

**STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION**

Proceeding on Motion of the Commission Regarding  
Electric Vehicle Supply Equipment and Infrastructure

Case 18-E-0138

**PETITION OF NATIONAL GRID SEEKING CERTAIN MODIFICATIONS TO THE  
ELECTRIC VEHICLE MANAGED CHARGING PROGRAM**

**I. Introduction**

Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid” or the Company) hereby petitions the New York State Public Service Commission (Commission) for certain modifications to the Commission’s July 14, 2022 *Order Approving Managed Charging Programs with Modifications* (Order) that directed the Company to implement a residential electric vehicle (EV) managed charging program (Program).<sup>1</sup> Specifically, National Grid requests that the Commission approve the proposed modifications of the Program’s incentive design and the customer eligibility criteria to allow for both passive and active managed charging participation for the reasons set forth herein.

**II. Background**

The Order approved with modifications National Grid’s managed charging proposal (Proposal) initially filed by the Company on December 4, 2020<sup>2</sup> and revised on June 4, 2021,<sup>3</sup>

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<sup>1</sup> Case 18-E-0138 (EVSE Proceeding), *Proceeding on Motion of the Commission Regarding Electric Vehicle Supply Equipment and Infrastructure*, Order Approving Managed Charging Programs with Modifications (issued July 14, 2022) (Order).

<sup>2</sup> EVSE Proceeding, Niagara Mohawk Power Corporation d/b/a National Grid Residential Electric Vehicle (EV) Managed Charging Proposal (National Grid Managed Charging Proposal) (filed December 4, 2020).

<sup>3</sup> EVSE Proceeding, National Grid Managed Charging Proposal (filed June 4, 2021).

and further revised on May 9, 2022.<sup>4</sup> The Proposal included an opt-in active managed charging program, branded by National Grid as the EV Charge Smart Plan, that would allow customers to select a monthly subscription to cover the cost of their off-peak home EV charging.

The Commission approved the Proposal with modifications and directed National Grid to implement the Program. As further directed by the Order, the Company has filed Managed Charging Implementation Plans (MCIPs) on September 26, 2022,<sup>5</sup> January 30, 2023,<sup>6</sup> and January 29, 2024.<sup>7</sup> As detailed in those MCIPs and discussed below, National Grid contracted with ev.energy to provide necessary technology that allowed access to select EV models and electric vehicle supply equipment (EVSE) models to obtain kilowatt-hour (kWh) data, and to actively control, schedule, and optimize vehicle charging times. The Company began testing this technology in early 2023 with a series of employee EV owners and began allowing full customer participation in Spring 2023.

Beginning in October 2023, the Company engaged with Department of Public Service Staff (Staff) in a series of meetings and communications to describe the Program experience to date, including successes and challenges. National Grid presented its initial thoughts on the remedies and modifications necessary to make the Program more successful and solicited Staff feedback. This petition provides additional details on the successes and challenges experienced to date and requests specific modifications to the Program's design.

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<sup>4</sup> EVSE Proceeding, National Grid Managed Charging Proposal (filed May 9, 2022).

<sup>5</sup> EVSE Proceeding, Niagara Mohawk Power Corporation d/b/a National Grid Residential Electric Vehicle (EV) Managed Charging Implementation Plan (National Grid MCIP) (filed September 26, 2022).

<sup>6</sup> EVSE Proceeding, National Grid MCIP (filed January 30, 2023).

<sup>7</sup> EVSE Proceeding, National Grid MCIP (filed January 29, 2024).

### **III. National Grid's Current Program**

National Grid's current Program (i.e., EV Charge Smart Plan) is built around a monthly subscription to cover the cost of participating customer's home off-peak charging. The Program offers two subscription tiers:

- Tier 1 costs \$20 a month and provides up to 225 kWh of off-peak, at-home EV charging.
- Tier 2 costs \$30 a month and provides up to 365 kWh of off-peak, at-home EV charging.

Off-peak hours are the same as the Company's SC-1 Voluntary Time of Use (SC-1 VTOU) Rate: 11:00 pm to 7:00 am daily. On-peak EV charging is charged at an on-peak rate, as described in the Program tariff.

Currently, only customers using a qualifying EVSE (i.e., networked charger) installed at the customer's premise or a qualifying EV are allowed to participate in the Program. As an active managed charging program, qualifying EVs and EVSE must support "smart charging," meaning they can be actively controlled to schedule and optimize EV charging by National Grid.

Upon launch of the Program in Spring 2023, ev.energy initially supported EV models from four vehicle original equipment manufacturers (OEMs) via their telematics systems (BMW, Chevrolet, Ford, and Tesla), one networked Level 2 home EVSE (ChargePoint Home Flex), and one networked Level 1/Level 2 combined home EVSE (Smartenit SmartElek 4500).

At the time of the filing of this petition, the Program has been active for approximately ten months (April 2023 to January 2024) during which the Company has observed a number of successes and challenges. This petition seeking approval to modify the Program intends to build upon those successes while mitigating the challenges.

The Program is National Grid's first active managed charging program and subscription offering, thereby requiring the need to leverage multiple new technologies and billing system integrations. The Company deliberately rolled out the Program to test the managed charging technology and billing system integrations across an increasingly large and diverse set of customers and managed charging enabling devices (EV telematics and networked EVSE). The Company first started with internal employee testers and information technology (IT) development tests in early 2023, followed by a series of employee EV owners, who were also electric customers of National Grid, starting in April 2023. Since May 2023, the Program has been publicly available, allowing any eligible residential customer to enroll and participate.

During this rollout, the Company intended to identify any early-stage technology issues and customer scenarios across the diverse set of EVs, EVSE, and customers that could impact either the managed charging technology performance and data quality, or the billing process. The Company would implement its marketing and outreach plan advertising the Program to customers once these early-stage issues were sufficiently identified and resolved, thus only committing marketing resources once the Program was deemed scalable.

National Grid has determined that attempting to grow and scale the current design of the Program at this time would be imprudent due to the challenges described below, as the Program would fall short of the enrollment, peak electric load impact, and customer satisfaction goals of the Order. Accordingly, the Company is filing this petition seeking Commission approval to modify the Program's design to better achieve those goals.

#### A. National Grid Achieved a Number of Successes with the Program Launch

The Program launched with employee customers in April 2023 and with all customers in May 2023. This launch involved first-of-its-kind technology solutions to connect to customer vehicles via EV telematics systems and EVSE via customer home Wi-Fi, smartphone app-based enrollment and participation with innovative billing processes to enable the subscription billing. The Company and ev.energy provided cross-functional teams to support the IT and system development for this new and technology-intensive program. While there have been headwinds to the Program's success, these teams achieved a successful and on-time launch of a complicated and multi-faceted technology platform.

Since the launch, the Program has incentivized customers to manage 87% of their home EV charging during off-peak hours, in line with other successful residential managed charging programs. The participation experience has been smooth for many but not all customers, with Tesla owners anecdotally having the smoothest participation experience. Customers are saving money through participation in the Program, at an average of approximately \$12 per month, which is in-line with, or exceeding, expectations.<sup>8</sup>

Finally, the launch of the Program has demonstrated a high latent interest in programs to help customers save money on their EV charging. Nearly all of the participants to date have found the Program on their own (i.e., not as a result of marketing). Recent survey evidence of EV drivers indicates that 95% of EV drivers are interested in managed charging or smart

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<sup>8</sup> *Id.*, p. 20.

charging programs.<sup>9</sup> In order for this high level of interest in managed charging programs to be fully realized, there are challenges that need to be addressed.

#### B. National Grid Also Encountered a Number of Challenges Upon the Program Launch

The Company identified several persistent technology limitations during the initial Program rollout that are negatively impacting implementation, scalability, and customer satisfaction. In some cases, these technology issues are compounded by the Program's unique subscription-oriented design, resulting in negative customer experiences. The three key challenges are summarized below, including limited support for smart charging among EVs and EVSE today, missing EV charging data, and inconsistent smart charging behavior.

##### 1. Limited support exists for smart charging among EVs and EVSE today

Presently, the Program only supports participation via EV telematics from two vehicle makes (BMW and Tesla), representing roughly 25% of the EV market in National Grid's service territory. Chevrolet and Ford were initially supported but were later dropped from the Program due to persistent technical challenges. Based upon conversations with multiple third-party vendors and OEMs, the Company expects OEM telematics systems to improve over time, including their support for smart charging. However, present-day capabilities are often limited, something the Company expects to persist through the Program's current approval (2025).

For home EVSE, a rough analysis indicates that networked stations are currently a minority of the home charging market, and those able to perform smart charging via a third-party

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<sup>9</sup> Ninety-five percent of survey respondents indicated interest in one or more features of vehicle-grid integration offerings. See Hernandez, M., V. Kothari, E. Werthmann, R. Uyeki, E. Myers, and R. Kenny-Manning. 2022. "Smart Charging and Consumer Behavior in the United States." Practice Note. Washington, DC: World Resources Institute, available at <https://doi.org/10.46830/wriprn.21.00128>

vendor are even more rare today. The Company's vendor, ev.energy, is continuing to add more home EVSE integrations, however the diversity of the home charging market suggests it will take time to make significant gains in the Program's accessibility via EVSE.

