STATE OF NEW YORK

PUBLIC SERVICE COMMISSION

Proceeding to Establish Alternatives to Traditional Demand-Based Rate Structures for Commercial Electric Vehicle Charging.	)))	CASE 22-E-0236

COMMENTS OF THE ALLIANCE FOR TRANSPORTATION ELECTRIFICATION (ATE) ON THE NOTICE COMMENCING REVIEW PROCESS AND SOLICITING COMMENTS (ISSUED JANUARY 31, 2025)

Background

The Alliance for Transportation Electrification (ATE)[1] is pleased to provide these comments regarding the January 31, 2025 Notice Commencing Review Process and Soliciting Comments issued by the New York Public Service Commission (Commission). The New York Public Service Commission (Commission) established the basis for this Notice in its Order on Demand Charge Alternatives issued January 23, 2024 (Case 22-E-0236). In that Demand Charge Alternatives Case, the Commission directed Department of Public Service staff to commence a biennial review process beginning in January 2025. In a subsequent Order in this Case, issued on November 20, 2023 and entitled "Order Implementing Immediate Solutions Programs," the Commission established Demand Charge Rebate Programs for all eligible commercial charging customers in the Upstate Utilities service territories, and a Demand Charge Rebate for public Direct Current Fast Charging (DCFC) charging sites with a Commercial Managed Charging Program (CMCP) with certain use-case-specific adder incentives in the Downstate Utilities' service territories.

[1] ATE is a 501(c)(6) non-profit corporation established in early 2018 with the goal of promoting policies and regulatory measures to accelerate the pace of EV adoption and infrastructure. We take a "big tent" approach to advance the industry and focus not just on accelerating EV charging deployments—which necessarily requires a strong utility role—but also promoting public accessibility and open standards. We are presently involved in about 30 proceedings in the States before the PSCs, state energy offices, Legislatures, Governors, state DOTs and DEPs, and other agencies.

It is these programs for which the current Notice solicits comments. Specifically, stakeholder comments are requested concerning whether the solutions implemented in the Demand Charge Alternatives Order and subsequent, related orders, including, but necessarily limited to, the Immediate Solutions Order, are (1) still necessary state-wide or in targeted circumstances and (2) whether modifications should be made to the solutions available at that time. As noted in the Demand Charge Alternatives Order, this review process shall be approached from the standpoint of a rebuttable presumption that solutions remain necessary unless evidence demonstrating that one of the following scenarios has occurred: (1) market conditions have improved; (2) EV charging business models have changed such that relief from traditional demand charges is no longer needed; or (3) other compelling evidence is provided.

The Demand Charge Alternatives Order directed the Upstate Utilities to implement a demand charge rebate (DCR) for all EV Charging use-cases, where EV charging customers would receive an off-bill rebate equivalent to 50 percent of applicable EV charging demand. It also required the Downstate Utilities to develop Commercial Managed Charging Programs (CMCP) to provide two core incentives as well as use case specific adder incentives as needed for EV charging use cases other than public DCFC. The core incentives identified by the Commission are a peak avoidance incentive, based on the maximum charging demand served by that charger during a defined peak period, and an off-peak charging incentive based on energy used during off-peak periods.[2]

Comments

ATE has been actively involved in this Docket regarding demand charge alternatives, and other proceedings at the Commission to promote balanced and constructive programs for transportation electrification in New York with good rate design. We have been active in several other rate design proceedings and workshops with Commissions, utilities, and vendors in other jurisdictions as well, and have a good understanding of what works in terms of "best practices." ATE believes that the Commission has struck a good balance in developing sensible demand charge mitigation policies by Order for the entire state but are tailored to meet with the differing needs of the upstate and downstate utilities given the

[2] See New York Public Service Commission. Demand Charge Alternatives Order, Case 22-E-0236, January 23, 2024.

different pace of EV charging development both for public DCFC and Level 2 within the state.

The Commission has also wisely opened such programs for review during the multi-year tenure of the programs such as the make-ready programs, so that the JU utilities, vendors, and stakeholders can iterate and change course as market conditions change. In this vein, ATE commends the Commission for taking for conducting this biennial review on the need for Demand Charge Rebate Programs for all eligible commercial charging customers in the Upstate Utilities service territories, and a DCR for public DCFC charging sites with a CMCP with certain use-case-specific adder incentives in the Downstate Utilities' service territories.

As a general matter the Commission should periodically review programs intended to incentivize the development of charging infrastructure to determine if those programs, and the ratepayer funds needed to support them, are still necessary. In the Review Process for these programs established by the current Notice, the Commission has established a rebuttable presumption that these programs are still needed without modification. ATE believes that this rebuttable presumption is appropriate as continued incentives for charging infrastructure remain critical to meeting the electrification goals of the State. New York has ambitious climate and clean transportation goals under the CLCPA that, according to NYSERDA and others, will require 2-3 million EVs on the road by 2030.

We are far from reaching that EV adoption goal today. Moreover, although programs like Evolve NY of NYPA and the Make-Ready Programs approved by this Commission (and currently the subject of a biennial review in a separate Docket) have made great progress in helping to install DCFC and L2 chargers, there is still a wide gap between the necessary infrastructure and these ambitious goals. Therefore, ATE believes it is critical to emphasize program continuity and build upon the successes to date in these programs, especially given the federal policy uncertainties today.

First, with respect to demand charge rebates, it is important to note that such rebates will phase out in October and will be replaced by the long-term commercial demand charge phase-in rates that have been previously approved by the Commission. In the meantime, commercial customers will be eligible for stacked incentives regarding the demand charge – both a rebate and a demand charge reduction. But because utilization of most charging stations is still low, significant mitigation of demand charges through these stacked incentives applied to those charging stations is still warranted through October.

The Guidehouse report referenced in the Commission's Order on Demand Charge Alternatives (issued January 23, 2024) suggested that a 25% load factor is necessary to be

profitable at a 100% demand charge. Very few public charging stations have such a high load factor to date. And it is important to note that if utilization at a particular station is high enough that these stacked incentives result in negative pricing, utilities have the capability to reduce incentives on a case-by-case basis. Thus, we believe the presumption in favor of rebates has not been rebutted by any facts or evidence and these programs should therefore continue without modification.

Second, with respect to the CMCPs of the downstate utilities, we believe strongly that these programs should be extended. It is vital to ensuring that electrification is beneficial to all customers that customers have the right signals to charge vehicles off-peak to the extent possible. CMCP specifically addresses providing incentives to customers for off-peak use and has been quite successful thus far. Across many jurisdictions, managed charging programs for both residential and commercial programs have become key components to reducing stress on the distribution grid, while providing benefits to customers at the same time. The downstate utilities are national leaders in these efforts. For example, Con Edison has 40 MW enrolled in CMCP or about 23 percent of its market. There is no evidence that suggests that these programs have not been beneficial to all the utilities' customers. Therefore, they should be continued.

Respectfully submitted this first day of April, 2025

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