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VIA ELECTRONIC FILING

Andrew S. Johnston, Executive Secretary Public Service Commission of Maryland William Donald Schaefer Tower 6 St. Paul Street, 16th Floor Baltimore, MD 21202

<u>Re: Case No. 9478 – EV Phase II Program Proposal of the Potomac Edison</u> <u>Company</u>

Dear Secretary Johnston:

Please find enclosed for filing pursuant to the Maryland Public Service Commission's ("Commission") Order No. 91297 in Case No. 9478 the Electric Vehicle ("EV") Phase II Program proposal of the Potomac Edison Company ("Potomac Edison" or "Company"). Due to Commission guidance and recommendations articulated in Order No. 91297, the Company hereby withdraws, in its entirety, its previously filed proposal made on March 1, 2024 at Maillog No. 307940 ("March 1 Proposal"), and replaces the March 1 Proposal with the attached EV Phase II Program proposal.

Additionally, while discussing PE's request to extend certain Phase I programs at the November 20, 2024, Administrative Meeting, Potomac Edison committed to provide an update on the utility-owned EVSE stations installed at the Rocky Gap Resort and Casino in Flintstone, Maryland that were inoperable at the time. As of Friday, December 6th, these stations were returned to service and remain operational at the time of this filing.

Respectfully submitted,

Daniel A. Garcia Attorney

DAG:mlr Cc: Case 9478 Service List

BEFORE THE PUBLIC SERVICE COMMISSION OF MARYLAND

IN THE MATTER OF THE PETITION	*		
OF THE ELECTRIC VEHICLE WORK	*		
GROUP FOR IMPLEMENTATION OF	*	CASE NO. 9478	
A STATEWIDE ELECTIC VEHICLE	*		
PORTFOLIO	*		
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EV PHASE II PROGRAM PROPOSAL OF THE POTOMAC EDISON COMPANY

For reasons discussed herein, the Potomac Edison Company ("Potomac Edison" or "PE" or "Company") hereby submits to the Maryland Public Service Commission (the "Commission") its proposal for Phase II of EV Driven ("Phase II Proposal"), the Company's electric vehicle ("EV") charging program. In addition, the Company hereby withdraws, in its entirety, its previously filed proposal made at Maillog ("ML") No. 307940 on March 1, 2024.

In Order No. 88997, issued on January 14, 2019, the Commission approved a suite of EV programs that constituted Phase I implementation of a statewide EV portfolio with an end date of December 31, 2023. On August 1, 2023, Potomac Edison filed its Semi-Annual EV Pilot Program Progress Report, wherein, the Company requested certain programs be extended as bridges for Phase I continuity and requested additional funds to continue certain Phase I programs. On October 11, 2023, the Commission issued a Letter Order approving Potomac Edison's request for additional funds to continue certain Phase I programs, with certain modifications.¹ On August 23, 2024, the Commission issued Order No. 91297, which reviewed the efficacy of Phase I programs,

¹ Letter Order to The Potomac Edison Company noting the filing of its Electric Vehicles Semi-Annual Progress Report. Case No. 9478 (ML 305534). Order entered on October 11, 2023.

offered guidance and recommendations related to Phase II proposals, and mandated the filing of Phase II proposals within 120 days of the effective date of the Order.² Further, the Commission's recommendations and guidance in Commission Order No. 91297 were the impetus for the full withdrawal of Potomac Edison's March 1 Proposal and replacement with the instant Phase II Proposal. On October 15, 2024, due to the recommendations and guidance provided in Order No. 91297, the Company requested that certain Phase I programs be extended until the earlier of either June 30, 2025, or the date on which the Commission issues an order on Phase II.³ The Commission approved this request on November 20, 2024.⁴

PE's current suite of EV programs have educated customers about the benefits and opportunities associated with EVs and EV charging, and they have resulted in the deployment of additional EV charging infrastructure across the PE service territory. Through this filing, PE requests a continuation for certain previously approved programs, as well as approval to offer certain new EV programs in order to better align with current market conditions, provide further benefits to customers, and support Maryland's state policies promoting transportation electrification.

I. EXECUTIVE SUMMARY

Through this filing, Potomac Edison requests a continuation of certain previously approved program elements included within the Company's Phase I program and is requesting approval to offer certain new program elements that better align with evolving EV charging needs, provide further benefits to customers, advance Maryland's policies promoting transportation

² Order on Electric Vehicle Pilot Phase I Evaluation and Next Steps. Commission Order No. 91297, Case No. 9478 (ML 311881). Order entered on August 23, 2024 ("Commission Order No. 91297").

³ Phase I Electric Vehicle Charging Program Offerings Bridge Proposal of the Potomac Edison Company. Case No. 9478 (ML 312905).

⁴ Letter Order to The Potomac Edison Company Approving Request to Extend Two Phase I Electric Vehicle Programs. Case No. 9478 (ML 313718). Order entered on November 20, 2024.

electrification, reduce greenhouse gas emissions, and comply with the requirements, guidelines, and recommendations of Commission Order No. 91297 which mandates this filing. Specifically, this filing directly addresses the Commission decision in the following ways:

- It excludes the residential rebate program that was approved in Phase I;⁵
- It excludes any residential data sharing incentives;⁶
- It explains how residential charging data will be acquired for future planning;⁷
- It includes a managed charging program element;⁸
- It includes integration for net metering customers into the EV Charger Time of Use ("EV Charger TOU") Rider and managed charging programs;⁹
- It excludes the expansion of Company-owned and operated program with the exception of multifamily housing ("MFH")¹⁰ locations in underserved communities;¹¹
- It includes infrastructure incentives and a charging as a service ("CaaS") offering for MFH charging;¹²
- It includes technical assessments, make-ready incentives, and charger rebates for fleets;¹³

⁵ Commission Order No. 91297, p. 3, lines 13-18.

⁶ *Id.*, p. 4, lines 7-11.

⁷ *Id.*, p. 4, lines 12-14.

⁸ *Id.*, p. 11, lines 9-13.

⁹ *Id.*, p. 7, lines 6-8; p. 12, lines 2-6.

¹⁰ The Company has elected to use of the term "Multifamily Housing" in the instant Phase II proposal rather than "Multi-Unit Dwelling" to be consistent with the Maryland Department of Housing and Community Development. ¹¹ Commission Order No. 91297, p. 13, lines 15-18.