To improve customer access to the Program, National Grid is seeking Commission approval for modifications to the customer eligibility requirements, as detailed later in this Petition.

## 2. Missing EV charging data impacts the participant experience

Participants have been impacted by the loss of charging session data at various points in time (i.e., ev.energy is unable to obtain the customer's charging session data). There are multiple root causes, but several EV telematics and EVSE integrations have lost data for various lengths of time (e.g., hours or days). Lost data impacts program participants in several ways. For one, customers experience a loss of savings on their utility bill if the EV charging performed off-peak is not credited to them as part of their subscription (and thus billed at their regular SC-1 rate). Lost data has also resulted in customer confusion and customer support tickets being raised about incorrect data and inquiries about lower-than-expected bill savings.

While National Grid's Electricity Tariff<sup>10</sup> special provisions in regard to the Program state that the "timely readings of EV charging data will be the responsibility of the customer and at the customer's expense,"<sup>11</sup> customers themselves are often unable to understand or impact the situation as data can be lost for all customers using a given model of charger or EV for a period of time. The current situation has resulted in a meaningful share of customers who are either

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<sup>10</sup> Niagara Mohawk Power Corporation d/b/a National Grid Schedule for Electric Service, PSC No. 220 Electricity ("Electricity Tariff").

<sup>11</sup> *Id.*, Service Classification No. 1, Leaf 356.3, Residential Electric Vehicle Charge Smart Plan ("EV Charge Smart Plan"), Special Provision N.2.

removed from the EV Charge Smart Plan monthly billing process (approximately 10% of participants each month), and thus not saving anything that month, or whose bill savings are adversely impacted in some way due to missing EV charging data. A high-level description of several data loss events is as follows:

- End of June 2023: A multi-day technology integration issue affecting all participants using an EVSE integration. Customer charging data was lost but some was later recovered.
- Late September to early October 2023: A multi-day technology integration issue affecting all participants using a vehicle OEM's telematics. Customer charging data was lost and unable to be recovered.
- December 2023: A 24-hour technology integration issue affecting all participants using a vehicle OEM's telematics. Customer charging data was lost and unable to be recovered.

As part of the Order, the Utilities<sup>12</sup> and Staff continue to test the accuracy of managed charging enabling devices, and National Grid makes no claim in this petition about the accuracy of the data it does receive via those devices. However, data loss events have occurred several times and based upon conversations with several industry participants, the Company expects that data loss events may occur again in the future.

To improve the customer experience and Program success, the Requested Modifications section of this petition includes using a simpler incentive design that is more robust in the face of

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<sup>12</sup> The Utilities are collectively Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation (NYSEG), Niagara Mohawk Power Corporation d/b/a National Grid (National Grid), Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation (RG&E).



missing or imperfect data, which should meaningfully alleviate, although not fully resolve, these data loss and data quality challenges.

### 3. Smart charging performance is inconsistent

The third challenge National Grid has observed is the inconsistent performance of smart charging. The Program's smartphone application, developed by ev.energy, offers smart charging settings that vary based upon the customer's device, but that generally allow participants to set a charging schedule to maximize off-peak charging, restrict charging to occur during off-peak periods (preventing the vehicle from charging on-peak if it would have been required to hit the desired state of charge), and to temporarily override these settings to "charge now" if the customer desires.

Smart charging has worked well for many participants and helped Program participants achieve 87% of home charging off-peak in recent months. However, participants have experienced the following inconsistencies:

- Some amount of on-peak charging occurring even though the customer specified "off-peak charging only."
- Start and stop charging commands being sent by ev.energy to the EV or EVSE are unexpectedly ignored or overridden. Performance can vary based upon whether there are multiple competing charging schedules in place (e.g., the EV is using telematics for smart charging, but the home EVSE is also trying to enforce a charging schedule) and for other, sometimes unknown reasons.
- Some make or model-specific challenges in reaching the customer's target battery state of charge.

Members of National Grid’s EV program teams have also observed inconsistencies in home charging performance, indicating these issues are not confined to “new” EV owners or the Company’s vendor, ev.energy. Some have also observed changes in how the EVSE and vehicle interact after over-the-air software updates are performed by either the EV or EVSE manufacturer, resulting in interoperability challenges, the need to re-set charging schedules, reconnect Wi-Fi, or reestablish connections, among other issues. Overall, these challenges have led to occurrences of customer confusion and negative impacts to customer bill savings.

The Company expects to continue to offer smart charging in the Program to gain experience with this important-yet-evolving technology. However, in response to the challenges encountered National Grid is requesting Commission approval to broaden customer and device eligibility to additionally support passive managed charging, as well as approval to implement a simpler incentive design that is expected to be more robust in the face of smart charging challenges. These modifications should alleviate, although not fully resolve, these customer pain points.

#### C. There Are Challenges with the Current State of the Managed Charging Ecosystem

National Grid’s specific experience has been influenced by its choice of vendor, ev.energy, and the specific managed charging enabling devices the Program has supported. The Company remains closely engaged with the broader managed charging community, speaking with peer utilities, device manufacturers, and other managed charging vendors.

Upon experiencing the challenges described above, National Grid reached out to several key stakeholders in the managed charging community to see if the Company’s experience was unique or different in any way. The managed charging ecosystem remains active, with many

parties working to improve their business relationships, systems, data quality, and customer experience. Based upon that outreach, the Company concluded that while different managed charging vendors may have relative strengths and weaknesses today, the three core issues identified above (customer access, missing data, and smart charging performance) would persist in some form regardless of the choice of vendor.

Thus, National Grid has concluded that while the Company still desires to offer a subscription-based active managed charging program, the current managed charging ecosystem does not adequately support that program design today. In the following section describing the requested modifications, the Company has focused on: (1) broadening customer and device eligibility to support passive managed charging; and (2) a program incentive design that is more robust in the face of data and technology challenges by lessening negative customer experiences if data and technology issues arise.

#### **IV. Requested Program Modifications**

For the above reasons, National Grid is seeking Commission approval to modify the Program to become more successful. Specifically, the Company requests modifications to the Program's customer eligibility criteria and incentive design, as described below. These requested modifications are incorporated into the draft tariff leaves accompanying this petition in Attachments 1 and 2 hereto. Additionally, the Company requests certain flexibility to refine the Program over time, within specified ranges.

A. Commission Approval Is Sought to Modify the Program’s Customer Eligibility Criteria

National Grid seeks Commission approval to modify the Program so as to allow participation from any residential customer capable of providing EV charging usage data from a managed charging enabling device, including networked EVSE, EV telematics, or other devices. Thus, the Program would support any devices that are capable of either “passive” or “active” managed charging, rather than only supporting active managed charging (smart charging) devices as the Program operates today. The Company will continue to limit customers in the SC-1 VTOU Rate from participating in the Program, as described in the Electricity Tariff.

The Company seeks approval for this Program eligibility change to increase Program accessibility, enrollment, and customer satisfaction. While devices capable of smart charging are expected to provide more value to the grid in the long term, National Grid sees greater benefit in allowing customers with devices that only support passive managed charging to participate. After experiencing smart charging challenges with Chevrolet and Ford vehicles, the Company’s vendor, ev.energy, is only able to support smart charging via telematics from BMW and Tesla today, leaving the majority of EVs and automakers unsupported. While Tesla has a large share of today’s EV market, this limited support is hindering Program participation and has led to perceptions of unfairness among customers who want to participate but do not own a supported EV or EVSE. Broadening customer eligibility to include both passive and active managed charging devices will significantly alleviate this barrier and increase the Program’s impact.

The Company estimates that the Program would go from supporting approximately 25% of EVs via telematics today (i.e., BMW and Tesla) to approximately 60% of EVs if this modification was approved. The list of supported EVSE may gain one or two “passive-only”

brands in the near term as well. National Grid was not aware of and did not anticipate this large discrepancy between devices only capable of active managed charging versus passive managed charging at the time of its initial Proposal in 2020.<sup>13</sup> Further, the managed charging ecosystem remains dynamic, with multiple OEMs changing their support for third-party managed charging in the last twelve months.

Finally, this change would support customer participation via Advanced Metering Infrastructure (AMI) based pathways in the future, should they become available. While the Company cannot commit to AMI-based EV load disaggregation capabilities becoming sufficiently reliable in the future, that may occur and would uniquely offer a pathway for 100% of residential customers to participate in the Program. AMI-based pathways, should they arise, would only be expected to support passive managed charging and would be unable to directly control EVs or EVSEs through the meter.

#### B. Commission Approval Is Sought to Modify the Program's Incentive Structure

National Grid additionally seeks Commission approval to modify the incentive structure to a flat, monthly incentive per participating customer. At this time, the Company recommends an incentive of \$15 per customer per month for participants who charge at least 50 kWh at home and achieve at least 80% of home charging during off-peak hours (11:00 pm to 7:00 am) for that month.

