STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Proceeding to Establish Alternatives	)	
To Traditional Demand-Based Rate	)	Case 22-E-0236
Structures for Commercial Electric	)	
Vehicle Charging	)	

JOINT UTILITIES' ELECTRIC VEHICLE LOAD MANAGEMENT TECHNOLOGY INCENTIVE PROGRAM

I. SUMMARY

The Joint Utilities[1] file this document in compliance with the requirement established in the EV Rate Design Order[2] to terminate the Per-Plug Incentive (PPI) Program and redeploy the previously-accumulated and unspent collections from the PPI Program to fund a new program to incentivize electric vehicle (EV) charging demand management technologies. This new program, the Load Management Technology Incentive Program (LMTIP), is designed to provide incentives for eligible technologies, such as energy storage projects, including on-site energy storage, and energy storage integrated directly into charging equipment, as well as other advanced load management technologies and software. The details regarding the PPI transition have been outlined in the Joint Utilities' Immediate Solutions Program Design, and each utility's Immediate Solutions Implementation Plans.[3] This filing discusses the PPI Program termination process and explains the design and implementation of LMTIP, including eligibility rules, incentive framework, program costs, marketing, and reporting requirements.

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1 The Joint Utilities are Central Hudson Gas & Electric Corporation (Central Hudson), 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 and Rockland Utilities, Inc. (O&R), and Rochester Gas and Electric Corporation (RG&E).

2 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).

3 EV Solution Proceeding, JU Immediate Solution Program Design (filed March 20, 2023) (Immediate Solution Filing).

II. PPI PROGRAM TERMINATION

The EV Rate Design Order directs the Joint Utilities to terminate the PPI Program for new participants and redeploy the unspent program funds for a new program to incentivize EV charging demand management technologies.

The Joint Utilities and each utility's websites advised participants that the deadline for new applications in the PPI Program was March 20, 2023.

Additionally, pursuant to the EV Rate Design Order, the Joint Utilities will provide PPI Program participants a 60-day period for a one-time option to either continue participating in the PPI Program or to switch to the Immediate Solution, the Demand Charge Rebate and/or Commercial Managed Charging Program (CMCP) available in the applicable utility's service territory.[4] The one-time 60-day election period will begin upon issuance of an order by the Commission responding to the Joint Utilities' Immediate Solution Filing.

Shortly after the conclusion of this election period, the Joint Utilities will estimate the budget required for PPI Program participants that opt to remain in the program through its end date. The incentive and administrative budget for the LMTIP will be the net of total funds available for the PPI Program at the end of the election period minus the budget required for those customers opting to remain in the PPI Program. The Joint Utilities will also develop a process to redirect any funds that are not paid out from the PPI Program budget[5] after that program ends, to the LMTIP.

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[4] Participants remaining in the PPI Program will receive their declining annual incentives until the end of the PPI Program. Case 18-E-0138, *Proceeding on Motion of the Commission Regarding Electric Vehicle Supply Equipment and Infrastructure* (EV Proceeding), Order Establishing Framework for DC Fast Charger Infrastructure Program (issued February 7, 2019) (DC Fast Charger Framework Order).

[5] For example, if a station terminates operation, it is no longer eligible to receive PPI funds which would result in funds left over at program end.

III. LOAD MANAGEMENT TECHNOLOGY INCENTIVE PROGRAM

A. Eligibility

Approaches to load management will depend on customer needs which will dictate the technology solutions that customers ultimately select. For example, some customers may not be seeking to limit their maximum loads, while others may look to do so at specific times for operational purposes. As a result, some customers may favor certain technologies over others (e.g., standalone battery storage over EVSE power sharing). Based on the customer-specific nature of EV load management, the Joint Utilities recommend the following provisions regarding equipment and customer eligibility.

Equipment

The Joint Utilities recommend a broad approach to LMTIP equipment eligibility to enable a high level of program participation and to effectuate load management at more sites. All demand management technologies capable of reliably balancing, curtailing, or deferring a customer's net EV charging demand on the electric grid will be eligible.[6] These technologies include but are not limited to: (1) on-site energy storage; (2) energy storage integrated directly into charging equipment; (3) advanced load management (ALM) software; and (4) energy management systems (EMS).[7]

[6] The Joint Utilities intend to direct incentive funds only to EV load management technologies and not other technologies that support onsite generation.

[7] ALM is software that is designed to control and manage load dynamically in real time. EMS is software or hardware, such as meters and sensors, which monitor energy in whole buildings, including heating and cooling, lighting, and EV charging.

In the event a customer applies to the LMTIP for an incentive for a new technology, the Joint Utilities will make an eligibility determination at that time to promote a consistent approach across the State.[8]

Customers

The LMTIP will be available to all EV charging sites implementing the load management technologies described above. To streamline the application processes, interested commercial customers of the Upstate Utilities[9] must be participating in the Make Ready Program (MRP) or other utility EV infrastructure programs (e.g., Medium and Heavy-Duty Prizes or pilots); and for the Downstate Utilities,[10] interested commercial customers, must be enrolled in the CMCP. Utilities may periodically reevaluate and adjust the participant eligibility criteria based on program experience and participation levels.

