ORDER NO. 91339

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

BEFORE THE PUBLIC SERVICE COMMISSION OF MARYLAND	
-	Case No. 9478

Issue Date: October 1, 2024

ORDER ON UTILITY PROPOSALS FOR MULTI-UNIT DWELLING ELECTRIC VEHICLE CHARGING PROGRAMS

On January 17, 2024, the Commission issued Order No. 90984¹ in Case No. 9478, which among other things directed the utilities participating in the ongoing Electric Vehicle ("EV") Pilot to develop a Multi-Unit Dwelling ("MUD") rate design that is "more appropriately developed for residential customers and shifts away from demand charges." It further directed that "proposals must also consider fairness and price signals and be developed in conjunction with the PC 44 EV Work Group as well. As with the demand charge relief rider, there should still be an evaluation of the need for these riders." The Commission directed the utilities to submit compatible MUD rate designs within six months.

On July 17, 2024, the utilities filed proposals, described below.² Comments were filed by the Office of People's Counsel; private citizens Robert Borkowski, Lanny Hartmann, and Paul Verchinski, and Commission Staff.

¹ Maillog No. 307145.

² Maillog Nos. 310894, 310916, 310922, and 310924.

After consideration of the utility filings and comments thereon, the Commission directs the utilities to file tariffs as described within.

I. <u>Utility Proposals</u>

1. The Exelon Utilities

Baltimore Gas & Electric Company ("BGE"), Potomac Electric Power Company ("Pepco"), and Delmarva Power (collectively, the "Exelon Utilities") proposed to amend existing tariffs (General Service Small - Electric Schedule GS; residential time-of-use ("TOU") R-TOU-P; and R-TOU-P, respectively) to allow MUD EV customers the option of selecting a schedule without a demand charge. Those proposals would all limit maximum charging speeds to Level 2 charging. The owner of the charger could be either the property owner or an individual resident.

In response to a Commission Technical Staff ("Staff") request, the Exelon Utilities stated that they are open to making Schedule R, the non-TOU residential rate schedule, available as an alternative option for MUD customers. BGE stated, however, that it selected schedule GS for cost-of-service purposes and because it did not have a demand charge. BGE also stated that the use of commercial schedules for MUD EV chargers is justified by the fact that there typically is no domestic load behind the meter. BGE expressed concern that MUD charging on residential schedules could at some point shift costs to the residential classes, away from the commercial classes, because of the shift in overall load. BGE explained that the future expansion of EVs will require increasing numbers of EV charging stations to be installed behind one meter at MUD locations, with load patterns and distribution equipment costs not representative of single-family residential customer use.

The Exelon Utilities stated that the use of an existing rate schedule will mean that these implementations will not have incremental costs.

2. Potomac Edison

The Potomac Edison Company ("Potomac Edison") proposed the establishment of a new Multi-Family Home Electric Vehicle Charger Service ("MFH-EV") rate schedule which allows MUD customers to charge EVs at rates comparable to the residential Schedule R rates, which do not feature a demand charge. Chargers under this schedule will be separately metered and are limited to Level 2 charging. Potomac Edison also proposed adding the MFH-EV customers to the Electric Vehicle Charger Time of Use Rider.

Potomac Edison anticipates approximately \$171,456 in IT systems upgrades to implement this new schedule.

II. <u>Stakeholder Comments</u>

1. Office of People's Counsel

The Office of People's Counsel ("OPC") recommended that both non-TOU and TOU rates should be offered. OPC argued that denying MUD users a non-TOU option would be unfair and could result in confusion if prices are not communicated from property owners to residents. OPC noted that third-party EV charging operators charge rates that vary significantly across Maryland and that those rates are not regulated by the Commission or any other state agency. OPC expressed concern that MUD customers will not be able to react to price signals as would ordinarily occur under a TOU rate where the customer selecting the TOU rate is also doing the charging of their own vehicle. OPC also recommended that the Commission require utilities to provide clear information about the range of costs MUD owners may incur on TOU rates, depending on charging patterns. OPC recommended that the utilities should include the bill impacts of their MUD TOU rates: (1) assuming 100 percent off-peak charging, (2) assuming 100 percent on-peak charging, and (3) assuming the average proportions of on- and off-peak charging at MUDs in the utility's service territory. OPC stated that this information should help MUD owners understand how tenant charging patterns are likely to affect the owners' bills and make informed decisions regarding what MUD EV rate to select and what fees (if any) to assess EV drivers.

