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April 14, 2025

Hon. Michelle L. Phillips Secretary  
New York State Public Service Commission  
Three Empire State Plaza  
Albany, New York 12223-1350

Re: Case 18-E-0138 - *Proceeding on Motion of the Commission Regarding Electric Vehicle Supply Equipment and Infrastructure*, Petition for Modification of Residential Managed Charging Program

Dear Secretary Phillips:

In the above referenced proceeding, Central Hudson Gas & Electric Corporation ("Central Hudson") hereby submits this petition to the New York State Public Service Commission requesting approval to modify its Residential Managed Charging Program for the reasons explained therein.

Please contact Marwa Chowdhury at [mchowdhury@cenhud.com](mailto:mchowdhury@cenhud.com) or (845) 874-0641 if you have any questions. Thank you.

Respectfully submitted,

*/s/Marina W. Chu*

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Plan (“MCIP”) on September 26, 2022,<sup>2</sup> and an updated MCIP on January 30, 2023.<sup>3</sup> On March 8, 2023, Central Hudson filed a petition requesting that the Commission modify the Company’s Active Managed Charging Program participation incentive payment frequency.<sup>4</sup> The Commission approved the requested change in its June 23, 2023 *Order Approving Modification to Utility Managed Charging Program*.<sup>5</sup> Central Hudson subsequently filed revised MCIPs on July 21, 2023,<sup>6</sup> January 30, 2024,<sup>7</sup> and January 30, 2025.<sup>8</sup>

### **Requested Relief**

In the Order, the Commission approved Central Hudson’s Passive Program design whereby “[p]articipation incentive payments are to be designed to provide participants with discounts based on the difference between the flat \$/kWh energy charge for standard residential rates and the off-peak \$/kWh [time of use (“TOU”)] energy rate. Additionally, the participation incentive is to include a portion of the difference between the standard flat supply charges and the forecast of off-peak energy supply charges.” Therefore, the participation incentive changes monthly in accordance with monthly changes in energy supply prices.

Since launching the Program in November of 2023, the Company has enrolled over 450 customers and has continued to gain implementation experience. During this time, Central Hudson has gathered customer feedback through various means, including through an end-of-year participation survey,<sup>9</sup> which revealed participant concerns regarding the complexity and variability of the current incentive amounts and calculations.

To address these concerns, Central Hudson seeks approval to modify the Program by introducing a flat participation incentive structure for the Passive Program.

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<sup>2</sup> *Id.* at Central Hudson Managed Charging Implementation Plan (September 26th, 2022).

<sup>3</sup> *Id.* at Central Hudson Managed Charging Implementation Plan (January 30th, 2023).

<sup>4</sup> *Id.* at CHG&E Petition to Modify Managed Charging Order (March 8th, 2023).

<sup>5</sup> *Id.* at Order Approving Modification to Utility Managed Charging Program (issued June 23, 2023)

<sup>6</sup> *Id.* at Central Hudson Managed Charging Implementation Plan (July 21st, 2023).

<sup>7</sup> *Id.* at Central Hudson Managed Charging Implementation Plan (January 30th, 2024).

<sup>8</sup> *Id.* at Central Hudson Managed Charging Implementation Plan (January 30th, 2025).

<sup>9</sup> *Id.* at Central Hudson Gas & Electric Managed Charging Implementation Plan, Appendix D (January 30th, 2025).

The proposed flat incentive structure would simplify the Program, making it more transparent and contribute to increased participant engagement and retention. This adjustment directly addresses customer feedback and aligns with the Company's commitment to enhancing customer engagement and satisfaction.

### **Proposed Incentive**

Central Hudson proposes replacing the current variable Passive Program incentive with a flat \$/kWh incentive. The Company proposes to change the flat incentive annually based on the prior program year's average supply rate and average delivery rate savings amounts, which will be calculated and included within each iteration of the Managed Charging Implementation Plan ("MCIP"), filed January 30<sup>th</sup> of each year. Contemporaneously, Central Hudson will file the necessary tariff changes reflecting the new flat incentive amount which will take effect thirty (30) days following the filing. The incentives will be shown on a Statement of Residential Managed Charging Participation Incentives.

For the program year 2025, Central Hudson proposes to set the Passive Program incentive at \$0.05/kWh. This incentive amount is derived from the prior program year's data,<sup>10</sup> when the average supply rate savings was \$0.0355/kWh and the average delivery rate savings \$0.0107/kWh, totaling to a savings rate of approximately \$0.0462/kWh. Rounding to \$0.05/kWh (\$0.01 for the delivery incentive paid to all customers and \$0.04 for the supply incentive paid to customers purchasing their supply from Central Hudson) simplifies the incentive structure and enhances customer understanding. Attachment 1 details the calculation used to determine the incentive amount. The Company proposes to implement the change 30 (thirty) days following a Commission order, including providing notice to participants of the change and filing tariff amendments.

The proposed flat incentive structure is reasonable and within the Commission's established framework for managed charging programs. By using the prior year's program data to determine the flat incentive, the modification ensures fairness and

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<sup>10</sup> *Id.*

consistency while addressing customer concerns. Additionally, determining the annual incentive amount based upon the prior calendar year's data, rather than a forecast of future rates, is the appropriate method because monthly supply rates are not forecasted by the Company. Further, changes in supply and delivery rates that occur during each program year will be reflected in the incentive amount implemented the following year.

The primary benefits of the proposed modification include:

1. Enhanced Customer Satisfaction: Addresses customer feedback by providing a clear and straightforward incentive structure that promotes retention and engagement.
2. Reduced Implementation Costs: A flat incentive simplifies calculation and payment processes, and reduces the time spent explaining the monthly incentive changes to customers. These efficiencies will lead to implementation cost savings and ultimately reduce Program costs recovered from ratepayers.
3. Sustained Behavioral Engagement: Reducing volatility in incentive amounts encourages consistent off-peak charging behavior, minimizing customer confusion and disengagement (i.e. a low savings rate in a given quarter may lead to a lapse in off-peak charging behavior).

### **Cost Recovery**

Central Hudson proposes recovering the costs associated with the modified incentive structure through the existing Energy Cost Adjustment Mechanism ("ECAM") and Revenue Decoupling Mechanism ("RDM"). The supply portion of the incentive, as shown on the Statement of Residential Managed Charging Participation Incentives will be recovered through ECAM and the delivery portion of the incentive, as shown on the statement, will be recovered through the RDM. The Company will continue to recover incentive costs on a quarterly basis.

### **Proposed Tariff Changes**

In Attachment 2, Central Hudson has included proposed modifications to electric leaf 167.1 to a) reflect the change in incentive methodology described in this petition and b) reference the aforementioned statement which will set forth updated incentive

amounts on an annual basis. In addition, Attachment 2 includes a draft Statement of Residential Managed Charging Participation Incentives. The Company expects a Commission Order addressing this petition would also direct associated compliance tariff changes to effectuate the incentive change proposed herein.

## **Conclusion**

Central Hudson respectfully requests that the Commission approve the proposed modification to the Residential Managed Charging Program's Passive Program incentive structure. Upon approval, the Company will implement the change promptly by leveraging 2024 program data. The changes will be reflected in the Company's next Managed Charging Implementation Plan.

Dated: April 14, 2025

## **CENTRAL HUDSON GAS & ELECTRIC CORPORATION**

By: /s/ Marina W. Chu

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