KEEGAN WERLIN LLP

ATTORNEYS AT LAW
99 HIGH STREET, SUITE 2900
BOSTON, MASSACHUSETTS 02110

(617) 951-1400

TELECOPIER:
(617) 951-1354

December 23, 2019

VIA HAND DELIVERY & ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

RE: Docket 4770 – Application of The Narragansett Electric Company d/b/a National Grid for Approval of a Change in Electric and Gas Base Distribution Rates
Responses to Commission Data Requests – Set 1

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a National Grid (Company), please find enclosed the Company's responses to the first set of data requests issued by the Public Utilities Commission in the above-referenced docket.

Thank you for your attention to this transmittal.

Respectfully Submitted,

THE NARRAGANSETT ELECTRIC COMPANY d/b/a NATIONAL GRID

By its attorney,

John K. Habib

John K. Habib, Esq.
Keegan Werlin LLP
99 High Street, Ste. 2900
Boston, MA 02110
(617) 951-1400

Cc: Dkt. 4770 Service List
Nancy Israel, Esq.

National Grid Docket No. 4770 (Rate Application) & Docket No. 4780 (PST)
Combined Service list updated 12/4/2019

Docket No. 4770 Name/Address	E-mail Distribution List	Phone
National Grid Jennifer Hutchinson, Esq. Celia O'Brien, Esq. National Grid 280 Melrose St. Providence, RI 02907 Electric Transportation: Bonnie Crowley Raffetto, Esq. Nancy Israel, Esq. National Grid 40 Sylvan Road Waltham, MA 02451	Jennifer.hutchinson@nationalgrid.com; Celia.obrien@nationalgrid.com; Najat.coye@nationalgrid.com; Joanne.scanlon@nationalgrid.com; Bill.Malee@nationalgrid.com; Melissa.little@nationalgrid.com; William.richer@nationalgrid.com; Theresa.burns@nationalgrid.com; Ann.leary@nationalgrid.com; Scott.mccabe@nationalgrid.com; kayte.o'neill2@nationalgrid.com; kate.grant2@nationalgrid.com; Timothy.roughan@nationalgrid.com; Jason.Small@nationalgrid.com; bonnie.raffetto@nationalgrid.com; nancy.israel@nationalgrid.com;	781-907-2153 401-784-7288
Adam Ramos, Esq. Hinckley Allen 100 Westminster Street, Suite 1500 Providence, RI 02903-2319	aramos@hinckleyallen.com;	401-457-5164
John Habib Keegan Werlin LLP 99 High Street, Suite 2900 Boston, MA 02110	jhabib@keeganwerlin.com;	617-951-1400
Division of Public Utilities (Division) Christy Hetherington, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	Chetherington@riag.ri.gov; tparenteau@riag.ri.gov; Mfolcarelli@riag.ri.gov; Dmacrae@riag.ri.gov;	404-274-4400
Jonathan Schrag, Deputy Administrator Division of Public Utilities and Carriers 89 Jefferson Blvd. Warwick, RI 02888	Jonathan.Schrag@dpuc.ri.gov; Leo.Wold@dpuc.ri.gov; John.bell@dpuc.ri.gov; Ronald.Gerwatowski@dpuc.ri.gov; Al.mancini@dpuc.ri.gov; Thomas.kogut@dpuc.ri.gov;	401-780-2140
Tim Woolf Jennifer Kallay Synapse Energy Economics 22 Pearl Street	twoolf@synapse-energy.com; jkallay@synapse-energy.com; mwhited@synapse-energy.com;	617-661-3248

