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Associate General Counsel
Regulatory Affairs



March 8, 2023

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

Re: Case 18-E-0138 - Proceeding on Motion of the Commission Regarding Electric
Vehicle Supply Equipment and Infrastructure

Dear Secretary Phillips,

Attached please find Central Hudson Gas & Electric Corporation's Petition to Modify the
Order Approving Managed Charging Programs.

Please contact Cory Scofield, Director-Demand Side Management at (845) 275-4214 or
Cscofield@cenhud.com with any questions.

Respectfully submitted,

/s/Paul A. Colbert

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**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 CENTRAL HUDSON GAS & ELECTRIC
CORPORATION TO MODIFY THE ORDER APPROVING
MANAGED CHARGING PROGRAMS**

Preliminary Statement

Central Hudson Gas & Electric Corporation (“Central Hudson” or “Company”) hereby petitions the New York State Public Service Commission (“Commission”) to modify the Order Approving Managed Charging Programs with Modifications (“Order”) that directed the Company to implement an electric vehicle (“EV”) managed charging program (“Program”) with certain modifications.¹ Specifically, Central Hudson requests that the Commission modify the active managed charging program’s (“Active Program”) participation incentive frequency to an end-of-season incentive to maximize customer experience and program effectiveness.

Relevant Background

On July 14, 2022, the Commission issued its Order Approving Managed Charging Programs with Modifications, which approved Central Hudson’s managed charging proposal (“Proposal”) initially filed on December 4, 2020.² The Company’s Proposal included a passive managed charging (“Passive Program”), as well as an Active Program whereby EV load reduction initiatives would contribute to Central Hudson’s existing Non-Wires Alternatives (“NWA”) areas. The Company proposed that Active Program participants would receive incentives at the end of the Company’s NWA curtailment season, consistent with other resources within the NWA program portfolio.

Ordering Clause 13 of the Order modified the Company’s Proposal by directing the Joint Utilities to “settle Managed Charging Participants incentive payments on a quarterly basis, at a minimum.”³ On September 26, 2022, the Company filed its Managed Charging Implementation

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

² Case 18-E-0138, *Proceeding on Motion of the Commission Regarding Electric Vehicle Supply Equipment and Infrastructure*, Central Hudson Managed Charging Program Proposal (filed December 4, 2020)

³ Order, p. 61.

Plan⁴(“MCIP”) for Passive and Active Programs to be implemented within 12 months from the issuance of the Order (i.e., July 14, 2023), and subsequently filed its updated MCIP⁵ on January 30, 2023. In accordance with Ordering Clause 13, the Company’s updated MCIP states that participants’ incentive payments will be settled on a monthly basis, and that “participation incentives are paid once a customer’s monthly participation is confirmed, within 60 days of the month’s end.”⁶

Central Hudson’s Existing NWA Program

Central Hudson’s existing NWA program employs a portfolio of strategies and technologies to realize capacity benefits, including demand response (“DR”) events that typically coincide with peak times of usage on the electric grid. The NWA program has been deployed within three specific load zones in the Company’s service territory: Fishkill/Shenandoah, Merritt Park, and the Northwest Corridor. Throughout these areas, a total load relief of 16.0 MW is targeted in order to successfully defer infrastructure investments in each location. Residential and small commercial customers may participate by using direct load control devices such as Wi-Fi thermostats or digital control units to curtail central air conditioners and pool pumps and activate backup generation systems. Large commercial and industrial customers may participate through custom curtailment solutions.

Central Hudson holds NWA program DR events during its curtailment season, from June 1st to September 30th. Participation is restricted to customers located within the three load constrained zones. Residential participation performance is verified at the time of each event, while total seasonal participation performance is reviewed at the end of each season. Participation

⁴ Case 18-E-0138, *Proceeding on Motion of the Commission Regarding Electric Vehicle Supply Equipment and Infrastructure*, Central Hudson Managed Charging Implementation Plan (filed September 26, 2022).

⁵ Case 18-E-0138, *Proceeding on Motion of the Commission Regarding Electric Vehicle Supply Equipment and Infrastructure*, CHGE MC Implementation Plan 01302023 (filed January 30, 2023).

⁶ *Id.*, p. 6.

incentives are distributed by the end of year in the form of a check or bill credit.

The NWA program allows a residential participant to opt out of two events per season to provide reasonable flexibility to the customer while ensuring the program's capacity and reliability for the Company. Participants who opt-out of more than two events per season forfeit their participation incentive.⁷ As a reflection of its success, the current program's participation opt-out rate is very low with approximately only 2% of customers opting out per season.⁸

Requested Relief

As an additional resource type within the Company's NWA portfolio, all Active Program DR events will fall within the NWA curtailment season. To better integrate the two programs, Central Hudson seeks the Commission's approval to align the payment schedule of the Active Program participation incentive with that of the NWA program. Specifically, Central Hudson requests the Commission allow for the Active Program participation incentive payment to occur at end-of-season. If approved, the Company would provide participants with a single Active Program participation incentive by the end of the curtailment season. Consistent with the current NWA DR program, participants would have the flexibility to opt out of a maximum of two events per season and still earn their annual participation incentive.

Potential Active Program Benefits

Central Hudson ultimately seeks to create a positive customer experience while maximizing the Active Program's contributions to the NWA program portfolio. As described below, the Company believes that providing a single end-of-season Active Program payment schedule would both improve the customer experience and increase program effectiveness.

⁷ Central Hudson reserves the right to make exceptions, if warranted.

⁸ Case 14-E-0318, Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Central Hudson Gas & Electric Corporation for Electric Service, CHGE Annual TDM Program Report (submitted December 1, 2022), p. 37

First, Central Hudson plans to maintain customer engagement and awareness throughout the season through the participant portal. Performance metrics will be available following each event, along with other insights on participation. Incentive payments, regardless of frequency, will require at least a one-month processing time. For example, the participation incentive calculated for the month of June would not be received by the customer until July or August. Due to this delay, the customer may not readily associate each payment with the performance achieved in each month. Further, performing these administrative duties once rather than four times during a season will minimize the need for potential incentive reconciliations and reduce administrative costs to the program.

Additionally, an end-of-season incentive payment will better align with the need for seasonal resource availability. To provide the most value to the program, resources need to be available during the seasonal peak day, which is unknown prior to the end of season. Under a monthly payment model, the customer may receive payments earlier in the season and opt-out of events later in the season when, historically, the seasonal peak is most likely to occur. Under a seasonal payment structure, the participant would need to remain in the program for the duration of the season and limit their opt-out usage in order to receive any incentive.

Finally, managed charging programs are nascent in the realm of DR and are undergoing further testing to better understand what drives positive charging behaviors. Central Hudson has had ongoing conversations with Distributed Energy Resource Management System providers and implementation contractors for managed charging programs throughout the development of the MCIP. Based on these conversations, Central Hudson understands that a one-time incentive paid after a four-month curtailment season is an effective strategy to achieve customer engagement and maximize resource availability while minimizing operating costs. Further, some vendors have indicated that end-of-month incentives do not have a significant impact on enrollment rates

compared to end-of-year or end-of-season incentives.

Conclusion

For foregoing reasons, Central Hudson petitions the Commission for authorization to modify its Active Managed Charging Program by adjusting the participation incentive payment to an annual frequency, following each curtailment season.

Dated: March 8, 2023