B. Incentive Structure

Throughout the State, while there is wide interest in incorporating load management technologies with EV charging stations, there has been limited adoption. There is a need for incentives to spur market development and adoption of load management technologies to drive grid beneficial behavior. The Joint Utilities propose that, at each utility's discretion, the upfront incentive levels be allowed to cover up to 90 percent of all costs of eligible technologies, and up

[8] Although the Joint Utilities intend that LMTIP funding be widely accessible, each utility reserves the right to establish eligibility standards and/or requirements for EV load management equipment to ensure compatibility with its system and programs. For example, if a utility is incentivizing load management equipment in part to facilitate ongoing participation in a load management program, such as the Commercial Managed Charging Program or Commercial System Relief Program, then equipment may need to meet specific standards or requirements to enable such participation.

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

[10] The Downstate Utilities are Con Edison and O&R.

to 100 percent of costs within Disadvantaged Communities.[11, 12] Key features of the incentive structure include:

- Customer-side costs, as well as utility-side investments[13] needed to support an EV customer's load management would be incentive eligible costs. For example, this would include a flexible load interconnection requiring utility-owned monitoring and control equipment installed on the customer's premises.
- The incentive will be based on the total cost of engineering, procurement, and construction of the technologies, or on subscription fees for load management software services.
- As noted above, each utility will use its discretion to vary incentive levels up to 90 percent of the technology cost, and up to 100 percent of the cost for Disadvantaged Communities. Specific incentive levels will be set by each utility based on costs observed and the available budget. The Upstate Utilities anticipate that the initial incentives will be offered at the 50 percent level, while O&R anticipates offering incentives at the 90 percent level. Different incentive levels may be appropriate to: (1) address the cost ranges; (2) balance program impacts and budgets; and (3) support technologies that enable flexibility to reduce load at peak times.
- In the Con Edison service territory, there is a need for a stronger signal to moderate peak demand. Con Edison will vary incentive levels further in an effort to maximize program impact. For example, customers participating only in CMCP

[11] Disadvantaged Communities are "communities that bear burdens of negative public-health effects, environmental pollution, impacts of climate change, and possess certain socioeconomic criteria, or comprise high concentrations of low- and moderate-income households…" ECL § 75-0101 (5).

[12] Depending on service territory, the utility may provide less than the allowed incentive (see below).

[13] In some instances, deploying load management technology may instead reduce or avoid the need for utility-side investment.

for operating cost relief have a stronger motivation to use load management technologies to decrease their load during network peaks compared to customers participating in both CMCP and other operating cost relief solutions (e.g. the EV Phase-in Rate).[14] This approach will best align LMTIP incentives with participants more likely to use customer funds to maximize grid beneficial behavior.

- Participants will be permitted to stack incentives from LMTIP with other technology incentive programs, including any current and/or future programs.

As program experience is gained, program budgets are spent, and the load management technology market develops, incentive levels may be adjusted to maximize the program's impact.

C. Implementation

As a new offering, the Joint Utilities will need to establish program terms and conditions, create application processes or interfaces, create customer-facing materials for communication and outreach efforts, and establish internal processes and controls for applications and program finances. The Joint Utilities offer initial considerations for the LMTIP below, acknowledging that many of the specifics will be resolved in the initial program standup period, with additional refinement over time as diverse customer applications are submitted and as the market for load management technology evolves. The Joint Utilities are not filing tariff leaves for the LMTIP as they are redeploying the previously-collected and unspent funds from the PPI Program and as such they intend to administer this as a non-tariffed clean energy program.

[14] The EV Phase-in Rate is the near-term operating cost solution directed by the Commission in the EV Rate Design Order.

Eligible Equipment and Costs

The Joint Utilities will review customer applications for incentives, including the equipment used and any EV load management costs. Given its cost-based design, the LMTIP needs to assure that eligible equipment and EV load management costs are clearly defined for all technologies and scenarios. Four example cost scenarios are:

- The load management costs are clear and distinct from what is covered under the MRP, such as standalone battery energy storage.
- The load management costs are for equipment that may be eligible for incentives from the MRP (e.g., a power cabinet for Direct Current Fast Chargers that allows power-sharing across multiple charging ports).
- The load management costs are software-based, such as an EMS software fee, which is sometimes part of the EVSE networking or service fees that customers incur for various reasons. Further, such costs may be a recurring expenditure rather than a one-time cost incurred at the time of the EVSE site design and installation. These technologies will be eligible for LMTIP incentives for three years, a time frame intended to support the creation and promotion of grid efficient charging behavior. At the time of application, based on project costs submitted for the three-year period, the Joint Utilities will make an upfront one-time payment.
- For energy storage integrated directly into the EVSE, the "load management" costs are not inherently clear as the product is sold as an integrated device. For these technologies, a proxy, such as costs from the NYSERDA Energy Storage Roadmap in the Retail Storage category, can be used to estimate incentive levels.[15]

[15] Case 18-E-0130, *In the Matter of Energy Storage Deployment Program,* New York's 6GW Energy Storage Roadmap: Policy Options for Continued Growth in Energy Storage (December 22, 2022).

