



February 20, 2020

Debra A. Howland, Executive Director
New Hampshire Department of Public Utilities
21 South Fruit Street
Concord, New Hampshire 03301-2429

RE: DOCKET NO. IR 20-004 - Investigation of electric vehicle rate design standards, electric vehicle time of day rates for residential and commercial customers.

**WRITTEN COMMENTS OF THE NEW ENGLAND
CONVENIENCE STORE & ENERGY MARKETERS ASSOCIATION**

The New England Convenience Store & Energy Marketers Association, Inc.

("NECSEMA")¹ hereby respectfully submits these Written Comments for the consideration of the State of New Hampshire Public Utilities Commission ("NHPUC") in its adjudication of this important proceeding.

I. Background

On January 10, 2020, in reference to the directives in SB 575-FN², NHPUC Staff ("Staff") filed a memorandum addressing relevant rate design standards and summarizing existing applications and potential issues in New Hampshire. The Staff memorandum recommended that the Commission open an investigation and solicit comments related to the relevant rate design standards and the

¹ NECSEMA represents single site convenience store and gasoline retailers, chain convenience store and gasoline retailers, chain convenience store and gasoline retailers, independent transportation fuel distributors, and the businesses which supply them. According to the National Association of Convenience Stores, there are almost 900 convenience stores in New Hampshire (655 of which sell motor fuels), employing over 14,000 people and account for almost \$3.8 billion in sales per year.

² SB 575-FN directed the NHPUC to determine whether certain rate design standards for electric companies and public service companies should be implemented for electric vehicle charging stations.

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appropriateness of electric vehicle time of day rates for residential and commercial customers and other issues. These other issues include, but are not limited to, “The role of the utility in deployment of electric vehicle supply equipment (“EVSE”), including but not limited to identification of locations which might host electric charging stations without requiring distribution system upgrades and the utilities role in the ownership of and payment for the equipment associated with electric charging stations”.

II. Utility Rate Design Should Send Clear Price Signals to Consumers

The Staff memorandum identifies multiple components associated with rate design standards that comply with the Commission’s stated “efficiency, equity, simplicity, continuity, and revenue sufficiency” goals. NECSEMA members operate in a hyper-competitive retail fueling and food services market. Their sites often host multiple fueling options for consumers, including so-called fast or “DCFC” electric vehicle charging equipment. NECSEMA members believe that electric vehicle adoption must address consumer charging needs beyond home and workplace charging and provide for fast, easy access to high speed charging along in high traffic commercial zones and along highways. Investments, whether for fueling or convenience store services, in new and existing sites must pass threshold investment return tests – initial cost, ongoing cost, expected use by consumers. As such, the underlying cost of delivered electricity to serve an emerging EV market must be consistent, transparent and predictable for successful EVSE investments that may be made by NECSMA member companies and other business developers. In addition, the cost of delivered electricity for EVSE applications should not result in cost burden to other classes of ratepayers.

III. Transportation Market Services Must Remain Competitive, Regardless of Fuel Type

The NECSEMA motor fuels members³ own and operate retail convenience stores and

³ Several NESCEMA members and their trade organizations have participated and continue to participate in electric vehicle infrastructure including in Massachusetts, Docket D.P.U. 18-150 and Connecticut, PURA Docket 17-12-03 RE04.

gasoline distribution sites throughout New Hampshire. Our members own property in virtually every municipality (such properties hold competitive and convenient value to its customers), pay local and state taxes, employ thousands of people, and play a vital role in New Hampshire economy.

While we recognize the role that electric vehicles (EVs) can play in helping to mitigate carbon emissions in the transportation sector, fuel retailers in New England are uniquely positioned to play an important part in the future of fueling vehicles and lowering emissions by methodically and economically responding to customer demands for cleaner-burning fuels. This includes fueling electric vehicles.