¹² *Id.*, p. 16, lines 12-15.

¹³ *Id.*, p. 18, lines 20-24; p. 19, lines 3-7.

- It explains how the Company is preparing for future medium-heavy duty vehicle ("M/HDV") load;¹⁴ and
- It recognizes the Commission's recommendation on cost recovery.¹⁵

The proposed budget for the Company's Phase II program is \$10.3 million distributed over a five-year term and includes five program elements: Residential program element, Companyowned and operated program element, MFH and Public program element, Fleet program element, and Grants program element, which are summarized below in Table 1 and further described in greater detail in the following sections of this application.

Element No.	Program Element	Description	Status ¹⁶
1	Residential	EV Charger TOU Rider	Existing
		Managed Charging	New
2	Company-Owned &	DCFC Connector Upgrade	Existing
Operated	Level 2 at Underserved MFH	Existing	
3	MFH & Public	MFH Incentive	Existing
		Charging-as-a-Service	New
		Residential Rate Comparability	New
4	Fleet	Site Assessments	New
		Make Ready & EVSE Incentive	New
5	Grants	Grant Assistance	New

 TABLE 1: PROGRAM ELEMENT SUMMARY

The Residential program element will continue to offer the EV Charger TOU Rider. The eligibility requirements for the EV Charger TOU Rider will be expanded to include customers who have elected the Net Energy Metering Rider, Net Energy Metering Virtual Meter Aggregation

¹⁴ *Id.*, p. 18, line 24; p. 19, lines 1-2.

¹⁵ *Id.*, p. 20, lines 21-24; p. 21, lines 1-3.

¹⁶ As an existing program element, MFH will be served through existing program management resources. New program management resources are solely allocated to new program elements. A benefit cost analysis is provided in this application as new incentives will be granted under the MFH program.

Service and/or the Community Solar Energy Generation Systems Pilot Program. A Managed Charging pilot will also be added as an option for residential customers. The new and revised tariff pages associated with these programs are attached hereto as Exhibit A. Potomac Edison respectfully requests that both the revisions to the EV Charger TOU Rider and the new Managed Charging Pilot Rider be made effective six months after an order is issued on this proposal, presuming they are otherwise approved as filed.

The Company-owned and operated program element will be maintained with the existing electric vehicle supply equipment ("EVSE") count and twenty direct current fast charger ("DCFC") ports will be upgraded to the newer North American Charging Standard ("NACS") connector. The Company-owned and operated program element will offer Company-owned and operated chargers at MFH locations in underserved communities until this budget is exhausted and will cover maintenance, networking and net electricity costs for all Company-owned and operated chargers. The Phase II MFH and Public program element will continue to include the MFH EVSE incentive included in Phase I. Phase II will introduce the CaaS offering that is available to MFH as well as publicly accessible locations such as retail and hospitality, which better aligns with market requirements and shifts a portion of cost responsibility to applicants. To address the needs of local, state, and federal fleets within the PE service territory, the Company proposes a new program element that intends to provide fleet assessments and incentives that reduce the upfront cost of make ready and EVSE investments. The Company is proposing a new grants program element that will offer assistance to entities seeking to obtain funding sources available through governmental grants. These program elements will be supported by program management and administration resources which include program management staff, outreach and education, and evaluation, measurement, and verification ("EMV"). The results of a benefit-costs analysis for all program elements using the Maryland jurisdictional-specific test ("JST") is provided in Section II. The combined JST for the Phase II portfolio is 1.42.

II. POTOMAC EDISON'S EV DRIVEN PHASE II PROPOSAL

1. Residential

a. EV Charger TOU Rider

Potomac Edison will continue offering residential customers the option to enroll in the EV Charger TOU Rider as currently described in the existing tariff. The EV Charger TOU Rider is a voluntary program that provides a credit of two cents per kilowatt-hour ("kWh") off the Electric Supply Charge for EV charging during off-peak hours and a two cents per kWh charge added to the Electric Supply Charge for EV charging during on-peak hours.¹⁷ At this time, the credit and charge will both remain at two cents per kWh and Potomac Edison will review this rate in 2025.

The Company will expand this program element to allow customers who have elected the Net Energy Metering Rider, Net Energy Metering Virtual Meter Aggregation Service and/or the Community Solar Energy Generation Systems Pilot Program the ability to participate in the EV Charger TOU Rider. System upgrades will be made to ensure customers are not receiving any additional charge or credit when they have no net usage during the billing cycle. At this time, the Company is not proposing to remove any additional eligibility requirements.

The cost of offering the EV Charger TOU Rider, which includes enrollment and ongoing usage data management, is approximately \$90 per vehicle per year based on the current costs for administering this program adjusted for inflation. Considering current and projected enrollments over the five-year period of the program, the Company estimates total enrollment of 10,032 customers and a total cost to administer these accounts of \$2,082,000. This cost includes

¹⁷ The EV Charger TOU Rider is contained within the Company's Electric Service Tariff and available at <u>https://www.firstenergycorp.com/content/customer/customer_choice/maryland/maryland_tariffs.html</u>.

administering existing accounts on the EV Charger TOU Rider and 8,475 new accounts ratably added based on a compound monthly growth rate of 3.15%¹⁸ during the five-year program beginning January 1, 2025. Budgeted administration costs are based on 4,600 EV Charger TOU accounts effective over the full-term of the five-year program which is the average of the annual enrollment targets for each year. Those targets are 2,260 total participating EVs at year-end 2025; 3,280 total participating EVs at year-end 2026; 4,760 total participating EVs at year-end 2027; 6,910 total participating EVs at year-end 2028; and 10,030 total participating EVs at year-end 2029. The enrollment target was calculated by assuming a target of 8% of registered EVs in PE's service territory enroll in the EV Charger TOU Rider and that EV registrations in PE's service territory maintain the 3.15% compound monthly growth rate. PE plans to achieve this target by implementing its plan to remove restrictions to enrollment eligibility that were previously outlined as well as promoting the EV Charger TOU Rider through the activities outlined in the Outreach and Education section of the Application.

