



Mary Krayeske
Associate Counsel
Law Department

December 14, 2018

Honorable Kathleen Burgess
Secretary
State of New York Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Re: **Case 18-E-0138 – Proceeding on Motion of the Commission Regarding Electric Vehicle Supply Equipment**

Dear Secretary Burgess:

Attached please find for filing the *Joint Utilities Statement in Support of Consensus Proposal* on behalf of Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation.

If there are any questions, please contact me.

Sincerely,

/s/ *Mary Krayeske*

Mary Krayeske

Attachment

NEW YORK STATE
PUBLIC SERVICE COMMISSION

-----X
Proceeding on Motion of the
Commission Regarding Electric Vehicle
Supply Equipment and Infrastructure
-----X

Case 18-E-0138

JOINT UTILITIES STATEMENT IN SUPPORT OF CONSENSUS PROPOSAL

I. INTRODUCTION

The Joint Utilities¹ submit this Statement in Support of the *Proposal to Encourage Statewide Deployment of Direct Current Fast Charging Facilities for Electric Vehicles* (“Consensus Proposal”) pursuant to the New York State Public Service Commission’s (“Commission”) November 23, 2018 *Notice Soliciting Comments*.² The Consensus Proposal establishes an incentive program to encourage deployment of public direct current fast charging (“DCFC”) stations. The proposal calls for each utility to provide an annual per-plug incentive in support of the development of public DCFC stations.³ It was developed jointly by the Joint Utilities, New York Power Authority (“NYPA”), New York State Department of Environmental Conservation (“NYSDEC”), New York State Department of Transportation (“NYSDOT”), New York State Energy Research and Development Authority (“NYSERDA”), and the New York State Thruway Authority (“NYSTA”) (collectively, the “Signatory Parties”).

The Signatory Parties filed the Consensus Proposal with the Commission on November 20, 2018.

The Consensus Proposal calls for a limited incentive to increase the number of DCFC stations and maintains the current demand charge rate structure. The Signatory Parties believe that the proposed incentive will add DCFC stations and encourage the development of sufficient

¹ The Joint Utilities are Central Hudson Gas & Electric Corporation (“Central Hudson”), Consolidated Edison Company of New York, Inc. (“Con Edison”), New York State Electric & Gas Corporation (“NYSEG”), Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid”), Orange and Rockland Utilities, Inc. (“O&R”), and Rochester Gas and Electric Corporation (“RG&E”).

² Case 18-E-0138, *Proceeding on Motion of the Commission Regarding Electric Vehicle Supply Equipment and Infrastructure* (“EVSE Proceeding”), Notice Soliciting Comments (issued November 23, 2018). Comments are to be filed by December 14, 2018.

³ Since each utility has different rate structures and costs, each program is slightly different and more fully described in the utility-specific Appendices A through F of the Consensus Proposal.

charging stations so as to alleviate the range and charging anxiety of electric vehicle (“EV”) owners/drivers. Doing so will also assist New York to meet its goals for EV adoption, which will in turn help the State to meet its environmental goals, including reduction of greenhouse gas (“GHG”) emissions.

II. BACKGROUND

On April 13, 2018, NYPA *et al.* petitioned the Commission for changes to accelerate the development of DCFC stations in New York State (the “Petition”), followed shortly thereafter by the Commission instituting a proceeding focused on EVs, EV supply equipment, and accompanying infrastructure (the “EVSE Proceeding”).⁴ On July 18-19, 2018, Department of Public Service Staff (“Staff”) and NYSERDA hosted an EV Technical Conference, which included discussion of DCFC ratemaking policy,⁵ and on September 21, 2018, Staff hosted an additional working group meeting focused on rate design.⁶ The EVSE Proceeding stakeholder sessions and subsequent comment period resulted in robust stakeholder participation and discussion of DCFC ratemaking.

Prior to the EV Technical Conference, NYPA engaged the Joint Utilities in discussions, particularly on the model NYPA developed regarding the projected costs of the DCFC stations that it has pledged to install on the New York State Thruway and in other key travel corridors. As part of that effort, at the September 21, 2018 Staff working group meeting,⁷ Con Edison proposed an annual per-plug incentive program to offset annual operating costs for DCFC stations. This per-plug incentive was in addition to a discounted electric delivery rate that Con Edison offers eligible public DCFC stations under its current Business Incentive Rate.⁸

Following the September 21, 2018 working group meeting, the Joint Utilities, NYPA, Staff, NYSERDA, the City of New York (“City”), the New York State Department of State-Utility Intervention Unit (“UIU”), and the Long Island Power Authority participated in three in-person meetings and numerous teleconference calls to discuss a statewide utility DCFC incentive proposal.

