

**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 ENVIRONMENTAL LAW & POLICY CENTER

I. Introduction

On April 15, 2020, parties in this proceeding filed initial comments addressing a number of issues related to Duke Energy Ohio, Inc.’s (“Duke” or “the Company”) proposed adjustments to its PowerForward Rider. The Environmental Law & Policy Center (ELPC) filed comments supporting Duke’s proposed Electric Vehicle (EV) Pilot. Duke’s proposed EV Pilot would benefit its customers and ensure that Duke can get the critical data needed for planning a modern distribution grid. While most parties to this case voiced support for the pilot, several parties, including the Office of the Ohio Consumers’ Council (OCC), the Kroger Company, Direct Energy Business, LLC, and the Ohio Manufacturers’ Association Energy Group (OMAEG), stated their reservations or opposition. ELPC respectfully submits these reply comments to address the few concerns raised in those initial comments.

II. Like the AEP EV Pilot approved in 2018, Duke’s proposed EV Pilot has the potential to deliver substantial benefits to its customers.

The Commission has already made clear that utility EV pilots are both permissible and important. In 2018, the Commission approved a stipulation that included AEP Ohio’s EV Pilot.

In re Ohio Power Co., Case No. 16-1852-EL-SSO, et al., Opinion and Order (Apr. 25, 2018). In approving AEP’s pilot, the Commission explained that it “is mindful that a significant increase in the number of electric vehicles will have an impact on electric demand” and noted that “[n]ow is the time to be aware of and prepare for the potential impact on the electric market; the impact on the electric grid, electric distribution, and distribution infrastructure; and the effect, if any, on other [customers].” *Id.* at 76–77. The Commission further noted that it must be “proactive in recognizing and preparing for new technologies,” such as electric vehicles. *Id.* at 77.

The Commission also encouraged utility EV pilots in its PowerForward initiative. The final PowerForward report noted that there are key market failures in the EV market that electric utilities must address, including the “chicken and egg conundrum”: the market is insufficiently invested in corridor charging infrastructure because of low EV adoption rates, but EV adoption rates depend on strong corridor charging infrastructure. PowerForward: A Roadmap to Ohio’s Electricity Future at 21. Because utilities are well-positioned to address this market failure and proper distribution infrastructure is required for a robust competitive EV market, the Commission concluded that its role included “allowing utility involvement in foundational charging infrastructure” in key transportation corridors. *Id.* Duke’s EV pilot proposal, therefore, fits within the Commission’s vision for supporting the developing EV market.

The Commission’s prior pronouncements indicate that it sees a role for utilities in developing these pilots that OCC, Kroger, Direct Energy Business, and OMAEG fail to acknowledge. Moreover, these commenters wrongly describe Duke’s proposed EV Pilot as anticompetitive because “[t]here is nothing about the market for electric vehicles that requires regulated monopolies to be involved.” OCC Comments at 13. According to these commenters, Duke’s EV Pilot would allow the utility to enter the competitive market and distort market

prices. OCC Comments at 11–13; Kroger Comments at 3–4; Direct Energy Comments at 7; OMAEG Comments at 8. These comments reflect a misreading of Duke’s proposal. Duke would not own or operate anything other than the electrical infrastructure—distribution line extensions, wiring, and sub-panels (collectively known as “make-ready” investments)—necessary for customers to install the actual charging equipment. Reynolds Testimony at 12. “Customers will install, own, and operate the actual and eligible [EV charging] units,” which means that the competitive market would provide charging equipment and services. *Id.* Duke’s role would be limited to ensuring that the necessary infrastructure is available for that competitive market to flourish.

IGS and OCC further assert that Duke’s EV pilot would be a regressive subsidy to only a small number of customers. *See* IGS Comments at 11-12, OCC Comments at 14. On the contrary, Duke’s EV Pilot would benefit all customers. As Duke witness Reynolds explains, the EV Pilot would help expand Duke’s electric customer base, thereby creating a “large base . . . through which to spread utility costs.” Reynolds Testimony at 5. Further, as the Company points out, “[i]ncreasing the rate of EV adoption in the Company’s service territory is the pathway for its customers to realize their share” of the “significant state-wide financial benefits [that] are possible from increased EV adoption.” *Id.* at 6.

Finally, Staff comments that it “does not support the Residential Level II charger program for individual residential customers, but notes that the Company should implement rate design offerings for residential EV customers to incent shifting EV charging to off-peak hours.” While Staff’s statement is unclear, it appears that Staff does not support providing rebates but encourages Duke to implement a TOU rate for residential customers who independently purchase or own an EV. Staff Review and Recommendations at 13. ELPC supports the

Company's Residential Level II charger program for individual residential customers, but agrees with Staff's comment that the Company should implement rate design offerings that incentivize EV charging during off-peak hours (such as time-of-use rates).

III. Conclusion

The proposed EV Pilot is reasonable in its design and scope. More importantly, it is a critical step to ensuring that Duke's distribution grid is prepared to address the growth of EVs and take advantage of the benefits from EV integration into the grid. ELPC urges the Commission to approve the EV Pilot, with the modifications to the EV school bus program described in ELPC's initial comments:

1. Require the Company to prioritize school districts with a high concentration of low-income households; and,
2. Require the Company to test the dispatch of power from bus batteries to the distribution grid in order to understand the potential for positive or negative system impacts from such dispatch.

Dated May 15, 2020

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Reply Comments, submitted on behalf of the Environmental Law & Policy Center was served by electronic mail, upon the Parties of Record, this 15th day of May, 2020.

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This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

5/15/2020 4:11:39 PM

in

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Summary: Reply Comments of the Environmental Law & Policy Center electronically filed by Mr. Nikhil Vijaykar on behalf of Environmental Law & Policy Center