CENTRAL HUDSON GAS & ELECTRIC IMMEDIATE SOLUTIONS IMPLEMENTATION PLAN

Filed March 20, 2023

Case 22-E-0236

Pursuant to New York Public Service Commission's January 19, 2023 *Order Establishing Framework for Alternatives to Traditional Demand-Based Rate Structures*

Contents

0. Version Control

Revision Effective Date	Changes

1. Introduction

1.1 Background and Summary of Order

On January 19, 2023, the New York Public Service Commission ("PSC" or "Commission") issued an Order[1] requiring the Joint Utilities[2] to implement Immediate Solutions to relieve operating costs for commercial electric vehicle ("EV") charging customers, including a Demand Charge Rebate that provides a 50 percent rebate against traditional demand charges for public Direct Current Fast Charging ("DCFC") sites. Additionally, the EV Rate Design Order requires that the Upstate Utilities[3] offer the same rebate to all eligible commercial charging customers. The program will continue until the Order's required Near-Term[4] Solution becomes operational. This document details Central Hudson's proposed implementation of the Immediate Solution.

2. Immediate Solution

2.1 Demand Charge Rebate Implementation

2.1.1 Eligibility Criteria

Central Hudson will establish eligibility for the rebate through the computation of a Charging Ratio, where the customer's maximum EV charging capacity (in kW) is equal to or greater than 50% of their maximum site demand. For customers that separately meter their EV load, the Charging Ratio will be equal to 100%. For all other customers, the Charging Ratio is defined as the ratio of the sum of the EV charging capacity in kW to the sum of the maximum simultaneous demand of all load on the account in kW. The Charging Ratio shall be determined at the time of application and shall remain the Charging Ratio until such time that the Customer provides a new load letter; however, the Company reserves the right to re-evaluate the Charging Ratio and program eligibility subsequent to application for service. The customer's maximum potential load will be defined by the customer's load letter generated as part of new or additional electric service request. An updated load letter may be requested to establish eligibility for the program if the load letter on file is outdated. The Charging Ratio computation will be updated when a customer makes any changes to their loads (i.e., EV charging load, non-EV loads, or both).

2.1.2 Incentive Structure

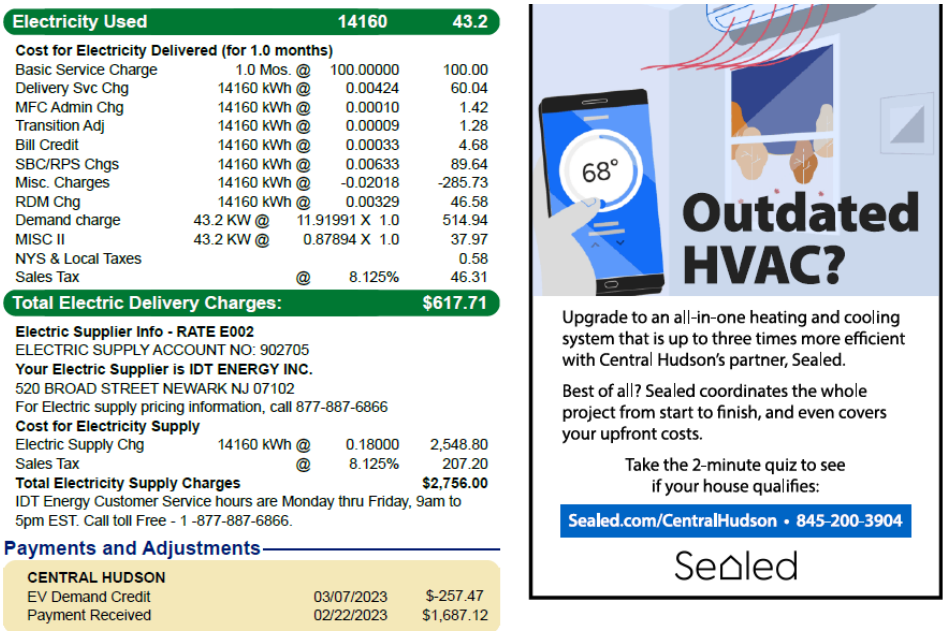
[1] Case 22-E-0236, *Proceeding to Establish Alternatives to Traditional Demand-Based Rate Structures for Commercial Electric Vehicle Charging* (EV Solution Proceeding), Order Establishing Framework for Alternatives to Traditional Demand-Based Rate Structures (issued January 19, 2023) (EV Rate Design Order or Order).

