



May 11, 2020

VIA ELECTRONIC FILING

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

Re: Reply Comments on the Department of Public Service Staff's Make-Ready Whitepaper in Case No. 18-E-0138: Proceeding on Motion of the Commission Regarding Electric Vehicle Supply Equipment and Infrastructure.

Dear Secretary Phillips:

Tesla, Inc. ("Tesla") appreciates the opportunity to provide reply comments for the Public Service Commission's ("Commission") consideration in the above referenced matter. On April 27, 2020, Tesla and other parties filed opening comments in response to the Department of Public Service Staff's ("Staff") Whitepaper Regarding Electric Vehicle Supply Equipment and Infrastructure Deployment ("Whitepaper") which was issued on January 13, 2020. As evident in the opening comments from stakeholders, there's a significant amount of interest in transportation electrification and a variety of perspectives about how to accelerate electric vehicle ("EV") adoption and charging infrastructure in New York. While there are differing perspectives on specific mechanisms and aspects of utility programs, there is uniform recognition that establishing a make-ready program is integral to achieving New York's climate and clean transportation goals.

Tesla's opening comments recommended that Staff's Make-Ready Program be streamlined, equitable to all use cases and applicants, and separated into a front-of-the-meter program and behind-the-meter program to provide applicants with additional flexibility. In a similar vein, Tesla herein offers additional recommendations and support for simplifying the Make-Ready Program, while also providing reactions to opening comments filed by the Joint Utilities ("JU").

Focus on the Fundamentals of Make-Ready Programs First

The concept of "make-ready" is an extension of utilities' core competencies of line extensions and establishing electrical service where a customer requests it. Make-ready programs, in their most basic form, are about electrical service access, not about how the customer ultimately consumes electricity,



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the technology or standards the customer employs, or rate design. Most parties, Tesla included, opined on topics and mechanisms that are not at the core of a make-ready program or line extensions but are nonetheless important for EV adoption, charging infrastructure development and grid integration.

The perspectives shared in opening comments on these topics will be invaluable for the development of complimentary electric transportation programs in New York. However, they deserve more concentrated attention and deliberation. Trying to integrate concepts like technology standards or managed charging into a make-ready framework being considered in the present may overly complicate the program and lead to unintended consequences. The more variables and constraints that are added to the program, the harder it will be to achieve the desired outcomes of more charging infrastructure at the lowest cost possible.

As an outcome in this immediate matter, the Commission should focus on approving a make-ready program design that puts all EV charging applicants on equal footing and avoid prescriptive requirements. An inclusive and straightforward program design at the onset will provide the best insights into true market demand and customer preferences, and will enable the Commission to leverage the envisioned program review period to modify the design if necessary. It would also be helpful for the Commission to build-off comments on the non-make-ready topics by providing guidance and encouragement to utilities to propose other electric transportation programs such as alternative rate designs or managed charging. Parsing alternative mechanisms from make-ready will ensure that other programs are diligently deliberated with a fulsome record.

Front-of-the-Meter Make-Ready

In our opening comments, we recommended that the Make-Ready Program be separated into a front-of-the-meter (“FOM”) track and behind-the-meter (“BTM”) track.¹ That way utilities can leverage their existing line extension and service request processes, and customers would have the option to determine the level of support they desire. As seen in Figure 1 from the JU’s opening comments, their existing line extension policies already cover a portion of FOM make-ready.² The remainder of the FOM would fall under the Make-Ready Program. There is also a clear and obvious delineation between FOM and BTM investments that would enable such a two-track design to be easily implemented.

The concept of FOM make-ready, or utility side make-ready, programs via existing tariffs was recently proposed by investor-owned utilities and supported by a number of other stakeholders in California.³ San Diego Gas & Electric proposed that the utility-side make-ready program be applicable to “the new utility service connection, transformer, conductor, connectors and conduit up to and including the electric meter, as well as civil construction work in compliance with relevant regulations.” Their tariff

¹ Opening Comments of Tesla, pg. 5.

² Opening Comments of Joint Utilities, pg. 6.

