

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Ohio Power Company for an Increase in Electric Distribution Rates.)	Case No. 20-585-EL-AIR
)	
In the Matter of the Application of Ohio Power Company for Tariff Approval.)	Case No. 20-586-EL-ATA
)	
In the Matter of the Application of Ohio Power Company for Approval to Change Accounting Methods.)	Case No. 20.587-EL-AAM
)	

INITIAL BRIEF OF CLEAN FUELS OHIO

I. INTRODUCTION

Clean Fuels Ohio (“CFO”) submits this Initial Brief in support of the Joint Stipulation and Recommendation (“Stipulation”) filed in the above-captioned proceedings.¹ As described in the testimony of CFO witness Brendan Kelley, the provisions of the Stipulation related to electric vehicle (“EV”) rate design and education represent an important step forward for Ohio to support the widespread adoption of EVs along with well-designed EV charging policies that can produce significant ratepayer benefits.

II. DISCUSSION

The Public Utilities Commission of Ohio (“Commission” or “PUCO”) considers three criteria in evaluating a stipulation:

- (1) Is the settlement a product of serious bargaining among capable, knowledgeable parties?

¹ Joint Ex. 1, Joint Stipulation and Recommendation (May 11, 2021).

(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?²

In this Initial Brief, CFO focuses on how the EV-related provisions of the Stipulation will significantly contribute to satisfying the second prong of this test, while carrying out established Ohio regulatory principles and practices under the third prong.

CFO is well-positioned to provide insight on these matters, as a 19-year-old non-profit organization with a mission to make Ohio a cleaner and more prosperous state by supporting the deployment of advanced transportation technology solutions. CFO serves as the officially designated U.S. Department of Energy Clean Cities Coalition for the whole state. We have provided our expertise on deployment of vehicles and recharging and refueling infrastructure to public and private stakeholders on tens of millions of dollars of projects in Ohio. Over the past ten years, we have reduced petroleum consumption by over 193 million gallons through our work with fleets and alternative fuels refueling and recharging stations and certified 105 Ohio “Green Fleets” that have successfully reduced their emissions. CFO members include local governments like the City of Columbus and City of Dublin; manufacturers like General Motors, Honda, and Worthington Industries; and fleets like the Central Ohio Transit Authority and United Parcel Service.³

² *In re Columbus S. Power Co.*, Case Nos. 11-346-EL-SSO, et al., Opinion and Order (Dec. 14, 2011) at 27.

³ CFO Ex. 1, Direct Test. of Brendan Kelley (Apr. 9, 2021) at 2.

Based on this organizational expertise, CFO strongly supports the Stipulation’s EV-related provisions. Part III.E.16 of the Stipulation calls for Ohio Power Company (“AEP Ohio”) to add new provisions to its Schedule PEV tariff (as reflected in Attachment C) to establish (1) a time-of-use rate for distribution service, open to up to 500 residential customers; and (2) “a pilot provision that will allow new separately metered level 2 or DCFC EV [electric vehicle] charging stations to be billed on non-demand metered rates” where the stations offer public charging, available to up to 500 customers. AEP Ohio also commits to engaging in future discussions with interested parties regarding these tariffs, occurring at least once per year starting in 2022, to consider potential adjustment of various aspects of Schedule PEV and other matters.⁴

As explained by AEP Ohio witness Andrea Moore, these PEV tariffs will provide time-varying rates designed to encourage off-peak charging in conjunction with “the opportunity to review the impacts of the chargers on the Company’s distribution system.”⁵ This data regarding the actual impacts of these tariffs on customer load shapes is important because a rate design that does successfully encourage off-peak charging will “both avoid increased distribution system costs resulting from additional on-peak load and . . . promote rate suppression for all customers by adding load that effectively utilizes existing distribution system capacity.”⁶

It is urgent to gather this data as soon as possible due to trends in the automobile manufacturing industry. Automakers have committed over \$300 billion to producing EVs, and are on track to bring dozens of new EV models to market over the next one to two years. These

⁴ Joint Ex. 1, Stipulation at 12-13 and Att. C, Sheet No. 270-1.

