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April 11, 2022

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Via Electronic Filing
Rosemary Chiavetta, Secretary
Pa. Public Utility Commission
400 North Street
Harrisburg, PA 17120

RE: Petition to Initiate a Proceeding to Consider Issuance of a Policy Statement on Electric Utility Rate Design for Electric Vehicle Charging
Docket No. P-2022-3030743

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Comments of NRG Energy, Inc., Interstate Gas Supply, Inc. d/b/a IGS Energy and Vistra Corp. with regard to the above-referenced matter. If you have any questions, please contact the undersigned.

Sincerely,

/s/ *Karen O. Moury*

Karen O. Moury

Enclosure

cc: Assistant Counsel Joseph Cardinale (via email to jcardinale@pa.gov)

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition to Initiate a Proceeding to Consider Issuance of a Policy Statement on Electric Utility Rate Design for Electric Vehicle Charging	: : :	Docket No. P-2022-3030743

COMMENTS OF ELECTRIC GENERATION SUPPLIER COALITION

Pursuant to the Secretarial Letter dated February 25, 2022 and the notice published in the *Pennsylvania Bulletin* on March 12, 2022, NRG Energy, Inc. ("NRG"), Interstate Gas Supply, Inc. d/b/a IGS Energy ("IGS Energy") and Vistra Corp. ("Vistra) (collectively, the "EGS Coalition") submit these Comments regarding the Petition to Initiate a Proceeding to Consider Issuance of a Policy Statement on Electric Utility Rate Design for Electric Vehicle Charging ("EV Petition") filed by ChargEVC-PA ("ChargEVC-PA" or "Petitioner") on February 4, 2022.

I. Introduction

As an advocate for advanced electric vehicle ("EV") adoption in Pennsylvania, ChargEVC-PA proposes the initiation of a proceeding to examine a range of utility rate design options for EV charging and the adoption of a proposed Policy Statement by the Pennsylvania Public Utility Commission ("PUC" or "Commission"). The EGS Coalition respectfully requests that the Commission reject ChargEVC-PA's Petition, but if the Commission opts to initiate the proposed proceeding, the focus should be on market enhancements that encourage the offering of EV friendly pricing structures by electric generation suppliers ("EGSs") and other measures that promote EV adoption. A proceeding aimed at establishing a portfolio of utility rate design options that enable the regulated monopoly utilities to further encroach into the competitive retail electricity supply market is wholly inappropriate and unwarranted. The General Assembly

restructured Pennsylvania's electricity market over two decades ago, declaring the supply of electricity competitive. Dozens of competitors are vying to provide products and services to consumers to meet their needs – including their needs for pricing options that support EV charging. The Commission should rely on electric generation suppliers ("EGSs") in the competitive electric market to develop a wide array of time-of-use ("TOU") rate options or other pricing structures, along with the necessary consumer education, to promote EV adoption in Pennsylvania.

Innovation driven by emerging technologies is a hallmark of the competitive market. Enhancing customer service and delivering the benefits of technological advancements to consumers is what competitive EGSs do each day. Since EGSs do not have a captive customer base, they must listen to their customers to better understand what they need from their energy supplier. It is appropriate to rely on the competitive market for product innovation because EGSs invest their own capital and take the risk that the product might fail. To the contrary, the electric distribution companies ("EDCs") use ratepayer funds and have very little incentive to ensure that the product offering is responsive to the wishes or demands of consumers.

II. Electric Generation Supplier Coalition

NRG is a leading integrated power company built on dynamic retail brands and diverse generation assets powered by its customer-focused strategy, strong balance sheet, and comprehensive sustainability framework. A Fortune 500 company, NRG brings the power of energy to millions of North American customers. NRG's family of brands helps people, organizations and businesses achieve their goals by leveraging decades of market expertise to deliver tailored solutions. Working in concert, its dynamic multi-brand retail strategy coupled with supply risk-management forms a uniquely positioned, integrated competitive energy provider. Its retail brands serve more than six million customers across North America,

including a significant share in Pennsylvania — so significant, in fact, that NRG's northeast retail business is headquartered in Philadelphia. NRG's subsidiaries include several EGSs that are actively serving residential, commercial, industrial and institutional customers in the Companies' service territories and throughout Pennsylvania.[1]

IGS Energy and its affiliated companies, IGS Generation, IGS Solar, IGS Home Warranty and IGS CNG, provide a diverse range of energy services to customers throughout the country. Those products and services include retail natural gas and electric supply, distributed energy generation resources, demand response, frequency regulation, energy efficiency and home warranty products. IGS serves over 2.0 million residential, commercial and industrial customers in over 15 states including electric[2] and natural gas customers in Pennsylvania. IGS Energy maintains four sales offices in the Commonwealth which are located in the western, central and eastern parts of the state.