³ See California Public Utilities Commission case R.18-12-006.

would apply “to all separately metered EV charging installations in SDG&E service territory except for those installed in single-family homes.”⁴ Pacific Gas and Electric recommended that “all or portions of costs associated with utility-side EV make-ready infrastructure needed for [transportation electrification] installations could be considered core utility business and funded via utility General Rate Cases. Such a re-characterization would reduce up-front costs for utility customers installing transportation electrification.”⁵ Southern California Edison recommended that the California Public Utilities Commission “rule that the utility-side make-ready is a core utility function and authorize the utilities to propose new tariffs or rules that allow them to design, install and maintain electrical infrastructure and perform associated work on the utility side of the meter for all [transportation electrification] customers, outside of single-family homes.”⁶

Creating a FOM make-ready program for non-residential charging accounts via tariff modification will enable New York utilities to quickly launch one component of a make-ready program while other components are developed. A two-track program provides applicants with flexibility about how much make-ready support they would be interested in pursuing. Giving applicants the option to only pursue FOM make-ready through the new service request process if they choose will also help reduce the Make-Ready Program’s cost relative to the Whitepaper’s proposal. Including a two-track program at the onset will provide valuable insights into program processes and customer preferences, and enable the Commission to leverage the envisioned program review period to modify the design if necessary.

Joint Utilities Program Proposal

Tesla is generally supportive of the Make-Ready Program framework proposed by the JU because it balances program flexibility with the desired outcomes. In particular, we appreciate the JU’s recommendation that “plugs of all types including proprietary or non-proprietary plugs, public and private sites, workplaces and multi-unit dwellings, and light-duty fleets should all be eligible for the [make-ready program] on an equal basis.”⁷ It is consistent with the JU’s approach to line extensions and would ensure that any electric transportation use case is not unfairly disadvantaged. Moreover, it is aligned with Tesla’s recommendation in opening comments about enabling all use cases that provide societal benefits and grounding the make-ready program in a benefit cost analysis framework. Eligibility

⁴ San Diego Gas & Electric Company’s Reply Comments on the Transportation Electrification Framework Overview, Investor-Owned Utility Transportation Electrification Plan Development, IOU Roles, and Near-Term Investment Priorities. California Public Utilities Commission case R. 18-12-006. April 27, 2020. Pages 17-18.

⁵ Pacific Gas & Electric’s Reply Comments on Draft Transportation Electrification Framework. California Public Utilities Commission case R. 18-12-006. April 27, 2020. Page 9.

⁶ Southern California Edison’s Reply Comments on Administrative Law Judge’s Ruling Adding Staff Proposal For a Draft Transportation Electrification Framework. California Public Utilities Commission case R. 18-12-006. April 27, 2020. Pages 7-8.

⁷ Opening Comments of Joint Utilities in Case 18-E-0138. April 27, 2020. Page 17.

under the JU's proposal is also consistent with best practices from other EV make-ready programs from around the country, including Pepco's in Washington DC,⁸ and Xcel's in Colorado.⁹

Medium and Heavy Duty Fleets

While the JU didn't include medium- and heavy-duty ("MD/HD") use case eligibility, we are encouraged the JU views MD/HD electrification as "urgent" and that they are developing programs to be proposed in the near-future.¹⁰ We are looking forward to the JU filing individual MD/HD programs and to reviewing their proposals.

JU Program Application Process

One area of the JU proposal that deserves additional refinement is the application review process and how it relates to not having a defined maximum incentive level. As written, it appears the JU would evaluate applications based on their cost per plug, the number of drivers each site would serve, geographic location, and distribution of plugs. The process described in the JU's comments is based on National Grid's experience administering a make-ready program.¹¹ Tesla has not participated in National Grid's make-ready programs, so it cannot speak from experience. However as described, the process appears to imply that applications can be denied because of a utility's assessment of the project's suitability rather than being approved like a line extension request that subjects the applicant to a cost-sharing provision. Moreover, applications are approved on a quarterly basis which may add significant delays to a project.

While the JU's general framework and process for the Make-Ready Program is an improvement, the approval cadence and process are not sufficient for all business models and may hinder development. As a developer and owner of charging stations, Tesla selects sites based on similar criteria that the JU would use to review applications. But having to confirm the site's suitability with utilities likely adds an unnecessary step for many applicants and creates uncertainty. Developers and site hosts, for example, may be interested in building charging stations because of the Make-Ready Program but as described in the JU's comments, those developers may not necessarily be receive make-ready funding even though they are eligible. As a first step in the typical charging development processes, developers and site hosts enter into a site agreement together and begin designing their site in preparation for a service request and permit applications. As proposed by the JU, it appears that the first step developers and site hosts would need to take is to screen the project with the utility to ensure that the applicant has a suitable site and that they would receive the make-ready support. The proposed process can add unnecessary site design costs for developers and delays for charging deployments.

