOT has been working with various stakeholders as part of the National Electric Vehicle Infrastructure (NEVI) formula funding required state plan development. As part of those conversations, PennDOT has heard the desire from both the EVSE companies and other stakeholders that there be consistent rates. And from an equity perspective, ensuring that charging rates do not unfairly impact small businesses and customers.

The scope of work for the EV Rate Design Report includes significant stakeholder engagement to ensure the best chance for buy-in at the utility level and future proposals of rates beneficial to EV use. Stakeholder input from electric distribution companies, EV charging companies, consumer and environmental advocacy groups, and environmental justice organizations will be vital to ensuring that results of the study will be meaningful and actionable.

A key element of the Report will be to share its outcomes effectively and to communicate the results and recommendations to stakeholders. A process such as described in the Petition to initiate a proceeding would provide this forum. DEP expects the Rate Design Report to be complete in the fourth quarter of 2022 or first quarter of 2023. The Report could provide a firm foundation for further activities to support EV rate design activities by the PUC, or could include information gained from the PUC's proceeding, if pursued concurrently.

In addition to supporting EV rate design activities, a proceeding may serve to highlight various complimentary ongoing efforts to advance charging investment, establish marketing, education and deliver technical assistance to Pennsylvanians. The departments currently are:

- Jointly coordinating public quarterly meetings to share the latest EV information with stakeholders interested in EV policy and programs.
- Organizing DEPA Coalition members to perform future EV public outreach events such as the 2020 National Drive Electric Week webinar series and the 2021 EV Lunch and Learn series.

- Working with both the Electrification Coalition and with automobile dealerships to plan and deliver education and outreach programming.
- Managing a rebate program for individuals that purchase EVs.
 - Consumers have received thousands of rebates for EVs most of which are charged primarily at people's homes.
- Operating several EV and charging equipment incentive programs including the Driving PA Forward Program and Alternative Fuel Vehicle Incentive Grant (AFIG) Programs.
 - DEP's Driving PA Forward program has supported projects to install 52 DC fast charging plugs in 18 locations and 1,400 Level 2 charging plugs in 400 locations. More than 400 additional plugs are currently being installed. The Alternative Fuels Incentive Grant program has supported projects to install 52 DC fast charging plugs in 11 locations and 56 Level 2 plugs in more than 20 locations. Level 2 charging plugs supported by these programs are primarily installed at workplaces, multi-unit dwellings, and in public places.
 - 13 out of 18 projects in the most recent round of 2021 AFIG awards announced were for electric fleet vehicles, charging infrastructure, or EV research.
- Developing the NEVI state plan including a series of stakeholder engagement sessions and creating a survey tool to capture public feedback.
- Established [EV Equity Guiding Principles](#) to ensure equity is considered at all levels of EV charging infrastructure planning and deployment.

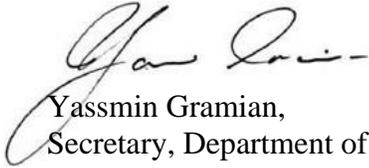
In conclusion, efforts across this Commonwealth to support the growing market of EVs could be bolstered by strategic rate design. Should the PUC issue a policy statement in its efforts to initiate a proceeding, the DEP and PennDOT would support such an effort through ongoing initiatives including the forthcoming EV Electricity Rate Design Report, and provide additional information and assistance as needed.

Based on information available in the EV Roadmap, DEP believes that effective rate design could result in an increased penetration of EVs which has the potential to provide significant environmental, health and climate benefits to Pennsylvania. An effective EV rate design could reduce customer rates if increased electric usage is managed properly. Further, a significant increase in the electrification of our transportation sector powered by domestic in-state electricity generated by Pennsylvanians, for Pennsylvanians, through an ever-increasing portion of clean energy resources is in the interest of both the PUC and our stakeholders. DEP and PennDOT encourage the PUC to consider a wide range of parameters and solutions that will result in expanding utilization scenarios for all vehicle classes and use cases.

We appreciate the opportunity to comment on this matter and look forward to the potential environmental benefits of further enabling EV technology as it allows for new and greater uses of existing domestic electric energy assets as well as future development and use of Pennsylvania-deployed zero emission electricity generation. The departments look forward to working with the PUC and providing any additional input if needed. Should you have any additional questions, please contact David Althoff Jr., Director, Energy Programs Office, by e-mail at dalthoff@pa.gov or by telephone at 717.783.0542.



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