The EV Charger TOU Rider requires data exchange from equipment that is not owned by the utility in order to properly bill and administer the program. This additional layer of data and analysis requires a third-party service that can aggregate and summarize data from the various qualifying EVSE and telematics that is above and beyond what is needed for traditional enrollment in tariff rates. As such, the Company views the EV Charger TOU Rider and recovery of its expenses as a program element specific to its EV Driven filings.

b. Managed Charging

Potomac Edison will offer residential customers who have an approved Level 2 EV charger

¹⁸ The 3.15% compound monthly growth rate was calculated based on growth in EV registrations for ZIP codes in Potomac Edison's service territory as published by the Maryland Department of Transportation and Maryland Motor Vehicle Administration (*https://opendata.maryland.gov/Transportation/MD-MDOT-MVA-Electric-and-Plug-in-Hybrid-Vehicle-Re/tugr-unu9/about_data*)

installed, or approved vehicle with capable telematics, the option to participate in the voluntary Managed Charging pilot based on the charging data received from the customer's qualified Level 2 EV charger. The Managed Charging pilot will be available to eligible residential customers receiving Standard Offer Service ("SOS") under Schedule R. Participating customers will receive a ten-dollar credit per month for each billing cycle they maintain within the threshold of the pilot's criteria, as discussed below. The ten-dollar monthly credit was chosen to provide customers with an easily understandable and quantifiable benefit to participating in the Managed Charging pilot. The credit will compensate customers for the benefits of moving their charging activity to off-peak hours and balancing the aggregated participant charging load such as wholesale savings, the potential for deferred future distribution and transmission investment, and the potential for increased future benefits based on having a developed, scalable program that could result in significant energy shifts and demand reduction should transportation electrification continue at an accelerated pace. The incentive amount is also reflective of the midpoint of managed charging programs offered by utilities across the country.

Upon enrollment, the customer will provide information on commuting habits and create a schedule that will allow the managed charging service provider to control the time when the enrolled EV can be plugged in and charged. The managed charging platform will schedule the charging for the EV to: (1) not conflict with transmission network or local distribution system peaks; (2) flatten the aggregate load impact of participating customers' EV charging to the Company's distribution system; and (3) allow for the customer to have enough of a charge for their driving needs based on their provided commuting habits. The customer will have the ability to override the preset schedule, however more than four overrides within one billing cycle will disqualify the customer from being eligible for the credit for that billing cycle.

As prescribed in Commission Order No. 91297,¹⁹ new Managed Charging program enrollments will default into the EV Charger TOU Rider prior to being approved for the Managed Charging pilot, however, as of this filing, the ability to auto-enroll customers participating in the Managed Charging pilot into the EV Charger TOU Rider is not available. Once this capability is available, PE will no longer require the customer to enroll in the EV Charger TOU Rider prior to applying for the Managed Charging pilot but will instead auto-enroll the customer in the EV Charger TOU Rider once the customer is approved for participation in the Managed Charging pilot.

All eligible residential customers who purchase their SOS generation supply through PE will be eligible to participate in the Managed Charging pilot. Customers who purchase their generation supply through a third-party retail supplier will not be eligible for the Managed Charging pilot since these customers would not be eligible to participate in the EV Charger TOU Rider and would therefore not be able to satisfy the EV-only TOU enrollment and opt out requirement set by the Commission.²⁰ Data will be retrieved in alignment with the current billing cycle so that credits are appropriately applied for the period in which they occurred.

The cost of offering the Managed Charging pilot, including enrollment and ongoing usage data management, is \$130 per vehicle per year based on third-party pricing. Considering projected enrollments over the five-year period of the program, the Company estimates a baseline enrollment of 1,000 customers. This enrollment number is the initial target to gain experience in managed charging as this type of program is new to the Company. The 1,000 customer target represents enrolling approximately 20% of the EV Charger TOU Rider participating EVs in the Managed Charging pilot and, by extension, approximately 2% of EVs registered in PE's service territory.

¹⁹ Commission Order No. 91297, p. 11, lines 1-6.

²⁰ Id., p. 11, lines 2-4.

PE plans to achieve this target by executing a targeted campaign to customers already participating in the EV Charger TOU Rider as well as promoting the Managed Charging pilot through the activities outlined in the Education and Outreach section of the Application. The incentives and vendor costs for the Managed Charging pilot total \$1.25 million.

2. Company-Owned and Operated

a. DCFC Connector Upgrade

Each of the Company's 20 DCFC ports deployed during Phase I contains two connectors: one Combined Charging System ("CCS") connector and one CHAdeMO²¹ connector, for a total of 40 connectors. In recent months nearly every automotive original equipment manufacturer has announced plans to abandon both CCS and CHAdeMO in favor of the plug known by the technical name J3400 and informally as NACS or Tesla (the developer of this plug). While adapters are available, native connectors work more consistently on DCFC and improves the customer experience. With the shift to the J3400 connector, EV Driven DCFC will reflect the significant change in the marketplace by providing connectors which serve the vast majority of new EVs.

While supporting the transition to the J3400 connector and based on a review of the usage from the current connectors installed, the Company will remove both CHAdeMO connectors at each site and replace them with two J3400 connectors so that each location will be configured with two J3400 connectors and two CCS connectors. This configuration will allow redundancy in the two most used port types, while the CHAdeMO, which has only accounted for approximately 3.5% of total energy delivered at the DCFC stations, will be phased out. While PE previously indicated its preference for keeping one CCS and one CHAdeMO port at each two-port DCFC station, the

²¹ "CHAdeMO" is an abbreviation of "CHArge de MOve," equivalent to "charge for moving." See https://www.chademo.com/faq.

Company was convinced by stakeholder feedback in the Public Conference 44 ("PC44") Electric Vehicle Work Group that the increased CCS redundancy of this configuration better serves EV drivers in PE's territory.

The Company will replace a total of 20 connectors at a cost of \$3,500 each for a total program budget of \$70,000.

b. Level 2 EVSE at Underserved MFH Communities

In accordance with PUA § 7-903, PE will continue to offer MFH in underserved communities the option for PE to install, own and operate Level 2 EVSE for residential use.

The Commission previously approved, in Order No. 90036, seven dual-port Level 2 EVSE to be installed under this program element and three such dual-port units are currently installed. By Letter Order dated October 11, 2023,²² the Commission extended the Company-owned and operated EVSE offering through the end of 2025 on the condition that additional Company-owned and operated EVSE be deployed only to MFH sites located in underserved communities.²³ As such, Potomac Edison will continue to offer to install, maintain, and operate the remaining four previously approved dual-port Level 2 EVSE to be located in underserved communities.

