August 21, 2023

Hon. Michelle L. Phillips
Secretary
New York Public Service Commission
3 Empire State Plaza
Albany, NY 12223-1350

RE: Case 22-E-0236: Proceeding to Establish Alternatives to Traditional Demand-Based Rate Structures for Commercial Electric Vehicle Charging

Comments of the Vehicle-Grid Integration Council (VGIC)
on the Load Management Technology Incentive Program

Introduction

The Vehicle-Grid Integration Council (VGIC) is a 501(c)(6) membership-based advocacy group committed to advancing the role of electric vehicles ("EVs") and vehicle-grid integration ("VGI") through policy development, education, outreach, and research. VGIC supports the transition to decarbonized transportation and electric sectors by ensuring the value from EV deployments and flexible EV charging and discharging is recognized and compensated in support of achieving a more reliable, affordable, and efficient electric grid. VGIC appreciates the opportunity to provide comments on the Joint Utilities' proposed Load Management Technology Incentive Program ("LMTIP").

VGIC Supports the Proposed LMTIP for Near-Term Implementation

Demand management technologies[1] ("DMTs") are important strategies to help advance New York's transportation electrification goals while minimizing impacts to ratepayers. Specifically, DMTs can reduce charging customers' electric service requirements and, in doing so, reduce the cost to ratepayers and optimize the use of utility make-ready funding to support a greater number of charging sites. Using DMT to reduce utility infrastructure may also accelerate site connection timelines by reducing the scope of service connection. This makes charging

[1] VGIC referred to the same set of technologies and strategies as "Automated Load Management" in our previous comments. We use the term "demand management technologies" here to align with language used by Staff and the Joint Utilities.

infrastructure available more quickly to serve the fast-growing number of EVs on the road. VGIC appreciates the Joint Utilities' efforts in developing a first-of-its-kind program in New York state to incentivize the deployment of DMTs and supports the proposed LMTIP for near-term implementation.

Particularly, VGIC supports the Joint Utilities inclusion of broad eligibility guidelines for the LMTIP. There are many approaches – both hardware and software – to managing the demand and site connection requirement of charging sites, and the Joint Utilities' proposal to allow "all demand management technologies capable of reliably balancing, curtailing, or deferring a customer's net EV charging demand on the electric grid" to participate will ensure the inclusion of diverse approaches to deliver the same service to the grid and allow customers to choose the approach that best fits their needs. Additionally, the proposed incentive levels would help offset a significant portion of the costs of DMTs and would greatly improve the economic case for customers to install DMTs, benefiting the customers installing DMTs themselves as well as ratepayers in general.

The proposed LMTIP is reasonable as a first step as the Joint Utilities gain familiarity with DMTs. However, the proposed approach to the program may not be the best way to incentivize the deployment of DMTs in the long term, as detailed below in the final section of VGIC's comments. The proposed method to determine incentive levels is administratively burdensome, requiring the utilities to determine the costs of DMTs for individual projects. As explained by the Joint Utilities in their filing, the costs of some DMTs can be ambiguous – such as when software-based load management costs are part of a software package that also includes other services, or when energy storage is integrated directly into the EVSE rather than a separate piece of equipment. This limitation may also introduce uncertainty for the site host and/or technology provider as to the amount of incentive they can expect to be eligible for under the LMTIP, affecting calculations for project economics. With this in mind, the proposed LMTIP approach will be an important exploration of DMTs and potential incentive structures to support deployment, however, long-term program development efforts may benefit from consideration of alternative program designs, detailed below in the final section of VGIC's comments.

DMTs Should Be Permitted to Stack LMTIP Incentives with Other Programs

The LMTIP design appropriately supports the installation of DMTs in a technology-agnostic manner. VGIC considers two overall categories of DMTs: software-based DMTs (e.g., power-sharing software used to manage load at a multi-charger site) and hardware-based DMTs (e.g., using co-located or integrated stationary energy storage solutions to manage load). As proposed, the LMTIP would enable software-based DMTs to support system-level benefits through enrollment in managed charging programs. VGIC acknowledges that hardware-based

DMTs may be more expensive relative to software-based DMTs in many cases. However, it is also true that hardware-based DMTs offer a different set of grid and customer benefits than software-based DMTs. For example, hardware-based DMTs utilizing stationary energy storage can provide backup power to the site and support the grid in manners similar to standalone energy storage systems. As such, VGIC recommends that hardware-based DMTs participating in LMTIP be deemed eligible to dual participate in existing or future incentive programs, rates, or market participation pathways that are used to support standalone stationary energy storage systems. This will help unlock the suite of benefits that hardware-based DMTs offer. Moreover, this approach will ensure fairness in the DMT marketplace as both software- and hardware-based DMTs will be eligible to participate in programs other than LMTIP.