Cambridge, MA 02139	jhall@synapse-energy.com;	
David Effron Berkshire Consulting 12 Pond Path North Hampton, NH 03862-2243	Djeffron@aol.com;	603-964-6526
Gregory L. Booth, PLLC 14460 Falls of Neuse Rd. Suite 149-110 Raleigh, N. C. 27614 Linda Kushner L. Kushner Consulting, LLC 514 Daniels St. #254 Raleigh, NC 27605	gboothpe@gmail.com;	919-441-6440
	Lkushner33@gmail.com;	919-810-1616
Office of Energy Resources (OER) Andrew Marcaccio, Esq. Dept. of Administration Division of Legal Services One Capitol Hill, 4th Floor Providence, RI 02908	Andrew.Marcaccio@doa.ri.gov;	401-222-8880
Carol Grant, Commissioner Office of Energy Resources	Carol.grant@energy.ri.gov; Christopher.Kearns@energy.ri.gov; Nicholas.Ucci@energy.ri.gov ; Becca.Trietch@energy.ri.gov; Carrie.Gill@energy.ri.gov;	401-574-9100
Conservation Law Foundation (CLF) Jerry Elmer, Esq. Max Greene, Esq. Conservation Law Foundation 235 Promenade Street Suite 560, Mailbox 28 Providence, RI 02908	jelmer@clf.org; mgreene@clf.org;	401-228-1904
Dept. of Navy (DON) Kelsey A. Harrer, Esq. Office of Counsel NAVFAC Atlantic, Department of the Navy 6506 Hampton Blvd. Norfolk, VA 23508-1278	kelsey.a.harrer@navy.mil;	757-322-4119
Kay Davoodi, Director Larry R. Allen, Public Utilities Specialist Utilities Rates and Studies Office NAVFAC HQ, Department of the Navy 1322 Patterson Avenue SE Suite 1000 Washington Navy Yard, D.C. 20374	khojasteh.davoodi@navy.mil; larry.r.allen@navy.mil;	

Ali Al-Jabir Maurice Brubaker Brubaker and Associates	aaljabir@consultbai.com;	
New Energy Rhode Island (NERI) Seth H. Handy, Esq. Handy Law, LLC 42 Weybosset St. Providence, RI 02903	seth@handylawllc.com; helen@handylawllc.com; randelle@handylawllc.com;	401-626-4839
The RI League of Cities and Towns c/o Brian Daniels, Executive Director	bdaniels@rileague.org;	401 272-3434
PRISM & WCRPC c/o Jeff Broadhead, Executive Director	jb@wcrpc.org;	401-792-9900
Newport Solar c/o Doug Sabetti	doug@newportsolarri.com;	401.787.5682
Green Development, LLC c/o Hannah Morini	hm@green-ri.com;	
Clean Economy Development, LLC c/o Julian Dash	jdash@cleaneconomydevelopment.com ;	
ISM Solar Development, LLC c/o Michael Lucini	mlucini@ismgroup.com;	401.435.7900
Heartwood Group, Inc. c/o Fred Unger	unger@hrtwd.com;	401.861.1650
Energy Consumers Alliance of NE James Rhodes Rhodes Consulting 860 West Shore Rd. Warwick, RI 02889 Kat Burnham, PPL Larry Chretien, PPL	jamie.rhodes@gmail.com; Kat@ripower.org; larry@massenergy.org;	401-225-3441
Acadia Center Robert D. Fine, Esq. Chace, Ruttenberg & Freedman, LLP One Park Row, Suite 300 Providence, RI 02903	rfine@crfllp.com; aboyd@acadiacenter.org;	401-453-6400 Ext. 115 617-472-0054 Ext. 102