⁵ AEP Ohio Ex. 6, Direct Testimony of Andrea E. Moore (Apr. 9, 2021) at 19.

⁶ CFO Ex. 1, Kelley Test. at 3.

models will include new sedans at all price points, as well as pickup trucks and SUVs, opening up the EV market to all types of consumers. Further, analysts expect that EVs will achieve upfront cost parity with internal combustion engine (“ICE”) vehicles in the next three to five years due to declining battery costs. Improvements in battery technology mean that these inexpensive new EVs will also have significant range. EVs are already close in price to ICE vehicles, especially with incentives, and the total cost of ownership of EVs is already lower than ICE vehicles due to lower fuel and maintenance costs. Used EVs are also very affordable, and the used market is growing, particularly as three-year leases of EVs with a reasonable range reach their end. All these factors are likely to lead to a significant spike in EV adoption in the next few years. It is vital that utilities and utility regulators understand which tools are most effective to manage that new load to avoid grid overload and costly upgrades.⁷

Of course, for the EV pilots established under the Stipulation to be effective, customers must actually enroll in the PEV tariffs. However, most residential customers in Ohio have not previously been exposed to EV charging tariffs, time-of-use rates, or demand charges. Therefore, current and prospective EV owners are unlikely to evaluate and enroll in the residential EV charging tariff unless they are made aware of it and educated about its potential benefits. Because the widespread distribution system benefits of the new load from EV charging will be realized only to the extent that the new load is added at off-peak times, it is vital to vigorously educate the public about the pilot tariff.⁸ Greater enrollment in the residential EV charging pilot will also produce more robust data that the Commission, AEP Ohio, and interested stakeholders

⁷ *Id.* at 4.

⁸ *Id.* at 3.

can evaluate to determine the efficacy of the residential time-of-use rate as a tool to promote off-peak charging. Such evaluations are important to inform future rate cases and move from a pilot EV charging tariff to one that will be broadly effective in attracting enrollment and encouraging off-peak charging.⁹

The Stipulation allows CFO to apply its significant expertise to this task of consumer education. Pursuant to Part III.E.16.d of the Stipulation, CFO will provide agreed services and informational resources in support of marketing and education efforts regarding Schedule PEV, such as education regarding the tariff through CFO’s Drive Electric Ohio (“DEO”) initiative. These services may “include the production and dissemination of information about residential charging tariff options to EV owners and operators through multiple channels including auto dealerships, EVSE equipment retailers, and the DEO network of individual EV owners.”¹⁰

CFO’s DEO program¹¹ offers powerful education platforms to address and overcome numerous, wide-ranging market and policy barriers to the adoption of electric vehicles, including lack of information about residential charging rate options. Through its comprehensive structure and activities, DEO provides a statewide program that is broadly recognizable and accessible to utilities, utility regulators, individual consumers, fleets, local officials, vehicle manufacturers and dealers, EV charger manufacturers and installers, EV advocates, and many other key stakeholders. DEO generally holds more than 50 outreach and education events per year that

⁹ *Id.* at 5.

¹⁰ Joint Ex. 1, Stipulation at 13.

¹¹ Clean Fuels Ohio, Drive Electric Ohio, <https://cleanfuelsohio.org/drive-electric-ohio>.

reach more than 1,000 current and prospective EV owners, as well as one to two fleet outreach events per quarter with between 20 and 60 attendees.¹²

In providing agreed services to AEP Ohio, CFO plans to leverage several specific components of the DEO initiative to educate current and prospective EV owners about off-peak charging and the pilot residential EV charging tariff:

- The DEO program connects with and organizes EV owners and enthusiasts across the state, both to facilitate direct communication with them and to mobilize them to educate other current and prospective EV owners about the benefits of EVs. More than 400 members of the network reside in AEP Ohio's service territory.
- The DEO program engages with auto dealerships to encourage them to sell EVs, train them on best practices, and support their marketing efforts. Partnering dealerships disseminate information to EV buyers that DEO curates and provides. DEO works with over 30 dealerships in AEP Ohio's service territory.
- Most EV charging companies that sell charging equipment to residential customers in Ohio have joined CFO as members. In addition to EV charging companies, CFO works with many electricians who install EV charging equipment. As a trusted source of information, CFO can efficiently share information and materials that these companies and installers can then pass on to their customers.

