STATE OF NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

IR 22-076

ELECTRIC DISTRIBUTION UTILITIES

Investigation of Whether Current Tariffs and Programs are Sufficient to Support Demand Response and Electric Vehicle Charging Programs

ORDER OF NOTICE

On November 15, 2021, Section 111(d) of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. § 2621(d)) was amended by the Infrastructure Investment and Jobs Act of 2021. The amendments directed all state electric ratemaking regulators, including the Commission, to consider establishing rate mechanisms and standards related to promoting electric utility demand response practices and electric vehicle charging programs. Specifically, U.S. Code § 2621(b), (c) and (d)(20), and (d)(21) require the Commission to consider whether to adopt rate mechanisms or standards concerning such demand response practices and electric vehicle charging programs. A determination shall be made after public notice and hearing and shall be made in writing, based upon findings and upon the evidence presented at the hearing, and shall be available to the public.

The demand response practices and electric vehicle charging programs required by these recent legislative changes include:

(20) Demand Response Practices

(A) In general

Each electric utility shall promote the use of demand-response and demand flexibility practices by commercial, residential, and industrial customers to reduce electricity consumption during periods of unusually high demand.

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(B) Rate recovery

i. In general

Each State regulatory authority shall consider establishing rate mechanisms allowing an electric utility with respect to which the State regulatory authority has ratemaking authority to timely recover the costs of promoting demand-response and demand flexibility practices in accordance with subparagraph (A).

ii. Nonregulated Electric Utilities

A nonregulated electric utility may establish rate mechanisms for the timely recovery of the costs of promoting demand-response and demand flexibility practices in accordance with sub-paragraph (A).

(21) Electric Vehicle Charging Programs

Each State shall consider measures to promote greater electrification of the transportation sector, including the establishment of rates that

(A) promote affordable and equitable charging options for residential commercial and public electric vehicle charging infrastructure;

(B) improve the customer experience associated with electric vehicle charging including, by reducing charging times for light-, medium-, and heavy-duty vehicles;

(C) accelerate third-party investment in electric vehicle charging for light-, medium-, and heavy-duty vehicles; and

(D) appropriately recover the marginal costs of delivering electricity to electric vehicles and electric vehicle charging infrastructure."

16 U.S.C. § 2621 (20) and (21)

I. ISSUES PRESENTED

A. Demand Response Practices

Electric industry restructuring in New Hampshire, as codified in RSA chapter

374-F and implemented by the Commission in Docket No. DR 96-150, supports cost-

effective demand response options for customers:

RSA 374-F:3, X. **Energy Efficiency**. Restructuring should be designed to reduce market barriers to investments in energy efficiency and provide incentives for **appropriate demand-side management** and not reduce cost-effective customer conservation. Utility sponsored energy efficiency programs should target cost-effective opportunities that may otherwise be lost due to market barriers. (Emphasis added).

This State policy is consistent with the federal standards set out in the recent amendments quoted above. In order to explore demand response and demand flexibility practices in New Hampshire, the Commission is interested in understanding how communication among regulated electric distribution utilities, third-parties, and ratepayers can be further enabled.¹ As the Commission begins its investigation into adopting standards for the promotion and enablement of demand response in New Hampshire, the Commission would like to review the effectiveness of communications between, utilities, third parties, and ratepayers and the enabling technology.²

Given the federal statutory requirement to consider adopting standards for demand response and demand flexibility practices, the state policy objective of costeffective demand side management, as well as the necessity to develop standards to meet the requirements to enable a competitive retail electricity market, we launch this investigation to consider, *inter alia*, the following topics:

- How can demand response reduce electricity consumption during periods of unusually high demand, and what rate mechanisms should be developed to compensate ratepayers for their retail electricity market participation?
- What standards and systems are needed to enable demand response and a transactive retail electricity market in New Hampshire that includes real-time data transfer?
- Should New Hampshire continue to leverage the current Electronic Data Interchange (EDI) paradigm, or should a new standard be used?
- Do standards exist that enable an interoperable two-way data exchange among the utility, community aggregators, and ratepayers?

¹To date, EDI has served as the means to facilitate the efficient and reliable transfer of data between regulated distribution companies and non-regulated providers of competitive services.

²The EDI standards in place today were temporarily adopted in draft form in 1998, with formal rulemaking planned to take place at a later date. *See*, Order No. 22,919 (May 4, 1998). The Commission has no record of this formal rulemaking having taken place and believes that for the past twenty-four years EDI systems have operated under the original, interim standards.

- How can the EDI standards be updated to enable a transactive retail electricity market in New Hampshire?
- What programs or services are currently offered by the utilities that support customer demand response activities to reduce peak demand, and what are the associated rate mechanisms?
- What are the relevant Commission decisions, state statutes, and federal laws relating to demand response?
- What new programs or opportunities could be implemented to further promote demand response practices and reduce consumption during unusually high demand periods?
- What technologies are available today or could be available within a utility's planning horizon to enable support of demand response and transactive energy?
- What market barriers exist that, to date, have prevented greater demand response management?
- What structural reforms could enable a more competitive retail electricity market in New Hampshire and within ISO-NE?