The modified incentive proposed by National Grid adheres to the Order's requirements as it is "simple, transparent, and flexible," as the fixed monthly incentive is simple and transparent and the qualifying criteria (i.e., at least 50 kWh and at least 80% off-peak) provides customer

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<sup>13</sup> *Supra* note 3.

flexibility.<sup>14</sup> Further, the modified incentive design is still unique among the Utilities and thus still supports the Commissions desire to test “a variety of different program designs” to provide robust learnings on customer behavior.<sup>15</sup> The requested design aligns with the spirit of the original subscription in orienting around a fixed monthly amount: the current subscription is based upon a fixed monthly *cost* for off-peak EV charging, whereas the new design orients on a fixed monthly *savings*. Incentives are expected to be paid monthly, consistent with the Commission’s directive to pay incentives to customers at least quarterly but with a preference for a more frequent settlement.<sup>16</sup>

### C. The Proposed Modifications Will Provide for a Fixed Monthly Incentive to Program Participants

The Company’s determination of the fixed monthly incentive will be no higher than the sum of: (i) the difference between National Grid’s base distribution delivery rate for SC-1 customers and the SC-1 VTOU off-peak delivery rate, multiplied by an average monthly off-peak EV kWh usage; and (ii) the difference between the Company’s forecasted SC-1 average supply rate and the forecasted SC-1 off-peak supply rate, multiplied by an average monthly off-peak EV kWh usage. This methodology to determine the fixed monthly incentive adheres to the Order’s requirements for the incentive to be cost-based, as it is “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 TOU energy rate.”<sup>17</sup> The Company has calculated the initial fixed monthly incentive as shown in Attachment 3 and Attachment 4. National Grid selected \$15 per month as the proposed incentive as it provides the full value of the delivery

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<sup>14</sup> *Supra* note 1, p. 12.

<sup>15</sup> *Supra* note 1, p. 30.

<sup>16</sup> *Supra* note 1, p. 35.

<sup>17</sup> *Supra* note 1, p. 34.

differential and a portion of the supply differential. The large majority of the proposed incentive value (\$13.70) comes from avoided delivery costs, with the remainder (\$1.30) coming from avoided supply costs. The Company calculated the total avoided costs to be approximately \$18.00 in each supply load zone but rounded to a single incentive value across all load zones. At this time, National Grid sees value in using a consistent incentive amount across all load zones to improve the simplicity and transparency of the design in messaging and marketing efforts, particularly given the relatively small differences in supply cost avoidance today. The Company is proposing a total incentive value of \$15.00 in order to accommodate some uncertainty in the assumptions and inputs being used so as to avoid having to reduce the incentive over time if rates or charging behaviors change (reductions in incentive amounts tend to induce customer complaints). The Company discusses flexibility in determining the incentive amount later in this petition.

Should the Commission approve this Program modification as proposed herein, National Grid would pay an incentive equal to the delivery portion of the avoided costs to any customers on competitive supply. The delivery portion of the incentive would be displayed on the delivery section of the customer's utility bill and the supply portion of the incentive on the supply section of the bill. This will facilitate participation in the modified Program for those customers with an alternate supplier who would only receive the delivery portion of the incentive, consistent with the current Program.

#### D. A Simplified Design is Proposed to Determine Participating Customer Incentive Payments

To determine if customers qualify for the incentive in the proposed modification to the Program, National Grid will only need to know if a customer had at least 50 kWh of at-home EV

charging and if at least 80% of that charging was off-peak in any given month. The challenges of missing charging data described earlier herein can occur for many reasons, however most gaps in data were short-lived (i.e., not the entire month). Given that most drivers charge well above 50 kWh a month, this incentive proposal serves as a reasonable floor to ensure the Program does not pay incentives to customers with minimal or no charging activity while also ensuring that a short-lived managed charging integration outage does not immediately impact customer savings for that month.<sup>18</sup> Fifty kWh represents two to three “fill-ups” for a typical plug-in hybrid electric vehicle (PHEV) battery and one “fill-up” for a typical battery electric vehicle (BEV), or roughly 140 to 150 miles of electric driving for an average EV.

Regarding the proposed minimum of 80% charging off-peak, this simple-to-calculate metric should also help alleviate the need for perfect customer charging data. The Company proposes 80% as a reasonable figure to persistently drive customer charging behavior towards the off-peak period throughout the month, while still giving room for an occasional on-peak charging session, something customers have indicated is important to them. An average EV customer with a Level 2 EVSE and at least 80% of their home charging during off-peak hours would likely charge for 1% to 2% of on-peak hours during the month. In other words, they would avoid charging at home during 98% to 99% of on-peak hours each month.<sup>19</sup> Given the present-day data quality challenges and the uncertainty around the metering accuracy of EVs and EVSE, using the share of home charging occurring off-peak to determine which customers

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<sup>18</sup> As shown in Attachment 4, National Grid estimates an average of 244.8 kWh per month of off-peak home EV charging for customers qualifying for the incentive. The actual average the Program has seen to date is even higher but is likely not representative of the mix of vehicles that would participate under the modifications to the Program design for which Commission approval is sought.

<sup>19</sup> Assuming 280 kWh of home EV charging per month, with at least 80% occurring during off-peak hours and a 40-amp, 7.68 kW home Level 2 EVSE, National Grid estimates that no more than 56 kWh a month of on-peak charging at home would occur. That on-peak home charging would require no more than 7.3 hours to complete or at most 1.5% of the 480 on-peak hours during a 30-day month.



earned the monthly incentive is the simplest, most robust, and most effective metric National Grid can recommend at this time. A very similar incentive criteria is already in use by NYSEG and RG&E in their residential EV managed charging programs.<sup>20</sup>

The proposed simplified design should also help avoid customer disputes by reducing the need for perfect charging data to calculate the customer's monthly savings amount. Should disputes occur, the proposed new design will also support a simplified dispute resolution process by establishing a monthly fixed incentive amount that the customer can earn. Today, National Grid is generally unable to identify the proper bill savings the customer should have earned due to lack of data, thereby limiting the Company's ability to satisfactorily resolve the issue from the customer's perspective.

#### E. The Proposed Incentive Design Modification for the Program Will Improve the Customer Experience

The customer experience under the proposed incentive design modification will be simpler, clearer, and quicker for participants. Under the current program design, due to the complexity of the rebate calculations involved, National Grid and its vendor, ev.energy, are unable to predict or show monthly savings for customers in the smartphone app, thus customers only see their monthly savings when their next bill arrives. Under the proposed new design, ev.energy can use real-time data to show customers if they are on-track to qualify for the incentive in any given month within the app, providing a far simpler and more transparent experience.

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<sup>20</sup> See, e.g., RG&E's requirements available at <https://www.rge.com/documents/40137/72049582/FINAL+RGE+Residential+MC+Terms+and+Conditions+09-2023.pdf/4a18f4fd-be78-1d00-6767-6de9ab1a28b4?t=1696009844066>.

Further, the current Program design only allows for participation starting the next calendar month after customer enrollment. However, the customer's first savings typically does not appear on their electric utility bill until somewhere between 45 and 90 days after Program enrollment. The incentive design modifications being proposed in this petition are more flexible and would allow customers to start participating and potentially qualify for an incentive in the same month, and with immediate clarity in the smartphone app if they have earned the incentive for that month. This reduces the time for participating customers to see savings on their next utility bill and even further reduces the time required to see what they earned in any given calendar month, both important motivators to encourage off-peak charging behavior.

#### F. The Proposed Modifications Will Provide Increased Program Flexibility

National Grid proposes to modify the participant incentive over time through an updated rate statement that includes the incentive amount (e.g., \$15 per month, separated into the respective delivery and supply components on the customer's utility bill), the minimum monthly kWh, and the minimum off-peak charging percentage (e.g., at least 50 kWh and 80% off-peak). The proposed initial statement is included in Attachment 3. Consistent with the Order, the Company intends to post new statements upon a minimum of 30 days' notice prior to the billing cycle in which changes would go into effect.<sup>21</sup> In addition, the Company will review and, if needed, update the monthly incentive amount as the delivery and supply rate differentials change over time, no less than annually.<sup>22</sup>

National Grid requests flexibility to modify the minimum monthly kWh between the range of 30 and 150 kWh and the minimum off-peak charging percentage to be between 70%

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<sup>21</sup> *Supra* note 1, p. 35.

<sup>22</sup> *Supra* note 1, p. 56.

and 95% per month in order to further optimize peak avoidance and participant satisfaction. As a new Program, the Company continues to learn about customer charging behavior, managed charging technology, and more. The proposed ranges allow for modest changes in the minimum kWh and the off-peak charging percentage criteria without changing the Program's core design. National Grid requests the ability to modify the incentive criteria within the proposed ranges via a new statement at any time, however where possible it would align the timing of any incentive criteria changes with changes in the incentive amount due to updates in the delivery rate or supply rate forecast.

In addition to posting new statements with 30 days' advance notice, the Company will notify existing participants of any changes in the incentive amount or criteria via the following processes: an email to their email address on file, updates to the Program website and marketing materials, and updates within the smartphone app.

## **V. Alternatives Considered**

National Grid considered a number of alternative incentive designs prior to filing this petition. The Company considered modifications to its subscription design, including additional subscription tiers, modifications to the tiers, and removing added costs (relative to SC-1) for on-peak charging. The Company also considered per-vehicle incentives (i.e., a fixed monthly incentive per BEV or PHEV), volumetric/per-kWh rebates, changes to its dispute resolution processes, and as noted previously, whether different technology solutions or vendors would support better Program outcomes.

