

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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| In the Matter of the Application of Ohio |) | |
| Power Company for Authority to |) | |
| Establish a Standard Service Offer |) | Case No. 16-1852-EL-SSO |
| Pursuant to R.C. 4928.143, in the Form of |) | |
| an Electric Security Plan |) | |

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| In the Matter of the Application of Ohio |) | |
| Power Company for Approval of Certain |) | Case No. 16-1853-EL-AAM |
| Accounting Authority. |) | |

**INITIAL POST-HEARING BRIEF OF THE ENVIRONMENTAL LAW & POLICY
CENTER, NATURAL RESOURCES DEFENSE COUNCIL, SIERRA CLUB,
OHIO ENVIRONMENTAL COUNCIL, AND ENVIRONMENTAL DEFENSE FUND**

I. INTRODUCTION

The Environmental Law & Policy Center (“ELPC”), Natural Resources Defense Council (“NRDC”), Sierra Club, Ohio Environmental Council, and Environmental Defense Fund (collectively, “Environmental Intervenors”) file this brief in support of the Electric Vehicle (“EV”) Technology Demonstration Pilot (“EV Pilot”) included in the Joint Stipulation and Recommendation (“Stipulation”) filed on August 25, 2017. We believe that this pilot program, which was first proposed by Ohio Power Company (“AEP” or “the Company”) as part of its Amended Electric Security Plan (“ESP”) and modified in significant part by the Stipulation, is reasonable in its size and scope and will benefit the development of EVs in Ohio. Ultimately, the increase in EVs encouraged by additional charging station deployment will increase electric sales in a way that lowers prices for electric customers, utilizes renewable energy, and benefits the grid. The only party opposing the EV Pilot is the Office of the Ohio Consumers’ Counsel (“OCC”), and while OCC’s concerns are well-intentioned, they are misguided and not supported by the record.

More than anything, the EV Pilot gives the Public Utilities Commission of Ohio (“PUCO” or “Commission”) and all the parties an opportunity to gain information about the developing EV market in a timely fashion that will help us make sure the market moves forward in a manner that benefits consumers. As a significant part of the pilot, AEP will collect usage data from the charging stations that will be used to analyze grid reliability, load growth, demand response potential, as well as a number of electricity pricing issues. Stipulation at 19. AEP has agreed to share all of this data on an annual basis, and to work with Signatory Parties, including Staff, to make ongoing improvements to the pilot. *Id.* Hence, this will be a true pilot in every sense of the term. For the reasons outlined below, Environmental Intervenors urge the Commission to approve the Stipulation and the EV Pilot.

II. LEGAL STANDARDS

In reviewing a proposed stipulation, “[t]he ultimate issue for the Commission’s consideration is whether the agreement . . . is reasonable and should be adopted.” In conducting this inquiry, the Commission has traditionally considered three criteria:

- (1) Is the settlement a product of serious bargaining among capable, knowledgeable parties?
- (2) Does the settlement, as a package, benefit ratepayers and the public interest?
- (3) Does the settlement package violate any important regulatory principle or practice?

In re Columbus S. Power Co. (“*AEP ESP 2 Case*”), Case No. 11-346-EL-SSO, *et al.*, Opinion and Order (Dec.14, 2011) at 27.

Environmental Intervenors assert that the Stipulation satisfies all three criteria. First, in order to reach the Stipulation, including agreement on the design of the EV Pilot, the Environmental Intervenors and parties engaged in significant bargaining over the course of nearly four months. Environmental Intervenors—as well as ELPC, NRDC, and Sierra Club

Witness Sam Spofforth—have significant expertise on the development of the EV market and the design of EV-related utility programs. Second, Environmental Intervenors submit that the Stipulation as a whole is in the public interest; below, we specifically explain how the EV Pilot provides benefits to ratepayers and the public by providing important information from EV charging stations that will allow the PUCO to define its own role and the role for electric utilities in this space. Finally, the settlement does not violate any regulatory principle or practice.

III. ARGUMENT

The purpose of the EV Pilot is to promote the development of the EV charging market in Ohio on a competitively neutral basis. Stipulation at 14. The Stipulation summarizes the EV rebate program as follows:

The Company shall create and operate a rebate incentive program for the hardware, network services, and installation of charging infrastructure for up to 300 Level 2 charging stations and 75 DC Fast (DCF) charging stations. If the funding cap is not depleted, the Company is authorized to extend the rebate program to more than 300 level 2 or more than 75 DCF chargers.

Joint Stipulation at 14, August 25, 2017. The Stipulation requires the charging stations to be consistent with best available technology, targets specific and critical market segments for charging station deployment, and provides for coordination with Ohio EPA’s parallel EV-related efforts. The cost of the program is capped at \$10 million over four years and will be recovered through the Smart City rider. *Id.* The Stipulation contains much greater detail regarding the program design and the parameters for deployment and data collection that support the pilot.

