

OFFICE OF THE CONSUMER ADVOCATE
BEFORE THE
PUBLIC UTILITIES COMMISSION

DE 20-170

In the Matter of:

Electric Distribution Utilities

Electric Vehicle Time of Use Rates

OFFICE OF THE CONSUMER ADVOCATE CLOSING STATEMENT

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SUMMARY

The Office of Consumer Advocate (OCA) recommends Commission approval of the settlement agreement. The OCA believes the settlement meets the Commission's goals as set forth in its generic investigation of electric vehicle (EV) rates and charging stations, Docket No. IR-20-004, and as laid out in that docket via Order No. 26,394 in 2020 as the rates in the agreement send price signals to residential rate payers signaling the advantage to shift load from peak to off-peak periods to create efficiency system wide and curtail increased peak demand as the EV market grows in New Hampshire.

While the OCA, like the Department of Energy (DOE), takes no position on the adoption of the load management proposal Eversource has proffered, the OCA likewise recommends the Commission direct Eversource to meaningfully embrace a two-period time varying rate for residential customers, a manually billed three period time of use rate consistent with the settlement agreement methodology for commercial customers, and to develop an alternative metering pilot that would utilize metering embedded in chargers and vehicles for the purposes of offering time varying rates.

SETTLEMENT APPROVAL

The OCA recommends Commission approval of the settlement agreement because it is consistent with Commission guidance issued in Docket IR 20-004 and provides appropriate price signals and benefits to customers which encourage shifts in EV charging load to a time with lower system costs. The shift in customer behavior provides value to residential customers and sets a proper groundwork for a growing EV market in New Hampshire to develop more efficient charging behavior providing system wide benefits.

This settlement is a carefully crafted and well-thought-out starting point for Time of Use (TOU) rates for EV and the OCA echoes the hearing testimony of Heather Tebbets, of Liberty, when explaining that this settlement strikes the best balance with the limited data currently available to all parties as this is a nascent market. She further explained that the implementation of these rates will provide the data necessary to further evaluate and

reassess what is working, what is not, and what needs to be changed when future rate cases are litigated. Ms. Tebbets stated that this is a good opportunity, and she is optimistic that EV infrastructure, and ultimately EV, use will grow and flourish under the proposed rate structure; the OCA agrees.

The OCA further supports Unitil and Liberty in their commitment to explore options for non-utility-owned meters. The OCA supported this recommendation in Docket IR 20-004 and believes exploration of reform in this area serve residential utility customers well. Docket IR 20-004, OCA Comments dated May 11, 2020, at 3.

For these reasons the OCA urges the Commission to approve the submitted settlement.

THE EVERSOURCE PROPOSAL

At hearing the Commission heard testimony from Eversource witnesses that to implement the TOU rates, as recommended by the Commission, it would cost \$9,000,000 to upgrade legacy billing systems. The OCA urges the Commission to revisit our Office's comments submitted in Docket IR 20-004 on behalf of residential ratepayers when considering testimony from a utility about ratepayer-funded investments in metering, communication and/or billing systems. The OCA stated that our Office is "on high alert when these questions arise, given (1) the chronic tendency of many electric utilities to resist innovation (particularly innovation that threatens the traditional utility business model) by exaggerating costs related to metering and billing, and (2) the history of past resistance to deployment of advanced metering infrastructure (because that, too, threatens the utility business model)." OCA Comments of February 20, 2020 (tab 7) in IR 20-004 at 3.

The Commission further heard testimony from Eversource witness Dennis Moore that some of Eversource's enterprise systems were created 15 years ago. Mr. Moore acknowledged that more complex rate structures are becoming commonplace; yet Eversource wants to further delay implementation of these complex rates because they are "problematic to implement now." For every solution proffered, such as manual billing, use of third-party metering, or modeling a rate on Eversource's Connecticut EV rate, Eversource claims that offering

TOU rates now in New Hampshire does not make sense based on current EV adoption in New Hampshire *at this time*.

The Commission itself has said from the bench, it is looking towards the future and looking to what extent it can future-proof rates. The OCA urges the Commission to take this path forward in implementing time-of-use (TOU) rates as the Commission found in Docket IR 20-004 it is an appropriate path forward. Eversource states that it is updating billing systems, yet it will be five to six years, or more, before the systems are updated to provide ratepayers with the price signals TOU rates provide. Eversource stated at the hearing it is better to push these updates out and put off the upgrades because it will be less costly to do this in the future. Yet, the future is changing and in five, six, or more years it will be too late to lay the groundwork for an excellent EV market. To again quote previously filed OCA comments, “Time-Varying Default Service Rates: Time for That Too.” OCA Comments of May 11, 2020 (tab 3) in IR 20-004 at 4.

Eversource worries that ratepayers may not sign up for an offered residential EV TOU rate and believes it is not prudent to spend the money for upgrading its billing systems at this time. When questioned on the solution of manual billing the company’s response is that such a practice is not a way forward because as the numbers of customers grow, manual billing will become too cumbersome. Eversource witnesses throughout the hearing appeared to be speaking out of both sides of their mouths. Eversource offered their managed charging program in lieu of a residential EV TOU rate. In the hearing Eversource put forward the premise that if everyone in a neighborhood purchased an EV the utility could manage the load to avoid a transformer upgrade by charging plugged in vehicles at different times as an example to the advantages of their program. Yet when pushed on that issue, they stated they did not have the capability to do that yet either.

Eversource has failed to put forward a proposal that supports price signals for EV charging as recommended by the Commission. Eversource continues to state the market is too small, yet when solutions are proffered, Eversource claims the solutions are not appropriate for a growing market. The OCA strongly believes that Eversource has missed an opportunity and the OCA urges the Commission to adopt the Department of

Energy's recommendations so as to prevent the Company from squandering this opportunity to future proof rates for residential EV customers.

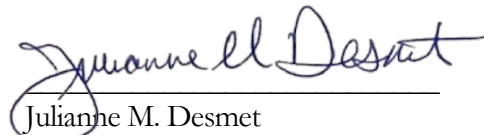
CONCLUSION

The Office of Consumer Advocate recommends Commission approval of the settlement agreement. The OCA believes the settlement meets the Commission's goals as set forth in IR-20-004 and as laid out in Order No. 26,394 as the rates in the agreement send price signals to residential rate payers signaling the advantage to shift load from peak to off-peak periods to promote efficiency system wide and curtail increased peak demand as the Electric Vehicle market grows in New Hampshire.

While the OCA, like the Department of Energy, takes no position on the adoption of the load management proposal Eversource has proffered, the OCA likewise recommends the Commission direct Eversource to meaningfully embrace a two-period time varying rate for residential customers, a manually billed three period time of use rate consistent with the settlement agreement methodology for commercial customers, and to develop an alternative metering pilot that would rely on metering embedded in chargers and vehicles for the purposes of offering time varying rates.

Date: February 4, 2022

Respectfully submitted,
Office of the Consumer Advocate,
by its attorney,



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