After reviewing all of these alternatives, National Grid concluded that the proposed incentive modifications set out in this petition, using a fixed per-customer monthly incentive,

achieved after meeting two simple and clear criteria (having at least 50 kWh of home EV charging and at least 80% of home charging during off-peak hours), provide the best path forward to addressing the challenges experienced to date. The proposed modifications for Commission approval in this petition provide the greatest customer simplicity, transparency, and flexibility among the options evaluated. The modifications provide maximal certainty about the customer's savings potential, allow for real-time transparency about whether the customer has earned the monthly incentive, and provide flexibility across a broad range of customer and charging behaviors to allow participants to qualify for the monthly incentive.

Other incentive designs either imposed a greater administrative burden (e.g., a per-vehicle incentive would require the customer to prove how many vehicles or devices they owned) or were less robust in the face of data or technology challenges (meaning they would more negatively impact customer experiences). For instance, with a volumetric design a participant's monthly savings are immediately impacted if a system outage or inaccurate measurement results in a loss of charging data. With the Company's proposed design modifications, however, only the most significant system outages would result in a data loss that would impact the participants' savings, as most drivers charge far more than 50 kWh per month. National Grid sees further benefit in simplifying the customer dispute resolution process by establishing a single incentive amount a customer would qualify for, rather than attempting to recalculate, for each dispute, what the appropriate incentive would have been, something the Company is typically unable to do.

One argument that might be raised in opposition to a single monthly incentive value is that it results in cross-subsidization for customers in different supply load zones or with different charging behaviors (e.g., one customer with 150 kWh per month versus another with 900 kWh

per month). However, as shown in Attachments 3 and 4, the large majority of the value comes from avoided delivery costs, which is the same for all customers. The supply cost variance by load zone is also presently minimal.

Regarding the diversity of charging behaviors, peak costs are largely driven by demand (kilowatts) at coincident peak times, rather than energy (kilowatt-hour) usage during peak hours. With EV customers in particular, the peak avoidance benefits come from not having their Level 1 or Level 2 home EV charger operate during peak times. However, residential customers are not subject to demand charges on their electric utility bills. Further, given the importance drivers put on being able to charge on-peak occasionally, the Company believes it is appropriate for the Program to provide an “average” incentive value based upon the overall value created by the Program, particularly since the average value is relatively attractive.<sup>23</sup> Finally, EV customers looking to maximize their bill savings can still opt into the VTOU rates, which would likely provide greater savings on EV charging costs for drivers with “above average” off-peak charging.

## **VI. Customer and Program Transition**

Upon approval by the Commission of the proposed modifications to the Program’s incentive design and the customer eligibility criteria, National Grid would begin a transition plan to implement the new incentive design and customer eligibility criteria, transition existing participants (all of whom would remain eligible) to the new incentive design, and re-open program enrollment to new participants once ready. As the Company would offer only the new

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<sup>23</sup> For comparison, National Grid’s Massachusetts affiliate, which presently has nearly 5,000 vehicles participating in an EV Off-Peak Charging Rebate program, averages under \$10 per month in incentive payments.

incentive design if the petition was approved by the Commission, a sunset date for the current incentive design would be established as described below.<sup>24</sup>

Upon the Commission's issuance of an order, the Company would proceed with the following actions, with an emphasis on making the transition process as seamless as possible for existing participants:

- Pause new enrollments for a transition period while the new design is developed. A waitlist would be established on the Program website to collect contact information for interested customers during this transition period, a tactic the Company and its affiliates have successfully used many times.
- Allow existing participants to finish their current calendar month of participation and to also complete another calendar month of participation under the existing design. Existing participants would receive communications regarding the new program design and the transition process. After that point, any data collection and incentive payments would be in support of the new design.

At this time, National Grid expects the launch of the new incentive design to require adjustments to the billing process, modest modifications to the smartphone app, and more significant modifications to the Program website and marketing materials. The new customer eligibility criteria will primarily impact the Program website and marketing materials, with additional modest modifications to the smartphone app design. These modifications will require

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<sup>24</sup> The Company's transition plan is subject to change based on any modifications or additional requirements resulting from a Commission order.

approximately 90 days to implement and test, although unforeseen circumstances may result in a longer transition.

## **VII. Budget and Cost Recovery**

The Company is not requesting any modifications to its approved budget at this time. National Grid will continue to recover administration costs and enrollment incentives through the EV Make Ready surcharge. The delivery portion of the fixed monthly participation incentives will be recovered from all SC-1 customers through the Revenue Decoupling Mechanism. The supply portion of the fixed monthly participation incentive will be recovered from all SC-1 supply customers through the Electricity Supply Reconciliation Mechanism. This new Program design will no longer require cost recovery through any other surcharge reconciliation mechanisms.

## **VIII. Conclusion**

National Grid appreciates the support it has received from the Commission and Staff in approving its existing – and unique – subscription-based program design. While the Company still desires to offer a subscription-based active managed charging program, the current managed charging ecosystem does not adequately support that program design today, as evidenced by the Company’s experience to date and numerous communications with stakeholders across the managed charging ecosystem.

For the reasons as further articulated herein, National Grid respectfully requests that the Commission approve the proposed modifications of the Program’s incentive design and the customer eligibility criteria to allow for both passive and active managed charging participation.

Dated: February 2, 2024

Respectfully submitted,

**NIAGARA MOHAWK POWER  
CORPORATION d/b/a NATIONAL GRID**

By: */s/ Janet M. Audunson*

Janet M. Audunson  
Assistant General Counsel  
National Grid  
300 Erie Boulevard West  
Syracuse, New York 13202  
Tel: (315) 428-3411  
Email: [janet.audunson@nationalgrid.com](mailto:janet.audunson@nationalgrid.com)



# **ATTACHMENT 1**

PSC NO: 220 ELECTRICITY  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE:  
STAMPS:

LEAF: 229.2.1  
REVISION:  
SUPERSEDING REVISION:

## GENERAL INFORMATION

## 46. SUPPLY SERVICE CHARGES (Continued)

46.3.3.1.2. Service Classification No. 2 Demand Special Provision P (Effective June 1, 2013), Service Classification No. 3 Special Provision L - Mandatory Hourly Pricing Customers, Service Classification No. 3 Special Provision N (Effective June 1, 2013), Service Classification No. 3A, and Service Classification No. 7 whose otherwise applicable service classification is not SC1 or SC2 Non-Demand ("Hourly Priced Customers").

46.3.3.2 Supply Service Adjustment for Non-hourly Priced Customers - The reconciliation amount represented by the difference between actual monthly Electric Supply Costs and actual revenue billed through the ESCost pursuant to Rule 46.1 not otherwise recovered from customers through the LTC, NYPA Benefit, New Hedge Adjustment, Mass Market Adjustment and Supply Service Adjustment for Hourly Priced Customers and is applicable to all Non-hourly Priced Customers taking Electricity Supply Service from the Company.

46.3.3.2.1 Actual monthly Electricity Supply Costs shall be all costs incurred by the Company in providing electric supply to Non-hourly Priced Customers for an applicable service month. Electricity Supply Costs shall include the cost incurred under Legacy Contracts, New Hedges, NYPA R&D Contracts, Value Stack Energy Component credits determined in accordance with Rule 40.2.3, and for electricity purchased from NYISO in the Day Ahead and Real Time market, and shall include the cost of capacity and ancillary services and other supply related costs assessed to the Company. The supply portion of the Monthly Charge Smart Incentive of the Residential EV Charge Smart Program, as specified in Special Provision N of SC1, shall be included as actual supply costs for Non-hourly Priced Customers.

46.3.3.2.2 The actual monthly Electricity Supply Costs as specified in 46.3.3.2.1, shall be adjusted by the following:

46.3.3.2.2.1 Actual amount of the net market value associated with i) Legacy Contracts assessed through the LTC pursuant to Rule 46.2, ii) NYPA R&D Contracts assessed through the NYPA Benefit factor pursuant to Rule 46.2.6, and iii) New Hedges assessed through the New Hedge Adjustment factor pursuant to Rule 46.3.1; and

46.3.3.2.2.2 The Mass Market Adjustment determined pursuant to Rule 46.3.2; and the Supply Service Adjustment for Hourly Priced Customers pursuant to Rule 46.3.3.1; and any reconciliation balance from prior periods determined pursuant to Rule 46.3.3.2.4 below.

46.3.3.2.3 The Supply Service Adjustment factor for Non-hourly Priced Customers shall be calculated monthly as the amount determined in accordance with Rules 46.3.3.2.1 and 46.3.3.2.2, plus any over/under collection determined in Rule 46.3.3.2.4, divided by the forecasted kWh sales for the applicable month to the customers listed above receiving Electricity Supply Service from the Company.

46.3.3.2.4 The Supply Service Adjustment for Non-hourly Priced Customers shall be subject to reconciliation in which the reconciliation amount determined in accordance with Rules 46.3.3.2.1 and 46.3.3.2.2 shall be compared to the actual revenue billed by the Supply Service Adjustment factor for the applicable month. Any reconciliation balance, whether positive or negative, attributed to mass market customers shall be included in the adjustment of subsequent periods pursuant to Rule 46.3.4.