The Joint Utilities will work to establish clear guidance on cost eligibility in these scenarios. Further, as stated earlier, should a customer apply to the LMTIP for a novel device or technology whose eligibility has not been previously established, the Joint Utilities will make an eligibility determination at that time to promote a consistent approach across the State.

As noted in Section III.B, customers will be permitted to stack incentives from LMTIP with other technology incentive programs, including any current and/or future programs. Customers must self-report and attest to total project costs and incentives received from other sources. Utilities will confirm that program incentives will cover no more than 100 percent of costs during the review and incentive calculation process. The following example explains how this would be implemented. A customer has $10,000 in total EV load management costs, $3,000 of which are already incentivized through other public or utility programs, leaving $7,000 of net EV load management costs. The utility will then apply their cost-share incentive rate, assumed in this example to be 90%, to the full $10,000 in EV load management costs, yielding a potential incentive of $9,000. The utility will compare this $9,000 result to the $7,000 net EV load management costs and will use the lower of the two to determine the LMTIP amount. Thus, the incentive would be $7,000.

Program Marketing and Outreach

The Joint Utilities will communicate the availability and details of this program to interested and potential customers. Marketing and communication efforts will include the following:

- The Joint Utilities will establish a program landing page for the LMTIP on the Joint Utilities' website, with links to the individual utility websites for additional information and the total budget amount for each utility available to be expended.

- Each utility will establish materials on their websites describing the details of their LMTIP offering, including an application and instructions on how to apply, and illustrative examples for how different EV load management technologies and customer scenarios will be incentivized.
- Marketing will be targeted at MRP Approved Contractors list and site hosts about the availability of these new load management incentives.
- Given its relationship to the MRP, the Upstate Utilities will mention the LMTIP in marketing efforts for the MRP.
- The Downstate Utilities will also incorporate LMTIP in marketing efforts for the CMCP.

Program Budget

As stated earlier, the incentive and administrative budget for the LMTIP will be the net of total funds available for the PPI Program at the end of the election period minus the program end PPI budget. Furthermore, as noted above, the Joint Utilities will develop a process to redirect any funds that are not paid out from the program end PPI budget. The Joint Utilities also request the ability to allocate 15 percent of the total budget to program administrative costs, which includes staffing, costs to develop or refine an application portal, and other costs.[16] This share of administration costs is in line with that of the MRP budgets.

[16] In its Order establishing the PPI Program (EV Proceeding, DC Fast Charger Framework Order, p. 51), the Commission declined to grant the utilities' request for explicit deferral and recovery authority for administrative costs as the costs were expected to be minimal. The Commission also noted that if the incremental administration costs became material, the utilities could petition for explicit deferral and recovery authority. *Id.* Given the significant change in the nature of the program, including more detailed reviews of applications and costs, the Joint Utilities request that 15 percent of the LMTIP budget amount be allocated for program administrative costs.

Reporting

The Joint Utilities recommend that each Utility report the number of applicants, number of customers receiving incentives, total incentives paid, and remaining budget for LMTIP as part of existing MRP annual report for Upstate Utilities or the CMCP reports for the Downstate Utilities.

D. Other Considerations

The Joint Utilities recommend that prior to exhaustion of LMTIP funding, the Commission establish a process to determine whether and how the program should continue. The Joint Utilities recommend that when 70 percent of the funds for a specific company have been committed, the affected utility company will consult with Staff, to determine next steps, with that company making a filing to the Commission regarding the results of this consultation along with a recommendation for Commission consideration. Because of differing levels of funds and customer participation levels, individual utilities are likely to reach the 70 percent threshold at different points in time.

IV. CONCLUSION

Based on the foregoing and pursuant to the terms of the EV Rate Design Order, the Joint Utilities propose the LMTIP as described.

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Respectfully submitted,

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. and ORANGE AND ROCKLAND UTILITIES, INC.

By: */s/ Mary Krayeske*

Mary Krayeske

Assistant General Counsel
Consolidated Edison Company of New York, Inc.
4 Irving Place
New York, New York 10003
Tel.: 212-460-1340
Email: krayeskem@coned.com

CENTRAL HUDSON GAS AND ELECTRIC CORPORATION

By: */s/ Paul A. Colbert*

Paul A. Colbert
Associate General Counsel –
Regulatory Affairs
Central Hudson Gas and Electric Corporation
284 South Avenue
Poughkeepsie, NY 12601
Tel: (845) 486-5831
Email: pcolbert@cenhud.com

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID

By: */s/ Carlos A. Gavilondo*

Carlos A. Gavilondo
Assistant General Counsel
National Grid
300 Erie Boulevard West
Syracuse, New York 13202
Tel: (315) 428-5862
Email: carlos.gavilondo@nationalgrid.com

NEW YORK STATE ELECTRIC & GAS CORPORATION and ROCHESTER GAS AND ELECTRIC CORPORATION

By: */s/ Amy A. Davis*

Amy A. Davis
Senior Regulatory Counsel 89 East Avenue
Rochester, NY 14649
Tel.: (585)771-4234
Cell: (585) 866-9675
Email: amy.davis@avangrid.com