



New York Battery and Energy Storage Technology Consortium, Inc.

VIA ELECTRONIC FILING

June 3, 2022

Hon. Michelle L. Phillips
Secretary
New York State Public Service Commission
Empire State Plaza, Agency Building 3
Albany, New York 12223-1350

**Re: CASE 22-E-0236 - Proceeding to Establish Alternatives to Traditional Demand
Based Rate Structures for Commercial Electric Vehicle Charging**

Dear Secretary Phillips:

The New York Battery and Energy Storage Technology Consortium ("NY-BEST") submits these reply comments in relation to the NYS Department of Public Service Commission's Notice Soliciting Comment regarding the establishment of a commercial tariff to facilitate faster charging for eligible light duty, heavy duty, and fleet electric vehicles issued on April 21, 2022.

We appreciate the opportunity to share these reply comments. We can be reached at info@ny-best.org or by phone at 518-694-8474. Thank you.

Sincerely,

A handwritten signature in black ink that reads "William Acker".

Dr. William Acker
Executive Director

NY-BEST Reply Comments
CASE 22-E-0236
Proceeding to Establish Alternatives to Traditional Demand Based Rate Structures
for Commercial Electric Vehicle Charging

The New York Battery and Energy Storage Technology Consortium (“NY-BEST”) submits these comments in reply to comments filed in relation to the NYS Department of Public Service Commission’s Notice Soliciting Comment regarding the establishment of a commercial tariff to facilitate faster charging for eligible light duty, heavy duty, and fleet electric vehicles issued on April 21, 2022.

NY-BEST is a not-for-profit industry trade association with a mission to grow the energy storage industry in New York. We act as a voice of the energy storage industry for more than 180 member organizations on matters related to advanced batteries and energy storage technologies. NY-BEST is expanding its work into the transportation electrification space as we see the significant opportunity to integrate electric vehicles (EV) onto the grid through dynamic vehicle grid integration strategies. EVs will soon represent a large storage resource on New York’s grid and, when connected to bi-directional chargers, can support the integration of wind and solar necessary to decarbonize the electricity sector. Our membership includes global corporations, start-ups, project developers, leading research institutions and universities, and numerous companies involved in the electricity and transportation sectors.¹

Introduction

The recently adopted New York State Public Service Law (PSL) §66-s requires the Commission to establish a commercial tariff utilizing alternatives to traditional demand-based rate structures to facilitate faster charging for eligible light duty, heavy duty, and fleet electric vehicle. Under the law, the Commission is required to “evaluate the relative costs and benefits of proposed solutions, and such solutions must include, at a minimum:

- a. technology-agnostic solutions so long as such solutions would not have the effect of discouraging innovation;
- b. mechanisms to enable customers with fast electric vehicle charging for eligible light duty, heavy duty, and fleet electric as their largest source of energy demand to opt into solutions without unreasonable delay;
- c. solutions for both existing and new customers;
- d. mechanisms that would provide cost relief for customers during each combination gas and electric corporation monthly billing period; and
- e. combination gas and electric corporation service territory-specific solutions

¹ NY-BEST comments represent the interests of the organization as a whole and not the views of any one particular member. Our members have diverse interests and the organization’s views are intended to be reflective of the energy storage industry collectively and to support the organization’s goals to grow the energy storage industry in New York.

The Commission, in furtherance of PSL §66-s, issued a Notice seeking comments and proposals for alternatives to the Commission's previously approved demand-charge program. In the Notice, the Commission posed several questions for stakeholders to consider and provide responses. NY-BEST provided comments and responses to the Notice on May 23, 2022.

NY-BEST has reviewed the comments filed by parties in response to the Commission's request and herewith offers our reply comments.

Response to Comments

NY-BEST appreciates the time and attention paid by the numerous organizations in preparing and submitting comments in response to the Commission's request, and, by and large, notes significant alignment of many of the principles outlined in comments with our submission and the general principles we outlined therein.

Specifically, in our original comments, NY-BEST offered strong support for rate design that recognizes and allocates costs associated with EV charging in ways that encourage EVSE deployments and maintain the cost advantage per mile of electricity over fossil fuels. NY-BEST views appropriate allocation of cost as important because it properly incentivizes technology solutions such as energy storage co-located with EVSE, automated load management as well as consumer behaviors that are desirable from a grid management perspective. We note general alignment with this approach to rate design in comments provided by the Joint Utilities, Con Edison, Chargepoint, Powerflex, EDF, the Alliance for Transportation Electrification, NYPA, The City of New York, Tesla, Nuvve Holding Corporation, and Electric Era.