PSC NO: 220 ELECTRICITY  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE:  
STAMP:

LEAF: 236  
REVISION:  
SUPERSEDING REVISION:

## GENERAL INFORMATION

### 52. ELECTRIC VEHICLE MAKE-READY SURCHARGE

The Electric Vehicle Make-Ready (“EVMR”) Surcharge recovers investments made by the Company and incentive costs paid to customers to support the infrastructure and equipment necessary to accommodate increased electricity demands associated with the deployment of electric vehicles, until such time these costs are reflected in base rates.

52.1 The costs to be recovered, collectively referred to as “EV Make-Ready Costs” are as follows:

52.1.1 Company-Owned Make-Ready Costs: The depreciation expense related to Company-owned make-ready costs, including work related to future-proofing Company infrastructure, and the return on the average unrecovered portion of such investment, net of deferred income taxes, will be collected and amortized over the subsequent one-year period, including carrying charges at the Company’s pre-tax weighted average cost of capital.

52.1.2 Customer-Owned Make-Ready Work: Incentives paid for customer-owned make-ready work will be collected and amortized over a period of fifteen (15) years, with the net-of-tax balances accruing carrying charges based on the Company’s pre-tax weighted average cost of capital.

52.1.3 Other Program Costs: Other Program Costs include costs associated with the Environmental Justice Community Clean Vehicles Transformation Prize, Clean Personal Mobility Prize, Clean Medium- and Heavy- Duty Innovation Prize, Fleet Assessment Service, Medium- and Heavy- Duty Make-Ready Pilot Program, Transit Authority Make-Ready Program, and Micromobility Make-Ready Program. Other Program Costs will be collected and amortized over a period of fifteen (15) years, with the net-of-tax balances accruing carrying charges at the Company’s pre-tax weighted average cost of capital.

52.1.4 Make-Ready Implementation Costs: Implementation costs, including work related to Fleet Assessment Service, will be collected and amortized over a period of five (5) years, with the net-of-tax balances accruing carrying charges at the Company’s pre-tax weighted average cost of capital.

52.1.5 Commercial Electric Vehicle Demand Charge Rebate Program: Costs related to the implementation of the Commercial Electric Vehicle Demand Charge Rebate described in Rule 48, including the rebates paid to participants as well as incremental administrative costs, on a one-year lag.

52.1.6 Residential EV Charge Smart Plan Costs: Program enrollment, including customer enrollment incentives, and implementation costs associated with the Residential EV Charge Smart Plan, as specified in SC1 Special Provision N, and any costs associated with the customer’s turnkey installation incurred by the Company, if applicable, that are incurred annually and which exceed amounts included in base delivery rates, will be recovered in the EVMR Surcharge in the subsequent program year. The net costs to be recovered will be inclusive of carrying charges at the Company’s pre-tax weighted average cost of capital. Any cost recovery balances not recovered through the EVMR Surcharge will be recovered through base delivery rates in the Company’s next rate case.

PSC NO: 220 ELECTRICITY  
 NIAGARA MOHAWK POWER CORPORATION  
 INITIAL EFFECTIVE DATE:  
 STAMPS:

LEAF: 263.2  
 REVISION:  
 SUPERSEDING REVISION:

## GENERAL INFORMATION

### 57. REVENUE DECOUPLING MECHANISM (“RDM”)

57.1 The Revenue Decoupling Mechanism reconciles actual billed delivery service revenues for the RDM reconciliation period to annual target revenues (“ATR”) for delivery service as approved in the Company’s most recent rate case for each Reconciliation Group subject to the RDM defined in Rule 57.1.1 and as adjusted by the delivery service revenue associated with exempt customers identified in Rule 57.1.2. RDM targets will be adjusted, as applicable, to exclude credits applied to customer accounts pursuant to Rule 26.14. The RDM reconciliation shall determine the difference between actual billed delivery service revenues and the ATR for any Reconciliation Group listed in Rule 57.1.1 in each annual RDM reconciliation period and forms the basis of the RDM adjustment for that Reconciliation Group.

57.1.1 Delivery service revenue shall be defined as charges associated with distribution and transmission rates (customer, demand, reactive, and energy charges) applicable to retail delivery service customers subject to this RDM, subject to the following:

57.1.1.1 For the Street Lighting Reconciliation Group, delivery service revenues will also include facility charges. In the event that the Company transfers street lighting assets to one or more municipalities, the targets will be reduced to reflect changes in facilities charge revenues resulting from such sales.

57.1.1.2 The portion of the Phase One NEM and Value Stack CBC Charge revenue associated with the Home Energy Assistance Program (HEAP) grant and System Energy Efficiency Plan (SEEP) shall be included as delivery service revenue.

57.1.1.3 The delivery portion of the Monthly Charge Smart Incentive of the Residential EV Charge Smart Program, as specified in Special Provision N of SC1, shall be included as delivery service revenue.

For the first month after a delivery service rate change, the “billed delivery service revenues” will be defined as the product of actual sales and rate year rates.

The RDM reconciliation shall be performed for the following Reconciliation Groups:

1. SC-1, SC1-C
2. SC-2 Non-Demand
3. SC-2 Demand
4. SC-3
5. SC-3A
6. Street Lighting (PSC 214)

\* Customers served under SC-4, SC-6, SC-7, and SC-12 customers whose contracts provide exclusively for an alternative billing methodology, will be included in the RDM of their parent or otherwise applicable service classification.

57.1.2 Exempt/excluded from the RDM are the following:

57.1.2.1 SC-12 customers whose contracts do not provide exclusively for an alternative billing methodology for a NYPA allocation; therefore the ATR and billed delivery service revenue shall be excluded from the RDM, subject to the provisions of this rule below;

Issued by Rudolph L. Wynter, President, Syracuse, NY

PSC NO: 220 ELECTRICITY  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE:  
STAMPS:

LEAF: 356.1  
REVISION:  
SUPERSEDING REVISION:

SERVICE CLASSIFICATION NO. 1 (Continued)

SPECIAL PROVISIONS (CONT.)

N. Residential Electric Vehicle Charge Smart Plan (“EV Charge Smart Plan”)

Residential customers under this service classification, with the exception of customers served under Special Provision L, Residential Optional Time of Use Delivery and Commodity Rate, may enroll in the EV Charge Smart Plan, which awards a Monthly Charge Smart Incentive for charging their electric vehicle during the off-peak period. The off peak period is 11:00 pm to 7:00 am daily year-round.

1. The EV Charge Smart Plan customer will receive the applicable Monthly Charge Smart Incentive subject to the customer meeting the following criteria specified in a and b below.
  - a. The customer’s total electric vehicle charging in the given month is at or above the applicable monthly Minimum kWh Charging requirement; and
  - b. The percentage of the customer’s electric vehicle charging during the off-peak period in the given month is at or above the applicable Off-Peak Charging Percentage.
2. The Monthly Charge Smart Incentive, the Minimum kWh Charging requirement, and the Off-peak Charging Percentage, will be specified in a statement filed by the Company with the PSC, with at least thirty-day notice prior to the effective date. The Company will update the Monthly Charge Smart Incentive annually whenever delivery rates change or more often as needed to reflect updated supply forecasts.
3. The Company will set the Monthly Charge Smart Incentive no higher than the sum of a and b below:
  - a. The difference between i) the Company’s SC1 Distribution Delivery Charge per kWh and ii) the Company’s Off Peak Distribution Delivery Rate per kWh as specified in Special Provision L of SC1; multiplied by a Company specified average monthly EV Off-peak charging kWh; and
  - b. The difference between i) the Company’s forecasted average SC1 supply rate and the Company’s forecasted average SC1 off-peak supply rate; multiplied by a Company specified average monthly EV Off-peak charging kWh.

In the event a customer elects to take supply service from an alternate supplier, per Rule 39, the Monthly Charge Smart Incentive provided to the customer will only include the delivery component.

4. SC1 Charges – the customer will be billed all charges applicable to SC1 customers for the usage measured at the Company’s meter, inclusive of EV charging usage. The customer will also be charged any non-volumetric charges applicable to an SC1 customer.

PSC NO: 220 ELECTRICITY  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE:  
STAMPS:

LEAF: 356.2  
REVISION:  
SUPERSEDING REVISION:

SERVICE CLASSIFICATION NO. 1 (Continued)

SPECIAL PROVISIONS (CONT.)

N. Residential Electric Vehicle Charge Smart Plan (“EV Charge Smart Plan”) (Continued)

5. Customers must complete the Company’s enrollment process at least 30 days prior to the customer’s first billing under this program. A completed enrollment process will include the customer having a fully installed eligible EV charger, eligible vehicle, or other devices capable of managed charging. The customer’s first bill under this program will begin with the customer’s next full billing period following the 30-day period, unless otherwise mutually agreed to by the Company and the customer.
6. Customers may unenroll from the program at any time, effective with the customer’s next full billing period; provided, however, customers who receive an enrollment incentive from the Company, if available, will be required to stay enrolled for at least three months before being eligible to unenroll. Failure to adhere to EV Charge Smart Plan requirements, including maintaining equipment and telecommunications necessary for billing, may result in the customer being removed from participation in the EV Charge Smart Plan and returned to their otherwise applicable rate.
7. The customer’s EV Off-peak usage will be measured using a qualifying networked charger installation at the customer’s premise, qualifying electric vehicle, or other device capable of managed charging. Installation and maintenance of qualifying devices, associated equipment including telecommunications necessary for billing, and onboard metering to obtain accurate and timely readings of EV charging data will be the responsibility of the customer and at the customer’s expense. Qualifying electric vehicles must have the necessary telematics enabled to allow access to or receipt of the necessary EV usage data for billing by the Company.