The Consensus Proposal is the culmination of an intensive process wherein the Joint Utilities and other representatives of the Signatory Parties discussed and exchanged information

⁴ NYPA, NYSDEC, NYSDOT, and NYSTA jointly petitioned the Commission requesting a switch to small commercial non-demand rates for DCFC stations in New York. EVSE Proceeding, Joint Petition for Immediate and Long Term Rate Relief to Encourage Statewide Deployment of Direct Current Fast Charging Facilities for Electric Vehicles (filed April 13, 2018) (the “Petition”). The Joint Utilities’ comments on the Petition were filed on July 23, 2018 pursuant to a request for comments that was noticed in the New York State Register, I.D. No. PSC-21-18-00044-P, pp. 47-48, on May 23, 2018. Numerous other parties, including charging station operators, environmental groups, auto manufacturers, and public entities, expressed support for an incentive rate for DCFC stations.

⁵ EVSE Proceeding, Notice of Technical Conference (issued May 25, 2018).

⁶ Staff hosted a working group meeting on September 21, 2018, to discuss rate design principles to be applied to EV charging stations. EVSE Proceeding, Notice of Working Group Meeting and Request for Post-Conference Comments (issued August 16, 2018).

⁷ *Id.*

⁸ Case 17-E-0814, *Tariff Filing by Consolidated Edison Company of New York, Inc. to Modify Its Electric Tariff Schedule, P.S.C. No. 10, to Expand the Scope of Its Economic Development Business Incentive Rate to Include an Electric Vehicle Quick Charging Station Program*, Order Approving Tariff Amendments (issued April 24, 2018).

to develop a proposal that is based on shared principles and supports the goals of all parties involved to achieve the desired outcome. In addition, subsequent to filing the Consensus Proposal, the Joint Utilities hosted a webinar to explain the proposal to interested parties⁹ and answer attendees' questions.

III. THE COMMISSION SHOULD APPROVE THE CONSENSUS PROPOSAL

The Consensus Proposal is just, reasonable, and in the public interest. The Joint Utilities note that the proposal resolves the concerns raised by NYPA's petition and the Commission's settlement guidelines provide useful guidance for approving this proposal.¹⁰

Numerous parties provided comments on the Petition pursuant to the public comment process initiated by the Commission.¹¹

The Signatory Parties represent diverse interests, including the Joint Utilities and numerous state agencies. In terms of balancing the interests of customers, the utilities, and other stakeholders, the Consensus Proposal reflects compromises of the differing viewpoints of the participants. As structured, the Joint Utilities preserve the overall goal of an appropriate cost-based rate design, which includes demand charges, while also providing incentives to help develop the DCFC market. It was also important to the Joint Utilities that the Consensus Proposal adhere to shared principles while providing flexibility for individual utility tariffs and territory-specific EV markets. The Consensus Proposal recognizes that each of the utility service territories is unique and has different stakeholders, grid topologies, and fixed costs. The Joint Utilities support this diversified approach, which recognizes those differences and allows the utilities to offer different starting amounts of incentives that decline over time. This Consensus Proposal does both and thereby represents a successful collaborative approach to encouraging investment in EV infrastructure.

As explained below, the Consensus Proposal adheres to rate design principles, helps meet State climate change mandates, and falls within the range of reasonable outcomes that may have resulted if the process was litigated. The Consensus Proposal is consistent with State laws and Commission policies, is supported by a rational basis, and strikes an equitable balance among the interests of customers, investors, and other stakeholders.

⁹ A copy of the presentation utilized during the webinar conducted on November 27, 2018 was filed by the Joint Utilities in the instant proceeding. As noted in that filing, in addition to the Joint Utilities' representatives, there were 64 attendees at the webinar representing 35 different stakeholder organizations.