Vistra is a leading Fortune 275 integrated retail electricity and power generation company based in Irving, Texas, providing essential resources for customers, commerce, and communities. Vistra combines an innovative, customer-centric approach to retail with safe, reliable, diverse, and efficient power generation. The company brings its products and services to market in 20 states and the District of Columbia, including six of the seven competitive wholesale markets in the U.S. and markets in Canada and Japan, as well. Serving nearly 4.3 million residential,

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[1] As EGSs in Pennsylvania, NRG subsidiaries hold licenses as follows: Direct Energy Business, LLC – Docket No. A-11025; Direct Energy Business Marketing, LLC – Docket No. A-2013-2368464; Direct Energy Services, LLC – Docket No. A-110164; Energy Plus Holdings LLC – Docket No. A-2009-2139745; Gateway Energy Services Corporation – Docket No. A-200902137275; Independence Energy Group LLC d/b/a Cirro Energy – Docket No. A-2011-2262337; Reliant Energy Northeast LLC d/b/a NRG Home/NRG Business/NRG Retail Solutions – Docket No. A-2010-2192350; Green Mountain Energy Company – Docket No. A-2009-2139745; Stream Energy Pennsylvania, LLC – Docket No. A-2010-2181867; and XOOM Energy Pennsylvania, LLC – Docket No. A-2012-2283821.

[2] Interstate Gas Supply, Inc., d/b/a IGS Energy, Docket No. A-2011-2228643 (May 19, 2011).

commercial, and industrial retail customers with electricity and natural gas, Vistra is one of the largest competitive electricity providers in the country and offers over 50 renewable energy plans. The company is also the largest competitive power generator in the U.S. with a capacity of approximately 39,000 megawatts powered by a diverse portfolio, including natural gas, nuclear, solar, and battery energy storage facilities. In addition, Vistra is a large purchaser of wind power. The company owns and operates the 400-MW/1,600-MWh battery energy storage system in Moss Landing, California, the largest of its kind in the world. Vistra is guided by four core principles: we do business the right way, we work as a team, we compete to win, and we care about our stakeholders, including our customers, our communities where we work and live, our employees, and our investors.

III. Comments

A. Initiation of Proceeding

In its Petition, ChargEVC-PA proposes the initiation of a Commission proceeding that focuses on utility EV rate design.[3] In support of the Petition, ChargEVC-PA refers to the Pennsylvania Electric Vehicle Roadmap issued by Pennsylvania's Department of Environmental Protection, which identifies the development of residential and commercial EV rate designs as a strategy for advancing EV adoption.[4] Noting that a number of utility rate design options are available to address EV charging, the Petition indicates that it is not ChargEVC-PA's intention to have the Commission direct a one-size-fits-all approach. Rather, ChargEVC-PA urges the Commission, utilities and interested parties to "evaluate a range of utility rate-design options for EV charging," and suggests that "certain preferences may emerge from that evaluation."[5] The

[3] Petition at 12.
[4] Petition at 9.
[5] Petition at 13.

Petition identifies a variety of EV rate designs as alternatives to flat rates, including TOU pricing, critical-peak pricing, peak-time rebates, real-time and hourly pricing, time-limited demand charges and managed charging.[6]

The EGS Coalition is opposed to the initiation of a proceeding that focuses on the development of utility EV rate designs driven by stakeholders' preferences for certain rate design options. As regulated monopolies, the EDCs are charged with delivering electricity safely and reliably. Their role in the supply of electricity is limited to providing default service to non-shopping customers and does not include the offering of a range of alternative rate design options. The Coalition agrees with the Petitioner that many different pricing structures can facilitate EV adoption by offering consumers rate design alternatives that meet their needs. However, arming monopoly EDCs with a wide array of rate design EV charging options is not a cost-effective or efficient approach for supporting EV adoption. In focusing on utility rate design, ChargEVC-PA is seeking 20th century solutions to address 21st century challenges.