In order to do this, it is essential that New Hampshire not pick winners and losers during the transportation transformation. The Commission should not allow regulated utilities to unfairly use their monopolistic investment status or rate design to overpower private market participation in EV fueling infrastructure. Allowing utilities to use ratepayer funds to own and operate charging infrastructure or EVSE downstream of the meter would i) negatively impact, at ratepayer expense, what is currently a very competitive industry, ii) impact the customer experience and adaptation, iii) potentially undercut technological innovation that is generally funded and expanded through private, not utility investment, and iv) undermine the cumulative hundreds of years of experience of NECSEMA's member companies' employees in serving the fueling needs of New Hampshire's customers. NECSEMA, under certain transparent conditions, could support the so-called "make-ready" model for utility investment in EV infrastructure, allowing private investment access to the electric grid for transportation fueling (the electric grid infrastructure upgrades and enhancements are funded by the utility while enabling privately-funded EVSE installations at host sites).

In addition, the measured dissemination of locational grid sweet spots, areas on the utility's grid that might host electric charging stations without requiring distribution system upgrades, could be matched with current NECSEMA members' sites to determine best locations for electric charging. This encourages the electric utility industry to work jointly with the current transportation

retail fuel providers to make smart EVSE investments, both upstream and downstream of the meter. Better investment principles will likely lead to more EVSE equipment where both the grid can support load and consumers will use the charging equipment. The economic and environmental benefits associated with this cooperation should improve adoption rates for EVs. However, NECSEMA does not support utility ownership and operation of electric vehicle charging equipment at retail sites.

NECSEMA believes the Commission should exercise caution in the development of this transformative market, review programs and data as made available in other states⁴, and look at electric infrastructure and EVSE investment, whether its utility programs, ownership incentives, or other programs in the context of other carbon and emission-reducing available fuels and technologies⁵. The Commission should not allow ratepayer funds, directly, or indirectly with discriminatory rate design, to be used to support a monopoly's entrance into the competitive fueling market.

IV. EDC EV Infrastructure Investments Should Have a Net Benefit to Ratepayers

Electric distribution companies (“EDCs”) generally use money provided by captive ratepayers to invest in the infrastructure to serve those ratepayers. Any investment by EDCs to enter into and serve what is currently an unregulated and very competitive market – the transportation market – should be limited. NECSEMA does not agree that ratepayer funds should be deployed, at little or zero risk to utility shareholders, unless i) there is significant benefit to ratepayers and ii) as described above, does not negatively impact market-based incentives for private investment in that same EV market. If EDCs wish to invest in infrastructure that directly

⁴ In their November 22, 2019 slide presentation, Eversource Energy references an on-going “make-ready” program in Massachusetts. Data and results from that pilot effort should be considered by the Commission in determining standards and guidelines in New Hampshire.

⁵ NECSEMA members have invested private funds in the distribution of biodiesel and renewable diesel.

competes with private at-risk investors, EDC shareholders, not ratepayers should underwrite the risk of that investment.

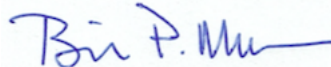
The risks for investments in EVSE installations and operations are large. Among the most significant of those risks are: (1) the revenues from the EVSE equipment may never pay for its installation and operation; (2) the sites for the EVSE equipment may not be economical for the way that market develops; and (3) the EVSE technology may become obsolete⁶. Private investors understand those risks and are willing to bear them if they economically make sense. EDCs, using ratepayer funds, do not have the incentives to assess those risks and factor them into investments.

V. A Generic State-Wide Docket is Preferred

A generic statewide proceeding would help the Commission, with the input of public and private stakeholders, to develop EV and other transportation fuels policy in a manner that is best suited to achieve measurable climate action goals. Such a proceeding is particularly necessary to establish statewide policy regarding utility rate design, site host and charging equipment selection, the development of EV charging and alternative clean fuels corridors, and coordination with other clean fuels incentives and other sources of clean fuels infrastructure funding.

NESCEMA and its member companies welcome the opportunity to serve its customers more effectively as market demands for greener fuels develops. It looks forward to working with the Commission, staff, utility companies, and other state and local stakeholders.

Respectfully submitted,



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⁶ Testimony of Dr. Jeff Makhholm dated March 22, 2019, Massachusetts D.P.U. Docket 18-150, page 13.