⁸ Washington DC Public Service Commission. Order No. 19983 in Formal Case 1130, filed August 2, 2019. At pg. 13.

⁹ Xcel Colorado "EV Supply Infrastructure" program. Additional information available from: https://www.xcelenergy.com/programs_and_rebates/business_programs_and_rebates/ev_supply_infrastructure

¹⁰ JU comments pg. 43

¹¹ Opening Comments of Joint Utilities, pg. 19.

The design outlined by the JU is an additional reason the Make-Ready Program should be split into two tracks. If the JU review process where applicants are not ensured a specific make-ready incentive if they meet straightforward eligibility requirements is preferred, that design should only apply to the BTM make-ready. Utility line extension processes and a FOM make-ready program provide more certainty because of the associated cost allowances and because applicants know that they'll receive a utility connection as long as the system can support it. Under a two-track make-ready program, the customer would have the option to pursue one or both of the tracks, and the utility would be able to deny a BTM application if it does not meet basic cost and suitability criteria while still enabling the customer to pursue FOM support.

Data Reporting

The JU recommend that reporting requirements described in the Whitepaper shift to an annual reporting cycle rather than quarterly. The JU notes that quarterly reporting creates a significant burden for stakeholders while providing little marginal information. Under the JU's proposal, they would still issue short-form monthly reports similar to those submitted for solar and distributed generation installations.¹² Tesla agrees that a quarterly reporting cadence can be burdensome for program participants and that there's marginal benefit to doing so. Reporting with more detailed information envisioned by the Whitepaper is more appropriate on an annual basis rather than quarterly.

The JU also asks that utilities have access to charging station data collected as part of the program in order to use the data for utility distribution planning purposes, rather than data being collected by a third party and anonymized. It goes on to say "utilities could execute non-disclosure agreements with EVSE developers and/or site hosts as needed to ensure data privacy."¹³ Prior to authorizing utilities to access session level charging data, utilities should further explain why charging session data is required for distribution planning purposes when they already have access to site-level load data via the utilities' interval meters. Additional deliberation is especially important to the extent utility ownership of charging stations is permitted,¹⁴ since utilities would be competing with third party charging stations while having access to detailed usage and cost information from all third party stations in the program. That could give utilities a competitive advantage over third party providers since those providers would not have visibility into the cost and utilization metrics of their peers. Moreover, the JU note that as part of their Capital Planning Processes they are already "including the impact of EV load into their load forecast as detailed in their Distribution System Implementation Plans and will continue to evolve these forecasts based on available information."¹⁵ This raises questions as to whether session level data is necessary for distribution planning purposes.

¹² Opening comments of JU, page 40.

¹³ Opening Comments of Joint Utilities, page 30.

¹⁴ The JU recommends that opportunities for utility ownership should not be foreclosed at this time. See Opening Comments of Joint Utilities, pages 27-28.

¹⁵ Opening Comments of Joint Utilities, pg. 33.

Future Proofing

Tesla's Opening Comments recommended that the requirement for future-proofing be removed, and instead that applicants have the option to include future-proofing components so long as they describe the future proofing measures as part of their application.¹⁶ The JU outline a reasonable approach to determining whether future-proofing is appropriate.¹⁷ It includes an explanation from the applicant about their plans for future expansion, a simple feasibility assessment of whether the site can accommodate an expansion, and a make-ready cost estimate for the future proofing components. The JU's approach strikes a balance between costs and feasibility, and should be adopted as part of the Make-Ready Program.

Conclusion

Tesla appreciates the opportunity to submit reply comments and for the thoughtful opening comments from other parties. Establishing streamlined and transparent make-ready programs will help New York achieve its climate and clean transportation goals. We recommend that the Commission approve a two-track Make-Ready Program by authorizing utilities to modify tariffs for utility-side investments, as well as developing a program for behind-the-meter investments. The Joint Utilities proposed several designs and program modifications that are reasonable to create streamlined and cost-effective make-ready programs. We also recommend that the Commission provide guidance to utilities about developing additional electric transportation proposals, including alternative rate designs and managed charging programs, rather than including those or tangential technology requirements as part of the Make-Ready Program.

Respectfully submitted,



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¹⁶ Opening Comments of Tesla, pg. 6 and pg. 8.

¹⁷ Opening Comments of Joint Utilities, pg. 24.