

**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

**CLOSING STATEMENT OF PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
D/B/A EVERSOURCE ENERGY**

The make-ready program and demand charge alternative rate design proposed by Public Service Company of New Hampshire d/b/a Eversource Energy (“Eversource” or the “Company”) were created consistent with multiple legislative directives that embody the state policy of developing publicly available electric vehicle (“EV”) infrastructure along main travel corridors throughout New Hampshire. These proposals were also tailored to meet an express need of customers and state stakeholders, which, if fulfilled, can benefit not only Eversource’s public charging station customers, and not only Eversource customers, but residents and businesses throughout New Hampshire. EVSE and DCFC development along major travel corridors in this state are, as SB 131 says “necessary to enable travel within and through the state, promote tourism, generate jobs, and support consumers, businesses, and automobile dealers and manufacturers.” These benefits are in the overall public interest, and when added to an identified customer and stakeholder need and an explicit state policy priority, create the kind of exception envisioned by RSA 378:11 that gives the Commission discretion to deem any possible lack of uniformity of advantages or disadvantages among customers reasonable under the circumstances. The circumstances described above make the Eversource proposals in front of the Commission for approval reasonable and in the overall public interest, and the Company strongly and respectfully recommends expedient Commission approval of both proposals.

Despite the Department of Environmental Services' ("DES") ongoing efforts to use the VW trust funds, there are presently no programs or electric rates that exist today in New Hampshire that are effectively addressing the state need identified by both the executive and legislative branches to develop public EV charging infrastructure along New Hampshire's travel corridors. Eversource and other witnesses from the settlement panel as well as DES have attested to the fact that the recently-approved Commercial Time of Use rate doesn't address the needs of this specific subset of customers, however the Company's proposed demand charge alternative rate design does. The make-ready program is also at the very center of meeting the policy objective of creating these charging corridors and is as a necessary piece of funding needed to supplement the DES VW funding to create a viable business case for these public charging stations, and to do so in the most advantageous way with minimal costs to Eversource customers.

As stated by the SB 517 Electric Vehicle Charging Stations Infrastructure Commission in its final report, "Utility owned or funded behind the meter enabling infrastructure, also known as "make-ready" infrastructure, can accelerate charging infrastructure deployment, and it has the potential, all else equal, to put downward pressure on rates by spreading fixed costs over a greater volume of electric sales."¹ As the state's largest utility, Eversource is in the best position to create that downward pressure with the least impact to customers. DES Commissioner Scott has attested to both the need and the efficacy of the design of the Eversource proposals in the letter submitted to this docket on July 12, 2022, saying that "even with the 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 program. These costs, as well as

¹ SB 517 Electric Vehicle Charging Stations Infrastructure Commission Final Report at 2. (October 30, 2020): <https://www.des.nh.gov/sites/g/files/ehbemt341/files/inline-documents/2020-12/20201030-final-report.pdf>

potential demand charges which were not designed with EV charging in mind, lead to uncertainty of the profitability of a station for potential investors. The Eversource proposal . . . will help alleviate some concerns. In addition, by leveraging the VW funds, Eversource's investment in a site is more likely to result in a successful charging station. Coupling with the VW funding lowers the risk of stranded investment and provides a better cost benefit to ratepayers." (Letter from DES Commissioner Scott, at 2).

That the Company proposals embody a solution to customer needs and state policy is evidenced by the support of two sister agencies of the Commission – the Department of Energy and Department of Environmental Services, both of which have advocated strongly for these proposals at these hearings. And the broad benefits of these proposals are represented by the diversity of interests on the settlement panel which included the advocate for residential New Hampshire customers, state agencies and policy advocacy organizations, and representatives of the customer segment for which the proposals were designed. The multiplicity of interests represented by the panel and which support the settlement agreement serves as further evidence that the solutions and benefits these proposals present will not simply inure to those taking the proposed rate or receiving the make-ready funding, but will be widespread and positively impact a great many individuals and businesses in New Hampshire, including the potential creation of new jobs and business in the state. As DES Commissioner Scott asserted, "ensuring reliable, networked EVSE that are available 24/7 is in the public interest", and the approval of the two proposals being considered today will achieve those ends.

RSA 378:11 allows for an exception to the requirements of RSA 378:10 that prohibit any undue or unreasonable preference or advantage or disadvantage "when the circumstances render any lack of uniformity reasonable." The Commission has interpreted this to mean that it has

“discretion in balancing the need for fairness in avoiding cross-subsidization with ensuring the overall public interest”, as stated in Order No. 26,623 from Unitil’s recent distribution rate case in Docket No. DE 21-030. While practically speaking no benefit from any program or even any rate design ever inures equally to all customers, the totality of the circumstances pertaining to these two proposals are not unjust and render any lack of uniformity reasonable; further, the overall public interest at stake outweighs the nominal cross-subsidization that would be spread over the 540,000 plus Eversource customers. These proposals merit the exercise of the Commission’s discretion in favor of the public benefit, and so Eversource respectfully reiterates its request that the Commission approve both the make-ready and demand charge alternative proposals.

As to the matter of the idea of instituting two caps within the \$2.1 million make-ready program cap—one for \$650,000 for capital costs and the other for \$1.4 million in expense—the Company strenuously opposes this proposition. These initial cost groupings were provided for illustrative purposes only, and even then, they were provided based on DES’s first RFP, which only covered EVSE, and did not cover a great deal of behind the meter work and equipment. The current DES RFP makes a significant portion of behind the meter equipment and work eligible for VW Trust funding, which means there is a substantial chance that a greater percentage of the make-ready funding will be devoted to capital costs rather than expense. However, there is still no visibility into the winning sites, and given the quantity of variables and the degree of variability depending on site specifics, there is no way to reasonably estimate what percentage of the \$2.1 million in make-ready funding will be used for capital costs and what percentage would be used for expense items. Imposing caps on the spending categories would

only hinder the program's efficacy by limiting the Company's ability to tailor the funding to the needs of the specific sites and best supplementing the DES VW funding.

And to reiterate a point discussed at yesterday's hearing, the Eversource make-ready funding will focus primarily on VW Trust non-eligible costs² that are related to utility side (front of the meter) electric infrastructure. While make-ready funds may also be applied to VW eligible costs, that would only occur to the extent that the VW award does not cover those costs, and only up to the 80% cap established by DES. In any event neither program's funding nor both programs' combined funding would ever exceed the 80% cap on VW eligible costs. The customer would be responsible for at least 20% of VW eligible costs, as well as any non-eligible costs not covered by the Eversource make-ready funds such as taxes, leases, or signage. By working in conjunction and maintaining communication with DES, the Company will ensure the 80% cap remains in-tact, and will also prevent any redundant reimbursement of costs, as the Company will assess what make-ready funds a project needs based upon what VW funds are awarded to each site, and then supplement accordingly.

Eversource would like to thank the Commission for its sensitivity and attentiveness to this matter during a time when the Commission has been particularly busy with a great many rate adjustment dockets with accelerated timelines. An order by August 15 will allow the make-ready funding to be administered in tandem with the DES's VW funding to avoid a disruption in the projected construction schedule for the selected charging sites and so that Eversource may begin implementation of the demand charge alternative in time for when the stations become operational.

² "Non-eligible" and "eligible" costs as described in this statement, refer specifically to the categorization of costs as listed on page 11 of the DES VW RFP, entered as Exhibit 9 in this docket (Record request 1, Attachment 1).

Respectfully submitted,

**Public Service Company of New Hampshire d/b/a
Eversource Energy**



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By: _____

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