



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

# Section 21 Goals

## Encourage:

- efficient integration of PEVs and EVSE into the electric system
- the timely adoption of PEVs and public charging
- **VPPSA supports transportation electrification and load management as means to meeting climate goals and reducing ratepayer costs.**
  - Promoting Vehicle Electrification through Tier 3 programs
- **Discussions around rates and rate design should take place within the framework of least-cost planning.**
  - Mindful of overall costs and cost shifting

# Concerns with Transportation Bill Language

- Undermines Least-Cost Planning Framework
  - Artificial timeline may force utilities to implement specialized rates before it is cost-effective to do so
    - There will be software, hardware, and labor costs associated with EV rates.
  - Does not require demonstration of cost-effectiveness or overall net ratepayer benefit
    - Costs of implementation may exceed savings
- *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.”

# Transportation Electrification - VPPSA EV Promotion

- **Providing Tier 3 Incentives**
  - \$1000 for the purchase or lease of an electric vehicle
    - \$400 adder for income qualified customers
  - \$500 rebate for publicly-available EVSE
- **Partnering to deliver State incentive program**
  - Processing rebates for VTRANS
- **Coordinating with Efficiency Vermont on Act 151 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 * Indicates VPPSA Member	# 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

- Rationale for load management
  - Avoid physical constraints on Distribution System Infrastructure
  - Reduce regional cost exposure (Capacity and Transmission Costs)
- 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 Renewable Energy Standard 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;”
- Need for Load Management is not exclusive to EVs

# 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



# Recommendations

- **Charge the Public Utility Commission with *considering whether EV rates are in ratepayers' collective best interest.***
  - Require cost-benefit analysis.
  - Allow for utility-specific considerations.
- **Change section 21 (b) “*shall implement*” to “*shall consider*”**
- **Change “June 30, 2024” in 21 (b) to “...if and when it is cost-effective to do so”**
- **Avoid Overly Prescriptive Legislation**
  - Set broad policy to promote electric vehicles.
  - Allow utilities to achieve policies at lowest cost to ratepayers.

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