[2] The Joint Utilities are Central Hudson Gas & Electric Corporation (Central Hudson or the Company), 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 & Rockland Utilities, Inc. (O&R), and Rochester Gas and Electric Corporation (RG&E).

[3] The Upstate Utilities are Central Hudson, NYSEG, National Grid, and RG&E.

[4] The Order adopts an EV Phase-In Rate as the Near-Term Solution p.31.

The rebate will be determined for each billing period by taking the billed Demand Delivery Charges multiplied by the Charging Ratio multiplied by 50%. The rebate amount will be listed as a bill credit under the Payments and Adjustments section on a customer's monthly statement. This will allow customers to easily identify the rebate amount and period. Below is a visual meant to show where a customer may expect to view the Demand Charge Rebate on their bill.[5]



Electricity Used		14160	43.2
Cost for Electricity Delivered (for 1.0 months)			
Basic Service Charge	1.0 Mos. @	100.00000	100.00
Delivery Svc Chg	14160 kWh @	0.00424	60.04
MFC Admin Chg	14160 kWh @	0.00010	1.42
Transition Adj	14160 kWh @	0.00009	1.28
Bill Credit	14160 kWh @	0.00033	4.68
SBC/RPS Chgs	14160 kWh @	0.00633	89.64
Misc. Charges	14160 kWh @	-0.02018	-285.73
RDM Chg	14160 kWh @	0.00329	46.58
Demand charge	43.2 KW @	11.91991 X 1.0	514.94
MISC II	43.2 KW @	0.87894 X 1.0	37.97
NYS & Local Taxes			0.58
Sales Tax	@	8.125%	46.31
Total Electric Delivery Charges:			**$617.71**

Electric Supplier Info - RATE E002
ELECTRIC SUPPLY ACCOUNT NO: 902705
Your Electric Supplier is IDT ENERGY INC.
520 BROAD STREET NEWARK NJ 07102
For Electric supply pricing information, call 877-887-6866

Cost for Electricity Supply			
Electric Supply Chg	14160 kWh @	0.18000	2,548.80
Sales Tax	@	8.125%	207.20
Total Electricity Supply Charges			**$2,756.00**

IDT Energy Customer Service hours are Monday thru Friday, 9am to 5pm EST. Call toll Free - 1 -877-887-6866.

Payments and Adjustments

CENTRAL HUDSON		
EV Demand Credit	03/07/2023	$-257.47
Payment Received	02/22/2023	$1,687.12

2.1.3 Participation Requirements

Interested participants can apply for the Demand Charge Rebate by downloading an application from the Company website. The application includes the applicant's name, contact information, EV site documentation including receipts or invoices as well as proof of the installation from a certified electrician. The Company will determine acceptance, calculate the customer's Charging Ratio, and communicate these results to the Customer.

2.1.4 Program Timeline

Central Hudson plans to begin accepting applications for the Demand Charge Rebate shortly after a Commission Order, expected in summer 2023[6]. The Demand Charge Rebate will remain available to eligible Customers until such time as the EV Phase-In Rate Solution as described in the Commission's January 19, 2023, EV Rate Design Order is made available to customers.

[5] The visual is an illustrative example and the actual description may differ.
[6] Order, p. 9.

2.2 Program Marketing and Outreach

2.2.1 Marketing, Outreach and Education

Outreach and education are central to the success of the Demand Charge Rebate. Central Hudson regularly communicates with its customers about EVs through a range of channels, including e-newsletters, social media, events, press releases, websites, direct mail, and advertisements.

Central Hudson will primarily focus on two core audiences to identify potential participants: 1) Make-Ready Participants; and 2) EV project developers and other stakeholders.

