NEW YORK STATE | NY Power Authority

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April 1, 2025

VIA ELECTRONIC MAIL

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

Re: Case 22-E-0236, Proceeding to Establish Alternatives to Traditional Demand-Based Rate Structures for Commercial Electric Vehicle Charging

Dear Secretary Phillips:

The New York Power Authority (NYPA) respectfully submits these comments in response to the Notice Commencing Review Process and Soliciting Comments (the Notice), issued by the Public Service Commission (the Commission) in this docket.[1] The Notice seeks comment on Demand Charge Rebate Programs for eligible commercial charging customers in Upstate Utilities service territories, and a Demand Rebate for public Direct Current Fast Charging (DCFC) sites with a Commercial Managed Charging Program (CMCP) with certain use-case-specific adder incentives in the Downstate Utilities' service territories (Biennial Review Programs). NYPA provides the following comments in support of the noted programs that are beneficial to assist commercial charging stations (e.g. public, workplace, multifamily, retail and fleets) with costs associated with utility bills for electric vehicle chargers.

NYPA is currently working with a number of business partners that are converting their fleet to electric vehicles. These customers include transit agencies, school districts, municipalities, state agencies and authorities. Many of the entities listed have their own policy objectives to completely electrify their fleets by 2035 or 2040. For example, five of the upstate and suburban transit bus fleets –

[1] Case 22-E-0236.

which collectively operate approximately 1,300 transit buses – were directed by the State to electrify 25 percent of their fleets by 2025, and 100 percent by 2035[2] and New York City Transit Authority announced, that it would replace 500 of its approximately 5,700 bus fleet with electric vehicles by 2025, and 100 percent of the fleet will be electric by 2040.[3] To achieve these goals, these entities will need to install numerous electric vehicle chargers in multiple locations. The Biennial Review Programs will assist with this transition because the rates and incentives offered will help offset utility bill costs associated with charging electric vehicles, and encourage off-peak charging, to help avoid unnecessarily straining the electric grid. In the early stages of electrifying a fleet or other commercial charging location, customers often experience a drastic increase in demand and associated demand charges on the utility bill. When the fleet is small or the commercial charging location has lower utilization, this increased demand charge cannot be effectively spread across a large number of users or vehicles, which makes it uneconomic to switch from combustion engine to electric vehicles as the cost per mile of electric vehicle operation is very high due to the high demand charges with lower utilization.

For example, certain transit agencies in New York have begun to convert their diesel buses to electric. Some of these agencies, such as the Ulster County Transit Authority, have had an estimated higher cost per mile with their electric buses than using diesel fuel.[4] However, Niagara Frontier Transit experienced a lower cost per mile when it converted to an electric fleet, in part because of the Demand Charge Rebate Program and the local utility offered a time of use (TOU) rate similar to the CMCP. These realized operational savings allowed Niagara Frontier to achieve its policy goals and benefit economically. Additionally, Rochester Transit has no demand charges after midnight and no minimum threshold to qualify for a TOU. As a result, Rochester Transit experienced from day one a lower cost per mile for electric fuel compared to diesel.

It is important to note that not all utilities offer a TOU rate or CMCP, and those available vary. NYPA respectfully requests that the Commission review the TOU rates offered by utilities, compare

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[2] 2020 State of the State Address, Governor Andrew M. Cuomo (January 8, 2020). The five transit agencies are: Niagara-Frontier Transportation Authority; Rochester Regional Transit Service; Capital District Transportation Authority; Westchester County; and Suffolk County Transit.

[3] *MTA Deploys First All-Electric Articulated Bus Fleet to 14th Street Busway*, New York City Transit Press Release, *available at* http://www.mta.info/press-release/nyc-transit/mta-deploys-first-all-electric-articulated-bus-fleet-14th-street-busway (published December 19, 2019).

[4] UCAT Bus Fleet Electrification Study, Final Report (September 23, 2021) p.11, (available at: https://ulstercountyny.gov/sites/default/files/documents/environment/Ulster%20County%20-%20UCAT%20Bus%20Fleet%20Electrification%20-%20Final%20Report%20-%209.23.21.pdf)

them and the savings offered. Consistency would help consumers know the impacts of the rates and provide statewide transparency. While transit agencies typically only operate in one utility territory, state agencies and commercial fleets may be customers of multiple utilities and inconsistencies in electric rates make calculating the lifecycle costs of electric vehicles overly complex.

Fleets and other commercial charging stations are still early in the transition from fossil fuel powered to electric vehicles with lower utilization and high demand charges resulting in high costs per mile. As such, the Biennial Review Programs are still needed to provide relief for utility bills to reduce operating costs and encourage the deployment of commercial charging stations. Thank you for the opportunity to share comments, and for the Commission's continued support of electrifying transportation in New York.

Albany, New York

Respectfully submitted,

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