The EV market is teeming with innovation and investment. As the Petitioner recognizes, private capital is being invested across the entire EV value chain as companies jostle to establish business models to meet the burgeoning consumer demand.[7] Shareholders of competitive companies – including EGSs – are monitoring technology advancements, assessing market conditions, evaluating EV adoption rates, forecasting EV ownership growth, and investing in charging infrastructure. An impressive number of private investors – from automakers and major fossil fuel suppliers to tech start-ups – are deploying their own funds to bring EV solutions to consumers and to provide information that educates consumers about the new technology.

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6 Petition at 13-14.

7 Petition at 3-7.

And EGSs are poised to develop a wide range of TOU rate options or other pricing structures that promote EV adoption in Pennsylvania.[8]

At a time when new technologies and innovations are emerging at almost lightning speed, reliance on regulated monopolies and solutions rooted in 100+ years of utility regulation is misplaced. Pennsylvania needs *forward looking* solutions aimed at meeting customers' unique needs and expectations. EVs are part of a much larger energy and transportation sector transition being driven by emerging technologies, consumer demand for cleaner energy solutions, and private investment by myriad players vying to meet those consumer demands. And at the heart of this innovation and new investment is competition. The focus of any Commission proceeding should be on ensuring that the market can deliver value to consumers in this new world, and not by looking backward to employ solutions of the past.

Accordingly, the Commission needs to turn to the competitive market to figure out what customers want and to develop and deliver the plans that meet consumer demands. Electricity supply was declared a competitive function more than two decades ago, and it is critical that the Commission rely on the market to promote EV adoption by designing supply plans. Further, reliance on the market will result in consumers driving the development of products that will meet their unique individual needs, rather than the Commission, the EDCs or other stakeholders making these decisions for them. While the Petition conveys the impression that the Commission must act quickly by calling upon the utilities to develop EV-friendly rate designs, the Coalition urges the Commission to take its time in determining what action, if any, is needed. The number of EVs in the United States is only expected to be 18 million by 2030 (out of 280

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[8] In fact, some EGSs are already making TOU offers available to Pennsylvania consumers. See www.picknrg.com and enter zip code 19104 to see NRG's current 12-month fixed TOU rate plan for EV owners.

million total vehicles), with a small fraction of those new EV sales coming to Pennsylvania.[9] This rate of adoption gives the Commission ample time and opportunity to allow the market to come up with consumer-driven customized solutions rather than imposing regulatory solutions.

Only by relying on the competitive market can the Commission be assured that companies with the experience and expertise in designing energy products that harness advancements in technology will provide products that are responsive to the needs of consumers. The business of offering innovative products and services must reside with those entities with the expertise to effectively design them and to ensure that customers receive the products they desire without the barriers of an inflexible regulatory framework. The most effective way to promote EV adoption through a wide range of rate design options that offer customers unique solutions specifically tailored to meet their individual needs is to rely on the competitive market to do what it does the best – innovate and deliver customized products that are desired (or even demanded) by consumers. Enhancing customer service and delivering the benefits of advancements in technology to consumers is what competitive suppliers do each day.

As competitors, it is the job of entities in the private market to package products and services for consumers in a way that they understand and that promotes customer adoption of these technologies. Because they compete for every customer whose business they acquire and work hard to retain, EGSs are driven to ensure an excellent customer experience that includes providing solutions that consumers can quickly and easily assimilate into their daily lives. Figuring out what consumers want through trial and error, and doing so on a cost-effective basis for consumers, is what the competitive market is designed to do.

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[9] United States Total Vehicle Sales - March 2022 Data - 1993-2021 Historical (tradingeconomics.com); Alternative Fuels Data Center: Maps and Data - Electric Vehicle Registrations by State (energy.gov)

Because EDCs operate within the parameters of regulation with full cost recovery, they do not have experience with developing innovative products that are responsive to consumers' ever-changing needs or the ability to act quickly within their existing systems to offer the solutions that today's consumers demand. Any options offered by the EDCs would be constrained by the regulatory framework under which they operate and would be limited to those that conform to current billing systems or to changes that the utilities are willing to make to those systems – at ratepayer expense. For instance, PECO Energy Company estimated that to implement TOU rates it will incur costs totaling $3.8 million related to training and information technology changes to its billing and customer information systems, billing, meter data management, customer self-service, Care Center scripting, net metering excess generation tracking and compensation and customer communications.[10]

