

**BEFORE THE  
PUBLIC UTILITIES COMMISSION OF OHIO**

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| In the Matter of the Commission’s         | : |                         |
| Investigation into the Implementation of  | : | Case No. 22-1025-AU-COI |
| the Federal Infrastructure Investment and | : |                         |
| Jobs Act’s Electric Vehicle PURPA         | : |                         |
| Standard                                  | : |                         |

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**COMMENTS OF AES OHIO**

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The Dayton Power and Light Company d/b/a AES Ohio (“AES Ohio” or the “Company”) files reply comments pursuant to the November 14, 2022 Entry that opened this proceeding to consider the standard established by the amendment of the federal Infrastructure Investment and Jobs Act (IIJA), Pub. L. No. 117-58, 135 Stat. 429, to the Public Utility Regulatory Policy Act (PURPA) of 1978, Pub. L. No. 95-617, 92 Stat. 3117, regarding electric-vehicle charging, as codified in 16 U.S.C. 2621(d)(21).

The IIJA amended PURPA by adding to the list of standards that require state regulatory authorities to determine for implementation, including one relating to demand-response practices. Nov. 14, 2022 Entry, ¶ 16. The IIJA’s amendments to PURPA require that each state regulatory authority consider each PURPA standard and make a determination concerning whether or not it is appropriate to implement the standard to carry out the purposes outlined in PURPA. *Id.* at ¶ 7.

The electric-vehicle charging standard added by the IIJA provides:

**(21) ELECTRIC VEHICLE CHARGING PROGRAMS**

Each State shall consider measures to promote greater electrification of the transportation sector, including the establishment of rates that—

(A) promote affordable and equitable electric vehicle charging options for residential, commercial, and public electric vehicle charging infrastructure;

(B) improve the customer experience associated with electric vehicle charging, including by reducing charging times for light-, medium-, and heavy-duty vehicles;

(C) accelerate third-party investment in electric vehicle charging for light-, medium-, and heavy-duty vehicles; and

(D) appropriately recover the marginal costs of delivering electricity to electric vehicles and electric vehicle charging infrastructure.

16 U.S.C. 2621(d)(21).

AES Ohio supports having such a framework designed to establish EV specific rates that benefit participating and non-participating customers in its service territory. A properly designed EV rate should (1) encourage EV drivers to charge during off-peak hours when it is most efficient for the electricity grid, and (2) sufficiently recover the marginal system cost to serve new EV load. If managed well, the new retail revenue should provide downward pressure on future rates as approved in a future rate case proceeding. The concept of downward pressure on rates resulting from EV adoption and the associated new retail energy is described in a 2020 study completed by Synapse.<sup>1</sup>

In addition to EV specific rates (on bill), public policy and associated future rulemakings should consider managed electric vehicle charging, off-peak incentive structures, and other alternative pricing structures and tariffs intended to mitigate negative impacts resulting from EV adoption on the utility's distribution system. Much like EV specific rates, these types of alternative pricing structures and tariffs should be designed to encourage infrastructure

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<sup>1</sup> [https://www.synapse-energy.com/sites/default/files/EV\\_Impacts\\_June\\_2020\\_18-122.pdf](https://www.synapse-energy.com/sites/default/files/EV_Impacts_June_2020_18-122.pdf)

investment and off-peak EV charging, thereby creating net benefits for both participating and non-participating customers.

To promote fair distribution of costs and benefits, and additionally to promote equitable access to EV charging options, rates or alternative pricing structures should be considered for all customer segments, including residential single family, residential multifamily, commercial, industrial, and other public charging customers.

Specifically addressing the considerations in Section 2621(d)(21):

**1. Rates or other measures that promote affordable and equitable electric vehicle charging options for residential, commercial, and public electric vehicle charging infrastructure**

Beyond rates and other alternative pricing structures, utilities are uniquely positioned to develop and offer EV focused programs that encourage EV and EV infrastructure adoption in their respective service territories. AES Ohio believes that utilities are the only entities in a position to encourage EV charging infrastructure investment in a system wide manner that maintains reliability and future energy affordability.