The cost for each Company-owned and operated Level 2 EVSE port is estimated at \$15,000 for a total budget of \$120,000 for eight ports. Costs for networking and maintenance for these eight ports are included in the "Maintenance, Networking, and Electricity" budget.

c. Maintenance, Networking, and Electricity Costs

Maintenance of EVSE is a matter of the utmost importance because customers rely on

²² Semi-Annual Progress Report of the Potomac Edison Company Regarding the Implementation of Approved Electric Vehicle Charging Program Offerings. Case No. 9478 (ML No. 304389). Commission approved via Letter Order issued on October 11, 2023 at ML No. 305534.

²³ The Letter Order referred to rebates, though discussion at the Administrative Meeting referenced Company-owned and operated EVSE. On November 8, 2023, the Company submitted a letter confirming this point. *See*, ML 306251.

EVSE operating as intended so that they can reach their destinations.

To continue a high degree of EVSE uptime during Phase II, PE plans to continue its contract with ChargerHelp!, the current maintenance provider for the Company-owned and operated EVSE. This provider will conduct routine preventative maintenance, address station issues, and interact with the charging station management system for purposes of identifying, tracking, and reporting on data related to the EVSE's operation and reliability.²⁴

The proposed EV Driven Phase II budget continues to include the cost for the electricity bills of its Company-owned and operated EVSE, net of revenues from charging services provided to EVSE users.

The budget for a maintenance and service provider is \$177,040 per year over five years totaling \$885,200. The budget for networking is \$81,760 per year over five years totaling \$408,800. The budget for electricity bills net of EV charging sales revenue is estimated to be \$48,500 per year over five years totaling \$242,500.

PE understands there is some concern among stakeholders that Company-owned and operated EVSE do not produce enough revenue from charging operations to offset their associated utility bills and other costs. While the Company is taking steps to close this gap including reviewing rates charged to drivers at L2 and DCFC stations, PE maintains that equitable access to EV charging including in areas where private development has yet to substantially occur has always been a main goal of the Company-owned and operated program. If stations that have lower utilization are eliminated, many of the communities the program has intended to reach would again be at risk of being left behind in the energy transition.

3. MFH & Public Charging

²⁴ The charging station management system is the software which supports capabilities such as providing the status and condition of the EVSE (e.g., EVSE port status), displaying pricing, validating a customer, and collecting payment.

a. MFH Incentive

PE is continuing to offer MFH communities incentives of 50% of the cost to purchase or lease equipment and installation, up to \$5,000 per port, to install an eligible "smart" Level 2 EVSE or DCFC with a site maximum amount of \$20,000. These incentives are available on a first-come, first-served basis.

In Phase II, the Company will also add a "clawback" provision requiring recipients to return incentives in the event participating EVSE are removed, fall into disrepair, or stop providing data within the first five years from when the incentive was paid. Under this provision, if an EVSE installed with incentive funds is removed, becomes inoperable, or stops providing data, the Company will seek to have a pro-rata portion of the provided incentive returned. Any amount that is clawed back from the recipients will be returned to the program budget.

The incentive amount is set at a maximum of \$5,000 per port for a total of 50 ports and a program budget of \$250,000.

b. *Charger-as-a-Service*

It is widely recognized that EV drivers require ubiquitous and reliable charging infrastructure, both at home and while traveling. During Phase I, the Company has learned that many would-be site hosts, including publicly accessible locations such as retail hospitality and MFH communities, were discouraged from installing EVSE due to concerns over project cost as well as the complexity of identifying and evaluating suitable charging hardware and software and then navigating the design, permitting, installation, and operation processes.

To address these concerns, Potomac Edison proposes to assist commercial customers with managing the cost, confusion, and uncertainty of installing EVSE by utilizing the CaaS framework. CaaS seeks to relieve businesses, landlords, and homeowner associations ("HOAs") from the financial and operational burden of deploying EVSE by providing incentives to site hosts to pay for a third-party service plan. These service plans will include the cost of the EVSE, as well as ongoing networking and maintenance. As explained in more detail below, a key feature of the program design requires the recipient to maintain an operational charger before receiving incentives, which will help ensure that the Company is only funding EVSE that are well maintained.

CaaS will be available to customers who desire EV charging on commercial property which is open to the public (such as shopping centers, quick-serve restaurants, and hotels) or which serves MFH communities.

CaaS offers customers the ability to spread costs over five years. The prevailing commercial model upon which this program is based entails the customer first paying the cost of installation (excluding the EVSE) and then paying a service provider - who ultimately holds title to the EVSE and arranges for or directly provides networking and maintenance.

CaaS is well-suited to the PE service territory because it does not require a national or "name-brand" provider. A key benefit to both customers and service providers is that CaaS can be provided by small local businesses in central and western Maryland who understand the needs of their local customers, who also currently provide similar services such as lighting, electrical, and security systems and can respond quickly to any service needs.

Recognizing the importance of a site-host having a vested interest when incentive funds are provided, under this program the site-host will be responsible for the cost of construction and installation, which is estimated to be approximately half of the total project cost over five years. Upon a showing that a customer has entered into a CaaS contract and the EVSE is installed, energized, and reporting data, the Company will begin issuing quarterly incentive payments of up to \$500 to the customer, with the incentive designed to be equivalent to the market cost of CaaS.

Customers are incentivized to maintain the EVSE and to ensure vendors address any service or reporting issues. Should any EVSE not report data, the Company has the ability to stop the incentive payments to the customer. This aligns both customer and Company goals and ensures the community continues to receive value from these incentives.

The Company will offer CaaS incentives for up to 100 Level 2 EVSE ports at a cost of \$10,000 per port over five years, resulting in a total cost of \$1 million.

c. Residential Rate Comparability

MFH communities range from townhomes to garden apartments to high-rises and are diverse in their management and ownership structures. A commonality across many scenarios is that residents do not own their parking spaces and/or cannot physically connect an EVSE at their parking space to their individually metered home electrical service.

