

BEFORE THE
STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

DOCKET NO. DE 21-078

IN THE MATTER OF: PUBLIC SERVICE COMPANY OF NEW
 HAMPSHIRE D/B/A EVERSOURCE ENERGY

ELECTRIC VEHICLE MAKE-READY AND
DEMAND CHARGE ALTERNATIVE PROPOSALS

DIRECT TESTIMONY

OF

ELIZABETH R. NIXON
DIRECTOR - ELECTRIC
NEW HAMPSHIRE DEPARTMENT OF ENERGY

February 25, 2022

1 **Introduction**

2 **Q. Please state your full name.**

3 A. My name is Elizabeth R. Nixon.

4 **Q. By whom are you employed, and what is your business address?**

5 A. I am employed by the New Hampshire Department of Energy (DOE) as the Electric Director
6 in the Regulatory Support Division. My business address is 21 S. Fruit Street, Suite 10,
7 Concord, NH 03301.

8 **Q. Please summarize your education and professional work experience.**

9 A. I joined the New Hampshire Public Utilities Commission (NH PUC or Commission) in
10 August 2012 in the Sustainable Energy Division working on renewable energy issues. In
11 August 2016, I became a Utility Analyst in the NH PUC's Electric Division, which is now
12 part of the DOE. In January 2022, I became the Electric Director in the Regulatory Support
13 Division of DOE. Prior to the NH PUC, I was employed at the NH Department of
14 Environmental Services, Air Quality Division, from 1999 until 2012, in various positions.
15 Prior to joining the State, I worked as a consultant at ICF and AER*X, Inc. Throughout my
16 career, I have focused on energy, environmental, and economic issues and analysis. I earned
17 a B.S. in Mathematics from the University of Vermont. More details on my educational and
18 professional background are provided in Attachment ERN-1.

19 **Q. What is the purpose of your testimony?**

20 A. The purpose of my testimony is to comment on the proposal to provide utility funding for
21 make-ready infrastructure development to support electric vehicle (EV) charging stations, as
22 contained in the petition filed in this docket by Public Service Company of New Hampshire
23 d/b/a Eversource Energy (Eversource).

1 **Q. Please summarize your findings and recommendations related to the proposed funding**
2 **for make-ready infrastructure to support EV charging stations.**

3 A. We believe that Eversource's proposal for make-ready infrastructure tied to the VW Trust
4 Fund projects seems reasonable and appropriate. We recommend that funding be no more
5 than \$650,000 for in front of the meter¹ make-ready infrastructure capital investments, no
6 more than \$1.4 million for behind the meter make-ready infrastructure expenses (with
7 reasonable steps taken to minimize those expenses), and \$50,000 for administrative expenses
8 related to data collection and program evaluation. Recovery of capital costs and other
9 expenses should be deferred until the next Eversource base rate case and include
10 consideration of the revenues from the EV charging station customers over time.

11 **Assessment of Eversource's Make-Ready Infrastructure Proposal**

12 **Q. Please explain what Eversource has proposed for utility funding of EV make-ready**
13 **infrastructure.**

14 A. Eversource proposes to provide new service connections for direct current fast chargers
15 (DCFC) that receive funding from the Volkswagen Settlement Funds through a request for
16 proposals (RFP) issued by the New Hampshire Department of Environmental Services.
17 Eversource estimates that five sites in its service territory will be chosen to receive such
18 funding. Originally, Eversource proposed to provide make-ready infrastructure funding
19 through the program at issue in this docket for both behind the meter and in front of the meter
20 infrastructure. Since the time of Eversource's initial filing, we understand Eversource has
21 determined that make-ready infrastructure funding may not be necessary for customer-side
22 behind the meter infrastructure, because the VW Trust Fund RFP now will cover customer-

¹ "In front of the meter" refers to equipment on the Company-side of the meter, whereas "behind the meter" refers to equipment on the customer-side of the meter.

1 side behind the meter make-ready infrastructure to the extent not available from utility
2 programs.² Eversource has estimated that the average in front of the meter site cost will be
3 approximately \$130,000, for a total of \$650,000. In addition, Eversource's proposed funding
4 program includes up to \$1.4 million (i.e., \$280,000 per charging station site) for customer-
5 side behind the meter make-ready infrastructure. Eversource proposes to provide the
6 behind the meter make-ready infrastructure as a rebate to the customer, and treat those funds
7 as an expense. Eversource also proposes an additional \$50,000 for data collection and
8 program evaluation expenses. Eversource's total proposed amount for make-ready
9 infrastructure funding, therefore, is \$2.1 million.

10 **Q. Please explain how Eversource proposes to recover the costs associated with its**
11 **proposal.**

12 A. Eversource proposes to include the net value of the capital investments in rate base as part of
13 its next base distribution rate proceeding. With respect to the expenses, Eversource proposes
14 that they be recovered through a reconciling mechanism or, alternatively, that they be
15 deferred to a regulatory asset to be amortized following its next base rate case proceeding.

