

## Staff Briefing Papers

Meeting Date	December 1, 2022	Agenda Item *4
Company	Northern States Power d/b/a Xcel Energy <b>E002/M-18-643</b>	
Docket No.	<b>In the Matter of Xcel Energy’s Petition for Approval of Electric Vehicle Pilot Programs</b>	
Issues	Should the Commission approve Xcel Energy’s request to expand eligibility for its Fleet EV Service Pilot?	
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<b>Relevant Documents</b>	<b>Date</b>
Xcel Energy, Petition for Modification	September 23, 2022
ChargePoint, Inc. – Initial	October 18, 2022
Department of Commerce – Initial	October 24, 2022
Xcel Energy – Reply	November 3, 2022

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The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.

## Background

On October 12, 2018, Xcel Energy filed a petition for approval of two pilots: a Fleet EV Service Pilot and a Public Charging Pilot. The two pilots would support the installation of EV charging infrastructure throughout Xcel's service territory by providing make-ready infrastructure<sup>1</sup> for fleet and public charging respectively. Additionally, customers in the Fleet EV Service pilot can elect to have Xcel own and maintain charging stations for a monthly fee.<sup>2</sup>

After extensive feedback from numerous stakeholders and state agencies, the Commission approved Xcel's petition with modifications in its July 17, 2019 Order.<sup>3</sup>

On September 15, 2020, Xcel filed a petition requesting the Commission modify its Fleet EV Service Pilot to expand customer eligibility to private and non-profit entities.

In its August 24, 2021 Order, the Commission expanded eligibility so that the number of non-profit entities, school districts and their fleets, are not limited.

On September 23, 2022, Xcel filed the current petition requesting extensions of the two pilots.

On October 18, 2022, ChargePoint filed comments.

On October 24, 2022, the Department filed comments.

On November 3, 2022, Xcel filed reply comments

## Xcel Petition

In its petition, Xcel makes two modification requests:

1. Extend the terms of the Fleet EV Service and Public Charging Infrastructure Pilots beyond their initial three-year terms, to continue to support existing participants and onboard new customers until there is final resolution in the proceeding in Docket No. E002/M-22-432 regarding Xcel's overall EV program portfolio;
2. Allow the Company to reallocate some or all the remaining Fleet EV Service Pilot dollars to the Public Charging Infrastructure Pilot if Fleet EV Service Pilot funding is available and not in demand by eligible fleet customers, as the Public Charging pilot is nearing budget depletion.<sup>4</sup>

Xcel explained that the initial 3-year pilot terms approved by the Commission are drawing to a close, however there are still ongoing pilot activities and remaining budget amounts. While the Company has requested further expansions of both the pilot terms and budgets in its EV Portfolio filing (Docket 22-432), the resolution of that docket is not expected until later in 2023,

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<sup>1</sup> Make-ready infrastructure consists of the service connection (transformer, meter) and site supply infrastructure (electric panel, conduit, and wiring). Equipment is rate-based and costs are borne by all ratepayers.

<sup>2</sup> Charger costs are recovered through a monthly charge on the customer's bill, and solely borne by the pilot participant.

<sup>3</sup> Order Point 9, ORDER APPROVING PILOTS WITH MODIFICATIONS, AUTHORIZING DEFERRED ACCOUNTING, AND SETTING REPORTING REQUIREMENTS, July 17, 2019

<sup>4</sup> Xcel, September 23, 2022 Petition, p. 6

leaving a gap in the currently approved pilots. Xcel described how extending the existing pilots until its EV Portfolio proceeding is resolved will allow it to continue operating.

Xcel also highlighted that the Public Charging Pilot has nearly spent its approved budget of \$9.2 million, however the Fleet EV Service Pilot has only spent \$1.5 million of its approved \$14.4 million budget. Due to the lower level of participation in the Fleet EV Service Pilot, Xcel proposed to reallocate funds from the Fleet Pilot into the Public Charging pilot. Xcel noted this would not change the overall approved budget levels.<sup>5</sup>

## **Party Comments**

Two organizations weighed in on Xcel's proposed modification: ChargePoint and the Department of Commerce.