The result is that EVSE at MFH communities are typically on a commercial rate which can include a demand charge; and because EVSE utilization is often low, these drivers can pay more per kWh than drivers who live in single-family homes that are billed on a residential rate without demand charges.

To address this disparity, the Commission ordered the Exelon utilities to develop a new rate for EV charging at MFH that is more "appropriate" for personal-use vehicles and "shifts away from demand charges."²⁵

The Company participated in the PC44 Electric Vehicle Workgroup and developed a separate rate for EVSE at MFH locations which is comparable to the residential rate under Schedule R, including the TOU option. The new rate excludes demand charges and will be

²⁵ Order on Electric Vehicle Demand Charge Relief Program, Commission Order No. 90984, Case No. 9478 (ML 307145). Order entered on January 17, 2024.

available to all new and existing services at MFH locations, if the service is dedicated exclusively to EVSE and incidental ancillary equipment. The Company filed a proposed tariff on July 17, 2024, proposing a Multi-Family Home Electric Vehicle Charger Service rate schedule²⁶, which was subsequently approved by the Commission.²⁷ This rate is intended to go into effect during the second quarter of 2025.

As this program has already been approved by the Commission and is currently being implemented, there is no budget included for residential rate comparability in this filing.

4. Fleet

a. Qualifying Fleets

Fleets are commercial vehicles operating together under the same ownership. To qualify for the elements under the Fleet program element, a customer must:

- Own and operate two or more vehicles for business use;
- Have a depot location for at least two or more fleet vehicles that has already installed EVSE or has the potential to install EVSE; and
- Be located within PE's service territory and served by the Company through a nonresidential rate schedule.
- b. Fleet Assessments

To support customers with: (1) understanding the feasibility for electrifying their vehicle fleets; and (2) how to do so in the most effective manner, the Company will provide site-specific assessments intended to inform the customer about options related to electrifying their vehicle fleets and deploying infrastructure for charging EVs.

²⁶ Petition to Implement Multi-Family Home Electric Vehicle Charger Service Rate Schedule. Case No. 9478 (ML 310916).

 ²⁷ Order on Utility Proposals For Multi-Unit Dwelling Electric Vehicle Charging Programs. Commission Order No.
 91339. Case No. 9478 (ML 312610). Order entered on October 1, 2024.

Site assessments will include an analysis of existing fleet, potential vehicle options for electrification, financial assessments that include applicable incentives and total cost of ownership, estimated emission reductions, quantity and throughput of EVSE needed, and charging strategy recommendations that take into consideration the planned number of EVs, EVSE, business needs of the vehicles, and cost of electricity among other factors.

Up to 30 assessments will be available to fleets on a first-come, first-serve basis for qualifying customers. The Company will charge an upfront fee of \$2,500 to customers opting for the fleet assessments. If the customer decides to move forward with fleet electrification within one year of the site assessment completion, as verified by the Company, the fee will be returned to the customer. If the customer does not electrify within one year, the Company will return the \$2,500 fee to the program budget. The cost per assessment is budgeted at \$20,000, and the Company will make available 30 site assessments for a total budget for this program element of \$600,000.

b. Fleet Make Ready and EVSE Incentive

Maryland has adopted various initiatives to electrify cars and trucks, one of which is the Clean Trucks Act of 2023.²⁸ Converting public fleets, including light, medium, and heavy-duty vehicles, to electric is intended to provide benefits that are widely distributed across PE's service territory. However, the transition faces challenges due to charging infrastructure cost and complexity.

To advance the State's vehicle conversion effort and create incentives for conversion of

²⁸ Md. Code, Envir. § 2-1103. The Clean Trucks Act requires the Maryland Department of the Environment to adopt regulations that, *inter alia*, (1) establishes requirements for the sale of new zero-emission medium- and heavy-duty vehicles in the State; (2) updates existing regulations and incorporates by reference the California Air Resources Board's Advanced Clean Trucks regulations, as revised and updated; and (3) takes effect starting with model year 2027.

high-mileage public use vehicles, the Company will provide up to 50 incentives, each in an amount up to \$15,000 per port (not more than 100% of actual cost) for utility make-ready work, customer make-ready work, and EVSE. Locations in underserved communities may receive 150% of the per port incentive (\$22,500), not exceeding actual expenditures.

In addition to the fleet requirements mentioned above, other eligibility requirements include:

- A minimum of four EV charging ports per site;
- EVSE may be Level 2 or DCFC; and
- The incentive recipient must provide evidence of a firm commitment to operate at least as many EVs as ports receiving incentives.

Excluding underserved community installations, the maximum incentive per port is \$15,000; a total of 50 ports yields a total budget for this program element of \$750,000. The total port count would be reduced to maintain the total budget if there were higher costs incurred for underserved community installations.

5. Grant Assistance

The Company is aware that various funding opportunities exist to support transportation electrification, and that pursuing such opportunities typically requires significant resources. To enhance the ability of customers within the PE service territory to pursue grants which align with Maryland's greenhouse gas reduction and transportation electrification goals, the Company will provide a service which will provide customers the ability to develop high-quality grant applications. In addition to increasing the likelihood of success in bringing investment capital to Maryland, heightened awareness of grants in and of itself will benefit the State by highlighting opportunities for and benefits of transportation electrification.

The grant assistance incentives will support services such as writing, reviewing, and

submitting applications as well as post award reporting and monitoring for fleet conversion and charging. This service will be limited to the seven county governments that PE serves. The counties may partner with other entities of their choosing should the grant(s) being pursued allow such a partnership. The proposed budget was developed using a per grant amount not to exceed \$70,000 multiplied by the seven counties that PE serves for a total grant assistance budget of \$490,000.

6. Program Management

Based on experience from Phase I, the Company has found that transportation electrification can be a time-intensive undertaking for its customers, and that significant personal outreach and assistance is required to bring infrastructure projects to fruition. The long-term benefit of this effort will be significant, and the work to be performed in Phase II will build on the achievements of Phase I. The Company has determined that the effort will require two new dedicated full-time-equivalent ("FTE") employees to support new and expanded offerings by performing functions such as directly meeting with customers participating in the new program elements, coordinating the activities such as fleet assessments and grant assistance between the customer and service vendor, serving as the custom liaison for the coordination of program services and incentives, developing program documentation, manuals, and process flows, identifying target markets and sites, selecting and working with additional vendors, conducting customer outreach and education, marketing additional program elements, responding to customer inquiries, ensuring program requirements are met, and reviewing and approving incentive requests. These functions are incremental to the roles performed by FTE's currently supporting Phase I programs. In order for the additional FTEs to effectively perform the aforementioned functions, their primary work location will be based in PE's Maryland service territory.