16 **Q. Please provide your assessment of Eversource's make-ready infrastructure funding**
17 **proposal.**

18 A. We believe that the funding amounts proposed by Eversource for make-ready infrastructure
19 both in front of the customer's meter and behind the customer's meter are reasonable and
20 appropriate. We recommend that total capital for in front of the meter infrastructure be
21 capped at no more than \$650,000. With respect to customer-side behind the meter make-
22 ready expenses, we support the proposed maximum funding level of \$1.4 million, provided

² See Attachment ERN-2 for updated information regarding eligible make-ready costs under the VW Trust Fund RFP.

1 that Eversource takes reasonable steps to ensure that projects seek to maximize the use of
2 funds for necessary make-ready investments that are available through the VW Trust Fund
3 RFP process. For any expenses related to data collection and program evaluation, we
4 recommend that those expenses be capped at no more than \$50,000.

5 **Q. Please explain your recommendation for cost recovery of the make-ready infrastructure**
6 **proposal.**

7 A. We agree with Eversource's proposed approach for recovery of the capital costs at their net
8 value in the next distribution base rate case proceeding, but with consideration of the
9 increased revenues received from EV charging station customers over time for possibly five
10 to ten years. We recommend that Eversource defer the expenses until the next distribution
11 rate case as a regulatory asset with carrying charges at the prime rate. For the behind the
12 meter make-ready infrastructure expenses, we recommend that the net costs (meaning that
13 the revenues from the EV charging station customer are taken into account) are recovered in
14 the next distribution rate case as a regulatory asset with carrying charges at the prime rate.

15 **Q. Does this conclude your testimony?**

16 A. Yes, it does.

Attachment ERN-1

Education and Professional Background

Elizabeth R. Nixon

My name is Elizabeth R. Nixon. I am employed as the Electric Director in the Regulatory Support Division at the New Hampshire Department of Energy (DOE). My business address is 21 S. Fruit St., Suite 10, Concord, NH 03301.

I earned a B.S. in Mathematics from the University of Vermont in 1985. I worked for ICF, a consulting firm, where we estimated, modeled, and analyzed the energy, environmental and economic impacts of various emission reduction strategies at electric utilities. At ICF and AER*X, Inc., I assisted companies in implementing market-based emissions trading programs. I provided comments on various air quality programs affecting the electric utilities and other industries in the Northeast and other states. I also worked for the Center for Clean Air Policy where we coordinated a dialogue of states and electric utilities to discuss energy efficiency and other emission control strategies to reduce acid rain and greenhouse gases at electric utilities.

At the New Hampshire Department of Environmental Services, I wrote the air quality permits for Eversource's electric generating facilities as well as other electric generating facilities and manufacturing facilities in NH. I testified before the NH Air Resources Council regarding the determination of the baseline mercury emissions for Eversource's coal-fired electric generating facilities.

I joined the New Hampshire Public Utilities Commission, which is now DOE, in August 2012. I started in the Sustainable Energy Division where I managed renewable energy incentive programs, determined compliance with the renewable portfolio standard (RPS) program, and

1 conducted analysis of and provided testimony and presentations on the RPS program and rebate
2 programs. In August 2016, I joined the Electric Division. I completed electric utility rate
3 training at New Mexico State University's Center for Public Utilities. As of July 1, 2021, I was
4 a Utility Analyst in the Regulatory Support Division at DOE. In January 2022, I became the
5 Electric Director in the Regulatory Support Division at DOE.

6 I have testified in the energy efficiency program dockets (DE 17-136 and DE 20-092),
7 Liberty Utility's battery storage pilot docket (DE 17-189), and Unitil Energy System's
8 distribution rate case (DE 21-030). In addition, I have provided Staff recommendations in the
9 grid modernization docket (IR 15-296) and electric vehicle rate design docket (IR 20-004).

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. DE 21-078

Date Request Received: October 29, 2021
Data Request No. TS-007

Date of Response: November 12, 2021
Page 1 of 1

Request from: Department of Energy

Witness: Boughan, Kevin

Request:

Reference DOE 2-003 and DOE 1-001 Attachment BJR-1. Since this analysis was conducted/proposed prior to the issuance of the VW funding RFP, please explain any changes that Eversource would make to this analysis now that the RFP has been released. If the Company would make changes, please provide the live excel spreadsheet representing those changes.

Response:

In its proposal, the Company assumed that the eligible costs covered by the VW funding RFP would be the same as in the original 2019 VW funding RFP.

The VW funding RFP released on September 17, 2021 includes eligible costs that were not part of the 2019 VW funding RFP, most significantly "make-ready costs not covered by utility(ies)" (See RFP# NH-VW-2021-01 page 10, September 17, 2021:

<https://das.nh.gov/purchasing/docs/bids/RFP%20DES%202022-06.pdf>

The inclusion of make-ready costs as an eligible cost covered by NH Trust funding, makes the need for and role of utility administered rate-payer funded support uncertain. Due to this uncertainty and a need for further clarity on the possible interacting roles of DES and utilities with this work, no meaningful analysis can be conducted at this time.

