

**PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1325 G STREET, N.W., SUITE 800
WASHINGTON, D.C. 20005**

PUBLIC NOTICE

September 27, 2018

**FORMAL CASE NO. 1130, IN THE MATTER OF THE INVESTIGATION INTO
MODERNIZING THE ENERGY DELIVERY SYSTEM FOR INCREASED
SUSTAINABILITY**

1. On September 6, 2018, the Potomac Electric Power Company (“Pepco” or “Company”) filed an Application for Approval of its Transportation Electrification Program in the District of Columbia (“TE Program”).¹ According to Pepco, the TE Program is designed to achieve the District of Columbia’s goal of becoming carbon neutral and climate resilient by 2050, and focuses on expanding transportation electrification in the District. The TE Program consists of 13 offerings with varying options. By this Public Notice, the Public Service Commission of the District of Columbia (“Commission”) initiates consideration of Pepco’s TE Program Application and seeks comments from interested persons on the Pepco TE Program proposal.

2. While Pepco filed the proposed TE Program in *Formal Case No. 1130*, as directed in Order No. 19143, Pepco requests, for administrative purposes and to allow parties an opportunity to intervene and file formal discovery, that the Commission open a separate and parallel proceeding to consider this matter.²

3. Pepco’s proposed TE Program proposes “a portfolio of program offerings designed to serve a range of customer types and target multiple segments of the market, including the residential, commercial and public sectors of the market.”³ Pepco’s proposed TE Program consists of the following elements:

Offering 1: Residential Whole-House Time of Use (“TOU”) Rate for Plug-In Vehicle (“PIV”) owners who receive their electricity supply through the Standard Offer Service (“SOS”) Program.

¹ *Formal Case No. 1130, In the Matter of the Investigation into Modernizing the Energy Delivery System for Increased Sustainability (“Formal Case No. 1130”),* Potomac Electric Power Company’s (“Pepco”) Application for Approval of its Transportation Electrification Program, at 28-40, filed September 6, 2018 (“Pepco’s Transportation Electrification Application”). In 2017, Pepco filed its original electric vehicle (“EV”) program proposal in *Formal Case No. 1143* but since then the Company engaged in a series of workshops seeking comments from stakeholders. The Company stated that it intends to file an updated proposal in mid-2018. Therefore, the September 6, 2018, TE Program supersedes Pepco’s previously proposed program. See *Formal Case No. 1130*, Pepco’s Letter, dated April 2, 2018.

² *Formal Case No. 1130*, Pepco’s Transportation Electrification Application, Transmittal Letter at 1.

³ *Formal Case No. 1130*, Pepco’s Transportation Electrification Application at 26.

- Offering 2:** Installation credit to up to one hundred and fifty (150) residential customers with existing, installed Electric Vehicle Service Equipment (“EVSE”) to install FleetCarma® data loggers and receive monthly bill credit thereafter for participation.
- Offering 3:** Fifty percent discount on the cost of new Residential Smart Level 2 EVSE and installation for fifty (50) residential customers.
- Offering 4:** Smart Level 2 EVSE rebates of \$500 for five hundred (500) residential customers.
- Offering 5:** Fifty percent discount on the cost of new Smart Level 2 EVSE for Multi-Dwelling Units (“MDU”) and 100% discount on the installation costs for one hundred (100) MDU customers.
- Offering 6:** Provide fifty percent discount on the cost of new Smart Level 2 EVSE for fifty (50) customer workplace locations.
- Offering 7:** Install up to thirty-five (35) Public Neighborhood Smart Level 2 EVSE.
- Offering 8:** Installation of twenty (20) DC Fast Chargers.
- Offering 9:** Installation of charging infrastructure at a minimum of two (2) locations to support the use of Electric Fleet/Light Duty Charging Infrastructure consisting of up to ten (10) Smart Level 2 EVSE and one (1) DC Fast Charger at each location.
- Offering 10:** Install up to ten (10) Smart Level 2 EVSE and two (2) DC Fast Chargers to support the Electric Taxi/Rideshare deployment.
- Offering 11:** Install five (5) bus depot charges and one (1) on-route charger to support the use of Electric Buses.
- Offering 12:** Establish a \$1 million Innovation Fund, to be funded by the Modernizing the Energy Delivery System for Increase Sustainability (“MEDSIS”) subaccount, for innovation projects.
- Offering 13:** Establish a \$1.5 million Technology Demonstration program to be funded by the MEDSIS subaccount.⁴

The offerings provide for various levels of cost sharing between ratepayers, Electric Vehicle (“EV”) owners, the owner of EV Charging Stations, as well as a variety of different business models. According to Pepco, each offering will have various limitations on the applicable customers, different levels of customer cost sharing for equipment, and will include options for 100% renewable energy for an additional charge. Pepco proposes to supply electricity to some of the proposed project elements under the TE Program through the SOS Program, where Pepco serves as the SOS Administrator.⁵ Further, Pepco proposes a total of five (5) new PIV specific rate schedules applicable to seven (7) of the offerings.⁶

⁴ *Formal Case No. 1130*, Pepco’s Transportation Electrification Application at 28-40.