PSC NO: 220 ELECTRICITY  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE:  
STAMPS:

LEAF: 356.3  
REVISION:  
SUPERSEDING REVISION:

SERVICE CLASSIFICATION NO. 1 (Continued)

RESERVED FOR FUTURE USE

DRAFT

## **ATTACHMENT 2**



PSC NO: 220 ELECTRICITY  
 NIAGARA MOHAWK POWER CORPORATION  
 INITIAL EFFECTIVE DATE: ~~JANUARY 1, 2024~~  
 STAMPS: ~~Issued in Compliance with Order in Case 15 E-0751, dated October 13, 2023.~~

LEAF: 229.2.1  
 REVISION: 4  
 SUPERSEDING REVISION: 0

## GENERAL INFORMATION

### 46. SUPPLY SERVICE CHARGES (Continued)

46.3.3.1.2. Service Classification No. 2 Demand Special Provision P (Effective June 1, 2013), Service Classification No. 3 Special Provision L - Mandatory Hourly Pricing Customers, Service Classification No. 3 Special Provision N (Effective June 1, 2013), Service Classification No. 3A, and Service Classification No. 7 whose otherwise applicable service classification is not SC1 or SC2 Non-Demand ("Hourly Priced Customers").

46.3.3.2 Supply Service Adjustment for Non-hourly Priced Customers - The reconciliation amount represented by the difference between actual monthly Electric Supply Costs and actual revenue billed through the ESCost pursuant to Rule 46.1 not otherwise recovered from customers through the LTC, NYPA Benefit, New Hedge Adjustment, Mass Market Adjustment and Supply Service Adjustment for Hourly Priced Customers and is applicable to all Non-hourly Priced Customers taking Electricity Supply Service from the Company.

46.3.3.2.1 Actual monthly Electricity Supply Costs shall be all costs incurred by the Company in providing electric supply to Non-hourly Priced Customers for an applicable service month. Electricity Supply Costs shall include the cost incurred under Legacy Contracts, New Hedges, NYPA R&D Contracts, Value Stack Energy Component credits determined in accordance with Rule 40.2.3, and for electricity purchased from NYISO in the Day Ahead and Real Time market, and shall include the cost of capacity and ancillary services and other supply related costs assessed to the Company. The supply portion of the Monthly Charge Smart Incentive of the Residential EV Charge Smart Program, as specified in Special Provision N of SC1, shall be included as actual supply costs for Non-hourly Priced Customers.

46.3.3.2.2 The actual monthly Electricity Supply Costs as specified in 46.3.3.2.1, shall be adjusted by the following:

46.3.3.2.2.1 Actual amount of the net market value associated with i) Legacy Contracts assessed through the LTC pursuant to Rule 46.2, ii) NYPA R&D Contracts assessed through the NYPA Benefit factor pursuant to Rule 46.2.6, and iii) New Hedges assessed through the New Hedge Adjustment factor pursuant to Rule 46.3.1; and

46.3.3.2.2.2 The Mass Market Adjustment determined pursuant to Rule 46.3.2; and the Supply Service Adjustment for Hourly Priced Customers pursuant to Rule 46.3.3.1; and any reconciliation balance from prior periods determined pursuant to Rule 46.3.3.2.4 below.

46.3.3.2.3 The Supply Service Adjustment factor for Non-hourly Priced Customers shall be calculated monthly as the amount determined in accordance with Rules 46.3.3.2.1 and 46.3.3.2.2, plus any over/under collection determined in Rule 46.3.3.2.4, divided by the forecasted kWh sales for the applicable month to the customers listed above receiving Electricity Supply Service from the Company.

46.3.3.2.4 The Supply Service Adjustment for Non-hourly Priced Customers shall be subject to reconciliation in which the reconciliation amount determined in accordance with Rules 46.3.3.2.1 and 46.3.3.2.2 shall be compared to the actual revenue billed by the Supply Service Adjustment factor for the applicable month. Any reconciliation balance, whether positive or negative, attributed to mass market customers shall be included in the adjustment of subsequent periods pursuant to Rule 46.3.4.

PSC NO: 220 ELECTRICITY  
 NIAGARA MOHAWK POWER CORPORATION  
 INITIAL EFFECTIVE DATE: ~~JANUARY 19, 2024~~

LEAF: 236  
 REVISION: 8  
 SUPERSEDING REVISION: 7

STAMP: ~~Issued in Compliance with Order in Case 22-E-0236, dated November 20, 2023.~~

## GENERAL INFORMATION

### 52. ELECTRIC VEHICLE MAKE-READY SURCHARGE

The Electric Vehicle Make-Ready (“EVMR”) Surcharge recovers investments made by the Company and incentive costs paid to customers to support the infrastructure and equipment necessary to accommodate increased electricity demands associated with the deployment of electric vehicles, until such time these costs are reflected in base rates.

52.1 The costs to be recovered, collectively referred to as “EV Make-Ready Costs” are as follows:

52.1.1 Company-Owned Make-Ready Costs: The depreciation expense related to Company-owned make-ready costs, including work related to future-proofing Company infrastructure, and the return on the average unrecovered portion of such investment, net of deferred income taxes, will be collected and amortized over the subsequent one-year period, including carrying charges at the Company’s pre-tax weighted average cost of capital.

52.1.2 Customer-Owned Mark-Ready Work: Incentives paid for customer-owned make-ready work will be collected and amortized over a period of fifteen (15) years, with the net-of-tax balances accruing carrying charges based on the Company’s pre-tax weighted average cost of capital.

52.1.3 Other Program Costs: Other Program Costs include costs associated with the Environmental Justice Community Clean Vehicles Transformation Prize, Clean Personal Mobility Prize, Clean Medium- and Heavy- Duty Innovation Prize, Fleet Assessment Service, Medium- and Heavy- Duty Make-Ready Pilot Program, Transit Authority Make-Ready Program, and Micromobility Make-Ready Program. Other Program Costs will be collected and amortized over a period of fifteen (15) years, with the net-of-tax balances accruing carrying charges at the Company’s pre-tax weighted average cost of capital.

52.1.4 Make-Ready Implementation Costs: Implementation costs, including work related to Fleet Assessment Service, will be collected and amortized over a period of five (5) years, with the net-of-tax balances accruing carrying charges at the Company’s pre-tax weighted average cost of capital.

52.1.5 Commercial Electric Vehicle Demand Charge Rebate Program: Costs related to the implementation of the Commercial Electric Vehicle Demand Charge Rebate described in Rule 48, including the rebates paid to participants as well as incremental administrative costs, on a one-year lag.

52.1.6 Residential EV Charge Smart Plan Costs: Program enrollment, including customer enrollment incentives, and implementation costs associated with the Residential EV Charge Smart Plan, as specified in SC1 Special Provision N, and any costs associated with the customer’s turnkey installation incurred by the Company, if applicable, that are incurred annually and which exceed amounts included in base delivery rates, will be recovered in the EVMR Surcharge in the subsequent program year. ~~The costs to be recovered will be net of the annual administrative fees collected from customers as a component of the program’s EV Monthly Charge.~~ The net costs to be recovered will be inclusive of carrying charges at the Company’s pre-tax weighted average cost of capital. Any cost recovery balances not recovered through the EVMR Surcharge will be recovered through base delivery rates in the Company’s next rate case.

PSC NO: 220 ELECTRICITY  
 NIAGARA MOHAWK POWER CORPORATION  
 INITIAL EFFECTIVE DATE: ~~JANUARY 1, 2024~~  
 STAMPS: ~~Issued in Compliance with Order in Case 15 E 0751, dated October 13, 2023.~~

LEAF: 263.2  
 REVISION: ~~19~~  
 SUPERSEDING REVISION: ~~18~~

## GENERAL INFORMATION

### 57. REVENUE DECOUPLING MECHANISM (“RDM”)

57.1 The Revenue Decoupling Mechanism reconciles actual billed delivery service revenues for the RDM reconciliation period to annual target revenues (“ATR”) for delivery service as approved in the Company’s most recent rate case for each Reconciliation Group subject to the RDM defined in Rule 57.1.1 and as adjusted by the delivery service revenue associated with exempt customers identified in Rule 57.1.2. RDM targets will be adjusted, as applicable, to exclude credits applied to customer accounts pursuant to Rule 26.14. The RDM reconciliation shall determine the difference between actual billed delivery service revenues and the ATR for any Reconciliation Group listed in Rule 57.1.1 in each annual RDM reconciliation period and forms the basis of the RDM adjustment for that Reconciliation Group.