NY-BEST agrees with and supports the statement from the Joint Utilities that "rate designs which are not based on cost causation principles do not send accurate price signals to EV station operator customers and could have the unintended effect of increasing infrastructure costs for all utility customers."

In our comments, NY-BEST further recommended tariffs that significantly narrow the demand charge period to coincide with system peak hours, e.g. 2-6 PM in many areas ("Peak Demand Period"). We recommended this narrower Peak Demand Period be set to coincide with system peaks to more fairly allocate costs of charging during system peaks. With numerous stakeholder comments in support of demand charges as a preferable approach to rate design, NY-BEST's recommendation provides a useful refinement to existing demand charge approaches. Narrowing the peak demand period to fewer hours would accelerate deployment of EVSE given that EV charging would be more economical over more hours of the day potentially improving utilization rates while also encouraging the use of solutions to provide access to affordable charging during these shorter demand windows for inflexible EV charging use cases.

This approach is likely to require utilities to perform more granular cost allocation in order to develop appropriate rates and define the most appropriate hours for the narrower

demand charge window. Doing so would align with recent decisions from the Commission relative to cost allocation for standby and buyback service rates.²

Several commenters, among them Electric Era and Nuvve Holding Corporation, provided insights on an array of solutions that the private sector can deploy to address peak demand from inflexible EV charging during peak demand periods, such as co-locating storage and/or renewable generation with EVSE, charging control methods and more. Such solutions require durable price signals to most effectively support financing and deployment, and tariff-based solutions provide this durable framework.

Some commenters, including Electrify America and MTA, expressed concern and opposition to the use of demand charges for commercial EV rate design. It is important to recognize that present utility commercial tariffs generally impose a 14-hour demand charge window. This is far too long to be effectively managed by either most technical solutions or by adjustments to EV charging behaviors. A significantly narrower demand charge window of four hours creates opportunities to manage the demand charge costs resulting in both improved economics of charging and reducing the strain on the electricity grid during system peaks.

Present demand charges for existing commercial tariffs available to EV charging service providers are also generally determined by the single peak 15- or 30-minute period within an entire month. This creates an “all or nothing” challenge for low utilization charging equipment. In addition to narrowing the demand charge time, consideration should also be given to applying a methodology of daily-as-used demand charges that are used in standby rates where the demand charge is the sum of the value for each day rather than a single day’s peak setting the charge for the entire month. Under the standby rate style of demand charges a few days with high peak loads will have less economic impact on the EVSE electricity cost and will likely be more favorable to the adoption of EV fast chargers.

NY-BEST notes that there are comments from several parties—including the Joint Utilities, Con Edison, Chargepoint, the Alliance for Transportation Electrification, NYPA, the MTA, and others—that support consideration of time of use (TOU) rates. Such rates, if designed to reflect the full differential of the cost to produce and deliver energy by time of day and season can provide strong incentives for EVSE providers and affordable charging opportunities for EV drivers. To have optimal impact, these rates should be easy to understand and encourage EV charging during periods of excess grid capacity—thereby increasing overall load factors and creating value for all New York ratepayers.

As noted in comments from EDF, Nuvve Holding Corporation, and the City of New York, among others, good rate design should position the energy system to adopt prosumer and bi-directional technologies such as vehicle-to-grid (V2G) that will become increasingly important to New York State’s evolving grid and the drive to meet the state’s climate goals as codified in the Climate Leadership and Community Protection Act.

² CASE 15-E-0751 - ORDER ESTABLISHING AN ALLOCATED COST OF SERVICE METHODOLOGY FOR STANDBY AND BUYBACK SERVICE RATES AND ENERGY STORAGE CONTRACT DEMAND CHARGE EXEMPTIONS

Finally, NY-BEST supports the numerous comments that call for flexibility in the approach to rate design that stays clear of “one size fits all” solutions. To best meet needs and differences among customer types, locations, local grid considerations and an evolving landscape for EV adoption and EVSE deployments, flexibility and frequent review of the scale and pace of EV charger deployments will be required. NY-BEST is in strong agreement with the need for optionality and flexibility in the Commission’s approach to crafting the best approach to EVSE deployment across the State.

Conclusion

NY-BEST appreciates the opportunity to review and comment on the thoughts and approaches outlined by the commenters in this matter. We appreciate your consideration of these reply comments and stand ready to assist Department Staff should you have any questions about our comments and recommendations.