OPC also recommended that, in addition to the utilities' existing EV charging rate education, the Commission should direct the utilities to offer a MUD-specific webpage with educational information on their new rates, and an EV charging tool kit for MUD property owners and developers.³ OPC stated that utilities identified upfront costs of installing charging stations, operating and maintenance concerns, evaluating suitable chargers, and navigating the installation and operating processes as barriers to MUD EV charging.

OPC recommended that the utilities construct a new webpage to help address these concerns by identifying their new rate and providing helpful resources to multifamily

³ OPC pointed to several examples of what it was envisioning. *See* Central Coast Community Energy, "EV Readiness Toolkit for Multifamily Properties: An ev charging station resource for residential property owners and managers" accessible at https://3cenergy.org/wp-content/uploads/2022/11/Multifamily-Charging-Toolkit.pdf (accessed on August 15, 2024); Xcel Energy "Outreach and Education" accessible at

https://xcelenergycommunities.com/sites/xcelenergycommunities.com/files/document/pdf/EVTool kit_OutreachandEducation_0.pdf (accessed on August 15, 2024); New Jersey Department of Environmental Protection "Multi Unit Dwelling Electric Vehicle Charging Toolkit" accessible at https://dep.nj.gov/wp-content/uploads/drivegreen/pdf/mud-toolkit/mud-toolkit-full.pdf (accessed on August 15, 2024).

community owners and developers. OPC argued that utilities should provide a toolkit similar to those developed in other states, which provides owners and developers a stepby-step guide to finding, installing, and maintaining EV charging stations. OPC recommended that those recommendations be tailored to Maryland MUD communities with the assistance of stakeholder input and discussions with MUD housing residents and managers.

2. Citizen Commenters

The Commission received comments from three private citizens: Robert Borkowski, Lanny Hartmann, and Paul Verchinski.

Mr. Borkowski, a member of the PC 44 EV Work Group, recommended that the Commission accept Potomac Edison's proposal but opposed the proposals of the Exelon Utilities to the extent they do not give customers an option for non-TOU rates. He also argued that current rates in Maryland make Level 2 charging less affordable compared to Level 3 charging.

Mr. Verchinski, also a member of the PC 44 EV Work Group, also supported Potomac Edison's proposal and opposed the Exelon Utilities' proposals. He argued that allowing customers the option to use Schedule R would help HOA boards to better understand and communicate to their members the costs associated with EV charging. He recommended that the Commission focus on making MUD charging straightforward and predictable.

Mr. Hartmann also supported Staff and OPC's proposals to allow non-TOU charging. He stated that he is concerned that TOU rates will discourage MUD charging expansion because they are confusing.

3. Commission Staff

Staff concluded that the utilities' proposed tariff changes conform to the requirements of Order No. 90984. Accordingly, Staff recommended that Commission accept the utilities' proposed tariff changes. However, Staff also recommended that the Commission consider requiring the Exelon Utilities to offer non-TOU rate options for MUD customers. Regarding BGE's proposal, Staff stated that it found negligible differences between small commercial and residential rates and was open to either possibility.

Commission Decision

The Commission finds that utility proposals meet the requirements of Order No. 90984. The Commission believes that time-of-use rates will be an important tool for integrating EVs into the electric grid of Maryland's future. The Commission is persuaded, however, that the immediate need to increase access to at-home charging for MUD customers should take priority at this time. Therefore, the Exelon Utilities are directed to revise their proposals to permit MUD EV customers to utilize both TOU and non-TOU rates. The Commission does not object to BGE's request to utilize commercial, rather than residential, rates.

The PC 44 EV Work Group is directed to address, in a report submitted by May 1, 2025, any barriers to expanding managed charging solutions to MUD EV customers.

The Commission is also persuaded that increased customer messaging may improve adoption of MUD EV rates and aid the transition to EVs. OPC made a number of suggestions of areas where customer messaging can be improved, particularly through online education. The utilities are directed to develop customer messaging plans for MUD EV adoption in consultation with Staff, OPC, and interested members of the public.

The Commission accepts Potomac Edison's proposal and directs Potomac Edison to file corresponding tariffs within six months. The Commission further directs the Exelon Utilities to file revised tariffs consistent with this decision within 30 days.

IT IS, THEREFORE, this 1st day of October, in the year Two Thousand Twenty-Four, by the Public Service Commission of Maryland, **ORDERED**:

(1) that the utilities are directed to file tariffs revising their EV MUD rate schedules in accordance with this decision; and

(2) that the PC 44 EV Work Group is directed to address, in a report submitted by May 1, 2025, any barriers to expanding managed charging solutions to MUD EV customers.

/s/ Frederick H. Hoover, Jr.

/s/ Michael T. Richard

/s/ Kumar P. Barve

<u>/s/ Bonnie A. Suchman</u> Commissioners