Ultimately, the purpose of the pilot is to learn how to ensure development of charging station infrastructure and pricing regimes that benefit customers. One critical feature of the EV Pilot is the inclusion of robust data collection and reporting that provide opportunities for the

Commission and all parties to evaluate progress. Staff Witness Krystina Schaefer emphasizes the importance of learning from the pilot as an important aspect of Staff's support:

Specifically, as part of the Stipulation, the Company is required to produce and make public a final report that details a number of findings, including but not limited to: usage and load profile data; impacts to system reliability; and EV charging station site host information, such as location and utilization, vendor selection and performance, pricing models and strategies.

Staff Exhibit 1 at 3; *see also* Tr. I at 95:19-23, 96:19-25.

Such learning is particularly important in growing an EV market that benefits all electricity ratepayers. When EV customers charge their vehicles during off-peak times, the resulting load growth can lower the average cost of electricity service by utilizing idle distribution and transmission capacity, thus benefitting all utility customers regardless of whether they own an EV. *See, e.g.*, OCC Ex. 5, Alexander Supp. Test. At 29 (citing Attachment BRA-15). The information gained from the EV Pilot will help AEP and interested stakeholders ensure that customers in fact realize such benefits through effective load management and rate design.

The EV Pilot also strikes an appropriate balance between fostering competition in the market for EV service providers on the one hand, and meeting the needs of EV drivers and protecting AEP ratepayers on the other hand. An important aspect of the Pilot is the requirement that the Company must qualify no less than three hardware and/or software providers to participate in the pilot. Stipulation at 14. This will allow site hosts to choose among options for their EV charging equipment needs, and thereby support an innovative and sustainable market for third party EV service providers in Ohio.

At the same time, the EV Pilot includes important safeguards to ensure that the EV charging infrastructure will meet the needs of EV drivers, equitably serve them, and be used, useful and fairly funded. The EV Pilot targets deployment of stations in market segments (i.e.

multi-unit dwellings, workplaces, fast charging) that will comprehensively meet the needs of EV drivers. This means that the stations will actually be used and will enable EV adoption by new drivers. Additionally, by requiring that all stations be demand-response capable and able to support open communication standards, the settlement supports a future-proofed system and lays the groundwork for advanced load management programs and the delivery of grid services.

Stipulation at 18.

Despite the careful design of the EV Pilot and its many benefits, OCC Witness Alexander states a number of concerns. While Ms. Alexander raises some valid points, other concerns appear rooted in either a failure to appreciate that the EV market is coming and utilities have a role to play in it, or a desire for the Commission to resolve *ex ante* each and every possible question regarding the pilot before approval. This fails to appreciate the fundamental role of a pilot program.

One particular issue raised by witness Alexander that we wish to address concerns the pricing of EV charging services. Ms. Alexander states in her supplemental testimony that “[t]here is no requirement in this Settlement that the EV charging station owners operate their stations or charge for their services in any manner that would allow the PUCO to understand how EV owners would respond to price signals for charging.” OCC Ex.5 at 28. While it is important to acknowledge that hosts of EV charging equipment “will have flexibility to set pricing to EV drivers” under the program—an approach with benefits and drawbacks—it is not reasonable to conclude that the Commission will not learn about EV drivers’ price sensitivity or charging behavior from this approach. To the contrary, the reporting of prices that will be charged to EV drivers are a critical part of the pilot’s data collection regime, and by the Stipulation’s express terms cannot be withheld by site hosts or EV charging companies as confidential or proprietary

data. Stipulation at 19. In combination with other data points, like station utilization rates and charging load profiles, this data can inform future EV-focused electricity rates and utility program designs. In addition, AEP must “inform site hosts about its available tariffs and rates, including time-of-use rates, to better inform site hosts about their options to effectively manage charging load and to provide the opportunity to maximize fuel cost savings.” *Id.* at 18-19. These Stipulation terms support site host pricing practices that are fair and that will incent “good” charging behavior. Finally, the flexible approach to site host pricing is “subject to applicable Commission authority and does not set precedent or bind a signatory party in future cases.” *Id.* In short, contrary to the contention of witness Alexander, the EV Pilot is intentionally designed to help address the very issue that she raises. It will allow evaluation of EV driver charging patterns and load in the near-term (which will be a relatively small percentage of AEP’s load), and help equip utilities with the tools they need to manage the charging loads of a larger market in the long-term.

IV. CONCLUSION

AEP’s EV Pilot will cost its customers only \$10 million over four years, while stimulating Ohio’s EV market to the benefit of participants and non-participants alike. It will provide critical information that will benefit the PUCO, parties and stakeholders for years to come. The Signatories to the Stipulation have not only put a great deal of effort into reaching an agreement on this pilot program, but are all committed to closely monitoring and learning from the information we will obtain. The Stipulation meets the three-part test for Commission approval, and the EV Pilot is reasonable in its scope and size. Environmental Intervenors urge the PUCO to approve this agreement and move Ohio forward on this important issue.

Dated: November 30, 2017

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing *Initial Brief of the Environmental Law & Policy Center, Natural Resources Defense Council, Sierra Club, Ohio Environmental Council, and Environmental Defense Fund* was served by electronic mail, upon the following Parties of Record, this 30th day of November, 2017.

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