Amy Boyd, Esq. Acadia Center 31 Milk St., Suite 501 Boston MA 02109-5128	ENiedowski@acadiacenter.org;	
Northeast Clean Energy Council Joseph A. Keough, Jr., Esq. Keough & Sweeney 41 Mendon Ave. Pawtucket, RI 02861 Jeremy McDiarmid, NECEC Dan Bosley, NECEC	jkeoughjr@keoughsweeney.com; jmcdiarmid@necec.org; dbosley@necec.org;	401-724-3600
The George Wiley Center Jennifer Wood Rhode Island Center for Justice 1 Empire Plaza, Suite 410 Providence, RI 02903 Camilo Viveiros, Wiley Center	jwood@centerforjustice.org; georgewileycenterri@gmail.com; Camiloviveiros@gmail.com; chloechassaing@hotmail.com;	401-491-1101
Wal-Mart Stores East & Sam's East, Inc. Melissa M. Horne, Esq. Higgins, Cavanagh & Cooney, LLC 10 Dorrance St., Suite 400 Providence, RI 20903 Gregory W. Tillman, Sr. Mgr./ERA Walmart	mhorne@hcc-law.com; Greg.tillman@walmart.com;	401-272-3500 479-204-1594
AMTRAK Clint D. Watts, Esq. Paul E. Dwyer, Esq. McElroy, Deutsch, Mulvaney & Carpenter 10 Dorrance St., Suite 700 Providence, RI 02903 Robert A. Weishaar, Jr., Esq. Kenneth R. Stark, Esq.	CWatts@mdmc-law.com; PDwyer@mdmc-law.com; BWeishaar@mcneeslaw.com; KStark@mcneeslaw.com;	401-519-3848
Original & 9 copies file w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Luly.massaro@puc.ri.gov; Cynthia.WilsonFrias@puc.ri.gov; Alan.nault@puc.ri.gov; Todd.bianco@puc.ri.gov ; Sharon.ColbyCamara@puc.ri.gov; Margaret.hogan@puc.ri.gov;	401-780-2107

	John.harrington@puc.ri.gov;	
DOCKET NO. 4780		
ChargePoint, Inc. Edward D. Pare, Jr., Esq. Brown Rudnick LLP One Financial Center Boston, MA 02111 Anne Smart, Charge Point, Inc.	EPare@brownrudnick.com; jreyes@brownrudnick.com ; PAfonso@brownrudnick.com; Anne.Smart@chargepoint.com; Kevin.Miller@chargepoint.com;	617-856-8338
Direct Energy Craig R. Waksler, Esq. Eckert Seamans Cherin & Mellott, LLC Two International Place, 16th Floor Boston, MA 02110 Marc Hanks, Sr. Mgr./GRA Direct Energy Services,	cwaksler@eckertseamans.com; rmmurphy@eckertseamans.com; dclearfield@eckertseamans.com; Marc.hanks@directenergy.com;	617-342-6800 413-642-3575
INTERESTED PERSONS		
EERMC Marisa Desautel, Esq	marisa@desautelesq.com; guerard@optenergy.com;	401-477-0023
John DiTomasso, AARP	jditomasso@aarp.org;	401-248-2655
Frank Epps, EDP	Frank@edp-energy.com;	
Matt Davey	mdavey@ssni.com;	
Jesse Reyes	JReyes@brownrudnick.com;	
Nathan Phelps	nathan@votesolar.org;	
Douglas W. Gablinske, TEC-RI	doug@tecri.org;	
Radina Valova, Pace Energy & Climate Ctr.	rvalova@law.pace.edu;	
Marc Hanks, Sr. Mgr./GRA Direct Energy Services	Marc.hanks@directenergy.com; cwaksler@eckertseamans.com;	413-642-3575
Lisa Fontanella	Lisa.Fontanella@spglobal.com;	
Janet Gail Besser, SEPA (Smart Electric Power Alliance)	jbesser@sepapower.org;	
Frank Lacey, EAC Power	frank@eacpower.com;	
Hank Webster Policy Advocate & Staff Attorney Acadia Center 144 Westminster Street, Suite 203 Providence, RI 02903-2216	hwebster@acadiacenter.org;	401-276-0600

PUC 1-1

Request:

On page 8 of the October 31, 2019 report, the Company describes a new process to call participants in the off-peak charging rebate programs to offer incentives to install the devices.

a. What is the incentive?

b. How do participants qualify for the incentive?

c. What is the additional cost to the program of providing the incentive?

d. Are there additional administrative costs related to the other program changes described on page 8. If so, what are they?

