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This document has been filed in ePUC.

September 20, 2019

Judith Whitney, Clerk
VERMONT PUBLIC UTILITY COMMISSION
Peoples United Bank Building, 4th Floor
112 State Street
Montpelier, VT 05620-2701

Re: Electric Vehicle Charger Rates

Dear Ms. Whitney:

Green Mountain Power (“GMP”) files for approval by the Vermont Public Utility Commission (“PUC”) tariff sheets implementing two new electric vehicle (“EV”) charger rates. The first rate schedule provides a reduced rate that reflects a cost-based power cost benefit associated with GMP’s management of the EV charger. The second rate schedule is a time-of-use (“TOU”) rate design that provides an off-peak rate that reflects the same expected power cost savings for a customer who keeps electricity use for EV charging away from peak periods. GMP requests an implementation date of November 4, 2019 pursuant to 30 V.S.A. 225(a). This filing consists of the following documents:

- Attachment 1 – GMP’s workpapers supporting the two rate schedules;
- Attachment 2 – clean, signed tariff sheets (all original, no redlined);
- Attachment 3 – estimate of revenues and costs attributable to the new service for each of the three years succeeding its introduction pursuant to Rule 2.401(C).

Background and Explanation of Rate Schedules

These two rate schedules show GMP’s continued focus to increase EV adoption in a way that benefits all customers through driving rates lower, and is an outgrowth of GMP’s EV charging pilot program, noticed under GMP’s Regulation Plan (the “Pilot”). The Pilot has been well subscribed by customers throughout our service territory, and we expect that the demand for the program will continue to grow as our customers turn toward using EVs as a mode of transportation.

As with the Pilot, customers will be required to install GMP-approved Level 2 or compatible EV charging equipment that is capable of collecting usage information from the equipment and also has the ability to communicate with GMP's load management platform via internet access. Under the Off-Peak EV Charger rate schedule, electric use associated with EV charging through this equipment will be priced at a lower, off-peak rate. This electric use will be measured using the metering capability of the EV charging equipment and credited against the customer's billing meter so that the customer is not double-charged for this use. GMP will have real-time access to the EV charging equipment and will limit the use of the equipment during periods when GMP incurs wholesale capacity charges for generation capacity (FCM) and transmission capacity (RNS). As with the Pilot, customers will receive notice of these load management events from GMP and will have the opportunity to over-ride GMP's control. If they do choose to over-ride, they will pay a higher rate for this service since it is likely occurring during peak periods. GMP's experience with the Pilot saw that customers chose the over-ride feature very infrequently.

The TOU EV Charger rate schedule is very similar to the Off-Peak EV Charger rate schedule except that it does not include active load management from GMP. Instead, this rate schedule may be appealing to customers who set their own charging schedule through their vehicle or other timer mechanism so that most of their EV charging takes place at the off-peak rate. GMP has assumed that some EV charger usage will occur at the peak rate while most will occur at the off-peak rate. Under these assumptions, the customer taking service on the TOU EV Charger rate schedule realizes the same cost-based power cost savings that is provided with the GMP-managed option. GMP-approved EV charging equipment and internet access are still required on this rate schedule so that GMP can measure this usage and credit it against the customer's primary billing meter.

Relationship of Discounted EV Rates to Other EV Incentives

GMP is all in on educating and incenting customers to go electric, and we offer programs that focus on the top barriers which are up-front cost, and range anxiety. GMP believes that EV charging sales are an important offset to the continued upward cost pressures associated with other policies and factors outside of GMP's control. Therefore, EVs are of strategic importance to GMP customers through the additional margins that they are expected to produce when priced at full retail rates less the cost-based power supply benefit that load management provides. One hundred percent of these additional margins will eventually flow back to customers through lower rates, creating a much more sustainable future for the electrification of transportation. The more we electrify transportation, the greater the reduction in rates, which in turn make electrification continually more competitive to fossil fuel. We do not believe that cutting into the fixed cost contribution (i.e., "margin"), beyond a load-management based price discount is in the best interest of all of our customers since the smaller the margin, the less rate-reducing impact it has for customers.

As referenced, GMP is addressing what we believe to be the primary barrier to EV adoption head-on through direct cash rebates at the time of vehicle purchase. While we hope that this initial price barrier will decrease over time, at this juncture we believe upfront rebates have the

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greatest chance of offsetting the purchase price barrier and the greatest way to get more people to drive electric.

As part of Tier 3 and state decarbonization goals, GMP is providing \$1500 rebates for new all-electric vehicles, \$1000 rebates for new plug-in hybrid vehicles and \$750 for used EVs. This is in addition to the Level 2 charger that is provided to the customer at no charge, about a \$600 value. GMP's charitable contributions, and not customers, are also funding an extra \$1000 rebate to a limited amount of low-and-moderate income customers.

The rebates and equipment are the equivalent to an additional \$0.06/kWh discount to the charging rates of an EV for the life of the charger. GMP believes that the use of an upfront one-time rebate of limited duration is better than a permanent deeply-discounted EV rate. EV's provide a great option to not only cut carbon, but also lower rates for all, creating a more affordable and cleaner transportation system.

Summary

GMP respectfully requests that the PUC approve the two new EV Charger rate schedules filed today with an effective date of November 4, 2019. Please contact me if you have any questions or require additional information.

Sincerely,



Scott R. Anderson

cc: ePUC Service List