



Transportation Bill Testimony

VPPSA Member Utilities



- **Barton Village**
- **The Village of Enosburg Falls**
- **Hardwick Electric Department**
- **Village of Jacksonville**
- **Village of Johnson**
- **Ludlow Electric Light Department**
- **Lyndonville Electric Department**
- **Morrisville Water & Light**
- **Northfield Electric Department**
- **Village of Orleans**
- **Swanton Village**

Transportation Bill: Goals of Section 11

- (a) This section serves to encourage efficient integration of PEVs and EVSE into the electric system and the timely adoption of PEVs and public charging through managed loads or time-differentiated price signals.
- Ensure new load is managed
 - Promote electric vehicle adoption

VPPSA supports transportation electrification and load management as a means to reduce ratepayer costs.

- Concerned that mandated rates may undermine, rather than support, least-cost planning.

Renewable Energy Standard

Tier 3 - Energy Transformation

- Allows for utility-specific approaches
 - To accommodate unique utility characteristics
- Encourages Beneficial Electrification
 - Increased kWh sales can reduce electric rates for all customers
- Requires **Best Practices** for Load Management
 - When “Energy Transformation Projects” increase load

2016 Comprehensive Energy Plan

“Plan carefully to meet all three tiers of the RES in a least-cost manner. Strive to lower both energy bills and electric rates.”

VPPSA Electric Vehicle Promotion

- **Providing Tier 3 Incentives**
 - \$1000 for the purchase or lease of an electric vehicle
 - \$500 for plug-in hybrids
 - \$400 adder for income qualified customers
 - \$500 rebate for publicly-available EVSE
- **Partnering to deliver State incentive program**
 - VPPSA distributes rebates to dealers and invoices VTRANS
- **Coordinating with Efficiency Vermont on Act 151/EEMA efforts**
 - Build customer awareness and dealer promotion of EVs
- **Pursuing custom opportunities in member territories**
 - Johnson electric bucket truck
 - Swanton electric motorcycle for police department
 - Exploring electric school bus opportunities for vehicle-to-grid (V2G)
- **Utility-owned Level 2 chargers in Swanton and Barton**

EV Adoption and Electric Rates

Utility <small>* Indicates VPPSA Member</small>	# Electric Vehicle Rebates	Tailblock Electric Rate	Equivalent Cost of a Gallon of Gas
Ludlow*	0	\$0.118	\$0.88
Orleans*	0	\$0.119	\$0.89
Swanton*	3	\$0.121	\$0.91
Northfield*	7	\$0.137	\$1.03
BED		\$0.148	\$1.11
Lyndonville*	11	\$0.150	\$1.12
Morrisville*	17	\$0.154	\$1.15
Johnson*	2	\$0.162	\$1.22
Enosburg*	2	\$0.168	\$1.26
GMP		\$0.169	\$1.26
Stowe		\$0.170	\$1.27
Hardwick*	16	\$0.179	\$1.34
VEC		\$0.182	\$1.36
Jacksonville*	1	\$0.186	\$1.39
Barton*	4	\$0.194	\$1.45
WEC		\$0.233	\$1.75

"Best Practices" for Load Management

- **Under 30 V.S.A. § 8005 (a)(3)(F), the Commission shall adopt rules:**
 - (viii) To ensure that, if an energy transformation project will increase the use of electric energy, the project incorporates best practices for demand management...
- **PUC Rule 4.400 implementing the RES requires:**

"a discussion of the available options for controlling load and their effectiveness and costs, the options the Provider is implementing and why, and whether the projected volume of Energy Transformation Projects warrants demand management activities;"
- ***Promoting the Ownership and Use of Electric Vehicles in the State of Vermont - PUC Report to the Legislature, June 2019.***

"Each distribution network is unique, and Vermont's distribution utilities will need to understand the pace and varying location of load growth associated with EV charging in order to plan to accommodate that growth."

VPPSA Load Management Activities

- **Rationale for load management**
 - Physical constraints on Distribution System Infrastructure
 - Reduce regional cost exposure (Capacity and Transmission)
- **3rd Party Load Management**
 - Piloting voluntary peak reductions through email notifications
 - Active management of water heater load found to be cost-prohibitive last year
- **Efficiency Vermont MOU**
 - Joint research project to address unique challenges faced by small, rural utilities
 - Expected to focus on load management
- **Active Discussions on Flexible Load Management**
 - EVT/DU/VELCO engaged on this topic
 - Possible development of a load management platform for Vermont Utilities

Least Cost Planning

- **30 V.S.A § 218c. Least-cost integrated planning**

(a)(1) A "least-cost integrated plan" for a regulated electric or gas utility is a plan for meeting the public's need for energy services, after safety concerns are addressed, at **the lowest present value life cycle cost, including environmental and economic costs**, through a strategy combining investments and expenditures on energy supply, transmission, and distribution capacity, transmission and distribution efficiency, and comprehensive energy efficiency programs."

- **Least-cost Integrated Resource Plan (IRP) for each utility filed with Public Utility Commission every 3 years.**

- Covers a 20-year planning horizon
- Provides a detailed load forecast
- Includes analysis of distribution system infrastructure
- Informs load management strategies

Concerns with Transportation Bill Language

- **Undermines Least-Cost Planning**
 - Artificial timeline may force utilities to implement specialized rates before it is cost-effective to do so
- **Overly prescriptive**
 - Does not account for utility-specific characteristics re: rates and EV adoption
 - May not be consistent with Tier 3 strategies
- **Raises implementation and equity concerns.**
 - Who pays for necessary software and metering infrastructure?
- **What if PUC can't find all criteria are met?**
 - What is reasonable contribution to fixed costs?
- **May reduce the potential ratepayer benefits of electrification**

Recommendations

- **Charge utilities and the Public Utility Commission with considering whether EV rates are in ratepayers' collective best interest.**
 - Require cost-benefit analysis
 - Allow for utility-specific considerations.
 - Require that EV rates are beneficial to ratepayers as a whole.
- **Change section 11 (b) to "shall consider"**
- **Change "June 30, 2024" in 11 (b) to "If and when it is cost-effective to do so"**
- **Avoid Overly Prescriptive Legislation**
 - Consider language to explicitly permit whole house Time of Use rates under 11 (d)
 - If a mandate is passed, consider a sunset provision.
 - Set broad policy to promote electric vehicles.
 - Allow utilities to achieve policies at lowest cost to ratepayers

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