Make-Ready Participant Outreach

Central Hudson will conduct an outreach campaign targeted at Make-Ready program participants. Tactics include direct mail, personal outreach, bill inserts or flyers. Through these various outreach tactics, Central Hudson will direct customers to program information on the Company website where they may learn more about the program and obtain a copy of the application.

EV Project Developers and Stakeholder Outreach

Other key audiences that Central Hudson will seek to engage are project developers and other stakeholders who populate the New York EV charging industry. Central Hudson will leverage existing outreach efforts with Make-Ready trade allies and developers to incorporate information about the launch of the Demand Charge Rebate program. This includes frequently-asked-questions guides and webinars about the application process. Through these various entry points, Central Hudson will direct EV project developers and other interested parties to the Demand Charge Rebate program information on its website.

2.3 Cost Estimate

2.3.1 Cost Forecast

To estimate the cost required to support the Demand Charge Rebate program, Central Hudson analyzed Make-Ready program participants and their corresponding onsite electricity usage data. To qualify for the program, a 50% charging ratio must be achieved, meaning that the charger rating must be greater than or equal to 50% of the maximum demand at the site as described previously.

A low cost estimate was calculated by summing the average monthly maximum demand multiplied by the calculated charging ratio, then multiplied by the matched electricity demand charge rate by site, multiplied by the 50% rebate. If there was no utility data, then the EVSE

capacity was used as a proxy of the monthly maximum demand multiplied by an 80% peak demand coincidence rate.

A high cost estimate was calculated by taking the higher kW value of either the max demand throughout the 12-month period by site or the total EVSE capacity onsite.

To account for costs from future plug growth, Central Hudson's Make-Ready Program project pipeline was used as a baseline. The Company developed a monthly cost-per-plug by dividing the number of plugs estimated to be complete through 2025 by the estimated monthly rebate calculated in the analysis of Make-Ready Program data described above.

To calculate the estimated total cost of the Demand Charge Rebate, Central Hudson averaged the low and high ranges of the forecast and assumed a 16-month program time period. Total costs include Demand Charge Rebate incentive costs and Implementation and Administration costs, which consist of:

- Marketing: Any costs by the company in marketing the Demand Charge Rebate program, including flyers, brochures, email outreach etc.
- Program Administration: Internal staffing needs.
- IT Requirements: Costs associated with upgrading billing software to allow for the Demand Charge Rebate program to function.
- Evaluation: Costs associated with hiring a third party to review the Demand Charge Rebate and provide any recommendations once there is experience to evaluate.

Estimated Total Cost[7]	
Demand Charge Rebate	$550,00
Implementation & Administration Costs	$87,000
Total Estimated Demand Charge Rebate	$637,000

2.3.2 Cost Recovery

Central Hudson will recover Demand Charge Rebate costs from all delivery customers on a one-year lag basis through the existing EV Make-Ready surcharge mechanism, with costs allocated among service classes using the transmission and distribution revenues allocator, recovered on a per-kW basis for demand-billed customers and on a per-kWh basis for non-demand billed customers. This is further detailed in the accompanying draft tariff leaves included as Appendix 1. Central Hudson proposes to recover the incremental labor costs associated with the Demand Charge Rebate through the EV Make-Ready surcharge.

[7] Cost estimates are based on projected participation and charging station utilization which are subject to change.

2.4 Accounting Details

2.4.1 Expenditure Tracking

Central Hudson plans to issue Demand Charge Rebates via bill credits, which will be deferred as a regulatory asset in Work Order 3900A (182.94) amortized over a 5-year period with carrying charges at the utility's pretax overall weighted average cost of capital which will be accrued in WO 3902A (182.98). The recovery of the annual portions will be through the EV Make Ready surcharge mechanism and will be recorded under Work Order 3901A (182.94), allocated to all customers using the transmission and distribution revenues allocator, and recovered from demand-billed customers on a per-kW demand basis, and from non-demand billed customers on a per-kWh energy basis.

2.5 Evaluation

2.5.1 Overview

Central Hudson will work with an independent third-party evaluation vendor to review program performance, including assessments as directed in the Order.[8] At a minimum, the evaluation will:

1. Assess the impact of the Demand Charge Rebate on deployment of EV charging;
2. Assess the costs and benefits of the program and their impacts on low- and moderate-income customers and Disadvantaged Community residents; and
3. Identify lessons learned from program implementation.