The budget for program management for Phase II includes only the requested two new FTEs and is \$150,000 per person per year or \$1.5 million over five years.

7. Outreach and Education

Customers often lack an awareness of EV incentive programs and their associated benefits. To ensure each customer derives the most value from the program offerings, the Company must explain the offerings, answer questions and support implementation efforts. MFH, governmental, and commercial accounts often face particularly significant challenges participating in EV charging programs. Recognizing that the Commission and the Company seek to maximize the benefits of Phase II, information regarding program details must be widely and equitably distributed.

Accordingly, the Company will conduct outreach and education through a variety of channels. Outreach and education support have included and will include a wide range of efforts to engage customers such as:

- Host program content on the Company website;
- Provide printed collateral materials such as informational brochures on program offerings;
- Utilize internal customer facing organizations to facilitate outreach and education sessions with municipalities, schools, local large-scale customers, and national chain customers;
- Attend events that adhere to the audiences that can benefit from these programs such as MFH authority conferences, HOAs, building developers, and auto shows;
- Plan, host, and present educational webinars for program offerings; and
- Participate in local events such as climate summits, fleet expos, sustainability, and

environmental, social, and governance events to promote program offerings

Funding for outreach and education will allow for the continuation and expansion of these outreach efforts. This outreach will be used to explain the structure and benefits of program elements. The annual average budget for outreach and education is \$100,080 and the five-year total budget is \$500,400.

8. Other Considerations

Since residential EV charging data is required through enrollment in TOU to ensure accuracy of billing for the program element, we will continue to require such data from customers enrolled in the EV Charger TOU Rider. The Company can also use this data to understand EV load for future distribution planning.

There is no explicit program element planned in the Phase II proposal for M/HDV load forecasting. PE is utilizing Electric Power Research Institute's EVs2Scale2030TM eRoadMAPTM to understand which areas in PE's service territory are more susceptible to increased load from fleet electrification. Electrification forecasts currently show no areas of concern within PE's service territory through 2030. PE will continue to monitor the progress of fleet electrification as an input to its distribution system planning process and can address this in a later filing if necessary.

9. Benefit Cost Analysis

PE calculated the cost effectiveness of the new program elements within the proposed Phase II using the JST, which is the cost-effectiveness test developed by the Commissiondesignated EV working group in PC44. The results of the JST for each program element and the overall Phase II portfolio are shown in Table 2, below.

TABLE 2: PHASE II NEW ELEMENT JST RESULTS

Program	JSTResult
Residential	
EVCharger TOU Rider	0.83
Managed Charging	0.74
Company Owned & Operated	
Company Owned & Operated	1.66
MFH & Public	
MFHIncentive	1.41
Charging as a Service	1.30
Fleet Program	
Fleet Assessments	1.40
Fleet Make Raedy & EVSE	1.44
Grants	
Grant Writing Assistance	1.47
Program Total	1.42

III. <u>BUDGET</u>

The Phase II budget is comprised of the five program elements (i.e., Residential program element, Company-owned & operated program element, MFH & Public program element, Fleet program element, and Grant program element) with a total cost of \$8.15 million over five years. These five Phase II program categories are supported through program administration & implementation activities with a total cost of \$2.15 million. The total Phase II budget is \$10.3 million. Each element of Phase II and the associated budget is shown in Table 3, below.

TABLE 3: PHASE II BUDGET

Program Element	Units	Quantity	Annual Unit Cost	J	Total Cost
Residential					
EVCharger TOU Rider	Avg. Participants Per Year	4,600	\$ 90.52	\$	2,082,000
Managed Charging	Avg. Participants Per Year	1,000	250.00		1,250,000
Company-Owned & Operated	•			-	
DCFC Connector Upgrade	Ports	20	3,500.00		70,000
Maintenance	Stations	62	2,855.48		885,200
Networking	Stations	62	1,318.71		408,800
Net Energy Costs	Stations	62	782.26		242,500
MFH & Public					
New Level 2 at Underserved MFH^{\dagger}	Ports	8	15,000.00		120,000
MFH Incentive	Ports	50	5,000.00		250,000
Charging-as-a-Service	Ports	100	2,000.00		1,000,000
Fleet					
Fleet Assessments	Assesments	30	20,000.00		600,000
Fleet Make Ready & EVSE	Ports	50	15,000.00		750,000
Grants					
Grant Writing Assistance	Applications	7	70,000.00		490,000
Program Costs				\$	8,148,500
Administration & Implementation					
Incremental Labor	Years	5	\$ 300,000	\$	1,500,000
Outreach & Education	Years	5	100,080		500,400
Evaluation, Measurement & Verification	Years	5	30,020		150,100
Program Admin & Implementation Costs				\$	2,150,500
Total Costs: Program Elements, Program Administration & Implementation				\$	10,299,000

Once a given budget element has been exhausted, the associated incentives will either cease to be offered or the Company will request an increase to the overall budget or individual programs. PE may also request a reallocation of remaining program budget elements during Phase II, if opportunities arise to accelerate EV adoption through such reallocation.

IV. COST RECOVERY

PE proposes the same cost recovery approach approved by the Commission in approving the Company's Phase I Electric Vehicle Pilot program in Case Nos. 9478 and 9695, as well as the Company's Energy Storage Pilot in Case No. 9619. As such, the Company proposes to defer Phase II costs into a regulatory asset and recover the deferred balance in the Company's next base

rate case or subsequent base rate case(s) if the test year of the next base rate case occurs during the Phase II period. The Company is proposing to establish a regulatory asset as Phase II costs represent incremental costs that would not be incurred in the absence of Phase II and, subsequently, are not reflected for recovery in existing distribution rates.

The regulatory asset will include all Phase II expenses, a return of and on the Company's capital investment, and related property taxes. The return on capital investment recorded to the regulatory asset will be calculated at the Company's then-current authorized rate of return, adjusted for state and federal taxes on the equity portion of the rate of return,²⁹ and the return of capital investment will be calculated at the Commission-approved depreciable rate for the associated facilities.