Response:

a. The incentive was an offer of $25 deposited in the participant's SmartCharge RI off-peak charging rebate program ("Program") account.

b. To become a participant in the Program, an electric vehicle ("EV") driver enrolls in the Program, is shipped a charging monitoring device, and installs the charging monitoring device in the EV. EV drivers that did not install the charging monitoring devices after a minimum of 14 days after receiving the device were offered the $25 incentive to install the devices within 7 days or, if no longer planning to install the devices, then return them.

c. Thirty-one EV drivers installed the devices within the 7 days for an additional cost of $775.00 to the Program.

d. There are no additional administrative costs related to the other program changes described on page 8.

PUC 1-2

Request:

Page 9 of the October 31, 2019 report states that the charging station demonstration program has been available to customers and vendors since the beginning of Q4 2019. Is this a fiscal or calendar year? In which month of 2019 was the program first available? If the reference is to the calendar year, please explain why it took a whole rate year to implement the program.

Response:

The sentence reference on Page 9 of the October 31, 2019 report should read "The Charging Station Program has been available to customers and vendors since the beginning of Q4 **2018**.", and not "Q4, 2019"

All dates are reported as calendar year.

The Company did not record a specific month the program was first available but has identified the following milestones related to the program's availability:

- National Grid staff briefed on charging station demonstration program: October 22, 2018
- Application form and eligible equipment list available: October 30, 2018
- Outreach by National Grid staff to customers: November 2, 2018

PUC 1-3

Request:

At the hearing held in this docket on June 14, 2018, Kayte O'Neill explained that the Company had anticipated that minor revisions to the programs within each program would not require Commission oversight. (page 202, lines 13-19). Please explain how changing the program from only funding for DCFC and Level 2 make-ready work to also funding Level 1 make-ready work is a minor change. How is the inability to network and provide usage data for Level 1 charging consistent with the approved program design?

Response:

As an initial matter, the Company has not committed to any projects including Level 1 ports. Rather, it is proposing this option based on initial feedback from potential program participants encouraging the use of these stations given the long parking times of drivers at public transit station parking lots; reduced equipment costs for customers and program participants; and the Company's successful experience this past year with Level 1 charging stations at one of its facilities.

Based on this feedback during Year 1, the Company is proposing to have the flexibility to install no more than 20 Level 1 ports at public transit stations with the remaining 40 ports installed at these locations being networked, Level 2 charging stations. Therefore, the Company is still able to collect usage data from the 40 Level 2 ports installed at these locations.[1]

In addition, the Company is proposing to collect usage information from the Level 1 ports using data loggers on the Level 1 charging stations or driver surveys in order to comply with the approved program design.

Although it is understandable that there may be differences of opinion on what may constitute a "minor" change, the Company posits that shifting dollars within the approved budget for the program in a manner that reduces costs to customers while maintaining program goals is a reasonable refinement that need not require Commission approval. The Company welcomes Commission feedback, however, on this program change as it attempts to maximize the program's benefits for customers over the next two rate years.

[1] Of the 320 Level 2 ports approved in the program, "Work Place" has the largest number of ports (140) and "Public Transit Stations" has the second largest number of ports (60). Next are several sites with 36 ports.

PUC 1-4

Request:

Please explain why the Company chose not to propose Level 1 charging stations as part of Power Sector Transformation (Docket No. 4780). Please explain what has changed. Please explain the benefit cost analysis the Company conducted and/or provided to the PST Advisory Group in support of its proposal.

Response:

The Company chose not to propose Level 1 charging stations as part of Power Sector Transformation (Docket No. 4780) because the Company had limited experience with Level 1 charging stations at that time, and the technology did not have the capability to provide usage data. Please see the Company's response to PUC 1-3 for an explanation of what has changed during the past rate year that influenced the Company's reconsideration of this option for the program.