Further, it is well-known that utilities have not been successful in attracting customers to enroll in time-varying charges, for whatever reason – *i.e.*, lack of effective consumer education or a complicated structure that consumers do not understand. In 2011, the Commission acknowledged that the statutory requirement for default service providers to establish and provide TOU rates to customers with smart meters has presented challenges for EDCs. The Commission pointed to the "suspended PPL Electric Utilities TOU rates" as providing "tangible proof of these challenges."[11] More recently, in 2020, the Commission reiterated the difficulties

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[10] *Petition of PECO Energy Company for Approval of its Default Service Program for the Period from June 1, 2021 through May 31, 2025*, Docket No. P-2020-3019290, PECO Energy Company Statement No. 2 (Direct Testimony of Joseph A. Bisti) at 23; PECO Exhibit JAB-6.

[11] *Investigation of Pennsylvania's Retail Electricity Market: Recommended Directives on Upcoming Default Service Plans*, Docket No. I-2011-2237952 (Tentative Order entered October 14, 2011 at 7; Final Order entered December 16, 2011) ("*RMI Default Service Plan Order*").

EDCs have had effectively implementing TOU rates.[12] The Commission's Retail Electricity Choice Activity Report 2020, which was released in January 2022, shows that for calendar year 2020, the total number of EDC TOU customer accounts was 432.[13] Similarly, in the pending default service proceeding of the FirstEnergy companies,[14] the Direct Testimony served by the Retail Energy Supply Association ("RESA") and NRG (but not yet admitted into the record) relies on discovery responses to show that fewer than one hundred customers have enrolled in the four operating companies' TOU rates, which is 1 residential customer for every 20,000 smart meters, or five-thousandths of one percent (0.005%). Additionally, in response to the challenges faced by the EDCs, the Commission has expressly recognized the important role of retail EGSs in offering TOU rates.[15] The Commission has also expressed the value of multiple EGSs rather than a single entity offering time-varying charges, noting that this is a "particularly attractive model for the provision of TOU service, and has the potential to provide customers with a variety of market-based options."[16]

In sum, providing innovative products and services is the domain of EGSs competing in the market to meet consumer needs. They provide these services more efficiently, more cost effectively, with greater nimbleness to respond to changing consumer preferences, and with greater speed to market. Notably, not only are suppliers free of the constraints of traditional

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12 *Investigation into Default Service and PJM Interconnection, LLC Settlement Reforms*, Docket No. M-2019-3007101 (Secretarial Letter dated January 23, 2020).

13 https://www.puc.pa.gov/media/1787/retail_elec_choice_report2020v2.pdf (Table 8 on page 14).

14 *Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of their Default Service Programs for the Period from June 1, 2023 through May 31, 2027*, Docket Nos. P-2021-3030012, *et al*., RESA/NRG Statement No. 1 (Direct Testimony of Travis Kavulla) at 19-20, 23.

15 *RMI Default Service Plan Order* at 7.

16 *Petition of PPL Electric Utilities Corporation for Approval of a New Pilot Time-of-Use Program*, Docket No. P-2013-2389572 (Order entered September 11, 2014, at 45-46).

utility regulation, but they also spend their own money to develop these products. They do not have captive ratepayers from whom they can recover the costs of a bad investment. This reality naturally incentivizes EGSs to ensure they are offering the products that consumers want, but at a price that is competitive which ultimately will provide the consumer with the least cost options available. In short, the only way to ensure customer adoption of these technologies is to enable companies with expertise in delivering those customer experiences to compete.

B. Scope of Proceeding

1. The Commission Should Not Focus Solely on Utility Rate Design.

Notwithstanding the foregoing, if the Commission elects to open a proceeding to consider the development of a Policy Statement on EV rate design, it is imperative that the Commission refrain from focusing solely on utility rate designs or from creating a situation in which each utility is offering consumers a range of rate design options. Of note, the state assessments and EV rate design studies referenced in Appendices A and B attached to the Petition were produced in states that have not been restructured, except Maryland.[17] ChargEVC-PA should not have any concern about the Commission's reliance on the competitive market, which avoids the situation where utility ratepayers are subsidizing the development of alternative rate designs, particularly given the EDCs' poor track record in enrolling customers in TOU rates.

