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August 10, 2022

Daniel C. Goldner, Chairman
New Hampshire Public Utilities Commission
21 South Fruit Street
Concord, NH 03301-2429

Re: Docket No. DE 21-078, Eversource Energy Petition for Electric Vehicle
Make-Ready and Demand Charge Alternative Proposals
Department of Energy Closing Statement

Dear Chairman Goldner:

Pursuant to the Commission's procedural order issued on August 4, 2022, the Department of Energy (DOE) hereby submits its written closing statement in the above-referenced proceeding.

The DOE supports the settlement reached by the settling parties in this docket. We believe the settlement terms appropriately balance interests between the utility and its ratepayers, while accounting for business realities faced by public charging station developers and for state public policy objectives.

Make-Ready Infrastructure Funding

Eversource's proposal to fund electric vehicle (EV) make-ready investments for certain public EV fast charging stations provides needed additional funding to support development of public charging locations selected through the Department of Environmental Services (DES) request for proposals (RFP) process to receive Volkswagen settlement mitigation funding, consistent with state policy priorities. And we believe the amount of the make-ready offering is reasonable in relation to the size of Eversource's service area and its total customer load. The state would benefit from more rapid expansion of access to public fast charging stations for a number of reasons, including encouragement of EV-driving tourists to continue to visit the state.

In particular, the DOE supports the proposal that Eversource make the decisions about how much make-ready funding to provide to each DES-selected public charging station project, based on the DES's rankings and relative priorities, and with a minimal level of regulatory oversight and no prior approval requirement. That approach seems most efficient and would serve the interest of providing needed funding at the earliest possible time to facilitate beneficial charging station development.

During the continued hearing held on August 9th, parties were asked to address potential limitations on Eversource make-ready infrastructure funding based on the estimated \$650,000 aggregate capital expense for front-of-meter (FTM) utility-owned infrastructure and the estimated \$1,400,000 aggregate non-capital expense for behind-the-meter (BTM) customer-owned infrastructure. *See, e.g.*, Eversource Record Request Response RR-002. The DOE understands that Eversource’s breakdown between those two infrastructure funding categories was provided solely for illustrative purposes to support its development of the \$2.1 million EV make-ready infrastructure program total funding limit. The amounts estimated for those two categories were not intended to apply specifically to any actual projects nor to serve as a cap for funding of any relevant costs for infrastructure falling into either category.

In fact, the total costs proposed to be funded by Eversource in either category may be more or less than those estimated amounts; indeed, it seems likely that the FTM capital costs funded may be greater than estimated, while the BTM expenses funded may be less than estimated. The specific amount of FTM and BTM infrastructure funding for any particular project should be determined by Eversource, after communication and collaboration with DES if and when possible, in order to maximize the benefits of the program from the perspective of public fast charging station development. Accordingly, the DOE believes that the EV make-ready infrastructure funding proposal described in the settlement agreement should be approved without any additional limits on funding of any specific category of related eligible costs.

The DOE therefore supports a cap of \$2.1 million for all Eversource EV make-ready infrastructure funding, but does not support any further limitations on how that funding is split between FTM and BTM infrastructure. We also note that any infrastructure funding provided by the utility will be reviewed by DOE, OCA, and other parties when Eversource files for recovery of those costs, thereby providing the opportunity to ensure that all funding expenditures were prudently made.

Demand Charge Alternative Rate Design

The DOE also supports implementation of the demand charge alternative (DCA) rate design for the three-year period described in the settlement. In effect, the DCA provides an alternative “starter” rate design expected to be adopted by a small number of public charging station customers. The rate offering has a defined end-date for customer eligibility, with a utility cost study or analysis and specific recommendation to follow.

And Eversource has committed to consider redesign or termination of the DCA rate based on the results of its study or analysis, with an opportunity for stakeholders to participate in a future adjudicative proceeding to address potential changes to the DCA rate. The plan for transition of customers on the DCA rate in the event of any redesign or termination of the rate offering also seems reasonable from our perspective.

The relatively limited scale and short-term availability of the DCA rate design help to mitigate concerns regarding potential cost-shifting. And the future tracking, monitoring, reporting, study, analysis, recommendation, and adjudication processes should serve to demonstrate the extent to which the DCA rate is properly cost-based and does not involve unreasonable cross-subsidies among customers or ratepayer classes.

We also support limitation of DCA rate availability to public charging stations, without expanding such availability to include EV fleet-charging applications, whether for businesses, institutions, or municipal governments. Public charging stations have little or no control over the timing of EV charging and commit to provide charging access to all EV drivers, including those of more limited means. Those policy concerns provide a strong basis for maintaining the DCA rate availability restrictions as set forth in the settlement terms.

Conclusion

The DOE therefore supports the settlement agreement terms and conditions as filed in their entirety, having concluded that they are just and reasonable and in the public interest. We urge the Commission to approve the proposed settlement at the earliest practicable time.

Pursuant to current Commission policy, this filing is being made electronically only.

Sincerely,

/s/ David Wiesner

David K. Wiesner

Legal Director/Sr. Hearings Examiner

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