The analysis provided to the PST Advisory Group estimated cost savings of $73,270 for installing 20 Level 1 ports instead of 20 Level 2 ports, reflecting reduced infrastructure costs and charging station equipment costs for the Level 1 stations.

PUC 1-5

Request:

Please indicate where, in the Docket No. 4770/4780 record, the Company discussed the possibility of including Level 1 chargers in the charging station demonstration program.

Response:

The Company's staff do not recall discussing the possibility of including Level 1 chargers in the charging station demonstration program in Docket No. 4770/4780. Rather, the Company has proposed installing up to 20 Level 1 ports of the 60 ports allocated to public transit stations based on learnings during Rate Year 1.

Prepared by or under the supervision of: May L. Moy

PUC 1-6

Request:

Please indicate where in the record the Company has provided the following information relative to Level 1 chargers:

a. Cost effectiveness of Level 1 chargers.

b. Market research that supports host incentive levels for make-ready work and any rebates.

Response:

The Company did not address the cost effectiveness, host incentive levels, make-ready work or rebates associated with Level 1 chargers in Dkt. 4770/4780. The Company's proposal to refine the program at this time to include Level 1 chargers is based on feedback during the first year of the program on the cost and potential benefits of these chargers to customers.

The Company is proposing to maintain the same funding levels (e.g. 50% of the charging station equipment cost) for the 20 Level 1 ports as approved for the Level 2 ports.

Prepared by or under the supervision of: May L. Moy

PUC 1-7

Request:

Please itemize the costs associated with the approved charging station demonstration program to date per installation (i.e., 100% of the cost of electric service upgrades needed for the stations and the rebate of the installation costs of the EVSE).

a. Please explain the source of funding for the EVSE rebates.

b. Where in the Amended Settlement Agreement (or attachments) is the rebate discussed and funded?

c. Page 18 of the ERS October 29, 2019 report indicates that the rebate varies by target charging segment and covers station hardware. Please explain this statement including, but not limited to, the definition of target charging segment, and how the rebate varies.

Response:

To date, the average infrastructure cost is $6271 per port and the average EVSE rebate is $2370 per port for installed and paid stations. The Company has provided incentives to site hosts based on the following guidelines:

- 100% of the infrastructure cost
- Rebate to defray the cost of the EVSE depending on the target charging segments. See Table 1-7

Table 1-7 EVSE Rebate Levels by Target Charging Segments

Level 2	**Rebate**
Workplaces	50%
Apartment buildings	75%
Income Eligible Community Sites	100%
Public Transit Stations	50%

Prepared by or under the supervision of: May L. Moy

Government Light-Duty Fleet	50%
Corporate Light-Duty Fleet	50%
DCFC	**Rebate**
Public DCFC	0%
Public Transit Buses	50%
Rideshare Company Charging Hub	25%
Other Heavy-Duty/DCFC (port, airport)	50%
Municipal School Buses	75%

(a) The approved Amended Settlement Agreement budget included funding for the EVSE rebates as detailed above in Table 1-7.

(b) The Amended Settlement Agreement does not specifically define the rebate levels provided in Table 1-7 but does approve the program budget that used these percentages in the budget's derivation. The RIPUC Docket No. 4770, Schedule PST-1, Chapter 5 – Electric Transportation filing did include references to rebates for these two categories (infrastructure/installation and EVSE):

- "Under the first option (Make-Ready), Site Hosts purchasing Level 2 EV supply equipment may qualify for a rebate from the Company toward the cost of that EV supply equipment, to defray the installation." (page 5 of 19)
- The Company will require cost sharing from Site Hosts who benefit from the installation of charging equipment. In the case of Make-Ready sites where Site Hosts operate EV supply equipment, **Site Hosts will be responsible for a portion of the EV supply equipment cost (after any rebates)** as well as the ongoing cost of station operation and maintenance for a minimum of five years. (page 6 of 19)

(c) Please see Table 1-7.