Petitioners also promote the development of TOU options for transmission and distribution ("T&D") service rates.[1] The EGS Coalition does not oppose a proceeding to explore T&D TOU rates, which are fully within the purview of the EDCs. Any other focus on utility issues in this proceeding should be aimed at streamlining their internal processes and making

[17] A review of the appendices shows that utilities in non-restructured states are going even further than rate design by getting involved in load management. When competitive generation markets exist, the utility has no role in load management.

them cost-effective to support the build-out, charger installations and other activities occurring in the private EV market.

2. Supplier Consolidated Billing Would Support Broader EV Rate Design Development.

If the Commission determines to initiate a proceeding on EV rate design, it should modify the scope of issues to be addressed to include measures that will enhance the ability of EGSs to offer rate designs that promote EV charging development. To optimize the offering of a vast range of rate designs in the form of customized solutions that meet consumers' individual and unique needs for EV charging, EGSs must be able to directly bill consumers through supplier consolidated billing ("SCB") – a single bill that contains both distribution and supply charges. Through SCB, EGSs would be able to fully and effectively present the pricing information for their customized products on a consumer's bill in a way that conveys the effect of the consumer's shift in usage on the total monthly energy bill. A better understanding of alternative rate designs by consumers would necessarily improve participation in TOU rates and other options, with the natural effect of promoting EV adoption.

In Texas, where EGSs have SCB, EV specific pricing plans are available to consumers. For instance, TXU Energy, a Vistra company, offers automatic bill credits during prime charging times every night and throughout the weekend. Customers are able to charge their vehicles when it is most convenient for them, and for the grid.[18] Reliant, an NRG company, offers plans that are designed to fit their customers' EV lifestyles, including one that allows customers to pay less from 9 p.m. to 5 a.m. and another that offers free electricity from 8 p.m. to 6 a.m.[19] Green

[18] https://www.txu.com/en/about/press-releases/2021/032321-txu-energy-launches-new-plan-for-electric-vehicle-owners.aspx

[19] https://www.reliant.com/en/residential/electricity/renewable-energy/electric-vehicles/ev-products-and-plans.jsp

Mountain Energy, an NRG company, gives customers the option of a 100% solar product, with reduced prices at night.[20]

Notably, the inability of EGSs to effectively build relationships and communicate directly with their own customers via SCB in Pennsylvania stands as a stark barrier to the deployment by EGSs of the very products the Petitioner is now seeking to have the regulated utilities provide. SCB affords EGSs the same opportunity that the utilities currently have to issue a single bill to consumers that includes both the distribution charges of the EDC and the supply charges of the EGS. Under this model, EGSs the same opportunity that only incumbent utilities have today of forging direct and long-term relationships with their customers. By enabling these relationships, the Commission can provide a level of regulatory certainty that promotes EGS investment, which in turn enhances consumer access to a greater variety of value-added products and services – a cornerstone of a well-functioning competitive market.

Besides improving the EV pricing structures that are available to consumers, implementing SCB would serve other important purposes of enhancing the functioning of the competitive market and leveraging the massive investment in smart meters that ratepayers have made. Indeed, following the widespread deployment of smart meters and the development of data sharing protocols, SCB is the next natural step in the continuum for Pennsylvania's retail electric market. While Pennsylvania has made great strides in bringing smart meter technology to consumers and enabling EGSs to obtain access to the data, progress cannot stop there. In order to realize the full potential of these investments and commitments, it is critical for the Commission to provide EGSs with the power to compete with one another in leveraging that data

[20] https://www.greenmountainenergy.com/home-energy-solutions/solar-all-nighter-for-evs/

to educate consumers about their usage and creating new and innovative products and services that are tailored to fit their customers' needs.

Implementing SCB would ensure that customers in Pennsylvania realize the full value of their smart meter investment and provide opportunities for consumers to enroll in competitive demand reduction and energy efficiency programs. Examples of specific innovative product offerings that can be made available through SCB include TOU products, bundled services, and customized plans, each of which leverages real-time interval usage data that enables innovative apps for smartphones, optimizes meter functionality and empowers customers to learn more about energy usage and control their usage at pivotal times. Indeed, with the innovation SCB would provide, EGSs would have opportunities to attract customers who have not previously had an interest in shopping. It is ultimately up to EGSs to determine what customers want from their energy suppliers and to bring those products and services to the market. Having the ability to form those essential customer relationships, gain customers' trust and learn what customers want, would optimize the EGSs' ability to respond to those demands.