57.1.1 Delivery service revenue shall be defined as charges associated with distribution and transmission rates (customer, demand, reactive, and energy charges) applicable to retail delivery service customers subject to this RDM, subject to the following:

57.1.1.1 For the Street Lighting Reconciliation Group, delivery service revenues will also include facility charges. In the event that the Company transfers street lighting assets to one or more municipalities, the targets will be reduced to reflect changes in facilities charge revenues resulting from such sales.

57.1.1.2 The portion of the Phase One NEM and Value Stack CBC Charge revenue associated with the Home Energy Assistance Program (HEAP) grant and System Energy Efficiency Plan (SEEP) shall be included as delivery service revenue.

57.1.1.3 The delivery portion of the Monthly Charge Smart Incentive of the Residential EV Charge Smart Program, as specified in Special Provision N of SC1, shall be included as delivery service revenue.

For the first month after a delivery service rate change, the “billed delivery service revenues” will be defined as the product of actual sales and rate year rates.

The RDM reconciliation shall be performed for the following Reconciliation Groups:

1. SC-1, SC1-C
2. SC-2 Non-Demand
3. SC-2 Demand
4. SC-3
5. SC-3A
6. Street Lighting (PSC 214)

\* Customers served under SC-4, SC-6, SC-7, and SC-12 customers whose contracts provide exclusively for an alternative billing methodology, will be included in the RDM of their parent or otherwise applicable service classification.

57.1.2 Exempt/excluded from the RDM are the following:

57.1.2.1 SC-12 customers whose contracts do not provide exclusively for an alternative billing methodology for a NYPA allocation; therefore the ATR and billed delivery service revenue shall be excluded from the RDM, subject to the provisions of this rule below;

Issued by Rudolph L. Wynter, President, Syracuse, NY

PSC NO: 220 ELECTRICITY  
 NIAGARA MOHAWK POWER CORPORATION  
 INITIAL EFFECTIVE DATE: ~~MARCH 1, 2023~~  
 STAMPS: ~~Issued in Compliance with Order in Case 18 E 0138, issued July 14, 2022.~~

LEAF: 356.1  
 REVISION: 2  
 SUPERSEDING REVISION: 1

SERVICE CLASSIFICATION NO. 1 (Continued)

SPECIAL PROVISIONS (CONT.)

N. Residential Electric Vehicle Charge Smart Plan (“EV Charge Smart Plan”)

Residential customers under this service classification, with the exception of customers served under Special Provision L, Residential Optional Time of Use Delivery and Commodity Rate, may enroll in the EV Charge Smart Plan, which awards a Monthly Charge Smart Incentive for charging their electric vehicle during the off-peak period. The off peak period is 11:00 pm to 7:00 am daily year-round.

1. The EV Charge Smart Plan customer will receive the applicable Monthly Charge Smart Incentive subject to the customer meeting the following criteria specified in a -and b below.
  - a. The customer’s total electric vehicle charging in the given month is at or above the applicable monthly Minimum kWh Charging requirement; and
  - b. The percentage of the customer’s electric vehicle charging during the off-peak period in the given month is at or above the applicable Off-Peak Charging Percentage.
2. The Monthly Charge Smart Incentive, the Minimum kWh Charging requirement, and the Off-peak Charging Percentage, will be specified in a statement filed by the Company with the PSC, with at least thirty-day notice prior to the effective date. The Company will update the Monthly Charge Smart Incentive annually whenever delivery rates change or more often as needed to reflect updated supply forecasts.
3. The Company will set the Monthly Charge Smart Incentive no higher- than the sum of a and b below:
  - a. The difference between i) the Company’s SC1 Distribution Delivery Charge per kWh and ii) the Company’s Off Peak Distribution Delivery Rate per kWh as specified in Special Provision L of SC1; multiplied by a Company specified average monthly EV Off-peak charging kWh; and
  - b. The difference between i) the Company’s forecasted average SC1 supply rate and the Company’s forecasted average SC1 off-peak supply rate; multiplied by a Company specified average monthly EV Off-peak charging kWh.

In the event a customer elects to take supply service from an alternate supplier, per Rule 39, the Monthly Charge Smart Incentive provided to the customer will only include the delivery component.

4. SC1 Charges – the customer will be billed all charges applicable to SC1 customers for the usage measured at the Company’s meter, inclusive of EV charging usage. The customer will also be charged any non-volumetric charges applicable to an SC1 customer.

~~Residential customers under this service classification, with the exception of customers served under Special Provision L, Residential Optional Time of Use Delivery and Commodity Rate, may enroll in the EV Charge Smart Plan, which allows for a predetermined amount of off peak charging of a customer's electric vehicle ("EV") at their residence for a fixed monthly charge. Enrolled customers must choose one of two tiers of maximum EV Off peak charging per billing period, for EV charging performed at the customer's premise ("Customer's EV Off peak Charging Tier"). The kWh levels available in the Customer's EV Off peak Charging Tier, for each Tier level, will be specified in a statement filed by the Company with the PSC. The Off peak period is 11:00 pm to 7:00 am daily year round. The On peak period is 7:00 am to 11:00 pm daily year round.~~

~~1. The EV Charge Smart Plan customer will receive the charges and rebates specified in a) through c) below each billing period. The charges or rebates in a) and b) may be billed on the customer's next bill following the period upon which the charges or rebates are calculated.~~

~~a. EV Monthly Charge—the customer will pay a fixed EV Monthly Charge each billing period based on their selection of Tier 1 or Tier 2. The EV Monthly Charge will be determined by the Company on an annual basis, or whenever the Company's delivery rates change. The EV Monthly Charge for Tier 1 and Tier 2 is based on the sum of the following forecasted charge components:~~

- ~~1) Incremental customer charge—a monthly fixed fee, determined by the Company, to recover costs associated with the Company's administration of the program.~~
- ~~2) EV Off peak Delivery Charge—the product of i) the forecasted SC1VTOU Off peak delivery rate, as specified in Special Provision L of SC1 and as applicable to the annual period of the EV Monthly Charge, and ii) the kWh design limit specific to the Customer's EV Off peak Charging Tier. The kWh design limits for Tier 1 and Tier 2 ("Tier Design Limit") may be different than the kWh levels available in the Customer's EV Off peak Charging Tier and will be specified in a statement filed by the Company with the PSC.~~
- ~~3) Systems Benefits Charge—the product of i) the forecasted SBC, as specified in Rule 42 and as applicable to the annual period of the EV Monthly Charge, and ii) the Tier Design Limit for the Customer's EV Off peak Charging Tier.~~
- ~~4) SC1 Supply Off peak Charge—the product of i) the Company's forecasted average SC1 off peak supply rate, as applicable to the annual period of the EV Monthly Charge and excluding the New Hedge Adjustment, as specified in Rule 46.3.1, and ii) the Tier Design Limit for the Customer's EV Off peak Charging Tier.~~
- ~~5) Clean Energy Standard Supply ("CESS") Charge—the product of i) the Company's forecasted CESS rate, as specified in Rule 46.3.5, and as applicable to the annual period of the EV Monthly Charge, and ii) the Tier Design Limit for the Customer's EV Off peak Charging Tier.~~
- ~~6) Merchant Function Charge ("MFC")—the product of i) the Company's forecasted MFC rate applicable to SC1 customers, as specified in Rule 42, and as applicable to the annual period of the EV Monthly Charge, and ii) the Tier Design Limit for the Customer's EV Off peak Charging Tier.~~

PSC NO: 220 ELECTRICITY  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: ~~MARCH 1, 2023~~  
STAMPS: ~~Issued in Compliance with Order in Case 18 E 0138, issued July 14, 2022.~~

LEAF: 356.2  
REVISION: ~~1~~  
SUPERSEDING REVISION: ~~0~~

SERVICE CLASSIFICATION NO. 1 (Continued)

SPECIAL PROVISIONS (CONT.)

N. Residential Electric Vehicle Charge Smart Plan (“EV Charge Smart Plan”) (Continued)

5. Customers must complete the Company’s enrollment process at least 30 days prior to the customer’s first billing under this program. A completed enrollment process will include the customer having a fully installed eligible EV charger, eligible vehicle, or other devices capable of managed charging. The customer’s first bill under this program will begin with the customer’s next full billing period following the 30-day period, unless otherwise mutually agreed to by the Company and the customer.
6. Customers may unenroll from the program at any time, effective with the customer’s next full billing period; provided, however, customers who receive an enrollment incentive from the Company, if available, will be required to stay enrolled for at least three months before being eligible to unenroll. Failure to adhere to EV Charge Smart Plan requirements, including maintaining equipment and telecommunications necessary for billing, may result in the customer being removed from participation in the EV Charge Smart Plan and returned to their otherwise applicable rate.
7. The customer’s EV Off-peak usage will be measured using a qualifying networked charger installation at the customer’s premise, qualifying electric vehicle, or other device capable of managed charging. Installation and maintenance of qualifying devices, associated equipment including telecommunications necessary for billing, and onboard metering to obtain accurate and timely readings of EV charging data will be the responsibility of the customer and at the customer’s expense. Qualifying electric vehicles must have the necessary telematics enabled to allow access to or receipt of the necessary EV usage data for billing by the Company.