The Joint Utilities Should Establish a Unified Approved Products List and Incentive Cap

As proposed, each utility will decide on technology eligibility for the LMTIP, which could result in one utility accepting a product while another does not. VGIC respectfully urges the Commission to direct the joint utilities to establish and maintain a single statewide approved products list for the LMTIP. First, this would be consistent with the Charge Ready program eligible charging equipment and network providers list, which is hosted on NYSERDA's Charge NY website. Second, this would support fleet operators and other charging providers that plan, install, and manage locations across different service territories in New York. VGIC offers itself as a resource to work with Joint Utilities, Department of Public Service staff, and the Public Service Commission in the development of a statewide approved products list for the LMTIP.

Similarly, the downstate and upstate utility LMTIP proposals differ in the level of incentive available as a percentage of total project costs. The upstate proposal caps incentives at 50% of costs, whereas the downstate proposal caps incentives at 90% of costs. VGIC respectfully requests the Commission direct the joint utilities to offer a unified cap of 90% of costs, to ensure consistent treatment for customers and DMT providers operating across different service territories. This would significantly cut down on soft costs for these actors, who are already faced with complex program rules and newly established processes for charger installation and connection.

The Commission Should Consider A Per-Project Cost Cap for the LMTIP

The LMTIP will be an important first step in establishing a sustainable, long-term paradigm for supporting demand-reducing technologies at EV charging sites. As such, it is important that the LMTIP supports a variety of customers, technologies, and locations, and that initial installations under the program can yield important lessons learned for future large-scale

program design. With this in mind, VGIC recommends that a per-project cost cap be implemented, which will help to stretch the program budget to support more sites, customer types, and technology types and, in turn, important best practices to inform long-term, large-scale program development.

Future Iterations of the LMTIP Could Consider a Prescriptive Dollar-per-kW Incentive

The Joint Utilities recommend that the Commission establish a process to determine the future of the LMTIP prior to the exhaustion of the repurposed PPI program budget. At that point, VGIC recommends that the Commission require the Joint Utilities to explore a program that provides a prescriptive dollar-per-kW incentive, commensurate with the demand reduction and infrastructure cost savings resulting from the overall installation of DMTs. Under this approach, customers would receive a rebate based on a prescribed dollar-per-kW amount for the difference between the cumulative nameplate EVSE capacity and site connection requirement. The per-kW incentive amount would be based on infrastructure costs avoided by DMT installations overall – such as the costs associated with installing EVSE across each service territory or a few specific local load pockets, regardless of the specific DMT the customer elects. The customer installing DMT would be eligible for a portion of the cost savings enabled by their DMT installation, with the remainder benefiting all ratepayers. For example, if the average cost for EVSE installation is $1,000 per kW, and the customer installs DMT to reduce 100 kW in total nameplate EVSE capacity to 80 kW site connection requirement, then the cost savings enabled by the DMT installation is $20,000. Assuming a cost-share share ratio of 80/20 as an example, the customer would be eligible for a $16,000 incentive, while ratepayers would benefit from $4,000 in savings and/or unspent program budget that can be used for more EVSE.

This prescriptive incentive approach, modeled after widely used energy efficiency programs that avoid the need for individual site-based assessments, has several benefits compared to the proposed LMTIP. First, a set dollar-per-kW incentive would reduce administrative burden by avoiding the need for utilities to determine the DMT costs for each individual site. Second, the predictable amount of incentive would be straightforward for customers to plan for during the site design process. Lastly, setting the incentive levels based on the demand reduction and infrastructure cost savings enabled by DMTs would ensure that customers are rewarded equally for delivering the same grid benefits, meaning that the program would incentivize the installation of the most cost-effective load management strategies. VGIC offers itself as a resource for the Commission and the Joint Utilities to help develop the specifics of such a program.

Conclusion

VGIC appreciates the opportunity to provide these comments and looks forward to working with the Joint Utilities , the Commission, and other stakeholders to ensure the success of New York's transportation electrification efforts.

Respectfully submitted,

Ed Burgess

Senior Policy Director
Vehicle-Grid Integration Council (VGIC)
vgicregulatory@vgicouncil.org
(510) 665-7811
www.vgicouncil.org