PUC 1-8

Request:

Please compare the installation and equipment cost of a Level 1 versus a Level 2 (include make-ready and rebate).

Response:

As presented in Table 2 on page 15 of the October 31 report, the Company projected an overall cost savings of $73,270 for the funding of Level 1 stations at public transit stations (e.g. commuter parking lots). This was comprised of:

- Make ready electrical infrastructure cost savings: The Company's budget assumed that all Level 2 EVSE require a new electrical service while for the purposes of this program proposal, the Company assumed Level 1 EVSE would not require a new electrical service, since they operate at a lower demand rate. This resulted in estimated savings of $2,726 per port, or $54,520 for 20 ports.[1]
- EVSE rebate cost savings: The Company's budget assumed a rebate of $1,438 for a Level 2 port for the Public Transit Station segment, which is rebated at 50% of EVSE equipment cost. For Level 1 stations, the Company assumed a single port station would cost $1,000. Based on this assumption, the rebate would be $500 or 50% per port. For 20 ports, the total projected equipment savings is $18,750.

In addition, while not included in the Company's projected savings, Site Hosts would also see savings due to the reduced Level 1 EVSE costs and no networking costs for Level 1 EVSE.

[1] Since the October 31st report, the Company received information from an EVSE installation vendor indicating that new electric service will be needed to power Level 1 EVSE at a specific commuter lot. Therefore, at least for this potential location, the Company would not see the estimated savings projections in installation costs associated with Level 1 EVSE. The Company has not committed to this project but rather was working with the site host and installation vendor to assemble the program application documentation in the event the Level 1 program proposal is approved by the PUC.

Prepared by or under the supervision of: May L. Moy

PUC 1-9

Request:

Please provide detail to support the Rate Year 1 program modifications budget impact set forth in Table 2 on page 15 of the October 31, 2019 report, and explained briefly on page 12.

Response:

The Company's estimate of cost savings of $73,270 for installing 20 Level 1 ports was based on the assumption that Level 1 infrastructure and equipment costs would be less than the approved program's budgeted costs for 20 Level 2 infrastructure and equipment costs. See Table PUC 1-9-1.

Table PUC 1-9-1

Public Transit Locations: Replace up to 20 Level 2 Ports with Level 1 Ports				
Cost	Number of Ports (A)	Level 2 Costs (B)	Level 1 Costs[1] (C)	Cost Savings A X (B-C)
Infrastructure	20	$8,331	$5,605	$54,520
Charging Station Equipment (50%[2])	20	$1,437.50	$500	$18,750
Total				$73,270

The Company's estimate of cost savings of $179,339 for installing 3 Level 2 stations instead of 3 DCFC stations was estimated based on the approved program's budgeted costs for Level 2 and

[1] For the purposes of budgeting, the Company assumed that Level 1 charging stations will be served by the site host's existing service and not require new service.

[2] The Company assumed the same 50% rebate percentage for the charging equipment as approved in the Amended Settlement Agreement.

DCFC stations. The buses selected by the cities, towns or transportation vendors will determine whether Level 2 or DCFC charging station are installed. See Table PUC 1-9-2.

Table PUC 1-9-2

Install Level 2 stations for electric school bus charging if required				
Cost	Number of Ports (A)	DCFC Costs (B)	Level 2 Costs (C)	Cost Savings A X (B-C)
Infrastructure	3	$119,000	$83,314	$107,058
Charging Station Equipment (75%)[3]	3	$26,250	$2,156.25	$72,281
Total				$179,339

[3] The Company assumed the same 75% rebate percentage for the charging equipment as approved in the Amended Settlement Agreement.

PUC 1-10

Request:

Please provide a budget by year, based on the information currently available to the Company, to illustrate the statement that "the Company intends to commit the program's funds to these projects [that extend beyond August 31, 2021] with the expectation that the installation and payout may occur after RY 3" on page 11 of the October 31, 2019 report.

