

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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)	

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

**REPLY BRIEF OF THE ENVIRONMENTAL LAW & POLICY CENTER, NATURAL
RESOURCES DEFENSE COUNCIL, SIERRA CLUB, OHIO ENVIRONMENTAL
COUNCIL, AND ENVIRONMENTAL DEFENSE FUND**

I. INTRODUCTION

On November 30, 2017, parties in this proceeding filed initial briefs addressing a number of issues related to the settlement of Ohio Power Company’s (“AEP” or “the Company”) Electric Security Plan. The Environmental Law & Policy Center, Natural Resources Defense Council, Sierra Club, Ohio Environmental Council, and Environmental Defense Fund (collectively, “Environmental Intervenors”) filed a brief supporting the Electric Vehicle (“EV”) Technology Demonstration Pilot (“EV Pilot”) included in the Joint Stipulation and Recommendation (“Stipulation”) filed on August 25, 2017. Environmental Intervenors’ support for the EV Pilot is shared by every party to this case—including AEP, Commission Staff, and the Electric Vehicle Charging Association—except for the Office of the Ohio Consumers’ Counsel (“OCC”), which opposes it. In this reply brief Environmental Intervenors respond to the main arguments OCC raises.

II. ARGUMENT

Fundamentally, OCC opposes approval of the EV Pilot because it doesn't guarantee customers will benefit in the way OCC thinks they should. OCC asserts:

The settlement merely allocates customer funds to support the unregulated entities that will own and operate the electric vehicle charging stations without any discussion of or justification for the use of customer funds for this purpose. AEP did not identify any specific benefits to the electric distribution system by funding 375 more electric vehicle charging stations.

OCC Initial Brief at 13. OCC makes similar statements throughout the EV section of the brief. For example, it also states, "Because there is no requirement in the Settlement that the electric vehicle charging stations actually operate to serve the needs of AEP's distribution grid in terms of the rate design of the use of the charging stations, there is no obvious benefit to AEP's distribution customers to fund these charging stations" *Id.* at 14. These statements ignore fundamental elements of the stipulation and distort other aspects.

OCC fails to recognize that the EV Pilot is carefully designed to balance the role and responsibilities of a regulated utility with the goal of fostering a competitive market for EV charging. To take one example, OCC argues at length about electricity pricing, focusing on the fact that hosts of charging stations "are not required to comply with any specific pricing schedule." OCC Initial Brief at 18. This flexibility was not an oversight; instead, it recognizes that different pricing models may be more or less appropriate or effective in different market segments (e.g., multi-unit dwellings vs public). *See, e.g.,* Testimony of Dr. Abdellah Cherkaoui at 10, lines 1-3. Rather than setting tight pricing restrictions, the settling parties instead agreed to collect fine grain data on pricing practices and EV driver response, and then to analyze the results. *See* Stipulation at 18-19. AEP also has a critical educational role to "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.* These Stipulation terms support fair site host pricing practices that will incent “good” charging behavior while allowing for evaluation of the market. They also allow for future corrections. Within the pilot context, allowing for some measure of site host flexibility in setting pricing has been a feature of numerous utility EV programs approved elsewhere.¹

We certainly share OCC’s desire that EVs have a positive impact for all customers by increasing electricity demand. In the long run, the use of customer funds to install these charging stations will bring about benefits for all ratepayers in the form of reduced electricity rates through downward pressure on rates from increased sales. Additionally, by requiring that all stations be demand-response capable and able to support open communication standards, the settlement supports a future-proofed system that lays the groundwork for advanced load management programs and the delivery of grid services. Stipulation at 18.

OCC also argues that, “the Settlement does not contain any directive about how the ‘technology demonstration project’ will be evaluated.” OCC Initial Brief at 16. This simply is not true. 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, and 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.* This is exactly how a pilot should work.

¹ See, e.g., *Decision Regarding Southern California Edison Company’s Application For Charge Ready and Market Education Programs*, Docket No. 14-10-014 (filed January 14, 2016), California Public Utilities Commission (approving \$20M program for infrastructure investment and rebates to incent EV charging deployment in multi-unit dwellings, workplaces and public locations); *Phrase Three Report and Order*, Docket No. 16-035-36 (filed June 28, 2017), Public Service Commission of Utah (approving \$10M incentive program to deploy EV charging in multi-unit dwellings, workplaces, public locations and for custom fast charging projects); *Order Establishing Eversource’s Revenue Requirement*, Docket No. 17-05 (filed November 30, 2017), Massachusetts Department of Public Utilities (approving \$45M infrastructure and rebate program).

III. CONCLUSION

The EV Pilot is reasonable in size, scope, and design. The program design elements OCC criticizes were carefully crafted to balance the role of the regulated and competitive markets. As a pilot, the pertinent questions are not—as OCC would have it—whether the pilot design is perfect or whether benefits will instantly accrue. Instead, the Commission should ask whether the pilot is reasonably designed to support its stated goals: to move the market; to assess the technology; and to collect data for the benefit of consumers. Environmental Intervenors submit that the answer to this question is clearly “yes.” We therefore urge the Commission to approve the Stipulation and move Ohio forward on this important issue.

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Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing *Reply 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 21st day of December, 2017.

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Summary: Reply Brief electronically filed by Mr. Robert Kelter on behalf of Environmental Law & Policy Center and Natural Resources Defense Council and Sierra Club and Ohio Environmental Council and Environmental Defense Fund