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July 28, 2023

Eric Shierman
Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
Salem, OR 97301-3398

RE: UM 2033 – ChargePoint Reply Comments on PGE 2023-2025 Transportation Electrification Plan

Dear Mr. Shierman,

On July 13, 2023, stakeholders submitted comments for consideration by the Public Utility Commission of Oregon (Commission) and Commission Staff regarding Portland General Electric's (PGE or the Company) 2023-2025 Transportation Electrification Plan (TEP). ChargePoint, Inc. (ChargePoint) submits these comments to discuss the recommendations submitted by Oregon Citizens Utility Board (CUB) regarding PGE's proposed Business and Multi-family Make Ready Program.

In summary, ChargePoint encourages Staff to recommend acceptance of PGE's proposal to serve multi-family customers with the Business and Multi-family Make Ready Program. ChargePoint also urges PGE to consider developing a rate solution that enables site hosts serving the multi-family segment to take service under the same rates as residential customers.

I. Summary of CUB's Position

In a discussion of the Business and Multi-family Make Ready Program, CUB observes that a negative equity outcome could occur if EV drivers in single-family homes pay less to charge than EV drivers in multi-family housing pay at shared chargers.[1] Based on this concern, CUB believes price regulation, which is only possible through a utility-ownership model for EV charging services,[2] is needed to maintain equitable pricing between residents of single and multi-family

[1] CUB Comments at 2.
[2] Oregon state law excludes non-utility EV charging services from the definition of "public utility" subject to Commission regulation. Public utilities that own and operate charging stations are subject to Commission regulation of the pricing of those services. *See* ORS § 757.005(1)(b)(G)

housing.[3] While CUB does not recommend eliminating the Business and Multi-family Make Ready Program completely, CUB suggests that PGE modify the program in one of the following ways.[4]

1. A Multi-family Program modelled after Pacific Power's Public Utility-Ownership Infrastructure Pilot Program.
2. Transfer resources from the Make-Ready Program to PGE's Public Charging – Municipal Collaboration and Electric Avenue Program to cover all multi-family sites in that program.
3. A combination of options 1 and 2.

II. Comments of ChargePoint

A. The make-ready investment model will equitably increase access to EV chargers consistent with the spirit of HB2165.

CUB argues that PGE's proposal warrants modification to align with the spirit of HB2165 to equitably advance transportation electrification (TE) in Oregon. ChargePoint disagrees; while the market for EV charging services may be nascent, best practices to support equitable expansion of EV charging services are well-established. The design of PGE's Business and Multi-family Make Ready Program aligns with the efforts of states such as New York, Massachusetts, and California. These states have aggressive emissions reductions and equity goals established by state law, and they embrace a competitive approach to improving charging access, including for residents of multi-family housing units. Under a make-ready investment model in which multi-family properties own and operate chargers for their residents, these states maintain strong commitments to equity by offering larger incentives to disadvantaged or underserved communities compared to other customers and/or by establishing minimum requirements to spend program budgets in these communities. For example:

- In New York, chargers installed at multi-family housing in disadvantaged communities are eligible for the highest tier of available incentives, covering 100% of make-ready costs. All other multi-family properties are eligible for 50% incentives. In addition, $206M of the statewide $601M make-ready budget must directly benefit disadvantaged communities.[5]
- In Massachusetts, chargers installed at multi-family housing in disadvantaged communities qualify for incentives that cover 100% of utility-side and customer-side make ready costs, as well as incentives for equipment and networking costs.[6] Other customers are eligible for incentives that cover only 50-75% of customer-side costs.

[3] CUB Comments at 3.
[4] CUB Comments at 5.
[5] https://jointutilitiesofny.org/ev/make-ready
[6] https://www.nationalgridus.com/media/pdfs/bus-ways-to-save/ev/ev-infrastructure-brochure-mud_ada.pdf

- In California, chargers installed at multi-family housing and public locations serving multi-family housing will be eligible for rebates that cover 100% of customer-side make ready costs statewide starting 2025. 65% of the $1B program budget is reserved for underserved communities.[7]

These programs, which were approved by utility commissions in New York, Massachusetts, and California, indicate that the make-ready investment model is a reasonable and effective approach to equitably increase charger access for residents of multi-family housing, including those in disadvantaged communities. PGE's make-ready proposal is therefore consistent with the spirit of HB2165.

