In the matter of possible modifications to the Arizona Corporation Commission's Energy Rules

Docket No. RU-00000A-18-0284

SWEEP and WRA Comments on Proposed Commissioner Amendments to the Electric Vehicle Implementation Plan Policy

Comments of the Southwest Energy Efficiency Project and Western Resource Advocates on Proposed Commissioner Amendments to the Electric Vehicle Implementation Plan Policy

The Southwest Energy Efficiency Project (SWEEP) and Western Resource Advocates (WRA) appreciate the opportunity to submit these comments on the amendments proposed by Commissioners Boyd Dunn, Sandra Kennedy, and Justin Olson to the Commission Staff's Electric Vehicle (EV) Policy Implementation Plan Policy.

We thank the Commission for the opportunity to provide public comment during last month's Open Meeting and will be available at the July Open Meeting to answer questions.

Below is a summary of our comments and position on each proposed amendment.

**Commissioner Dunn's Proposed Amendment #1 — SUPPORT**

Commissioner Dunn's Proposed Amendment #1 would extend the filing date for each utility's EV pilot program plan from July 2019 to August 2019. SWEEP and WRA believe it is appropriate to provide the electricity utilities with another month to develop and file these plans.

**Commissioner Kennedy's Proposed Amendment #1 — SUPPORT**

Commissioner Kennedy's Proposed Amendment #1 calls on Public Service Corporations (PSCs) to develop a proposal for cash payments at publicly available EV charging stations. SWEEP and WRA support the intent of this amendment, which would make publicly available EV charging stations more accessible to customers who do not own a smartphone or have a credit card.

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Commissioner Kennedy’s Proposed Amendment #2 — SUPPORT

Commissioner Kennedy’s Proposed Amendment #2 would direct each Investor Owned Utility (IOU) to develop and propose a Smart School EV Bus Pilot Program within 90 days of the approval of the Electric Vehicle Policy Implementation Plan Policy. SWEEP and WRA fully support this amendment which would:

- Improve air quality.
- Reduce children’s exposure to harmful pollutants and school bus fumes.
- Save money for schools, and
- Help integrate renewable energy on the electricity grid, especially because school buses have defined routes of limited range and very predictable time of use.

Commissioner Justin Olson Amendment #1 — OPPOSE

Commissioner Olson's Proposed Amendment #1 would prohibit cost recovery for utility investments in EV charging infrastructure, education and outreach, and incentives. SWEEP and WRA oppose this amendment because it would:

1) Disincentivize PSCs from investing in much needed EV infrastructure and services, including make-ready investments and programs designed to ensure equal access to transportation electrification for all Arizonans.

2) Delay the significant benefits of increased transportation electrification for all Arizona ratepayers, including improved air quality and public health, reduced consumer fuel costs, enhanced utilization of the electricity grid, lower electric bills for all Arizona ratepayers, and the retention of more money here in Arizona.

Additionally, SWEEP and WRA note that utility involvement will be necessary to support EV infrastructure development in places where the private market will not deliver, including along highway

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2 Make-ready infrastructure is the electrical infrastructure needed for third party EV charging companies and other original equipment manufacturers, such as ChargePoint, Siemens, and EVGo, to build out EV charging stations. The electrical infrastructure that is defined as “make-ready” includes the wiring, the conduit, and necessary electrical equipment up to the make-ready “stub,” where the charging station connects.

3 Because EVs have no tailpipe emissions, they can deliver significant air quality and public health benefits. As the emissions intensity of electricity production decreases due to higher levels of renewable energy penetration, these benefits will grow. According to the recent SWEEP/WRA study conducted by M.J. Bradley & Associates, increased EV deployment in Arizona could reduce nitrogen oxides (NOx) emissions in Arizona by 2,900 tons/year by 2050, which could help Maricopa and Pima Counties to meet federal standards for ozone emissions. See: http://www.swelieruv.org/pubs/azevstudy

4 Because electric motors are much more efficient than internal combustion engines, the cost to fuel them is significantly lower. In Arizona, EV drivers can expect to save between $515 and $730 annually on fuel and maintenance costs, totaling between $6,000 and $9,000 over the life of the vehicles - money that consumers can direct back into the Arizona economy. On a macro-economic scale, these savings stimulate the state’s economy and create new jobs. In a high-growth EV scenario with 1 million EVs on Arizona roads by 2030, the total economic benefit to the state in consumer savings could reach $620 million per year and create approximately 9,300 new jobs.

5 EVs offer utilities an opportunity to increase the demand for electricity, especially during off-peak hours when there is significant underutilized electric generating capacity. If underutilized capacity is used more frequently, the fixed capital costs of the electricity grid will be spread out over more generation and sales, which can reduce pressure on electric utility rates for all customers. Managed EV charging also has the potential to help align load with solar production because EVs can be charged during the day when there is excess solar production available. According to aforementioned M.J. Bradley & Associates study, if 90% of all cars in Arizona were electric, each utility customer could save ~$180 per year on their energy bills, regardless of whether or not they drive an EV.

6 Ibid.

7 Arizona does not have any oil refineries, and all of its motor gasoline is imported by pipeline from California and Texas at an estimated cost of $8.7 billion per year. As Arizona transitions its transportation fuel source from gasoline to electricity, those energy dollars will stay inside the state boosting our economy.

2
corridors, in rural areas, and in disadvantaged communities. Indeed, according to the U.S. Department of Energy’s Electric Vehicle Infrastructure Project Tool, Arizona will need more than ~14,000 Public Level 2 Charging Stations and ~3,200 Public DC Fast Charging Stations to support 420,000 electric vehicles. Meanwhile, private companies and private market entities that were required to facilitate the adoption of Zero Emission Vehicles (ZEVs) due to a settlement agreement, have plans to develop only 281 DC Fast Charging Stations in the state.

Commissioner Olson Proposed Amendment #2 — OPPOSE

Commissioner Olson’s Proposed Amendment #2 would add language to the EV Implementation Plan Policy stating that PSCs "may" propose EV pilot programs versus "requiring" or "encouraging" PSCs to offer them. SWEEP and WRA oppose this amendment because we believe all PSCs should propose EV pilot programs in order to ensure equal access to EV charging station networks across the state. Transportation electrification will not become an equitable system if EV pilot programs are offered inconsistently.

Commissioner Justin Olson Proposed Amendment #3 — SUPPORT

Commissioner Olson’s Proposed Amendment #3 would establish that companies engaged in the business of charging batteries for EVs are not public service corporations under the Arizona Constitution. SWEEP and WRA fully support this amendment and believe there has been sufficient legal analysis in this proceeding to show that EV charging providers are not PSCs. For example, SWEEP and WRA’s analysis demonstrated that EV charging providers are not PSCs because they are not involved in the generation, distribution, or the transmission of electricity.

We respectfully submit these comments on July 2, 2019.

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https://afdc.energy.gov/evl-pro-lit

Electrify America comments on April 4th, 2019.
https://docket.images.ariz.gov/0000199851.pdf

With current incentives in place, only Tesla, non-Tesla DCFCs, and Electrify America are planning expansion projects in Arizona, totalling to 281 DC Fast Charging Stations.

https://docket.images.ariz.gov/0000199867.pdf