

David J. Bonenberger Rhode Island Energy (RIE) 280 Melrose Street Providence, RI 02907

Terrence Gray Dep't of Environmental Management (DEM) 235 Promenade Street Providence, RI 02908 Ronald Gerwatowski Public Utilities Commission (PUC) 89 Jefferson Boulevard Warwick, RI 02888

Christopher Kearns Office of Energy Resources (OER) 1 Capitol Hill Providence, RI 02908 ·

September 6<sup>th</sup>, 2023

Dear Mr. Bonenberger, Mr. Gerwatowski, Mr. Gray, and Mr. Kearns;

Green Energy Consumers Alliance has appreciated the sessions hosted by Rhode Island Energy (RIE) this summer in which it updated stakeholders on its plans for an electric vehicle (EV) filing this fall. As you may know, Green Energy Consumers is a nonprofit organization working across Rhode Island and Massachusetts to speed the transition to a zero-carbon future. We have worked with thousands of people considering going electric and dozens of dealers selling EVs in the nearly seven years since we launched <u>our Drive Green program</u>. As transportation is the largest source of greenhouse gases in the Ocean State and access to charging is a critical barrier for many people considering EVs, **RIE's EV programming will be a key piece of Rhode Island's approach to meeting the emissions reduction mandate of the Act on Climate.** In this memo, we outline what we think RIE EV programs must include to result in adequate emissions reductions.

## 1. Make Ready and EV charging station incentives in *all* segments

We have been heartened to see RIE's plans include both Make Ready and Electric Vehicle Supply Equipment (EVSE) incentives for residential customers in Rhode Island, including higher levels of support for low- and moderate-income consumers. Drivers consistently cite the lack of EV charging and/or the cost of installing charging at home as a barrier to electrification, so offering incentives on both the infrastructure and hardware side of EVSE installation will facilitate greater EV adoption. We urge RIE to expand – and the PUC to approve – similar incentives in the public, workplace, and fleet segments. Cities and towns, nonprofits, fleets, multi-unit dwellings with more than five units, employers, and businesses will all need support to install charging. In Massachusetts, the Department of Public Utilities last year approved budgets totaling nearly \$400 million for National Grid, Eversource, and Unitil to offer such incentives in these segments.<sup>1</sup>

Expanding these programs to all segments is in all ratepayers' interests as the revenue generated by increased EV charging outweighs the costs of such programs. On this front, we refer you to a study<sup>2</sup> from Synapse Energy Economics on behalf of the Natural Resources Defense Council, which demonstrates that EV adoption has put a downward pressure on rates in three utility service territories in California and another study<sup>3</sup> on behalf of the Environmental Defense Fund demonstrating that Make Ready programs for fleets will not impact ratepayer bills.

We also recommend that a requirement of receiving Make Ready or EVSE support be participation in managed charging programs, which brings us to our second point.

## 2. Off-peak charging rebates that account for *all* the benefits of charging off-peak

RIE has included in its presentations plans to propose an off-peak charging rebate similar to the one National Grid instituted with a 5 cents/kilowatt-hour (kWh) discount in the summer and a 3 cent/kWh discount in the winter. Green Energy Consumers strongly supports off-peak charging rebates as a crucial tool to both incentivize EV adoption (through lower fuel costs) *and* prevent EVs from exacerbating peaks. We urge RIE to propose – and the PUC to approve – off-peak charging rebates that account for *all* of the benefits of off-peak charging to send a stronger price signal to consumers.

In calculating the 5 and 3 cent/kWh discounts, National Grid only accounted for the difference in the supply or generation costs of peak- and off-peak times. However, there are many more benefits to shifting load off peak: avoided transmission and distribution costs, avoided emissions and emission costs, avoided reliability costs, avoided costs due to induced price effects, and non-energy benefits. When Applied Economics Clinic analyzed<sup>4</sup> National Grid's identical off-peak charging rebate program in Massachusetts, they found that accounting for all these benefits would increase the rebate to 13 or 15 cents/kWh, concluding "implementing a rebate value that includes a complete set of benefits would eliminate a cross-subsidy from EV owners to non-EV owners while at the same time providing an incentive to adopt critical

<sup>&</sup>lt;sup>1</sup> Learn more on our blog at: <u>https://blog.greenenergyconsumers.org/blog/400-million-for-electric-car-charging-in-massachusetts</u>

 <sup>&</sup>lt;sup>2</sup> Available at: <u>https://www.nrdc.org/sites/default/files/media-uploads/ev\_impacts\_december\_2022\_0.pdf</u>
<sup>3</sup> Available at: <u>https://www.synapse-</u>

energy.com/sites/default/files/Synapse%20MHDV%20Integration%20Costs%20Final%20Report.pdf

<sup>&</sup>lt;sup>4</sup> Analysis available at: <u>https://aeclinic.org/publicationpages/2022/1/6/testimony-on-off-peak-charging-rebates-in-massachusetts</u>

emission reductions in the transportation sector." We urge RIE to include a value for each of these benefits in calculating the off-peak charging rebate.

## 3. Close consideration of demand charges

The business case for DC Fast Charging stations (and large banks of Level 2 charging stations) is financially untenable for many site hosts as the result of high demand charges. Historically, National Grid approached this issue by creating a program that would waive the demand charges for several years. We encourage Rhode Island Energy to take a different approach, as uncertainty about the pace of EV adoption may make site hosts wary of a demand charge several years down the line. Instead, we encourage RIE to consider alternatives, such as incentives to co-locate solar and storage with DC Fast Charging, or a demand charge rebate that decreases as load factor increases, as was recently approved by the Department of Public Utilities in Massachusetts.

## 4. Programs for pole-mounted chargers

Finally, we support RIE's plan to propose programs to facilitate pole-mounted EV chargers. Many residents of Rhode Island do not have access to off-street parking and will rely on public charging to make the switch to an EV. Pole-mounted chargers are one way to make charging available on-street, particularly in dense urban areas.

We believe this combination of interventions – comprehensive Make Ready and EVSE incentives in all sectors, properly calculated off-peak charging rebates, options to address demand charges, and innovative solutions like pole-mounted chargers – will be needed to achieve the Act on Climate emissions reduction requirements. These efforts will complement the state's rebate program for the vehicles themselves, DRIVE, and prepare the state for adoption of EVs at the pace required by the Advanced Clean Cars II standards. They will make it possible for more drivers to go electric, particularly those of lower income for whom the cost of installing or the difficulty of finding charging currently presents a barrier.

Thank you for your attention to this important matter.

Sincerely,

Amanda Barker

Amanda Barker RI Policy Advocate amanda@greenenergyconsumers.org