Case 18-E-0138 – Electric Vehicle Supply Equipment and Infrastructure

Rate Design Principles Working Group

September 21, 2018
Background

- Commission directed Staff to issue a White Paper addressing, among other things:
  - Whether utility tariffs and demand charges should be adjusted for EVSE&I owners
  - Potential utility roles in supporting EVSE development

- The purpose of this working group is to inform Staff on tariff and rate issues to aid in development of the White Paper
Guiding Principle

- Cost allocation and rate design principles for EVSE rates have not been stated by the Commission in this proceeding.

- The Commission adopted rate design principles in its REV Track Two Order (14-M-0101).

- Rates structures for EVSE should follow the same principles.
Guiding Principle

• Rate Design Principles in its REV Track Two Order (14-M-0101)
  
  o **Cost causation** - Rates should reflect cost causation, including embedded costs as well as long-run marginal and future costs.
  
  o **Fair value** - Customers should pay the utility fair value for services provided.
  
  o **Economic sustainability** - Rate design should reflect a long-term approach to price signals and the ability to build markets independent of any particular technology or investment cycle.
  
  o **Encourage outcomes** - Rates should encourage desired market and policy outcomes in a technology neutral manner.
  
  o **Policy transparency** - Incentives should be explicit and transparent, and should support state policy goals.
Guiding Principle

• The Commission has recognized the state’s transportation sector must be electrified in order to meet New York’s State Energy Plan targets of reducing greenhouse gas emission by 40 percent below 1990 levels by 2030 and 80 percent below 1990 levels by 2050

• Transparent utility programs to support EVSE development
Rate Overview

• Current Utility Delivery Rates
  o Residential and Small Commercial – Rate consists of customer charge and energy charge
  o General Demand Billed – Rate consists of customer charge, demand charge, and energy charge
  o Large General TOU - Rate consists of customer charge and time differentiated demand charge