SCB is being implemented in Maryland as a result of the Public Service Commission ("PSC") recognizing that a "direct relationship between retail suppliers and their customers resulting from direct billing could support the growth of retail competition in Maryland."[21] Likewise, the PSC found that implementing SCB is consistent with its policies of promoting competition and preparing the electric distribution system for the future. Noting its commitment to competitive markets, the PSC recognized the role of SCB in facilitating the development of

[21] *In the Matter of the Petition of NRG Energy, Inc., Interstate Gas Supply, Inc., Just Energy Group, Inc., Direct Energy Services, LLC and ENGIE Resources LLC for Implementation of Supplier Consolidated Billing for Electricity and Natural Gas in Maryland*, Case No. 9461 (Order No. 89116), at 16; COMAR 20.53.08 (electricity) and 20.59.08 (natural gas).

innovative products and pricing plans and in increasing the number of households that shop for residential energy supply offerings.[22] By authorizing SCB, the PSC embraced the changing landscape in the competitive market and listened to the retail suppliers who highlighted SCB as a critical component of that market and demonstrated their experience and expertise in new product development, customer research and processing and communication of energy usage data.[23]

3. Making EDCs' TOU Rates the Default Service Rate Would Support EV Adoption.

As noted above, the EGS Coalition urges the Commission to refrain from enabling the EDCs to offer an array of alternative rate designs aimed at facilitating EV adoption. That said, in addition to enhancing the ability of EGSs to offer TOU rates through implementation of SCB, the Commission should take steps to maximize consumer participation in utility TOU rates already approved by the PUC by making that option the default service rate for non-shopping customers. While TOU rates are more appropriately offered in the competitive market, the EGS Coalition is aware that the law requires EDCs to offer a TOU rate to all customers with a smart meter.[24] Given that requirement, the EGS Coalition submits that TOU be the default service rate. Customers who do not wish to be on a TOU rate would be free to select a pricing structure of their choosing from EGSs in the competitive market. Of note, if consumers became more comfortable with TOU rates for default service, they would likely more favorably approach TOU rates or similar pricing structures for EV charging.

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22 *Id.* at 16-17.

23 *Id.* at 17.

24 66 Pa.C.S. § 2807 (f)(5).

The default rate should be a rate structure that better reflects underlying market-price dynamics and the foundational principles of cost allocation. A default TOU rate takes advantage of the expensive investment in pervasive smart-meter technology, consistent with the expectations of those regulators who authorized the capital spending on which the company earns a return. Once capital investments are approved in rate base, utilities have very little incentive to operationalize them to their maximum efficiency. The Commission has already referred to TOU rates as a "form of default service."[25] The next natural step is to make the TOU rate the default service rate.

Nothing in the statute requires a specific "type" of default service rate, only that it be procured through competitive processes and that it be available to customers who do not elect a competitive market.[26] Although the statute provides that residential or commercial customers may elect to participate in TOU rates,[27] this provision does not precludes the Commission from establishing TOU rates as the default service rate since customers can either elect to participate in the EDC's proposed time-varying rates or shop for their electric supply in the competitive market.

The Commission should finish what it started more than two decades ago when it first approved SCB as part of restructuring settlements in 1998[28] and then approved a series of

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25 *Pa. P.U.C. v. PPL Elec. Utils. Corp.*, Docket No R-2011-2264771 (Opinion entered August 30, 2012 at 22-23).

26 66 Pa.C.S. § 2807(c)(3.1).

27 66 Pa.C.S. § 2807(f)(5).

28 *See, e.g., Application of PECO Energy Company for Approval of its Restructuring Plan*, Docket No. R-00973953 (Joint Petition for Full Settlement of PECO Energy's Proposed Restructuring Plan filed April 29, 1998).

electronic data interchanges ("EDI") that are needed to implement SCB.[29] By facilitating the ability of EGSs to directly bill their customers for the services they furnish, the Commission would be affording EGSs an opportunity to forge long-term relationships with their customers and improve their proficiency to deliver new and innovative product offerings that are tailored to meet the unique needs of those customers.