B. Price regulation does not ensure equitable outcomes in a rapidly developing EV market.

CUB presents the concern that, absent price regulation, site hosts have the ability to increase the rates for EV charging services beyond what is just and reasonable.[8] CUB acknowledges that, though there is no evidence of unreasonable rates at multi-family charging sites, uncertainty in the nascent EV market lends itself to a controlled approach, in which the Commission ensures low costs for EV drivers in multi-family housing via price regulation.

While ChargePoint shares CUB's vision for an accessible, low-cost, and high-quality charging network, ChargePoint disagrees with CUB's conclusion that a utility-ownership model and price regulation for chargers in multi-family housing is the least risky pathway to achieve this vision. Beyond the cost of increased utility staffing, resources, and regulatory process associated with utility-owned chargers that will drive rates up for ratepayers, drivers will be best served if the market for EV charging services remains competitive, including at multi-family housing, because non-regulated entities are better positioned to respond to shifts and improvements in the fast-moving EV market. Utility ownership and price regulation introduces regulatory constraints that inherently introduce delays and stifle innovation, which is more likely to inadvertently lead to higher or inequitable pricing.

For example, Pacific Power's Schedule 60, which was approved by the Commission for utility-owned chargers, relied on time-based pricing structures from 2018 to 2023.[9] Per-minute pricing was approved over per-kilowatt-hour (per-kWh) pricing in 2018 because without a time-based component, Staff at the time believed: "There is little or no incentive to vacate a charging unit once the charging ends or becomes a trickle."[10] However, it has since become clear that time-based pricing structures are inequitable because newer, higher-end EVs tend to charge faster than older, lower-cost EV models that are likely to appear on the used market.

[7] https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M499/K005/499005805.PDF
[8] CUB Comments at 2.
[9] *See* Docket No. UE 347 and Docket No. ADV 1480
[10] Docket No. UE 347, *PacifiCorp Advice No. 18-005 Schedule 60*, Staff Report (August 28, 2018)

Independent site hosts may easily change pricing policies to reflect improvements in EV and/or charger technology, such as by adding or adjusting an "idle fee" to per-kWh pricing to encourage drivers to vacate a charger after a charging session is complete. In this way, the flexibility of the competitive, non-regulated market improves customer experience on an iterative basis. By contrast, any rate regulated by the Commission is "locked in" until a revision is approved. In the case of Schedule 60, Pacific Power requested a shift to per-kWh based pricing in 2023,[11] after five years of time-based pricing that likely charged drivers of the newest and most expensive EVs less than other EV drivers at utility-owned chargers. Despite the reasoned and deliberative regulatory process, the rapid evolution of the EV market means that price regulation will not inherently ensure equitable outcomes.

Further, it is important to recognize that utility ownership of chargers requires ratepayers to foot the bill for the total cost of infrastructure, electricity, maintenance, service, and management of stations – costs that are otherwise covered by the site hosts themselves in a competitive market supported by make-ready incentives. For this reason, as ChargePoint noted in initial comments, any perceived benefits of price regulation are undermined by higher overall utility costs associated with utility-operated chargers.

C. Electricity delivered to multi-family chargers is more expensive than electricity delivered to residential chargers.

CUB finds that the need to recover costs may lead site hosts at multi-family housing units to establish charging prices that are "well beyond what is just and reasonable." ChargePoint disagrees with the suggestion that charging prices that recover a site host's actual cost of providing charging services could somehow be unreasonable. Regardless, it is important to understand how operational costs between single and multi-family chargers differ. Because EV charging is a value-added service, and not simply a resale of electricity, site hosts must consider costs associated with proving charging services that single-family home residents charging at home do not, such as maintenance, networking, and more significant upfront infrastructure upgrades. Despite the overall higher cost of public or shared charging equipment, it is worth noting that site hosts are not always incentivized to pass all operating costs on to EV drivers to recover costs. Multi-family housing properties are just as likely to offer charging services at a discounted price to residents to encourage utilization (which drives cost recovery)[12] or as a free amenity to attract and retain tenants.

