BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke Energy Ohio, Inc., for Authority to Adjust its Power Forward Rider	)	Case No. 19-1750-EL-UNC
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Change Accounting Methods	)	Case No. 19-1751-GE-AAM

REPLY COMMENTS OF THE OHIO ENVIRONMENTAL COUNCIL AND SIERRA CLUB

I. Introduction

Pursuant to the procedural schedule established by the Public Utilities Commission of Ohio (the "Commission" or "PUCO") for 19-1750-EL-UNC and 19-1751-GE-AAM, the Ohio Environmental Council and Sierra Club ("Environmental Advocates") submit these joint reply comments regarding the Application of Duke Energy Ohio, Inc. for Authority to adjust its Power Forward Rider. The initial Comments of the Environmental Advocates addressed the Customer Information System proposed by Duke, as well as the Electric Transportation Pilot, both of which we supported with the revisions recommended in those comments.

II. Duke's proposed Electric Transportation Pilot will benefit Ohioans.

This Commission has previously approved programs similar to Duke's Electric Transportation Pilot ("ET Pilot" or "ET") because of the benefits that customers of the utility receive as a result of implementation of a well-designed electric vehicle charging and infrastructure program. Duke's proposed ET, subject to the recommendations made in the Environmental Advocates' initial Comments, improves upon prior efforts of other utilities through thoughtful design that will ensure equitable access to the technology itself as well as ensure the benefits of

increased adoption of EVs, which include cost savings and improved air quality resulting in health benefits, are shared amongst electricity customers across Duke's territory, not just the Duke customers who choose to adopt an EV.

Two main critiques in the comments submitted on the ET Pilot relate to costs of the program, and concerns over suppressing the competitive marketplace. The arguments related to cost impacts, however, ignore all other important non-monetary benefits of the ET Pilot. For example, the Ohio Consumers' Counsel (OCC) criticizes the ET, in part, because it believes the rebate program will only directly financially assist a limited number of residential customers, and argue it excludes all other customers from any benefits. *OCC Comments* at 14. But OCC takes too narrow a view of the program's benefits, ignoring the utility customer, public health, and air quality benefits that all Duke customers will enjoy from as a result of the implementation of the ET Pilot. *See, e.g.* MJ Bradley and Associates, Electric Vehicle Cost-Benefit Analysis Plug-in Electric Vehicle Cost-Benefit Analysis: Ohio at 14 (discussing air quality, utility customer, and GHG emissions reductions benefits).[1] Further, and in direct contradiction to OCC's argument that the ET Pilot will only benefit a limited number of customers through direct rebates, widespread EV usage has been shown to reduce electric bills as a result of improved utilization of the grid, providing benefits to all electric customers. *See* Environmental Advocates Comments at 5-6.

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[1] Available at https://mjbradley.com/sites/default/files/OH%20PEV%20CB%20Analysis%20FINAL.pdf. In reply comments, OCC criticize this study and argue that Environmental Advocates' citations to it in opening comments should be accorded no weight because the study was sponsored by Duke. OCC fail to actually dig into the methodology, which was first developed for cost-benefit studies conducted on behalf of the Natural Resources Defense Council for its policy advocacy. That common methodology and framework has since been applied to assess the costs and benefits of EVs in 17 states throughout the U.S. for a number of different entities including Sierra Club, as well as business and utility clients. *See https://www.mjbradley.com/content/electric-vehicle-cost-benefit-framework.*

The Environmental Advocates agree with many of the stakeholder comments that we need to maintain a competitive marketplace for EV adoption and infrastructure, and we believe Duke's proposal is well-designed to stimulate an innovative and sustainable marketplace for EV technology providers. As ChargePoint stated, the ET Pilot's "focus on make-ready investment and consumer rebates will encourage increased adoption and continued innovation, while ensuring the growth of the competitive market." *ChargePoint Comments* at 5. The ET Pilot, as a demonstration program, is necessary for Duke to prepare and analyze its grid for the growing share of EVs on the market. In developing a Pilot program, Duke similarly recognizes the benefits the Pilot program will bring its customers by encouraging the expansion of the EV market. While OCC argues "there is nothing about the market for electric vehicles that requires regulated monopolies to be involved," it fails to recognize the impact EVs are having—and will increasingly have—on a distribution utility's grid and the need to plan to intelligently integrate EV charging load to maximize its benefits. OCC Comments at 13.