B. Electric Vehicle Charging Programs

In 2018, SB 575-FN passed and became effective. The bill added sections RSA 236:132–134, which provided support for publicly available electric vehicle charging stations along New Hampshire transportation corridors and required the Commission to explore appropriate rates for delivery of electric service for those charging stations. In Docket No. IR 20-004, the Commission investigated the issues concerning those rates, and subsequently opened Docket No. DE 20-170 to explore time of use (TOU) rates for EV charging stations. *See* Order No. 26,394 (August 18, 2020). Following testimony and a settlement in DE 20-170, the Commission established TOU rate methodologies to be applied to EV charging stations for residential and commercial and industrial customers. *See* Order No. 26,604 (April 7, 2022). As a result, consistent with New Hampshire statutes and policy, the Commission has conducted the inquiry required by 16 U.S.C. ξ 2621(d)(21)(A)-(D). Nonetheless, the Commission finds it

appropriate to take this opportunity to consider whether any additional measures are needed in order to promote EV charging and access to charging infrastructure in New Hampshire. Therefore, the Commission launches an investigation to consider, *inter*

alia, the following topics:

- What are the current policies around customer-funded versus ratepayerfunded interconnections of EV charging infrastructure?
- Can the development of EV charging infrastructure be structured to costeffectively reduce electricity consumption during periods of unusually high demand?
- Can electric metering and EV metering standards be changed to costeffectively and fairly increase EV and expand EV charging infrastructure in New Hampshire?
- What programs or services are currently offered by the utilities that support EV charging by customers at non-peak demand periods, and what are the associated rate mechanisms?
- What are the relevant Commission decisions, state statutes, and federal laws relating to EV charging?
- What new programs or opportunities could be implemented to cost-effectively reduce EV charging consumption during periods of unusually high demand?
- What EV charging infrastructure technologies are available today or could be available in the future?
- What are the current funding sources and utility practices concerning makeready costs for EV charging infrastructure?

The subsequent docket filings, other than any information for which

confidential treatment is requested of or granted by the Commission, will be posted to

the Commission's website at <u>www.puc.nh.gov</u>.

The Commission will be conducting the prehearing conference and any hearings scheduled in this matter in person. The Commission will consider requests to conduct hearings using a hybrid format to permit remote participation by a specific individual only if the Commission has determined that a sufficient reason has been provided for why that individual would be unable to attend in person. Any party requesting that a specific individual be permitted to participate remotely should file a written request with the Commission's Clerk's Office no later than fifteen (15) days prior to the prehearing conference or hearing date. If the Commission determines that one or more individuals will be permitted to appear remotely, then individuals in the Commission's hearing room, including the Commissioners, will be broadcast on a web-enabled platform.

Based upon the foregoing, it is hereby

ORDERED, that the Commission will hold a prehearing conference, pursuant to N.H. Admin. R., Puc 203.15, at its offices located at 21 S. Fruit St., Suite 10, Concord, New Hampshire, on February 2, 2023, at 9:00 a.m., at which each participant should be prepared to address any of the issues set forth in N.H. Admin. R., Puc 203.15; and it is

FURTHER ORDERED, that the regulated electric distribution utilities operating in New Hampshire (Electric Utilities) shall be mandatory participants in this investigation; and it is

FURTHER ORDERED, that during the prehearing conference, the Commission will consider the matters listed in Puc 203.15(c) and (d), including the establishment of a procedural schedule governing the remainder of the proceeding. Participants are encouraged to facilitate the development of a procedural schedule by conferring prior to the prehearing conference, so that the presiding officer can address any matters on which there is disagreement during the prehearing conference. Any procedural schedule, however, will not be approved until after the prehearing conference and after consulting the Commission's calendar; and it is

FURTHER ORDERED, that, immediately following the prehearing conference, the Electric Utilities shall make appropriate personnel available for the participants to hold a technical session to review the issues identified in this notice; and it is

FURTHER ORDERED, that any individual or entity may express interest in participating in this investigative docket by submitting a letter to the Clerk's Office no later than December 20, 2022; and it is

FURTHER ORDERED, that participants shall file any proposed exhibits, written testimony, motions, or other documents intended to become part of the record in this proceeding with the Commission. Pursuant to the secretarial letter issued on March 17, 2020, which is posted on the Commission's website at

https://www.puc.nh.gov/Regulatory/Secretarial%20Letters/20200317-SecLtr-Temp-Changes-in-Filing-Requirements.pdf, all Commission rules requiring the filing of paper copies are suspended until further notice. Participants may elect to submit any filing in electronic form unless otherwise ordered by the Commission. Filings will be considered filed as of the time the electronic copy is received by the Commission; and it is

FURTHER ORDERED, that routine procedural inquiries may be made by contacting the Commission's Clerk's Office at (603) 271-2431 or <u>ClerksOfffice@puc.nh.gov</u>. All requests to the Commission should be made in a written pleading filed with the Commission. Unless otherwise authorized by law, *ex parte* communications are prohibited; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. R., Puc 203.12, the Electric Utilities shall notify all persons desiring to be heard at this hearing by publishing a copy of this order of notice on their respective websites no later than two business days after the date of issue, such publication to be documented by affidavit filed with the Commission on or before November 30, 2022. In addition, the Clerk's

Office shall publish this order of notice on the Commission's website no later than two

business days after the date of issue; and it is

FURTHER ORDERED, that any hearings in this matter shall be conducted in

accordance with the attached hearing guidelines.

So ordered, this 15th day of November, 2022.

Daniel C. Goldner Pradip K. Chattopadhyay Carleton B. Simpson Commissioner Chairman Commissioner

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

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