# BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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)	Case No. 22-1025-AU-COI
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### CONSUMER PROTECTION REPLY COMMENTS BY OFFICE OF THE OHIO CONSUMERS' COUNSEL

#### I. INTRODUCTION

The Public Utilities Commission of Ohio ("PUCO") is seeking comments regarding its consideration of amended electric-vehicle-charging ("EVC") standards in the Public Utility Regulatory Policies Act ("PURPA"). In its initial comments in this case, the Office of the Ohio Consumers' Counsel ("OCC") made the following two overarching consumer-protection recommendations about EVC.

- 1. OCC supports a requirement that EVC and enabling infrastructure to be built, operated, and implemented in a fully competitive manner.
- OCC supports a requirement that any tariff or remuneration plans that are
  developed in support of EVC or enabling infrastructure to be designed in a
  manner that does not create cross subsidies from non-users of the services
  and infrastructure.

OCC is encouraged that a diverse set of parties filed similar comments in this case. OCC appreciates this opportunity to provide consumer protection reply comments.

#### II. CONSUMER PROTECTION REPLY COMMENTS

Sheetz, Inc. ("Sheetz") advocates that the PUCO pursue fully competitive provision of EVC and enabling infrastructure. Sheetz explains further that allowing electric distribution utilities to own and operate EVC infrastructure and collect costs from consumers through rate base would hamper private-sector investment in EVC. OCC wholeheartedly agrees with these recommendations.

ChargePoint, Inc. ("ChargePoint") advocates for the PUCO to examine, in a holistic manner, the development of measures to promote greater transportation electrification, including the development of EVC-specific rates.<sup>3</sup> Specifically, ChargePoint advocates for reducing or eliminating the use of demand charges for EVC.<sup>4</sup> Sheetz advocates for the same.<sup>5</sup> Such proposals, if adopted, should be designed in a manner that avoids cross subsidies for users of EVC and enabling infrastructure to protect consumers. OCC advocates that rate design follow the basic principles of beneficiary pays (*e.g.*, an entity or consumer who benefits from the provision of a service pays the associated cost) and cost causation (*e.g.*, an entity or consumer whose action incurs a cost pays a rate that is associated with that cost).

In some instances, demand charges can be used as a mechanism to collect the fixed costs of building and maintaining electricity-supply infrastructure (*e.g.*, generation, transmission, and distribution infrastructure). Should the PUCO opt to develop EVC-

<sup>&</sup>lt;sup>1</sup> Sheetz's Comments (February 1, 2023) at 1 and 3–4.

<sup>&</sup>lt;sup>2</sup> Sheetz's Comments (February 1, 2023) at 3–4.

<sup>&</sup>lt;sup>3</sup> ChargePoint's Comments (February 1, 2023) at 2.

<sup>&</sup>lt;sup>4</sup> *Id*. at 4–10.

<sup>&</sup>lt;sup>5</sup> Sheetz's Comments (February 1, 2023) at 1–3.

specific rates that do not employ demand charges, OCC advocates that the rates be designed in a manner that EVC owners and operators pay fully for the costs of electricity-supply infrastructure that is built and maintained for them. For instance, time-of-use rates can be designed in a manner that recovers fixed electricity-supply-infrastructure costs.

For consumer protection rates should be designed in anticipation of potential changes in electricity-consumption patterns of EVC owners and operators. For instance, if infrastructure costs are recovered fully through volumetric rates on energy consumption, an EVC owner could avoid paying such infrastructure costs (although they themselves are the ones benefiting from the infrastructure) through using on-site behind-the-meter distributed generation resources. As an example, the Public Utilities Commission of the State of California ("CPUC") recently updated rates for consumers with on-site behind-the-meter solar generation for this exact reason. Thus, the PUCO should be proactive in developing EVC-specific rates that result in cost-savings benefits for *all* consumers by making sure that EVC owners (the cost causers) pay for EVC infrastructure necessary to reliably serve them.

ChargePoint and Duke Energy Ohio, Inc. ("Duke") advocate that the PUCO develop and implement make-ready programs, which offset the cost of make-ready infrastructure that is incurred by entities that plan to install EVC infrastructure.<sup>7 8</sup>

Additionally, ChargePoint advocates for the PUCO to allow for including in base rates

<sup>&</sup>lt;sup>6</sup> CPUC Rulemaking 20-08-020.

<sup>&</sup>lt;sup>7</sup> ChargePoint's Comments (February 1, 2023) at 11–12.

<sup>&</sup>lt;sup>8</sup> Duke's Comments (February 1, 2023) at 4–5.

make-ready and other EVC infrastructure<sup>9</sup> and Duke advocates for the PUCO to develop a rider mechanism for recovering the cost of circuit upgrades to support EVC.<sup>10</sup>

OCC reiterates that any steps that are taken to encourage the deployment and use of EVC and enabling infrastructure should not create cross subsidies from EVC market participants to captive consumers. This concern is especially important because electric vehicle drivers tend to be of a higher socioeconomic status. As such, cross subsidies of EVC place risk on safe, reliable, and affordable service for residential consumers.

ChargePoint and Duke also recommend that the PUCO develop EVC-customer retail rates and programs to incentivize the management of EVC loads. <sup>11</sup> OCC believes that such efforts can be beneficial to consumers and the electricity system as a whole, insomuch as EVC-load management can be viewed as a form of demand response. <sup>12</sup> This is because proper EVC-load management rate design would incentivize electric vehicle drivers to charge their vehicles when demand is lower. But OCC reiterates that any EVC-specific retail charges that are developed should not create a cross subsidy whereby costs caused by market participants of EVC are shifted to captive consumers.

#### III. CONCLUSION

OCC supports a requirement that EVC and enabling infrastructure be built, operated, and implemented in a fully competitive manner. Further, EVC must be implemented (if at all) as a competitive service to avoid cross subsidies. As we describe in these reply comments (and as we did in our initial comments), there are measures that

<sup>&</sup>lt;sup>9</sup> ChargePoint's Comments (February 1, 2023) at 13–15.

<sup>&</sup>lt;sup>10</sup> Duke's Comments (February 1, 2023) at 6.

<sup>&</sup>lt;sup>11</sup> ChargePoint's Comments (February 1, 2023) at 2; Duke's Comments (February 1, 2023) at 2.

<sup>&</sup>lt;sup>12</sup> OCC's Comments (January 10, 2023) and Reply Comments (January 24, 2023) in 22-1024-AU-COI.

the PUCO should take to ensure that consumers are protected as these programs are contemplated or implemented.

Respectfully submitted,

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#### **CERTIFICATE OF SERVICE**

I certify hereby that a copy of these Consumer Protection Reply Comments was served on the persons stated below via electronic transmission, this 16<sup>th</sup> day of February 2023.

/s/ William J. Michael
William J. Michael
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The PUCO's e-filing system will electronically serve notice of the filing of this document on the following parties:

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