The regulatory asset will accrue charges until all Phase II costs are included for recovery within distribution rates. Upon conclusion of a future base rate case, distribution rates will reflect recovery of the regulatory asset incurred through the test year and ongoing Phase II costs incurred in the test year, as adjusted where necessary for known and measurable changes. Additionally, the regulatory asset will be incorporated into rate base and earn a return at the Company's then-authorized rate of return, utilizing a five-year amortization recovery period beginning on the effective date of new distribution rates resulting from the Company's next base rate proceeding.

V. <u>CONCLUSION</u>

The Potomac Edison Company thanks the Commission for its consideration of these continued and new program proposals and respectfully requests that the Commission approve the proposals discussed herein and the attached tariff pages by July 1, 2025, so that existing offerings

²⁹ The Company's current authorized rate of return is 6.92% (prior to adjustment for state and federal taxes on equity) and is 8.83% (after adjustment for state and federal taxes on equity).

that are being continued with this Application will have a seamless transition prior to the expiration of the Phase I extension which will occur on that date. Implementation of new program elements introduced in this Phase II proposal will begin upon Commission approval and will be available to customers no more than six months after the effective date of the Commission Order.

Respectfully submitted,

Malas

Daniel A. Garcia Attorney

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ELECTRIC VEHICLE CHARGER TIME OF USE RIDER

AVAILABILITY

Available to residential Customers served under Schedule R who install a Company-qualified smart Electric Vehicle ("EV") Level 2 charger or have a Company-qualified EV with telematic capabilities. This Rider is voluntary and offers residential Customers the opportunity to receive time of use ("TOU") Electric Supply rates for charging an EV battery with a Company-qualified smart EV Level 2 charger or a Company-qualified EV with telematic capabilities. Customers must agree to share the charging data from their smart EV Level 2 charger or EV telematics via remote access with the Company.

Customers must meet all the following eligibility requirements to receive Service under this Rider:

- (1) Must be receiving Residential SOS under Schedule R;
- (2) Must have an online account with the Company;
- (3) Cannot have multiple metered premises linked to one Company account; and
- (4) Cannot have an Electronic Data Interchange billing type.

TOU RATE

In addition to the charges billed under Schedule R, the following adjustments shall apply:

An incremental credit of 2 cents per kilowatt-hour off the Electric Supply Charge for EV charging usage during Off-Peak hours.

An incremental charge of 2 cents per kilowatt-hour added to the Electric Supply Charge for EV charging usage during On-Peak hours.

On-Peak hours are Monday through Friday from 6 a.m. to 11 p.m. Eastern Prevailing Time, excluding Off-Peak Holidays. Off-Peak Holidays are New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. In the event an Off-Peak Holiday occurs on a Sunday, the Monday immediately following that Sunday shall be considered Off-Peak. If the Off-Peak Holiday occurs on a Saturday, the Off-Peak remains on that Saturday.

Off-Peak hours are all other hours not identified as On-Peak.

ISSUED BY K. JON TAYLOR, SENIOR VICE PRESIDENT

Electric P.S.C. Md. No. 54 Second Revision of Original Page No. 30-1 Canceling First Revision of Original Page No. 30-1

ELECTRIC VEHICLE CHARGER TIME OF USE RIDER (Concluded)

TERM

Month to month basis.

GENERAL

Qualifying smart EV Level 2 chargers and EVs with telematics are available on the Company's website at <u>www.firstenergycorp.com</u>.

The Customer is responsible for maintenance and enabling the smart capabilities of the smart EV Level 2 charger and connection to the premise's wireless network.

TOU Rate adjustments identified in this Rider:

- Are in addition to the charges identified in Schedule R along with all applicable surcharges and taxes;
- (2) Will be reflected in Schedule R Electric Supply Charge revenues and reconciled in the Energy Cost Adjustment Surcharge; and
- (3) Will not be provided in instances where the Company cannot obtain charging data from the Customer's smart EV Level 2 charger or EV telematics. If there is a delay in the Company or Company's designated vendor from receiving the EV charger or EV telematic usage data, then the Customer's metered consumption will be charged without the TOU Rate adjustments identified in this Rider. In such an instance, TOU Rate adjustments will be provided to the Customer on their next monthly bill as long as the delay in receiving EV charger or EV telematic usage data is less than 60 days. The Company is unable to provide TOU Rate adjustments for EV charger or EV telematic usage data received 60 days after the date of use.
- (4) Will only be provided for billed positive energy usage. If a Customer has fully offset its energy usage under the Net Energy Metering Rider, Net Energy Metering Virtual Meter Aggregation Service and/or the Community Solar Energy Generation Systems Pilot Program, no TOU Rate adjustment will be provided.

Service supplied is subject to the Company's Rules and Regulations Covering the Supply of Electric Service.

ISSUED BY K. JON TAYLOR, SENIOR VICE PRESIDENT

THE POTOMAC EDISON COMPANY

Electric P.S.C. Md. No. 54 <u>Second</u>First Revision of Original Page No. 30 Canceling <u>First Revision of</u>Original Page No. 30

ELECTRIC VEHICLE CHARGER TIME OF USE RIDER

AVAILABILITY

Available to residential Customers served under Schedule R who install a Company-qualified smart Electric Vehicle ("EV") Level 2 charger or have a Company-qualified EV with telematic capabilities. This Rider is voluntary and offers residential Customers the opportunity to receive time of use ("TOU") Electric Supply rates for charging an EV battery with a Company-qualified smart EV Level 2 charger or a Company-qualified EV with telematic capabilities. Customers must agree to share the charging data from their smart EV Level 2 charger or EV telematics via remote access with the Company.

Customers must meet all the following eligibility requirements to receive Service under this Rider:

(1) Must be receiving Residential SOS under Schedule R;

(2) Cannot be enrolled under the Net Energy Metering Rider, Net Energy Metering Virtual Meter
 Aggregation Service and/or the Community Solar Energy Generation Systems Pilot Program;
 (3)(2) Must have an online account with the Company;

(4)(3) Cannot have multiple metered premises linked to one Company account; and

(5)(4) Cannot have an Electronic Data Interchange billing type.