¹² CFO Ex. 1, Kelley Test. at 5.

- DEO has worked with multi-family dwelling (“MFD”) developers across the state on deployment of charging infrastructure, including administering a Smart Columbus rebate program for MFD chargers.
- To support EV adoption efforts broadly, DEO has organized a stakeholder committee, made up of a diverse array of pro-EV entities. Coordinating this group provides both reach and expertise for DEO efforts, including providing the capacity to craft and vet materials such as the proposed education program.

CFO will be able to leverage a diverse range of avenues to reach current and prospective EV owners, supported by both EV sector and utility rate expertise.¹³

The Stipulation accordingly provides a well-designed framework to move forward on realizing customer benefits from off-peak EV charging while avoiding the harms of increased distribution system costs from adding significant EV charging load on-peak. CFO is prepared to work in partnership with AEP Ohio and other stakeholders to promote enrollment in the residential and non-residential PEV tariffs, and to analyze the effects of those tariffs on charging behavior. This approach will facilitate the ability of all parties and the Commission itself to maximize the benefits and minimize the costs of future EV adoption in AEP Ohio territory, consistent with the second prong of the stipulation review standard. Meanwhile, the Stipulation allows for further steps to deliver additional benefits to ratepayers and the public by preserving AEP Ohio’s ability to make additional filings at the Commission with respect to the PEV tariffs or any other proposal related to electric vehicles and associated infrastructure.¹⁴

¹³ *Id.* at 5-6.

¹⁴ Joint Ex. 1, Stipulation at 13, 18.

In addition to the substantive benefits offered by the Stipulation’s provisions regarding EVs, those provisions are also consistent with Ohio policy under R.C. 4928.02 and thus satisfy the third prong of the stipulation review standard. The pilot PEV tariffs will “[e]ncourage innovation” with respect to demand-side management by testing potential EV charging rate designs, in accordance with R.C. 4928.02(D). In the long term, developing programs that effectively encourage off-peak EV charging will “[e]nsure the availability to consumers of adequate, reliable, safe, efficient, nondiscriminatory, and reasonably priced retail electric service” pursuant to R.C. 4928.02(A) by promoting efficient use of the ratepayer-funded distribution system.

The implementation of these PEV tariff options will also help to carry out the Commission’s intent in approving the creation of the PEV tariff as a placeholder as part of AEP Ohio’s current Electric Security Plan. The relevant Opinion and Order made clear that the Commission expected the PEV tariff to “incorporate rate design that encourages load management that can increase the potential reliability benefits to the distribution system from EV charging.”¹⁵ Overall, the EV provisions of the Stipulation are crafted to do just that, with an end goal of strengthening AEP Ohio’s distribution system by utilizing EVs as a type of grid asset.

III. CONCLUSION

Adoption of an initial framework to move toward effective rate design and customer education that will incentivize off-peak EV charging is an important element of the Stipulation’s

¹⁵ *In the Matter of the Application of Ohio Power Company for Authority to Establish a Standard Service Offer*, Case Nos. 16-1852 *et al.*, Opinion and Order (Apr. 25, 2018) at 110.

benefits as EVs become more widespread in the Ohio marketplace. CFO therefore urges the Commission to quickly approve the Stipulation.

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Respectfully submitted,

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CERTIFICATE OF SERVICE

The e-filing system of the Public Utilities Commission of Ohio will electronically serve notice of the filing of this document on the parties referenced in the service list of the docket card who have electronically subscribed to this case. In addition, the undersigned certifies that a copy of the foregoing document is also being served upon the persons listed below via electronic mail on June 14, 2021.

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