Response:

The Company's statement that "the Company intends to commit the program's funds to these projects [that extend beyond August 31, 2021] with the expectation that the installation and payout may occur after RY 3" is referring to projects involving the installation of 10 charging stations to power RIPTA's public transit electric buses. The Public Transit Bus segment has an allocated budget of $238,056 for the electrical infrastructure and $175,000 for the EVSE rebates.

The current projected delivery date for the electric public transit buses is approximately June, 2022 with the charging stations installed and available in approximately April, 2022.

PUC 1-11

Request:

Page 16 of the October 31, 2019 report indicates that the Company proposes to continue the DCFC discount level at 100% of the distribution demand charge for a period of three years from the start of service. At the August 3, 2018 open meeting in this docket, the PUC ordered that, "Sixty days prior to enrollment for Rate Year 2 and Rate Year 3, the Company shall make as part of the first electric Transportation Evaluation and annual program modification report, with input from the Power Sector Transformation Advisory Group on the appropriate level of the discount based on enrollment data and lessons learned for approval by the PUC." Timing aside, please explain how the enrollment data and lessons learned in Rate Year 1 informed the proposal.

Response:

The Company has proposed not changing the discount level in Rate Year 2 because lessons learned in Rate Year 1 do not indicate that changing the discount level would, for Rate Year 2, substantially affect site hosts' decisions to install publicly-accessible DCFC stations.

Rather, customers and DCFC vendors have explained that certain barriers including (1) high DCFC equipment costs; (2) uncertainty regarding the economic payback of investing in DCFC stations due to low utilization rates in these early years; and (3) needing to allocate scarce capital funds across a multitude of states are primarily responsible for a lack of DCFC station investment at this time.

Prepared by or under the supervision of: May L. Moy

PUC 1-12

Request:

On page 17 of the October 31, 2019 report, it states that the Fleet Advisory program has been available to customers since Q4, 2018. Please confirm that this reference is to CY 2018.

Response:

Yes, the reference to Q4, 2018 is to CY 2018 when National Grid sales staff were briefed on the program, program information was posted to the National Grid EV Program web page (www.ngrid.com/ri-evcharging), customers could be briefed, and the program vendor's statement of work finalized in January, 2019.

PUC 1-13

Request:

Please confirm that the Company did not intend for the October 31, 2019 report to serve as a petition to the PUC to reconsider adopting and/or funding the proposed CO2: Consumer Electric Vehicles performance incentive mechanism effective for 2020 and 2021.

Response:

That is correct. The Company intends to file a separate petition to the PUC for reconsideration of the CO2: Consumer Electric Vehicles performance incentive mechanism.

Prepared by or under the supervision of: Meghan McGuiness

PUC 1-14

Request:

In the October 31, 2019 report, the Company states:

> It is also worth noting that in jurisdictions where load is not decoupled from revenue, the regulatory framework provides an inherent outcome-based incentive that awards utilities incremental revenue from transportation electrification without assessment of whether EV purchases are attributable to specific utility actions. Ultimately, the objective of an incentive in this area is to ensure alignment of the Company's financial interests and state policy goals to achieve the customer benefits described above. (pages 23-24).
>
> On page 31, the Company states that the utility lacks an incentive to better align its performance with the public interest because: [u]nder the current revenue decoupling mechanism, the Company does not have a direct incentive to advance EV adoption in its territory because incremental revenue growth would be returned to customers.

a. Is it the Company's position that decoupling serves as a barrier to beneficial electrification?

b. Has the Company discussed with any of Rhode Island's policymakers how this potential conflict could be addressed more broadly than with specific performance incentive mechanisms whose? Why or why not?

c. Who owns the various pieces of infrastructure when installed under the charging demonstration program?