AES Ohio recently proposed a portfolio of such programs as part of its pending ESP 4 case. Case No. 22-900-EL-SSO. Guiding principles used to develop AES Ohio's EV portfolio are as follows:

(a) **Reliability:** programs should create new processes that allow the utility to better understand EV adoption for all customer segments and the associated impacts on core system reliability;

(b) **Equity:** Programs should provide program participation opportunities for all customers segments;

(c) **Affordability:** Programs should provide fair distribution of costs and benefits among all customer segments as measured by defined cost benefit tests<sup>2</sup>;

(d) **Attribution:** Programs should be designed to encourage EV and EV infrastructure adoption;

(e) **Impacts:** Programs should be designed to maximize flexible EV charging load on the utility's distribution system; and

(f) **Utility role:** Programs should compliment (i.e., not duplicate) other national or statewide EV public policy.

AES Ohio would support the establishment of such a framework to encourage utility EV programming in Ohio, including accounting treatment and cost recovery for program operating or other capital expenditures necessary to deliver such programs.

2. **Improve the customer experience associated with electric vehicle charging, including by reducing charging times for light-, medium-, and heavy-duty vehicles; and**
3. **Accelerate third-party investment in electric vehicle charging for light-, medium-, and heavy-duty vehicles**

EV rates in and of themselves will likely not impact the duration of EV charging for light, medium, and heavy duty vehicles. The output capacity of charging infrastructure as well as the electric vehicle charging input capacity are what influence charging duration. Through the establishment of utility EV programs as described previously, AES Ohio and other utilities are well positioned to encourage investment in EV charging infrastructure that is appropriately sized to support light, medium, and heavy duty vehicles. EVSE Rebate programs and/or direct utility

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<sup>2</sup> Ratepayer Impact Measure test (RIM), Participant Cost Test (PCT), Total Resource Cost (TRC) test, and Societal Cost test (SCT) as defined by the California Standards Practice Manual.

investment in both Level 2 and Direct Current Fast Charging infrastructure can be designed in such a way to improve the overall customer experience associated with electric vehicle charging duration. The future buildout of EV charging infrastructure resulting from these types of utility programs also encourages EV adoption for light, medium, and heavy duty vehicles.

**4. Appropriately recover the marginal costs of delivering electricity to electric vehicles and electric vehicle charging infrastructure.**

Current rules and regulations already address contribution in aid of construction guidelines for extension of electric facilities. For new service to an AES Ohio customer, AES Ohio is responsible for 60% of all standard construction costs and the customer is responsible for 40% of the construction costs plus the tax liability of 27.5%. The customer's contribution in aid of construction offsets capital costs required to extend new service, thus ensuring that marginal system costs are fairly borne by the cost causer, and are not unfairly recovered from other non-participating customers.

For future rates, alternative pricing structures, or utility focused EV programs, utilities should consider the costs and benefits, including the balance between new retail revenues and marginal system costs required to serve new EV load. The RIM test, in particular, is an indicator of both economic efficiency and fairness among customers. Any program passing this test benefits non-participating customers as well as participating customers in the form of lower rates in the long run and should be considered acceptable.

AES Ohio appreciates the opportunity to comment on this topic. If the Commission adopts the electric-vehicle charging standard, then AES Ohio would look forward to working with the Commission and interested stakeholders on its implementation.

Respectfully submitted,

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### **CERTIFICATE OF SERVICE**

I certify that the foregoing document was e-filed with the Public Utilities Commission of Ohio on February 1, 2023. The PUCO's e-filing system will electronically serve notice of the filing of this document.

/s/ Christopher C. Hollon  
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**This foregoing document was electronically filed with the Public Utilities  
Commission of Ohio Docketing Information System on**

**2/1/2023 4:15:00 PM**

**in**

**Case No(s). 22-1025-AU-COI**

Summary: Comments Comments of AES Ohio electronically filed by Mr.  
Christopher C. Hollon on behalf of The Dayton Power and Light Company d/b/a  
AES Ohio