[11] Docket No. ADV 1480, *PacificCorp Advice No. 23-001 Schedule 60 Company Operated EV Charging Station*, Advice No. 23-001 (January 13, 2023)

[12] Utilization is an important driver of the financial viability of operating a charging station. Because EVs are mobile and EV drivers are free to choose where they refuel, charging station operators, including multi-family housing properties, must compete on the basis of price to attract the business of EV drivers to stay competitive and keep utilization high.

Nonetheless, a significant contributor to the costs of offering shared charging services at a multi-family property is the underlying rate structure. While chargers installed at single-family homes dispense electricity under a residential rate, multi-family housing properties (and other nonresidential site hosts offering EV charging) must take service on a commercial rate. Such rates typically have higher energy-based charges and often include a demand charge, both of which contribute to a higher unit cost of electricity for providers of EV charging services. All else being equal, the current rate structure increases the likelihood that a kilowatt-hour dispensed by a charger at a multi-family home is more costly than a kilowatt-hour dispensed at a single-family home.

D. An alternative solution to enable price equity is to allow multi-family chargers to take service under residential electricity rates.

The underlying difference between residential and commercial rates contributes to unequal pricing between residents of single and multi-family units. In the interest of CUB's suggestion to "proceed with caution" to ensure equitable outcomes within PGE's service territory, ChargePoint respectfully suggests that PGE engage stakeholders to aid in the development of an alternative solution to encourage price parity for multi-family residential chargers. A straw proposal developed and approved by the New Jersey Board of Public Utilities (BPU) may establish a good model for PGE on this issue.

Like Oregon, the New Jersey BPU solicited differing perspectives on the extent of utility involvement in TE as it established a statewide framework for utility investment.[13] BPU Staff determined that a balanced approach was appropriate to unlock the benefits of the make-ready model and deliver equitable outcomes for EV drivers.[14] As part of this balanced approach, BPU Staff recommended that EV chargers located at multi-family units utilize the same rate as residential customers are charged for EV charging. Subsequently, Atlantic City Electric Company committed to developing solutions to address rate parity for residential chargers.[15]

ChargePoint proposes that PGE emulate the New Jersey solution; PGE should solicit stakeholder input to develop a new rate option open to multi-family site hosts that would tie the per-kWh electricity cost at multi-family charging sites to the per-kWh cost of residential rates that EV drivers in single-family homes utilize. The benefits of this approach include lowering

[13] *See* NJ BPU, Docket No. QO20050357, *In the Matter of Straw Proposal on Electric Vehicle Infrastructure Build Out*, Order Adopting the Minimum Filing Requirements for Light-Duty, Publicly Accessible Electric Vehicle Charging (September 23, 2020).
[14] *Id.*
[15] NJ BPU, Docket No. EO18020190, *In the Matter of the Petition of Atlantic City Electric Company For Approval of a Voluntary Program for Plug-In Vehicle Charging*, Order Approving Stipulation of Settlement at 14 (February 17, 2021).

operating costs of EV charging services at multi-family sites, encouraging greater price equity, and better aligning with PGE's draft TEP proposal.

III. Conclusion and Recommendation

CUB recommends that PGE either modify its Business and Multi-family Make Ready Program after Pacific Power's Public Utility-Owned Charger Program or transfer resources to the Municipal Charging Collaboration Pilot to ensure that the pricing of charging services at multi-family housing remains under the Commission's regulatory oversight. ChargePoint cautions against this approach and supports PGE's strategy to demonstrate the market's ability to serve underserved communities via the make-ready program design. We respectfully request that Staff's report recommend acceptance of the Business and Multi-family Make Ready Program by the Commission.

Consistent with ChargePoint's initial comments, we encourage PGE to continually evaluate and improve its Business and Multi-family Make Ready Program and other forthcoming TE offerings to maximize value and meet nascent demand for charging services by multi-family site hosts and residents, such as by increasing incentive values to boost the deployment of EV chargers in underserved communities and by maintaining flexibility to increase the number of ports supported by the program. ChargePoint also urges PGE to consider rate solutions that allow multi-family chargers to take service under comparable rates as residential customers. ChargePoint looks forward to continuing to work with PGE, CUB, Staff, and other stakeholders to advance driver access to EV charging infrastructure in Oregon.

Sincerely,

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