TOU RATE

In addition to the charges billed under Schedule R, the following adjustments shall apply:

An incremental credit of 2 cents per kilowatt-hour off the Electric Supply Charge for EV charging usage during Off-Peak hours.

An incremental charge of 2 cents per kilowatt-hour added to the Electric Supply Charge for EV charging usage during On-Peak hours.

On-Peak hours are Monday through Friday from 6 a.m. to 11 p.m. Eastern Prevailing Time, excluding Off-Peak Holidays. Off-Peak Holidays are New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. In the event an Off-Peak Holiday occurs on a Sunday, the Monday immediately following that Sunday shall be considered Off-Peak. If the Off-Peak Holiday occurs on a Saturday, the Off-Peak remains on that Saturday.

Off-Peak hours are all other hours not identified as On-Peak.

Effective May 15, 2023

Issued in compliance with Public Service Commission Letter Order of April 5, 2023 in Case No. 9478

THE POTOMAC EDISON COMPANY

Electric P.S.C. Md. No. 54 <u>Second</u>First Revision of Original Page No. 30-1 Canceling <u>First Revision of</u>Original Page No. 30-1

ELECTRIC VEHICLE CHARGER TIME OF USE RIDER (Concluded)

TERM

Month to month basis.

GENERAL

Qualifying smart EV Level 2 chargers and EVs with telematics are available on the Company's website at <u>www.firstenergycorp.com</u>.

The Customer is responsible for maintenance and enabling the smart capabilities of the smart EV Level 2 charger and connection to the premise's wireless network.

TOU Rate adjustments identified in this Rider:

- (1) Are in addition to the charges identified in Schedule R along with all applicable surcharges and taxes;
- (2) Will be reflected in Schedule R Electric Supply Charge revenues and reconciled in the Energy Cost Adjustment Surcharge; and
- (3) Will not be provided in instances where the Company cannot obtain charging data from the Customer's smart EV Level 2 charger or EV telematics. If there is a delay in the Company or Company's designated vendor from receiving the EV charger or EV telematic usage data, then the Customer's metered consumption will be charged without the TOU Rate adjustments identified in this Rider. In such an instance, TOU Rate adjustments will be provided to the Customer on their next monthly bill as long as the delay in receiving EV charger or EV telematic usage data is less than 60 days. The Company is unable to provide TOU Rate adjustments for EV charger or EV telematic usage data received 60 days after the date of use.
- (3)(4) Will only be provided for billed positive energy usage. If a Customer has fully offset its energy usage under the Net Energy Metering Rider, Net Energy Metering Virtual Meter Aggregation Service and/or the Community Solar Energy Generation Systems Pilot Program, no TOU Rate adjustment will be provided.

Service supplied is subject to the Company's Rules and Regulations Covering the Supply of Electric Service.

ISSUED BY SAMUEL L. BELCHER, PRESIDENTK. JON TAYLOR, SENIOR VICE PRESIDENT

Issued April 12, 2023 December 20, 2024

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Effective May 15, 2023

Issued in compliance with Public Service Commission Letter Order of April 5, 2023 in Case No. 9478

THE POTOMAC EDISON COMPANY

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ISSUED BY K. JON TAYLOR, SENIOR VICE PRESIDENT

THE POTOMAC EDISON COMPANY

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ISSUED BY SAMUEL L. BELCHERK. JON TAYLOR, SENIOR VICE PRESIDENT

Issued April 12, 2023 December 20, 2024

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Electric P.S.C. Md. No. 54 Original Page No. 31

MANAGED CHARGING PILOT RIDER

AVAILABILITY

Available to Customers served under Schedule R who install a Company-qualified smart Electric Vehicle ("EV") Level 2 charger or have a Company-qualified EV with telematic capabilities. This Rider is voluntary, provides a monthly incentive to participating Customers who allow the Company and its vendors access and control over the Customer's EV charging, and is limited to 1,000 enrollments at any given time.

Customers must meet all the following eligibility requirements to receive Service under this Rider:

- (1) Must be receiving Residential SOS under Schedule R;
- (2) Must enroll into the Electric Vehicle Charger Time of Use Rider;
- (3) Must have an online account with the Company;
- (4) Cannot have multiple metered premises linked to one Company account;
- (5) Cannot have an Electronic Data Interchange billing type;
- (6) Must have a smart EV Level 2 charger or an EV with telematic capabilities; and
- (7) Must enroll with the Company's vendor.

MANAGED CHARGING INCENTIVE CREDIT

In addition to the charges billed under Schedule R, participating Customers shall receive a credit of \$10.00 per month, subject to the Override Criteria provided in the General section of this Rider.

Managed Charging will occur during the Off-Peak hours.

On-Peak hours are Monday through Friday from 6 a.m. to 11 p.m. Eastern Prevailing Time, excluding Off-Peak Holidays. Off-Peak Holidays are New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. In the event an Off-Peak Holiday occurs on a Sunday, the Monday immediately following that Sunday shall be considered Off-Peak. If the Off-Peak Holiday occurs on a Saturday, the Off-Peak remains on that Saturday.

Off-Peak hours are all other hours not identified as On-Peak.

TERM

Month to month basis.

GENERAL

Qualifying smart EV Level 2 chargers and EVs with telematics are available on the Company's website at <u>www.firstenergycorp.com</u>.

The Customer is responsible for maintenance and enabling the smart capabilities of the smart EV Level 2 charger and connection to the premise's wireless network.

ISSUED BY K. JON TAYLOR, SENIOR VICE PRESIDENT

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MANAGED CHARGING RIDER DRAFT

(Concluded)

Managed Charging Incentive Credit adjustments:

- (1) Are in addition to the charges identified in Schedule R along with all applicable surcharges and taxes;
- (2) If the Company is unable to connect to the smart EV Level 2 charger or EV telematics for managed charging, it will be considered an Override for incentive purposes.

Override Criteria:

- (1) Customers are permitted to opt out of the Company's managed charging adjustments a maximum of four times per billing month to remain eligible for the monthly charging incentive credit. No incentive credit will be provided to the Customer if the Company's managed charging is overridden more than four times a billing month;
- (2) Customers will be removed from this Rider by the Company if they do not earn an incentive credit for three or more billing months in a calendar year.

Service supplied is subject to the Company's Rules and Regulations Covering the Supply of Electric Service.