



December 5, 2022

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 Demand Charge Alternative Staff Whitepaper**

**Introduction**

The Vehicle-Grid Integration Council (VGIC)<sup>1</sup> 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 Department of Public Service Whitepaper Regarding Alternatives to the Traditional Demand Charge for Commercial Customer Electric Vehicle Charging (“Staff Whitepaper”). Additionally, VGIC also addresses the proposals made by the Joint Utilities and Electrify America at the November 4<sup>th</sup> Stakeholder Session.

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<sup>1</sup> VGIC member companies and supporters include American Honda Motor Co., Inc., Customized Energy Solutions, dcbeI, Enel X North America, Inc., ENGIE NA, Fermata Energy, FlexCharging, FLO EV Charging, Ford Motor Company, FreeWire Technologies, Inc., General Motors, IoTecha, Inc., Kaluza, Nissan Group of North America, Nuvve Holding Corporation, Sacramento Municipal Utility District, Stellantis N.V., Sunrun, Switch EV Ltd, The Mobility House, Toyota Motor North America, Inc., Veloce Energy, Inc., Wallbox USA Inc., and WeaveGrid. The views expressed in these Comments are those of VGIC, and do not necessarily reflect the views of all individual VGIC member companies or supporters. <https://www.vgicouncil.org/>.

## Staff Whitepaper Proposal

VGIC generally supports the proposal made in the Staff Whitepaper for the immediate implementation of a Commercial Managed Charging Program, followed by an EV Phase-In Rate Design Solution. Particularly, VGIC is encouraged by Staff's incorporation of several recommendations made in VGIC's initial and reply comments, including the inclusion of EV charging sites with and without separate meters, as well as incentives for energy storage and other Automated Load Management ("ALM") approaches. VGIC also offers the following feedback as Staff requested in the Whitepaper:

- The added incentive for energy storage and other ALM approaches should be in the form of an upfront incentive. The deployment of co-located/integrated energy storage or other ALM approaches (e.g., power sharing) often comes with incremental upfront costs for the EV charging site host. Given that the proposed Peak Avoidance Incentive already provides a performance benefit for ongoing peak load reduction, the ALM adder should be targeted towards offsetting the incremental upfront costs of the hardware or software necessary to install ALM at the front end. VGIC agrees with Staff's proposal to use unspent funds from the DCFC Per-Plug Incentive Program for this purpose. Additionally, the use of ALM not only helps the EV charging site reduce ongoing costs associated with peak demand, but also mitigates the amount of distribution (i.e., make-ready) infrastructure upgrades necessary during the site construction stage. As such, any incremental costs to fund the ALM adder may also be offset (at least in part) through reduced distribution system costs. This funding source may be more appropriately addressed as part of the Make-Ready Program midpoint review, and VGIC encourages Staff to coordinate between this proceeding and the Make-Ready Program proceeding on the overall structure and funding sources for incentives for ALM.
- The adder for public chargers and chargers in remote locations should be in the form of a percentage discount on the customer's monthly demand charges. A percentage discount on the customer's demand charge is the most simple and straightforward mechanism to provide relief from demand charges for public and remote charging sites. This format is similar to the upstate utilities' proposed Operating Cost Incentive Program and Electrify America's proposed demand charge credit for public DCFC, as presented during the November 4<sup>th</sup> stakeholder session. However, incorporating a demand charge discount into the Commercial Managed Charging Program, as opposed to replacing the Commercial Managed Charging Program with a demand charge discount, will help maintain incentives for load management and help reduce the grid impacts of EV charging.
- Distribution utilities should offer supply rate options and additional distribution rate options for EV charging customers. During initial and reply comments, several parties

emphasized the need for the Commission to look beyond a “one size fits all” solution and instead consider a range of solutions. However, the only proposed rate option in the Staff Whitepaper is the EV Phase-In Rate. VGIC urges Staff and the Commission to explore additional rate options for EV customers, including dynamic pricing for both the distribution and supply components, which can help incentivize greater load flexibility from EV charging customers and unlock significant savings for EV customers who can align their EV charging with periods with little to no grid constraints. While dynamic pricing may not be a suitable option for public charging sites, many EV fleets, which are also a target of PSL §66-s, face the same challenges posed by demand charges but are able to align their charging schedules with dynamic, granular price signals. Specifically, VGIC recommends that the utilities offer EV customers (and other customers) a real-time pricing option for supply. For distribution, Staff and the Joint Utilities should explore demand charges that are based on average daily demand or measured only during a narrow peak period (e.g., 4 hours). VGIC offers itself as a resource to collaborate with Staff, the IOUs, and other stakeholders to develop dynamic pricing tariffs tailored to the New York context.

- *The exemption from Standby Service for energy storage facilities should be expanded to EV charging customers.* As Staff pointed out in the Whitepaper, a situation in which a charging station is eligible for the EV Phase-In Rate Solution but defaulted to Standby Service rates could occur at large charging stations that install energy storage, such as those serving medium- and heavy-duty fleets or large public fast charging sites. This potential interference could deter these charging sites from installing energy storage to help manage demand and limit make-ready upgrades. To avoid this potential barrier, VGIC believes that an exemption from Standby Service rates is warranted for EV charging customers who install energy storage.

### **Joint Utilities Proposal**

- *Joint Utilities’ proposed Immediate-Term Downstate Solution:* Con Edison and O&R’s proposal to implement a Commercial Managed Charging Program in the immediate term is consistent with the Staff Whitepaper. Therefore, VGIC’s position is similar to that regarding the Staff Whitepaper, as discussed above.
- *Joint Utilities’ proposed Immediate-Term Upstate Solution:* The demand charge discount under Central Hudson, National Grid, NYSEG, and RG&E’s proposed Operating Cost Incentive Program can be a simple mechanism to help provide relief from demand charges for EV charging customers. However, the upstate utilities’ proposal to implement the Operating Cost Incentive Program instead of the Commercial Managed Charging Program will weaken the incentive for customers to adopt ALM and other strategies to manage demand. As discussed above, incorporating a demand charge discount into the



Commercial Managed Charging Program will both provide demand charge relief and provide incentives for demand management for commercial EV charging customers in all utility service territories. To the extent the upstate utility service territories warrant special focus on demand charge discounts, the Commission could consider different discount levels for the upstate versus downstate utilities.

### **Electrify America Proposal**

- Electrify America's proposed demand charge credit for public DCFC: Similar to our discussion of the upstate utilities' proposed Operating Cost Incentive Program above, a demand charge discount/credit for public chargers should be incorporated into Staff's proposed Commercial Managed Charging Program.

### **Conclusion**

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

Respectfully submitted,

Ed Burgess

A handwritten signature in black ink that reads "Edward A. Burgess". The signature is written in a cursive, flowing style.

Senior Policy Director

Vehicle-Grid Integration Council (VGIC)