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 Accepting Investigation Report and Closing Docket

<u>O R D E R N O. 26,903</u>

November 15, 2023

In this order the Commission finds current utility offerings in the areas of demand response and electric vehicle charging infrastructure consistent with federal directives and closes this investigation. The Commission announces the commencement of a new docket to consider tariffs for additional utility managed demand response offerings. Finally, the Commission requests comments on the most optimal process for reconvening the electronic data interchange working group.

I. PROCEDURAL HISTORY

The Commission opened this investigation on November 15, 2022 and held a prehearing conference on February 2, 2023. The three regulated distribution utilities in New Hampshire were deemed mandatory participants and several Community Power representatives, environmental representatives and private industry representatives participated in this investigation as described in more detail in the Commission Staff Report on Demand Response and Electric Vehicle Charging Programs filed in this docket on October 20, 2023 (Staff Report). Following the prehearing conference, the participants filed three rounds of comments on the issues identified in the Order of Notice. The Staff Report summarized the participant comments and recommendations.

II. COMMISSION ANALYSIS

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. We have considered the comments filed by the participants as well as the summary of those comments in the Staff Report. On the basis of the evidence submitted we make the following findings:

1. 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.

(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).

We find that the three regulated distribution utilities have demand response programs in place for commercial, industrial and residential customers. Those programs include the utility curtailing load during declared incidents of high demand by adjusting residential customer air conditioning thermostats remotely. For commercial and industrial customers demand response programs require customers to curtail load upon receiving a notice from the utility. These programs are tariffed services in which the utility recovers its costs of administering the program. Thus, the electric distribution utilities in New Hampshire are currently promoting the use of demand response. Further, the utilities offer time varying rates to residential, commercial and industrial customers in order to incentivize shifting load to times of lower demand.

Nonetheless, non-utility electric providers commented that the current electronic data interchange (EDI) system administered by the utilities as well as metering limitations do not allow for transfer of dynamic usage data in ways that would support non-utility provided demand response or time of use rates.

2. 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."

The New Hampshire Department of Transportation has administered grants to parties including the regulated electric distribution utilities to install electric vehicle (EV) charging stations along designated travel routes within the state. The Commisssion recently approved make ready assistance to customers installing EV charging stations at their place of business. We have also approved EV time of use rates for utilities, although we note that these rates are currently not well subscribed. As a result, we find that the three regulated distribution utilities meet statutory requirements to encourage electrification of the transportation system in New Hampshire. We also received comments from the utilities and others that we should consider proposals for EV-managed charging programs, explore battery storage with EV charging equipment, and investigate vehicle-to-grid (V2G) and other emerging technology for future demand response programs.

3. Future Actions

Based on the comments received in this docket we find that the EDI Working Group should be reconvened with a goal of determining whether the current EDI system is meeting the evolving electric system needs and if not, what changes may be required, and at what cost. The EDI working group should also consider whether the statewide Data Platform currently under development, *see* Docket DE 19-197, will interface with, or replace the utilities' EDI systems. The working group should include various classes of users of the system including various competitive providers and other customer representatives as well as the regulated distribution utilities. We ask that the parties file comments with the Commission concerning whether the EDI working group should be convened by DOE or established through a new Commission investigative docket. We request that participants file written comments on this issue on or before December 15, 2023.

We will initiate an adjudicative proceeding with the goal of developing tariffs for the electric distribution utilities to offer managed demand response using emerging technologies such as battery storage, EV charging, and V2G resources. We found almost universal support among the participants for consideration of these types of demand response programs.

Based upon the foregoing, it is hereby

ORDERED, that the Staff Report is accepted; and it is

FURTHER ORDERED, that regulated electric distribution companies in New Hampshire meet statutory requirements under the Infrastructure Investment and Jobs Act of 2021.; and it is

FURTHER ORDERED, that we will close this docket and will initiate an adjudicative proceeding with the goal of developing tariffs for the electric distribution utilities to offer managed demand response using emerging technologies such as battery storage, EV charging, and V2G resources; and it is

FURTHER ORDERED, that we request the participants to file recommendations on the process for reconvening the EDI working group to explore the current status of the EDI offerings and any improvements that may be required, and at what cost, with written comments to be filed with the Commission on or before December 15, 2023.

By order of the Public Utilities Commission of New Hampshire this fifteenth day of November, 2023.

Daniel C. Goldner Chairman

Pradip K. Chattopadhyay Commissioner

Carleton B. Simpson Commissioner

Service List - Docket Related

Docket#: 22-076

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