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September 3, 2019

VIA ELECTRONIC FILING AND OVERNIGHT UNITED PARCEL SERVICE

Terry Romine, Executive Secretary
Maryland Public Service Commission
William Donald Schaefer Tower
6 St. Paul Street, 16th Floor
Baltimore, MD 21202

**Re: Case No. 9478
In the Matter of the Petition of the Electric Vehicle Work Group for
Implementation of a Statewide Electric Vehicle Portfolio**

Dear Secretary Romine:

Enclosed please find an original and twelve (12) copies of the Petition to Revise the Electric Vehicle Charging Infrastructure Pilot Plan of The Potomac Edison Company in the above-referenced matter.

Please contact me if you have any questions regarding this matter.

Very truly yours,

Teresa K Harrold/KBW

Teresa K. Harrold

Enclosures

**BEFORE THE
PUBLIC SERVICE COMMISSION
OF MARYLAND**

**In the Matter of the Petition of the Electric
Vehicle Work Group for Implementation
of a Statewide Electric Vehicle Portfolio**

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Case No. 9478

**PETITION TO REVISE THE ELECTRIC VEHICLE CHARGING INFRASTRUCTURE
PILOT PLAN OF THE POTOMAC EDISON COMPANY**

A. Introduction

On May 29, 2019, The Potomac Edison Company (“PE,” “Potomac Edison,” or “Company”) submitted a revised Electric Vehicle (“EV”) Charging Infrastructure Pilot Plan (“Compliance Filing”) to the Maryland Public Service Commission (“Commission”), which identified the components of PE’s EV pilot program approved by the Commission in Order No. 88997 in the above-referenced proceeding. As part of the Compliance Filing, PE also proposed an off-bill credit option, which would permit residential customers who charge during off-peak periods to receive a monetary incentive. At the Commission’s July 3, 2019 administrative meeting, Potomac Edison withdrew its off-bill credit proposal. The Commission indicated that PE should consider submitting the proposal as part of a new filing rather than as part of the Compliance Filing. Accordingly, through this Petition, PE is requesting to modify its EV pilot program to include an off-bill credit component.

B. Off-Bill Credit Proposal

In Order No. 88997, the Commission directed PE to develop an EV-only time-of-use (“TOU”) rate offering as part of the residential rebate offering of its EV pilot program. Because smart meters are not deployed in PE’s territory, PE does not currently have access to interval usage

patterns of residential customers or offer any TOU rate offerings. Accordingly, PE is seeking to use the first half of the EV pilot program to gain additional information regarding incentivized charging patterns of residential customers before launching a full-scale EV-only TOU rate offering. PE proposes to offer a voluntary off-bill credit program to all residential customers with an approved “smart” Level 2 charger until an EV-only TOU rate is available.

The off-bill credit program will be administered by the Company in partnership with its pilot program contractor, who will receive monthly usage data remotely from the customer’s EV charger. The Company’s contractor will oversee the process of providing the customer with a credit on an agreed upon basis to the extent the customer charges their EV during off-peak hours. The purpose of the off-bill credit program is to: (1) study customer charging patterns and whether they will charge EVs during off-peak hours; (2) evaluate whether the off-bill credit provides sufficient incentive for the customer to limit EV charging during off-peak hours; (3) determine whether the off-peak hours provide sufficient time to charge an EV; and (4) be used as the basis to develop an EV-only TOU rate in 2021. This off-bill credit will be available only until the EV-only TOU rate is available, at which time the off-bill credit program will be phased-out.

The limited term off-bill credit program will be a credit-only program without the potential for higher customer bills if charging occurs during the on-peak period. PE is seeking to encourage participation to obtain as much study data as possible, while also evaluating the effectiveness of the off-peak period. To limit the credits and to incentivize off-peak charging, only *net* off-peak kWh will be eligible for the credit. For example, if the customer consumes 100 kWh for EV charging during on-peak hours and 100 kWh during off-peak hours, the net off-peak usage eligible for a credit is zero (100 kWh off-peak less 100 kWh on-peak). If, however, the customer consumes 50 kWh for EV charging during on-peak hours and 150 kWh during off-peak hours, the net off-

peak usage eligible for a credit is 100 kWh (150 kWh off-peak less 50 kWh on-peak). Negative net off-peak kWh will be considered as zero for the off-bill credit program.

Potomac Edison is proposing an off-bill credit of two cents per kWh, equating to an off-bill credit of approximately five dollars per month for participating customers. This credit value was chosen by the Company because it represents the approximate aggregate price differential between on-peak and off-peak energy and the aggregate price of capacity in the APS Zone of PJM Interconnection, LLC during the most recent five calendar years of 2014 through 2018. The proposed on-peak period is Monday through Friday, 6 am through 11 pm (inclusive), with all other hours off-peak. This off-peak period was chosen to avoid generation peak periods and incentivize charging during times that will not adversely impact the distribution system. The Company's proposed tariff pages for the off-bill credit program are attached hereto as Attachment A.