¹⁰ Factors the Commission considers in determining whether a settlement proposal is in the public interest include consistency with State laws and policies, whether the result compares favorably with the likely result of full litigation, a fair balance among interests of customers and utilities, and a rational basis for adopting the proposal. *Cases 90-M-0255 et al., Proceeding on Motion of the Commission Concerning its Procedures for Settlement and Stipulation Agreements, filed in C 11175, Opinion, Order and Resolution Adopting Settlement Procedures and Guidelines (Opinion No. 92-2)(issued March 24, 1992.)*

¹¹ Petition, *supra* note 4.

A. The Consensus Proposal Adheres to Principles Supported by the Commission

The design of the DCFC station per-plug incentive program across all the utilities supports certain rate design and other principles adopted in the Commission’s REV Track Two Order, including cost causation, fair value, economic sustainability, and policy transparency:¹²

- Cost causation - DCFC stations will take service under the appropriate electric rate schedule, which includes demand charges, so that operators are encouraged to manage their demand levels to manage bills (as well as system impacts) over the course of the incentive and over the long term after the incentives have expired. Encouraging load management by use of pricing signals coupled with the provision of gradually phased-out incentives is an economically sustainable approach for spurring and transitioning the market as utilization increases over time.
- Fair value - Customers should pay the utility fair value for services provided.
- Economic sustainability - Program design reflects a long-term approach by establishing a declining incentive and program term of seven years. DCFC station operators are provided limited-term cost relief to address an interim period of low-charging utilization levels. Economic and business principles mean that DCFC station operators will continue to have an incentive to site stations where there will be increased utilization as EV sales grow.
- Policy transparency - Incentives are explicit and transparent, and support state policy goals to reduce GHG emissions.

B. The Consensus Proposal Supports New York State Emissions Reductions Goals

The Joint Utilities have previously articulated their support of efforts to reduce GHG emissions and recognition of the importance of electrifying the transportation sector to achieve New York State’s GHG emissions reductions goals.

Encouraging the deployment of DCFC stations with the implementation of incentive programs as contained in the Consensus Proposal is only part of the solution to electrifying the transportation sector; however, it is an important contribution that supports collective efforts to accelerate deployment of DCFC stations and ultimately EVs. Having more DCFC stations available in publicly accessible areas may help to encourage customers to purchase EVs and thereby contribute to New York State’s GHG emissions reductions goals and zero emission vehicle (“ZEV”) mandates.

¹² Case 14-M-0101, *Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision* (“REV Proceeding”), Order Adopting a Ratemaking and Utility Revenue Model Policy Framework (issued May 19, 2016)(“REV Track Two Order”), App. A.

IV. CONCLUSION

The Joint Utilities believe that the Consensus Proposal is just and reasonable and recommend that the Commission expeditiously approve the Consensus Proposal.

Dated: December 14, 2018

Respectfully submitted,

<p>CENTRAL HUDSON GAS & ELECTRIC CORPORATION</p> <p>By: <i>/s/ Paul A. Colbert</i></p> <p>Paul A. Colbert Associate General Counsel- Regulatory Affairs Central Hudson Gas & Electric Corporation 284 South Avenue Poughkeepsie, NY 12601 Tel.: 845-486-5831 Email: pcolbert@cenhud.com</p>	<p>NEW YORK STATE ELECTRIC & GAS CORPORATION and ROCHESTER GAS AND ELECTRIC CORPORATION</p> <p>By: <i>/s/ Mark Marini</i></p> <p>Mark Marini Director – Regulatory New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation 89 East Avenue Rochester, New York 14604 Tel.: 585-724-8197 Email: Mark_Marini@rge.com</p>
<p>CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. and ORANGE AND ROCKLAND UTILITIES, INC.</p> <p>By: <i>/s/ Mary Krayeske</i></p> <p>Mary Krayeske Associate Counsel Consolidated Edison Company of New York, Inc. and Orange and Rockland Utilities, Inc. 4 Irving Place New York, NY 10003-0987 Tel.: 212-460-1340 Email: Krayeskem@coned.com</p>	<p>NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID</p> <p>By: <i>/s/ Janet M. Audunson</i></p> <p>Janet M. Audunson Assistant General Counsel National Grid 300 Erie Boulevard West Syracuse, New York 13202 Tel.: 315-328-3411 Email: janet.audunson@nationalgrid.com</p>