⁵ *Formal Case No. 1130*, Pepco’s Transportation Electrification Application at 44-46.

⁶ *Formal Case No. 1130*, Pepco’s Transportation Electrification Application at 44, Table 9.

4. Pepco supports the TE Program application with testimony addressing the following topics, Policy Overview, TE Program Elements, Customer Education and Outreach Plan, Rate Design/Cost Recovery, and Benefits Costs Study of the TE Program.

5. Pepco estimates that the total estimated cost for the TE Program, net of costs borne by customers for the 13 offerings will be \$15,222,900.⁷ After accounting for participant contributions, revenues received through the use of the public EV chargers, and the use of funds from the MEDSIS initiative, the TE Program is projected to cost ratepayers \$9,910,400.⁸ Pepco also proposes that costs associated with Offerings 12 and 13 be paid using funds from the MEDSIS subaccount. According to the Application, Pepco indicates it would seek recovery of TE Program costs in its next base rate case and proposes the creation of a regulatory asset for Operations and Maintenance costs that would be amortized over five years.⁹ Assuming full implementation of the TE Program, Pepco estimates the residential bill impact to be 14 cents per month.¹⁰

6. On September 24, 2018, the Apartment and Office Building Association of Metropolitan Washington (“AOBA”) filed a motion to dismiss Pepco’s TE Program Application.¹¹ AOBA primarily objects to: (a) moving Pepco’s TE Program proposal out of the FC 1130 MEDSIS stakeholder process; and (b) treating Pepco’s TE Program expenses as a regulatory asset that is shouldered by ratepayers. This proceeding is not adjudicatory and has no formal parties. For that reason, we will treat AOBA’s filing as no different than the comments we solicit in this notice. Anyone is free to file a reply to AOBA’s filing in accordance with this notice.

7. EVs are an important part of grid modernization but Pepco’s proposal raises a threshold question regarding the Commission’s jurisdiction. The Commission notes that the “Energy Innovation and Savings Amendment Act of 2012” (“Act”), which, among other things, clarified that EV charging station operators are not public utilities, thus, exempting them from regulation by the Commission and encouraging competition in the EV market.¹² The Commission subsequently acknowledged the effect of the Act on its regulatory authority to regulate EV charging station operators and closed its investigation proceeding regarding the

⁷ *Formal Case No. 1130*, Pepco’s Transportation Electrification Application at 46.

⁸ *Formal Case No. 1130*, Pepco’s Transportation Electrification Application at 46.

⁹ *Formal Case No. 1130*, Pepco’s Transportation Electrification Application at 46.

¹⁰ *Formal Case No. 1130*, Pepco’s Transportation Electrification Application at 47.

¹¹ *See e.g. Formal Case No. 1130*, Motion to Dismiss of the Apartment and Office Building Association of Metropolitan Washington, filed September 24, 2018.

¹² D.C. Law 19-0252, the “Energy Innovation and Savings Amendment Act of 2012.” *See* D.C. Code § 34-207 (Supp. 2018) (“The term “electric company” when used in this subtitle . . . also excludes a person or entity that does not sell or distribute electricity and that owns or operates equipment used exclusively for the charging of electric vehicles.”). *See also*, D.C. Code § 34-214 (Supp. 2018) (“The term “public utility” excludes a person or entity that owns or operates electric vehicle supply equipment but does not sell or distribute electricity, an electric vehicle charging station service company, or an electric vehicle charging station service provider.”).

regulatory treatment of EV charging stations and related services.¹³ We invite comment as to whether, and to what extent, Pepco’s proposal is consistent with D.C. Code § 34-1513(a) and the Energy Innovation and Savings Amendment Act of 2012.

8. Any person interested in commenting on Pepco’s proposed TE Program may do so by November 5, 2018, and any reply comments should be submitted by November 20, 2018. Responses are to be addressed to Brinda Westbrook-Sedgwick, Commission Secretary, Public Service Commission of the District of Columbia, 1325 G Street, N.W., Suite 800, Washington D.C., 20005. Copies of the Application may be obtained by visiting the Commission’s website at www.dcpsc.org. Once at the website, open the “eDocket” tab, click on “Search database” and input “FC 1130” as the case number and “336” as the item number. Copies of Pepco’s proposed TE Program may also be purchased, at cost, by contacting the Commission Secretary at (202) 626-5150 or PSC-CommissionSecretary@dc.gov.

¹³ *Formal Case No. 1096, In the Matter of the Investigation in to the Regulatory Treatment of Providers of Electric Vehicle Charging Stations and Related Services*, Order No. 18004, ¶ 3, rel. October 16, 2015.