

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

CASE 18-E-0138 - Proceeding on Motion of the Commission Regarding Electric Vehicle
Supply Equipment and Infrastructure.

ORANGE AND ROCKLAND UTILITIES, INC.

MANAGED CHARGING PROGRAM FOR MASS MARKET CUSTOMERS

Pearl River, New York
December 4, 2020

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Introduction

As directed by Ordering Clause 13 of the Public Service Commission’s (“Commission”) Order Establishing Electric Vehicle Infrastructure Make-Ready Program and Other Programs, issued July 16, 2020 (“Order”), in the above-referenced proceeding, Orange and Rockland Utilities, Inc. (“O&R” or the “Company”) submits for filing its proposed Managed Charging Program for Mass Market Customers (“Program”). O&R’s proposed managed charging program is intended to both educate and incent EV owners to charge their vehicles during off-peak periods, so as to develop habits that will assist in managing any future demand increases. This will minimize system reliability risks, provide customer benefits, and support the State’s clean energy and decarbonization goals.

Program Description

The Program is a passive managed charging effort to influence the behavior of mass market customers to encourage off-peak EV charging. This will allow the Company to optimize the electric grid by shifting EV related electric consumption to lower demand periods. As EV adoption increases in O&R’s service territory, managed charging to encourage EV owners to charge off-peak will be crucial to optimizing system load and minimizing system peaks. The Program is aimed at developing and encouraging mass market customers’ off-peak charging behavior. O&R intends to assess opportunities to advance this passive managed charging program and to develop active managed charging offerings through the managed charging and vehicle-to-grid stakeholder working group to be organized by Department of Public Service Staff.

The Program will rely on influencing customer EV charging behavior through price-based management techniques – such as offering incentives – to motivate EV owners and operators to charge their EVs during off-peak periods. The Company will provide those customers who participate in the Program with hardware or software-based solutions that will monitor charging behavior. These solutions will register the location and time of charging. Customers will receive an incentive for charging in O&R’s service territory during off-peak periods.

The Company will oversee and administer the Program and will rely on a third-party vendor(s) to interact with the customer and execute the Program. The third-party vendor(s) will

be responsible for the following activities: participant enrollment and onboarding; management of an online web-portal; quality control and fraud prevention; incentive payment processing and distribution; and development of dashboards and reports for the Company's review.

The Program targets to enroll a total of 300 participants – approximately 100 per year – over the Program's three-year term. O&R will provide program details and enrollment instructions on the Company's EV web page,¹ and will promote the Program in partnership with selected third-party vendor(s) through typical marketing channels which may include email, bill inserts, direct mail, press releases, and/or social media. Enrollment will be on a first come, first served basis. All participants, including those enrolled in the final year of the Program, will receive three years of incentives.

The Company currently projects that the Program will cost approximately \$800,000. The Company will offer participants a \$150 up-front enrollment bonus to cover startup costs and will offer up to \$500 per year to participants who charge their EVs during off-peak periods. Participants will receive \$5.00 per month for active participation (*i.e.*, keeping the hardware plugged in, or software turned on), \$0.10 per kWh of charging during off-peak hours, and an additional \$20 per month when they avoid charging during peak hours (*i.e.*, 2:00 pm to 6:00 pm) on summer weekdays.

In approving the Program, the Commission should approve a funding mechanism that will allow the Company to recover Program costs on a timely basis. O&R plans to file an electric base rate case in early 2021 ("Rate Case"). O&R intends to seek funding for the Program in such rate case filing. If the Commission approves the Program and directs O&R to implement it prior to the Commission's issuance of a rate order in the Rate Case, the Commission should authorize the Company to recover Program costs on an interim basis through its Energy Cost Adjustment mechanism.

The Program will supplement and provide an alternative to the Company's existing Time-Of-Use ("TOU") rate offering. For example, O&R's TOU rate provides that customers will pay no more than the otherwise applicable rate for off-peak charging. As noted above, to supplement the TOU rate, the Program will provide customers with monetary rewards for charging during off-peak periods. Customers already enrolled in O&R's TOU rate will be eligible to participate in the Program, but the Company will adjust Program rewards to account for the cost savings achieved through the TOU rate offering.

The Program establishes a new channel of communication between the Company and its customers. The Company plans to leverage this channel to encourage customer participation in other clean energy programs and technologies. The Company will employ the lessons learned from managing this passive managed charging program to inform the design and development of future active managed charging and vehicle to grid capability and programs.

¹ <https://www.oru.com/en/our-energy-future/technology-innovation/about-electric-vehicles>