~~The Company will calculate the EV Monthly Charge in separate delivery and supply components with the delivery components included as 1) through 3) above, and the supply components as 4) through 6) above. In the event a customer elects to take supply service from an alternate supplier, per Rule 39, the EV Monthly Charge billed to the customer under this program will only include the delivery components.~~

~~b. EV On-peak Charge and EV Off-peak Rebate—the customer will be subject to an EV On-peak Charge and an EV Off-peak Rebate as specified below:~~

~~1) EV On-peak Charge—The sum of the following components:~~

- ~~a) The product of i) the customer's EV On-peak kWh usage and ii) the difference between the applicable SC1VTOU On-peak delivery rate, as specified in Special Provision L of SC1, and the applicable SC1 delivery rate; and~~
- ~~b) The product of i) the customer's EV On-peak kWh usage and ii) the difference between the forecasted SC1 average On-peak supply rate, as used in the calculation of the EV Monthly Charge specified above, and the Company filed SC1 supply rate specific to the customer's load zone and the period of the customer's EV On-peak kWh usage measurement. In the event the customer's EV On-peak kWh usage is measured on a calendar month basis, the rates applicable to the same calendar month will be used in the calculation.~~

~~2) EV Off-peak Rebate—The product of i) the minimum of the customer's EV Off-peak kWh usage and the Customer's EV Off-peak Charging Tier usage limit; and ii) 1 multiplied by the sum of the customer's volumetric (per kWh) rates applicable to the customer, inclusive of delivery, supply, and any associated surcharges, specific to the customer's load zone and the period of the customer's EV usage measurement. In the event the customer's EV usage is measured on a calendar month basis, the rates applicable to the same calendar month will be used in the calculation.~~

~~The Company will separate the EV On-peak Charge and the EV Off-peak Rebate into delivery and supply components for billing. In the event a customer elects to take supply service from an alternate supplier, per Rule 39, the EV On-peak Charge and the EV Off-peak Rebate provided to the customer will only include the delivery components.~~

~~The Company will file a rate statement that will specify the Tier 1 and Tier 2 EV Monthly Charges (for delivery and supply), and the forecasted SC1 average On-peak supply rate to be used in the EV On-peak Charge calculation. The statement will be filed with the PSC annually when delivery rates change, or more often as needed to reflect updated supply forecasts, with at least 30-day notice prior to the effective date.~~

~~e. SC1 Charges—the customer will be billed all charges applicable to SC1 customers for the usage measured at the Company's meter, inclusive of EV charging usage. The customer will also be charged any non-volumetric charges applicable to an SC1 customer.~~

PSC NO: 220 ELECTRICITY  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: ~~MARCH 1, 2023~~  
STAMPS: ~~Issued in Compliance with Order in Case 18 E-0138, issued July 14, 2022.~~

LEAF: 356.3  
REVISION: ~~1~~  
SUPERSEDING REVISION: ~~0~~

SERVICE CLASSIFICATION NO. 1 (Continued)

RESERVED FOR FUTURE USE

DRAFT



## SPECIAL PROVISIONS (CONT.)

~~N. Residential Electric Vehicle Charge Smart Plan (“EV Charge Smart Plan”) (Continued)~~

- ~~1. The customer’s EV On peak and EV Off peak usage will be measured using a qualifying networked charger installation at the customer’s premise or a qualifying electric vehicle. Installation and maintenance of qualifying devices, associated equipment including telecommunications necessary for billing, and onboard metering to obtain accurate and timely readings of EV charging data will be the responsibility of the customer and at the customer’s expense. Qualifying electric vehicles must have the necessary telematics enabled to allow access to or receipt of the necessary EV usage data for billing by the Company.~~
- ~~2. Customers must complete the Company’s enrollment process at least 30 days prior to the customer’s first billing under this program. A completed enrollment process will include the customer’s election of Tier 1 or Tier 2 for their off-peak charging and the customer having a fully installed eligible EV charger, or eligible vehicle. The customer’s first bill under this program will begin with the customer’s next full billing period following the 30-day period, unless otherwise mutually agreed to by the Company and the customer.~~
- ~~3. Customers may unenroll from the program at any time, effective with the customer’s next full billing period; provided, however, customers who receive an enrollment incentive from the Company, if available, will be required to stay enrolled for at least three months before being eligible to unenroll. Failure to adhere to EV Charge Smart Plan requirements, including maintaining equipment and telecommunications necessary for billing, may result in the customer being removed from participation in the EV Charge Smart Plan and returned to their otherwise applicable rate.~~
- ~~4. The customer may modify their election of Tier 1 or Tier 2 with 30-day notice to the Company. The Company will begin billing using the modified Tier election in the first full billing period following the 30-day notice.~~
- ~~5. The EV Monthly Charges, the EV On-peak Charges, and the EV Off-peak Rebates will be included as actual billed revenue in their applicable surcharge reconciliation mechanisms performed by the Company.~~

## **ATTACHMENT 3**

P.S.C. 220 ELECTRICITY  
 NIAGARA MOHAWK POWER CORPORATION  
 INITIAL EFFECTIVE DATE:  
 STAMPS:

STATEMENT TYPE: EVCS  
 STATEMENT NO.  
 PAGE 1 OF 1

**NIAGARA MOHAWK POWER CORPORATION  
 STATEMENT OF RESIDENTIAL ELECTRIC VEHICLE CHARGE SMART PLAN**

**EFFECTIVE:**

**APPLICABLE TO BILLINGS SET FORTH  
 BELOW UNDER P.S.C. NO. 220 ELECTRICITY  
 (PSC No. 220 – SC1 Special Provision N)**

**Residential EV Charge Smart Plan Monthly Incentive**

Service Classification	Zone	
Minimum kWh Charging	All Zones	50 kWh
Minimum Off-Peak Charging Percentage	All Zones	80%
		\$/month
EV Charge Smart Incentive Delivery	All Zones	\$ 13.70
EV Charge Smart Incentive Supply	All Zones	\$ 1.30
Total EV Charge Smart Incentive		\$ 15.00

Rates shown above are exclusive of gross receipts taxes.

Issued by Rudolph L. Wynter, President, Syracuse, New York

Dated:

## **ATTACHMENT 4**

**Residential Electric Vehicle Charge Smart Monthly Incentive Calculation**

Load Zone Desc	SC-1 Delivery Rate (1)	VTOU Off-Peak Delivery Rate (2)	Delivery Off-Peak Cost Avoidance (3)	SC1 Supply 5 Year Forecast (4)	Off Peak Supply Rate 5 Year Forecast (5)	Supply Off-Peak Avoided Rate (6)	Total Off-Peak Avoided Rate (7)	EV Avg Monthly Home Off-Peak kWh (8)	EV Monthly Delivery Avoided Rate (9)	EV Monthly Supply Avoided Rate (10)	EV Monthly Total Avoided Rate (11)
West (Zone A)	\$0.07104	\$0.01508	\$0.05596	\$0.06486	\$0.04499	\$0.01987	\$0.07583	244.8	\$13.70	\$4.86	\$18.56
Genesee (Zone B)	\$0.07104	\$0.01508	\$0.05596	\$0.06486	\$0.04499	\$0.01987	\$0.07583	244.8	\$13.70	\$4.86	\$18.56
Central (Zone C)	\$0.07104	\$0.01508	\$0.05596	\$0.06627	\$0.04798	\$0.01830	\$0.07426	244.8	\$13.70	\$4.48	\$18.18
North (Zone D)	\$0.07104	\$0.01508	\$0.05596	\$0.06627	\$0.04798	\$0.01830	\$0.07426	244.8	\$13.70	\$4.48	\$18.18
Mohawk V (Zone E)	\$0.07104	\$0.01508	\$0.05596	\$0.06627	\$0.04798	\$0.01830	\$0.07426	244.8	\$13.70	\$4.48	\$18.18
Capital (Zone F)	\$0.07104	\$0.01508	\$0.05596	\$0.09140	\$0.07261	\$0.01879	\$0.07475	244.8	\$13.70	\$4.60	\$18.30

Calculation of Monthly Charge Smart Incentive		Description
	\$18.33	Avg of 'EV Monthly Total Cost Avoidance' (11) across Load Zones
	\$15.00	Proposed Per-Customer Monthly Incentive
	\$13.70	Delivery portion of monthly incentive
	\$1.30	Supply portion of monthly incentive
	28%	Share of Supply Cost Avoidance included in incentive
TRUE		Incentive value is greater than or equal to avoided delivery costs? (for PSC Order compliance)
TRUE		Incentive value is less than or equal to avoided delivery and supply costs? (for PSC Order compliance)

notes

- (1) SC1 Delivery Rate in effect for Rate Year 3 (July 1, 2023 – June 1, 2024) per NMPC Joint Proposal in Case 20-E-0380
- (2) Rate Year 3 off-peak delivery rate for the Residential Optional Time of Use Delivery and Commodity Rate (SC1 VTOU) per SC1, Special Provision L
- (3) = (1) - (2)
- (4) 5 Year Weighted Average SC1 Supply rate from company Supply forecast.
- (5) 5 Year Weighted Average SC1 Off-Peak Supply rate from company Supply forecast.
- (6) = (4) - (5)
- (7) = (3) + (6)
- (8) EV Avg Monthly Home Off-Peak kWh
- (9) = (3) \* (8)
- (10) = (6) \* (8)
- (11) = (9) + (10)