**NH VW ENVIRONMENTAL MITIGATION TRUST DCFC INFRASTRUCTURE RFP
AMENDMENT #3
01/12/22**

In response to concerns regarding the reference to “make-ready” costs in the NH VW Environmental Mitigation Trust Direct Current Fast Charging Infrastructure Request for Proposals (RFP), released on September 17, 2021 and amended on November 2, 2021 (Amendment 1) and December 3, 2021 (Amendment 2), NHDES is issuing this Amendment #3 to reopen a question period until the close of business on Thursday January 13, 2022 to allow for a response to the following question clarifying eligible and non-eligible costs in Section 2.4 of the RFP for all potential respondents to the RFP.

Question: The eligible costs have been revised to remove the language “necessary upgrades to electric supply” and replaced with “necessary upgrades to customer-side electric supply to make a site ready to accept EVSE.” Additionally, “make-ready costs not covered by utility(ies)” has been removed from the list of eligible costs. We encourage NHDES to reconsider these changes and restoring the list of eligible and non-eligible costs to the way they were for the following reasons:

- While we are supportive of any costs covered by a utility make-ready program being ineligible for reimbursement from NHDES, this would only be in the event that such a program is approved and open to the public before contracts are executed from this RFP. The cost of necessary upgrades to utility-side electric infrastructure such as transformers, line extensions and utility meters can be significant, and should be eligible for reimbursement unless a utility program is open and available to these projects on a concurrent timeline.
- The RFP was released on September 17, 2021 and discussions between applicants and site hosts have been underway for some time. Changes to the list of eligible costs have a significant impact to the potential economics and cost share for each site, disrupting the work that’s already been done with site hosts and applicants who now may not be able to cover these additional costs.

Response: There are currently proceedings at the NH Public Utilities Commission regarding utility make-ready proposals. Eversource’s proposal, found in PUC Docket 21-078*, was filed in April 2021 and clearly described how their investment would be used in conjunction with settlement funds from the Volkswagen Environmental Mitigation Trust that were awarded to New Hampshire. The hearing on this docket is scheduled in April 2022. Following the NHDES release of the Request for Proposals for use of the VW Trust funds in support of Direct Current Fast Charging (DCFC) infrastructure on September 17, 2021, the Department of Energy, on October 28, 2021, issued a data request to Eversource that included the following statement/request:

Request: *Reference DOE 2-003 and DOE 1-001 Attachment BJR-1. Since this analysis was conducted/proposed prior to the issuance of the VW funding RFP, please explain any changes that Eversource would make to this analysis now that the RFP has been released. If the Company would make changes, please provide the live excel spreadsheet representing those changes.*

Eversource responded as follows:

**NH VW ENVIRONMENTAL MITIGATION TRUST DCFC INFRASTRUCTURE RFP
AMENDMENT #3
01/12/22**

Response: *In its proposal, the Company assumed that the eligible costs covered by the VW funding RFP would be the same as in the original 2019 VW funding RFP. (NHDES NOTE: the 2019 RFP did not allow for make-ready costs.)*

The VW funding RFP released on September 17, 2021 includes eligible costs that were not part of the 2019 VW funding RFP, most significantly “make-ready costs not covered by utility(ies)” (See [RFP# NH-VW-2021-01 page 10, September 17, 2021.](#))

The inclusion of make-ready costs as an eligible cost covered by NH Trust funding, makes the need for and role of utility administered rate-payer funded support uncertain. Due to this uncertainty and a need for further clarity on the possible interacting roles of NHDES and utilities with this work, no meaningful analysis can be conducted at this time.

It was never NHDES’ intent that the VW Trust funds would mitigate the need for utility investment in the EV charging market and, in fact, absent utility investment to compliment the VW funds NH would only be able to support a handful of DCFC. Therefore, based on this question from Staff, Eversource’s response, and further discussions with intervening parties to the docket NHDES determined that allowing use of the VW funding at this time for some utility side make-ready costs was jeopardizing the potential for approval of Eversource’s (and potentially other utility) make-ready proposal. With only \$4.6 million available for support of EV Charging under the NH VW Trust there will clearly need to be significant utility investment in addition to the NH VW Funds if NH is to see construction of a meaningful number EVSE in the state. Therefore, in order to eliminate any confusion in this critical PUC docket, NHDES felt it necessary to clearly and definitively demonstrate that it did not intend for the NH VW Trust to be used in lieu of utility investment, but rather in conjunction with utility investment in this nascent market.

** Docket No. DE 21-078, Public Service Co. of New Hampshire d/b/a Eversource Energy Petition for Electric Vehicle Make-Ready and Demand Charge Alternative Proposals*