ChargePoint supported Xcel Energy's request to extend the pilots while the Commission undertakes review of the Company's larger EV Portfolio in Docket 22-432.

The Department agreed with Xcel that extending the pilot terms to cover the gap until resolution of Docket 22-432 was reasonable. The Department recommended extending the pilot terms by one year, or to January 2024 for the Fleet EV Service Pilot and May 2024 for the Public Charging Pilot.

On Xcel's request to reallocate the pilot budget between the two programs, the Department noted that it was unclear how the Company proposed to use the excess budget from the Fleet EV Service Pilot, specifically how much money would be necessary to fund pending applications in the program. The Department recommended that the "Commission allow the Company to reallocate some of the remaining Fleet EV Service Pilot Program's budget to the Public Charging Infrastructure Pilot Program, but require the Company to reserve enough of the remaining Fleet EV Service Pilot Program budget to provide funding for the 11 potential site applications currently in process." It also requested that Xcel provide information in reply comments about how much money would be needed to fund the existing 11 site applications.

In reply comments, Xcel explained that while it did not have exact cost specifications for pending applications, it estimated it would need \$2.1 million to fund the existing Fleet EV Pilot customers. This included 4 additional applications that had been made since Xcel filed the September 23, 2022 petition, for a total of 15 pending applications in the Fleet EV Pilot. Xcel confirmed that it would reserve enough fund to ensure all current applicants to the Fleet EV Pilot would secure funding. Xcel supported the Department's recommendation to extend the pilot term by one year.<sup>6</sup>

## **Staff Analysis**

If the Commission approves Xcel Energy's modification request, Staff suggests two modifications to the Department's decision options to provide additional detail around the dates of the extensions. Staff believes these modifications do not alter the foundation of the Department's recommendations, or Xcel's modification requests.

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<sup>5</sup> Xcel, September 23, 2022 Petition, p. 6

<sup>6</sup> Xcel, Nov 4 Reply Comments, pp. 2-3

First, Staff recommends extending the pilot *enrollment* term by one year. This would make clear that Xcel may continue to operate the other portions of the pilot, including the installation of charging equipment, beyond the end of the enrollment period. As Xcel noted in its annual reports, the contracting, permitting, and installation process can take extended amounts of time, therefore Staff's modification is to ensure that pilot operations for existing projects would not halt due to unclear deadlines, or that Xcel would be unable to continue to evaluate pilot operations. This would also prevent Xcel needing to come back for a second extension of the pilot if the pilots were not extended as a part of Docket 22-432. Staff also recommends putting the deadline for enrollment as part of the Commission order for clarity.

Staff notes that the Commission requested an Administrative Law Judge (ALJ) Report by July 3, 2023 in the contested case proceeding that will address Xcel's EV Portfolio in Docket 22-432. Staff believes that a one-year extension of the pilot enrollment terms will allow sufficient time for the Commission to take up the ALJ report and issue an Order in Docket 22-432.

Second, Staff suggests modifying the language of the third decision option to require the Company to reserve enough budget for all Fleet EV Service Pilot applications that are in process as of the date of the Commission's Order. This would preserve funding for any applications that have come in since the record closed.

## **Decision Options**

1. Extend the enrollment period for the Fleet EV Service Pilot Program until January 31, 2024, and extend the term for pilot operations until all pilot customers have completed installation of charging equipment. (Staff modification of Department)
2. Extend the enrollment period for the Public Charging Pilot Program until May 31, 2024, and extend the term for pilot operations until all pilot customers have completed installation of charging equipment. (Staff modification of Department)
3. Allow Xcel Energy to reallocate some of the remaining Fleet EV Service Pilot Program's budget to the Public Charging Infrastructure Pilot Program, but require the Company to reserve enough of the remaining Fleet EV Service Pilot Program budget to provide funding for all site applications in process as of the date of the Commission Order. (Staff modification of Department)