Response:

a. There are numerous barriers to beneficial electrification. With respect to transportation electrification specifically, analysis suggests a number of specific barriers to EV adoption. These include consumer concern about sufficient charging infrastructure availability,[1] consumer awareness of vehicle options, battery performance, existing

[1] Singer, Mark. National Renewable Energy Laboratory. Consumer Views on Plug-in Electric Vehicles – National Benchmark Report. January 2016. Available at http://www.afdc.energy.gov/uploads/publication/consumer_views_pev_benchmark.pdf..

incentives for ownership, and costs relative to internal combustion engine vehicles,[2] and dealer education and support.[3] Decoupling was instituted to prevent distribution revenue erosion that is used to fund the operation and maintenance of the electric distribution system from significant energy efficiency and customer-owned generation policies. The policy has been very successful in that regard. The presence of decoupling is not a direct barrier to consumer adoption of EVs, and from the customer perspective, EV adoption reduces the amount of revenue that must be collected through the revenue decoupling mechanism, lowering the average per kWh cost of delivery. From the Company perspective, the Company's inability to retain incremental revenue under decoupling that would be generated once kWhs from EV use exceed avoided kWhs from efficiency and customer-owned generation, means that the Company has limited financial incentive to take certain actions in support of accelerating EV adoption that it would be encouraged to pursue in the absence of decoupling or under a broader outcome-based incentive. As discussed below, incomplete alignment between utility incentives and electrification goals are expected to increase the cost to customers of achieving those goals.

Electric utilities are strategically important to advance electrification goals because they have a comparative advantage in key areas that would be expected to lower the total cost of achieving these goals relative to a suboptimal level of utility action.

One source of comparative advantage is the Company's relationship with customers and understanding of customer needs and preferences. In the presence of an outcome-focused incentive linked to EV adoption, the Company would expect to evaluate how it might use funds not collected from customers to conduct education and outreach that leverages this comparative advantage and targets existing customer knowledge gaps described above. This may include opportunities for innovative partnerships with third parties that focus on accelerating market growth. Under the current regulatory framework, the Company does not have an incentive to pursue these activities.

A second source of comparative advantage pertains to the ability to access low-cost capital that can be invested in infrastructure that provides a foundation for growth in electrification. To this end, the Company is making initial investments in "make ready" infrastructure under the charging station demonstration program. An incentive that

[2] See, for example Cox Automotive, 2019. Evolution of Mobility: The Path to Electric Vehicle Adoption. August. https://www.coxautoinc.com/market-insights/cox-automotive-evolution-of-mobility-study-the-path-to-electric-vehicle-adoption-study-released/.
[3] Ibid.

establishes an enterprise-wide focus on the policy goal that underlies that those investments will ensure that implementation maintains a close focus on that goal.

Finally, a third source of comparative advantage is the Company's knowledge of the electric system and the ability to develop solutions to ensure that load is integrated in a way that maximizes system efficiency and limits system costs. The Company's off-peak charging rebate program is a first step toward this objective, and the Company expects that time varying rates and future offerings around load management will play an important role in the future. Innovation in support of this objective may be encouraged by future PIMs targeting system efficiency.

b. The Company has not at this point advocated for specific policy changes relevant to advancing beneficial electrification, but has begun to consider the extent to which current law might conflict with electrification goals.

c. Under the charging demonstration program, the Company owns make-ready infrastructure, while site hosts own EVSE. The current regulatory framework provides the Company with an incentive to evaluate and propose cost-beneficial infrastructure investments that are consistent with state policy goals. These investments benefit customers by addressing one of the barriers identified under part a, specifically confidence in availability of charging infrastructure, and can reduce the cost of electrification by utilizing the Company's ability to access low-cost capital. Such investments are of course subject to regulatory approval. As discussed in part a., the current regulatory framework does not provide an incentive to address other barriers, particularly around education and awareness, where the utility's relationship with and knowledge of customer needs could be leveraged to reduce the costs of achieving electrification goals.

Prepared by or under the supervision of: Meghan McGuinness