Central Hudson will seek to balance evaluation cost with a reasonable level of evaluation rigor, considering the ease in accessing data for analysis, the level of confidence provided by analysis activities, the cost of analysis activities, and the size and influence of the program. Central Hudson will work with the evaluation vendor to design a final evaluation plan; activities may include those listed in the table below.

Evaluation Objectives	Possible Data Collection and Analysis Tasks
Assess impact on deployment of EV charging.	• Market research • Program data review • Participant interviews

[8] Order, pp. 40-41.

Assess costs and benefits and their impact on LMI customers and DAC residents.	• Market research • Project mapping • Program data review • Participant interviews • Cost and benefit analysis
Identify lessons learned.	• Market research • Program data review • Program materials review • Participant interviews

2.6 Tariff Leaves

2.6.1 Demand Charge Rebate

As directed in the EV Rate Design Order, the Company has included draft tariff leaves to address customer eligibility for the Demand Charge Rebate. Redlined and clean copies of the necessary draft tariff leaves are included as Appendices 1 and 2, respectively.

2.6.2 Standby Exemptions

As directed in the EV Rate Design Order, customers with energy storage systems with inverter capability greater than one megawatt and less than or equal to the sum of nameplate EV charging capability will be exempt from standby rates, provided that such installations meet all other applicable interconnection and standby service requirements. Redlined and clean copies of the draft tariff leaves necessary to implement this exemption are included as Appendices 1 and 2, respectively.

3. Glossary: Abbreviations, Acronyms and Definitions

Applicant	Any entity who has submitted program registration details to Central Hudson but has not yet been accepted.
Application Portal	Customer facing portal to be used for application and program details
Approved Contractor	An entity that has been approved by Demand Side Management to work at Central Hudson.
CLCPA	Climate Leadership and Community Protection Act
Commission or PSC	New York Public Service Commission
Company	Central Hudson Gas & Electric Corp. (Central Hudson)
Customer	A person or organization that is billed for Central Hudson electric service

DCFC	Direct Current Fast Charger. Electric vehicle chargers characterized by its improved charging capability vs. Level 2 (L2) chargers.
EV	Electric Vehicle. Any zero- or plug-in-hybrid electric vehicle, as defined by the New York State Department of Transportation. Any plug-in electric vehicle (BEV or PHEV).
EVSE	Electric Vehicle Supply Equipment. Electrical conductors, related equipment, software, and communications protocols that deliver energy efficiently and safely to the vehicle. EVSE includes L1, L2 (208/240V) and DCFC (480 V) chargers. And communicates charge data via Wi-Fi or a cellular connection.
Joint Utilities	Joint Utilities of New York, a consortium of energy service providers who frequently collaborate on state programs.
L2	Level Two electric supply equipment, generally defined as offering between 7.5-20kW of charging capability.
LD	Light-duty vehicles defined as class 1-2 by the US Department of Transportation with a gross vehicle weight under 10,000 lbs.
MRP	Make-Ready Program to support the development of electric infrastructure and equipment necessary to accommodate an increased deployment of EVs within New York State by reducing the upfront costs of building charging stations.
Managed Charging Program	A utility managed charging program offers participants financial rewards for adopting grid-beneficial behavior. Can be active, where customer behavior is driven in response to direct utility signals, or passive, where the customer is free to participate or not based on their response to a price signal.
MHDV	Medium- and heavy-duty vehicles. Defined as vehicles that fall into US Department of Transportation's vehicle classes 3-8 and with a gross vehicle weight of over 10,000 lbs.
Participant	Any accepted applicant participating in and/or receiving program incentives.
Service Classification (SC)	Service class. Electric service delivered under one of Central Hudson's tariffs, as filed with the PSC.
Staff	Staff of the Department of Public Service.

4. Appendices

Appendix 1: Demand Charge Rebate Redline Draft Leaves

Appendix 2: Demand Charge Rebate Draft Leaves