4. Utility Investment in EV Infrastructure Is Not an Appropriate Topic for the Commission to Consider at this Time.

The EGS Coalition concurs with the Petitioner that utility investment in EV infrastructure is not an appropriate topic for the Commission to consider at this time.[30] Market forces have clearly demonstrated – across all of the States, including Pennsylvania – that competitive companies are anticipating and responding to EV adoption, and indeed even over-supply charging capability by orders of magnitude over demonstrated need. Private entities ranging from EV charging companies to automakers and traditional fossil fuel suppliers are using their own funds to build the required infrastructure to meet customer demand. There is simply no need for utility intervention in this clearly competitive market.

C. Focus on Consumer Education

A key barrier to widespread EV adoption is the lack of consumer education to address misconceptions about EV charging and battery range. EGSs are well-equipped to handle this

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[29] EDI transactions allow for the transfer and exchange of electronic data relating to customer information between the EDC and EGS computer systems by standard message formatting without the need for human intervention. *See Standards for Electronic Data Transfer and Exchange between Electric Distribution Companies and Electric Generation Suppliers*, Docket No. M-00960890, F.0015 (Order entered October 15, 1999). *See also, e.g., Standards for Electronic Data Transfer and Exchange Between Electric Distribution Companies and Electric Generation Suppliers*, Docket No. M-00960890, F.0015 (Order entered April 14, 2000) (approves EDI transactions necessary for SCB).

[30] Petition at 16.

education since they are in the market each day explaining how consumers can benefit from products developed as a result of technological advancements.

It is critical that consumers understand the effects of shifting usage from periods when energy costs more to those when energy costs less. Consumers have misconceptions of EV charging needs. It is quite common (and incorrect) to assume that EV owners will charge their electric vehicle in the same way they fuel a fossil fuel vehicle – i.e., at a third-party gas station. Home ownership in Pennsylvania is nearly 70%;[31] the first choice for any new EV owner to charge their vehicle will be at home. Customer education is the key to informing consumers about how EV fueling is quite different than fossil fuel vehicle needs.

Consumers also have inaccurate perceptions about EV battery range – often referred to as range anxiety. Auto manufacturers are delivering more models with vehicle battery range exceeding 200 miles. The average daily trip in the United States is 31 miles,[32] which means that nearly a week's worth of driving can occur on a single charge with an EV that has 200 miles of range. This misconception presents another opportunity for consumer education.

Consumers also do not understand the amount of infrastructure that is required to support EV adoption. With an average daily driving range of 31 miles, the amount of charging required to meet the typical customer's mileage needs can be met with overnight recharging (i.e., 6-8 hours) using a 120V plug or using a level 2 charger in about 1.5 hours. Both charging methods

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31 United States Census Bureau, QuickFacts Pennsylvania, see https://www.census.gov/quickfacts/fact/table/PA/BZA010219

32 AAA Foundation for Traffic Safety, *American Driving Survey, 2014 – 2017*, see http://aaafoundation.org/wp-content/uploads/2019/02/18-0783_AAAFTS-ADS-Brief_r8.pdf

are commonly deployed at home and work. Few consumers realize that they do not need DC fast charging, save for a few limited times during the course of 15,000 miles of driving.[33]

The Commission should rely upon EGSs in the competitive market to educate consumers about EV technology and to explain the benefits of alternative rate designs that allow consumers to charge their EVs during lower-cost periods. This approach is the most effective way of promoting EV adoption in Pennsylvania.

IV. CONCLUSION

Based upon the foregoing, the EGS Coalition respectfully requests that the Commission reject the Petition to Initiate a Proceeding to Consider Issuance of a Policy Statement on Electric Utility Rate Design for Electric Vehicle Charging filed by ChargEVC-PA on February 4, 2022. Alternatively, if the Commission initiates a proceeding to consider issuance of a policy statement on rate design for Electric Vehicle charging, it should modify the scope of the proceeding to optimize the ability of electric generation suppliers to develop and offer alternative rate designs and otherwise promote the adoption of EV technologies by consumers.

Respectfully submitted,

/s/ *Karen O. Moury*

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Date: April 11, 2022

Counsel for the EGS Coalition

[33] Consumer Reports, a trusted source of information for millions of consumers across the country, published a report in October 2020 on EV ownership, which debunks these and other common consumer misconceptions. *Electric Vehicle Ownership Costs: Today's Electric Vehicles Offer Big Savings for Consumers*, https://www.consumerreports.org/hybrids-evs/evs-offer-big-savings-over-traditional-gas-powered-cars/.