BEFORE THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

Docket No. DE 21-078

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE d/b/a
EVERSOURCE ENERGY

Petition for Electric Vehicle Make-Ready and Demand Charge Alternative Proposals

CONSERVATION LAW FOUNDATION'S CLOSING STATEMENT FOR THE PROCEEDINGS

The Conservation Law Foundation ("CLF"), intervenor in this docket, offers the following closing statement for the proceedings, which took place on July 14 and August 9, as instructed by the New Hampshire Public Utilities Commission ("Commission").

I. Discussion

CLF urges the Commission to approve the settlement agreement, filed on July 7, 2022 ("Settlement Agreement"). The Settlement Agreement reflects a consensus among a diverse group of parties, including the New Hampshire Department of Energy, the New Hampshire Department of Energy Services ("DES"), Public Service Company of New Hampshire d/b/a Eversource Energy ("Eversource"), the Office of Consumer Advocate, CLF, Clean Energy New Hampshire ("CENH"), and ChargePoint. The expert testimony presented by these parties provides strong record support for the Commission to conclude that the Settlement Agreement is just and reasonable and in the public interest, pursuant to PUC Rule 203.20.

A. Both the Demand Charge Alternative and Make-Ready Proposals are Just and Reasonable

The demand charge alternative included in the settlement agreement targets a specific use case, that of public DCFCs. As recognized by several of the witnesses, demand charges pose a significant barrier to public charging station investment. Further, public DCFC use tends to be very inelastic. This means that DCFC users and operators have limited ability to shift their charging to other time periods in response to price signals or the ability to spread charging over a longer time period to avoid demand charges.

The general EV rate approved in DE 20-170 is insufficient for public DCFCs. In particular, the rate approved in DE 20-170 only partially reduces demand charges and the barriers to DCFC investments generated by such charges. Moreover, the DE 20-170 rates include time-of-use rates, despite the inability of public DCFC users to respond to the price signals included in time-of-use rates.

In contrast, the rate included in the Settlement Agreement is specifically designed for public DCFC charging stations. It does not include time-of-use rates. Moreover, by eliminating demand charges and recouping these costs through a higher volumetric rate, the settlement rate more adequately addresses the barriers to charging station investment presented by demand charges than does the rate approved in DE 20-170. Accordingly, there is sufficient justification for Commission approval of a rate that is targeted at the specific use case of public DCFCs.

To the extent that any cost shifting occurs with the settlement rate, it will be minimal. First, it will only last for three years, which will minimize any potential for cost shifting. At the end of the three-year period, Eversource will conduct a cost-of-service study. One of the difficulties with the current situation involving EV charging stations is the lack of data. The proposed cost-of-service study will provide data on costs incurred with public DCFCs. Pursuant to the terms of the settlement, the cost-of-service study will be followed by an adjudicatory docket in which the Commission will have the opportunity to continue, modify, or discontinue the rate included in the settlement. This subsequent adjudicatory docket will reduce the potential for any cost shifting between rate classes. Because this rate would only be in place for three years, during a period when EV adoption is expected to remain low, the potential for cost shifting will be further reduced. Finally, the cost structure for the settlement rate is similar to the cost structure approved by the Commission in DE 20-170. Therefore, the demand charge alternative included in the Settlement Agreement is just and reasonable.

Similarly, the make-ready proposal is just and reasonable. The make-ready proposal is capped at $2.1 million,[1] which will limit the costs of the program for Eversource's 540,000 ratepayers. Although the make-ready proposal will lead to minimal cross-subsidization, because of the widespread benefits of expanded charger station development and EV use, any such cross-subsidization is no different and no less fair than lower cost to service customers (*i.e.*, urban customers) subsidizing higher cost to service customers (*i.e.*, rural customers), as occurs under general residential rates.[2] Moreover, the make-ready program (in conjunction with the demand charge alternative) will, in time, lead to increased revenues, which will lower electricity rates for all consumers.[3]

B. Both the Demand Charge Alternative and Make-Ready Proposal are in the Public Interest

The Settlement Agreement is also in the public interest. Expanded EV charging infrastructure is critical to New Hampshire's tourism-based economy. The lack of a public DCFC network will discourage tourists who prioritize locations with charging infrastructure from visiting New Hampshire. Conversely, a public DCFC network could persuade such tourists

[1] CLF notes that the breakdown of costs for the total budget was provided for illustrative purposes only. Although the $2.1 million budget is a hard cap, Eversource should be afforded flexibility regarding the use of the funds in order to better supplement DES's implementation of the VW Trust funding.
[2] Ex. 5, Direct Testimony of Christopher R. Villarreal on Behalf of CLF and CENH, at 16.
[3] Ex. 5, Direct Testimony of Christopher R. Villarreal on Behalf of CLF and CENH, at 6; Hearing Transcript, July 14, 2022, at 103-104.

to visit New Hampshire.[4] Further, the Settlement Agreement rate and make-ready proposal are consistent with New Hampshire's laws and policies. For example, the settlement agreement aligns with the final report of the Electric Vehicle Charging Station Infrastructure Commission, created by SB 517, which recommended increasing EV charging infrastructure in the state.

The Settlement Agreement rate and make-ready proposal, which is tied to the VW Trust funding, will help support the development of a public DCFC network. As recognized by DES Commissioner Scott in his letter to the Commission in support of the Settlement Agreement, "even with VW Trust funding there is still hesitancy in the private sector to install EVSE because of high utility make-ready costs, which are not an eligible expense under the grant programs." Commissioner Scott also noted that "[t]hose costs, as well as potential demand charges which were not designed with EV charging in mind, lead to uncertainty of the profitability of a station for potential investors."[5] The uncertain business environment for public DCFCs is reflected in the fact that there are currently only a handful of public DCFC charging stations in New Hampshire.

The make-ready program will complement and enhance the effectiveness and reach of the VW Trust funding. As stated at the hearing, the business case for public DCFCs is currently so poor that both the VW Trust funding and the Eversource make-ready proposal are needed to enable an initial buildout of a charging network in New Hampshire.[6] "[B]y leveraging the VW funds, Eversource's investment in a site is more likely to result in a successful charging station."[7]

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[4] Hearing Transcript, July 14, 2022, at 136-137; Ex. 5, Direct Testimony of Christopher R. Villarreal on Behalf of CLF and CENH, at 6-7, 13.
[5] Commissioner Robert Scott Letter, July 12, 2022.
[6] Hearing Transcript, Aug. 9, 2022, at 68.
[7] Commissioner Robert Scott Letter, July 12, 2022.

II. Conclusion

CLF appreciates the Commission's consideration of CLF's closing statement. The Settlement Agreement reflects a widespread consensus among a diverse group of parties that the proposed demand charge alternative and make-ready proposal are in the best interest of New Hampshire and Eversource's ratepayers. Accordingly, because the settlement agreement is just and reasonable and is in the public interest, the Commission should approve it.

Sincerely,

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