OCC also argues that vehicle manufacturers should bear the responsibility of pushing the market toward EVs, rather than an EDU. *See* OCC Comments at 14 - 15. Vehicle manufacturers are not equipped to develop and implement an ET Pilot program similar to Duke's, because vehicle manufacturers do not manage a distribution grid nor analyze the data necessary to develop an efficient and reliable grid. Implementing EV charging infrastructure efficiently in a way that is least disruptive, and cost-effective for customers, requires collaboration with the distribution utility. By proactively developing the ET Pilot, Duke ensures it can develop a distribution grid capable of handling the expansion of EV charging infrastructure (whether from automobile manufacturers or other industries) while reducing costs for its customers. It is not an either/or

circumstance, as OCC claims with its "chicken and the egg" comparison. Due to the nature of the technology, EV infrastructure will significantly impact Duke's role as an EDU.

The Ohio Manufacturer's Association Energy Group (OMAEG) makes a similar argument against the ET Pilot based on the claim that "EV Charging Services are competitive in nature." *OMAEG Comments* at 8. This argument misunderstands the EV technology marketplace. It is critical to recognize that Duke is entirely reliant on EV service providers and technology companies to supply and support the hardware, software and networking solutions for the EV charging stations in the ET pilot, and that the EV charging stations are the locus of innovation in the EV infrastructure marketplace. With that context, the Commission's assessment of competition and innovation should focus on the nature of Duke's procurement of those charging station components. For example: Is the utilities' request for information and/or request for proposal process open and transparent? Does the utility specify *what* specifications must be met but not *how* charging solution providers should meet those specifications? And so on.

Moreover, OCC and OMAEG are attempting to equate "pilot projects" with competitive market action while ignoring the state purpose and relationship the pilot program plays in modernizing Duke's distribution grid. The proposed ET Pilot is limited in scope and scale. Duke has specifically defined the number of charging stations and other infrastructure it will provide in order to run the necessary tests so it can understand the impact EV infrastructure will have on its grid. Within all the EV infrastructure-related programs Duke has proposed, the company has outlined the following: (1) 1000 residential charging stations; (2) 400 commercial EV ports; (3) 25 DCFC "make-ready" locations; and (4) 10 electric transit buses. The scale of its proposed project, with 700,000 customers, is less than 0.2% of its footprint, and nowhere near a "monopoly," as OCC would describe the ET Pilot and other similar programs. *See* OCC Comments at 12. The

Commission has approved a similar Pilot program in AEP Ohio territory, which has lead to an increase in market demand for EVs, not stifled it as opponents of Duke's proposal fear.

The ET Pilot program, and its related EV charging stations, are part of the overall grid modernization process explored under PowerForward and proposed by Duke for its PowerForward Rider. IGS, however, argues that "charging stations . . . do not relate to distribution service." *IGS Comments* at 9. Like OCC and OMAEG, IGS is arguing for a very limited view of grid modernization, one much narrower than what was contemplated in the Commission's PowerForward discussions or as contemplated under Ohio law. Yet the whole purpose behind the PowerForward discussions, and the concept of grid modernization, is to develop a distribution grid that is smart, efficient, and interconnected in its systems. Necessarily, systems which impact and connect with the distribution grid "relate to distribution service."

In its PowerForward report, the Commission specifically stated "that grid modernization plans developed by the EDUs must address how the existing distribution grid will adapt to meet the anticipated energy and power needs of EVs, so that the societal benefits associated with EV charging can be maximized," including infrastructure needs for the home and distance travel."[2] Charging stations are a new technology currently underutilized in the market but are playing an increasingly more prevalent role with each passing year. They connect directly to the distribution network, and as charging stations become ubiquitous, will impact the distribution of electricity significantly. By running an ET Pilot, Duke acquires the necessary information to manage its distribution system efficiently, and in line with the goals of PowerForward, as electric vehicle infrastructure expands throughout its customer region, Ohio, and the United States.

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[2] Pub. Util. Comm'n of Ohio, PowerForward: A Roadmap to Ohio's Electricity Future at 20 (Aug. 29, 2018), https://www.puco.ohio.gov/industry-information/industry-topics/powerforward/powerforward-a-roadmap-to-ohios-electricity-future/

III. Grid Mod Collaborative

The Environmental Advocates also support IGS' recommendation to establish a grid modernization collaborative to provide status updates and promote transparency during the implementation process. *IGS Comments* at 12.

IV. Conclusion

The Environmental Advocates appreciate the opportunity to submit reply comments look forward to continuing to work to improve the pending application.

Dated: May 15th, 2020

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing was served upon all parties of record via electronic mail on May 15, 2020.

/s/ Miranda Leppla
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5/15/2020 4:24:40 PM

in

Case No(s). 19-1750-EL-UNC, 19-1751-GE-AAM

Summary: Reply Comments of the Ohio Environmental Council and Sierra Club electronically filed by Ms. Miranda R Leppla on behalf of Ohio Environmental Council and Sierra Club