PE is offering the off-bill credit program as a precursor to an EV-only TOU rate, which PE intends to launch in 2021. Between 2019 and 2020, PE will study the charging data obtained through the smart Level 2 chargers, customer charging patterns, and the off-bill credit program to develop a TOU rate that is designed to incentivize charging during off-peak hours. If an off-peak TOU period does not take into consideration the EV demand and load profile, then TOU incentive pricing could potentially do more harm to the secondary service voltages and distribution circuit loading as compared to EV charging without TOU pricing. As such, PE seeks to offer the TOU rate beginning in 2021 to provide sufficient time for PE to use the initial pilot data as a basis for determining an EV-only TOU rate that does not adversely affect the distribution system, avoids generation peak periods, and provides a reasonable period for customers to charge their EVs at home.

The projected cost of the off-bill credit program is \$110,000, which represents both the direct costs of the credit and program administration costs. Cost recovery for the off-bill credit

program will be consistent with Commission Order No. 88997, i.e., the costs will be included as part of the regulatory asset for the EV pilot program, which will be incorporated into rate base and earn a return as part of the Company's next base rate case proceeding.

C. Conclusion

Accordingly, The Potomac Edison Company respectfully requests that the Maryland Public Service Commission approve (1) the modification of its Electric Vehicle Charging Infrastructure Pilot Plan to include an off-bill credit component; and (2) the attached tariff revisions establishing the off-bill credit program.

Respectfully submitted,

THE POTOMAC EDISON COMPANY



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Dated: September 3, 2019

ATTACHMENT A

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ISSUED BY SAMUEL L. BELCHER, PRESIDENT

Issued September 3, 2019

Effective October 18, 2019

ELECTRIC VEHICLE CHARGER OFF-PEAK CREDIT RIDER**AVAILABILITY**

Available to residential Customers served under Schedule R who install a Company-qualified smart Electric Vehicle ("EV") Level 2 charger. This Rider is voluntary and offers residential Customers the opportunity to receive a credit by charging an EV battery with a Company-qualified smart EV Level 2 charger during Off-Peak hours. Customers must agree to share the charging data from their smart EV Level 2 charger via remote access with the Company. Customers are not required to receive their energy supply through Default Electricity Supply Service to be eligible for this Rider.

RATE

Eligible residential Customers electing this Rider will receive a credit of 2 cents per kilowatt-hour for Net Off-Peak kWh Usage at their smart EV Level 2 charger. Net Off-Peak kWh Usage is calculated as kilowatt-hour usage recorded by the Customer's smart EV Level 2 charger during Off-Peak hours less kilowatt-hour usage recorded by the Customer's smart EV Level 2 charger during On-Peak hours. Net Off-Peak kWh Usage must be a positive value for the Customer to receive a credit. In the event Off-Peak kilowatt-hours less On-Peak kilowatt-hours is less than zero, the Net Off-Peak kWh Usage shall be considered zero for the measurement period.

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. This Rider is available until the Company offers an EV-only time-of-use rate, at which time this Rider will be phased out.

ISSUED BY SAMUEL L. BELCHER, PRESIDENT

Issued September 3, 2019

Effective October 18, 2019

ELECTRIC VEHICLE CHARGER OFF-PEAK CREDIT RIDER (Concluded)

COST RECOVERY

Cost recovery will be consistent with Commission Order No. 88997 in Case No. 9478. The Company will establish a regulatory asset for all costs incurred by the Company, which will be incorporated into rate base as part of the Company's next base rate case proceeding. The regulatory asset will earn a return at the Company's authorized rate of return once the asset is incorporated into rate base. The amortization period for the regulatory asset will be five years, with recovery beginning on the effective date of new distribution rates resulting from the Company's next base rate proceeding.

GENERAL

Qualifying smart EV Level 2 chargers are available on the Company's website at www.firstenergycorp.com.

The Customer is responsible for maintenance and enabling the smart capabilities of the smart EV Level 2 charger. Credits will not be provided in instances where the Company cannot obtain charging data from the Customer's smart EV Level 2 charger.

Credits received under this Rider are in addition to the charges identified in Schedule R along with all applicable surcharges and taxes.

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

ISSUED BY SAMUEL L. BELCHER, PRESIDENT

Issued September 3, 2019

Effective October 18, 2019

CERTIFICATE OF SERVICE

On this 3rd day of September 2019, a copy of the foregoing document of The Potomac Edison Company was mailed first class, postage prepaid, to all parties on the Official Service List in this proceeding.

Teresa Harold |/CBW
Teresa K. Harold