



October 4, 2022

Public Utilities Commission of Nevada
1150 E. William Street
Carson City, NV 89701

RE: Charge Ahead Partnership Comments on Docket 22-09006

Enclosed are comments of the Charge Ahead Partnership ("CAP") in reference to Docket 22-09006 in the matter of the Joint Petition of Nevada Power Company ("NPC") and Sierra Pacific Power Company ("SPPC") (together, "NV Energy" or "the Companies") for approval of the third amendment to its 2021 Joint Integrated Resource Plan ("IRP").

Sincerely,

A handwritten signature in black ink that reads "Jay T. Smith".

Jay Smith
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Background on Charge Ahead Partnership

Charge Ahead Partnership is a coalition of businesses, organizations and individuals that share the common goal of ensuring America’s electric vehicle (“EV”) charging network is positioned to meet EV drivers’ expectations of accessibility, quality service, safety and the affordable, competitive pricing that they have grown accustomed to with the established refueling network. We believe the best way to develop Nevada’s EV charging network is through a competitive, market-based approach that gives consumers the confidence to purchase electric vehicles and meets the needs of today’s drivers. Utilizing the current, established fueling network is the first step to alleviating “range anxiety” and incentivizing drivers to make the switch to EVs. CAP’s Nevada members will be affected by NV Energy’s proposal both as ratepayers and as potential providers of EV charging services.

Introduction

CAP respectfully submits the following comments in response to Docket 22-09006 regarding NV Energy’s Joint Petition for approval of the third amendment to its 2021 Joint Integrated Resource Plan (“IRP”). NV Energy’s application seeks approval to amend its Distributed Resources Plan (“DRP”) to include a Transportation Electrification Plan (“TEP”) pursuant to SB 448 (2021). The proposed TEP includes an assortment of EV charging-related proposals that affect residential and commercial sectors as well as fleet charging.

While the goals of the TEP are laudable, there are several programs included within it that present substantial anti-competitive risks for private investment in EV charging services in Nevada. These programs would undermine a key goal of SB 448, which is for widespread adoption of electric vehicles to stimulate innovation, competition and increased choices in charging equipment and networks as well as attract private capital investment. CAP is concerned with several programs included within the TEP, but in these initial comments we will focus on two programs that create the greatest levels of concern in regard to publicly available DCFC and Level 2 chargers. The specific programs of concern are as follows:

- Interstate Corridor Depot Program
- Urban Charging Depot Program

NV Energy’s application addresses cost recovery and the projected rate impact of the TEP. To recover their costs, NV Energy seeks to create a regulatory asset, with carrying charges, to capture the TEP plan costs incurred before and between General Rate Case (“GRC”) proceedings. The direct testimony of Michael Behrens indicates that the Companies will seek approval to put newly deployed TEP assets and the costs recorded in the regulatory asset into rate base. This cost recovery structure would subject all of NV Energy’s customers to rate increases to fund the TEP programs.

CAP strongly encourages the Public Utilities Commission of Nevada (“the Commission”) to reject or modify the programs mentioned above. These programs, while well-intentioned, would disrupt the development of a competitive EV charging market in Nevada. It would give NV Energy a competitive advantage in the EV charging business and deter private businesses from risking their own money to

build EV chargers. Additionally, these programs would disproportionately impact low- or fixed-income individuals that are more sensitive to utility rate increases and rarely own electric vehicles. Indeed, the cost impact of these programs would adversely impact NV Energy's entire customer base while the benefits would only be realized by electric vehicle drivers.

As the Commission evaluates the NV Energy's proposal, it should consider whether or not it is appropriate for a vertically integrated utility with a guaranteed rate of return to recover its investment in EV charging services from its captive customers. EV charging services are not a natural monopoly and the ownership of such facilities should be left to private companies that compete on price and quality of services. This approach will ensure that the current fuel transition does not unnecessarily burden utility ratepayers while also preserving a key tenet of SB 448. Private investment will be essential to create a more positive customer experience for EV drivers, which will support the growth of Nevada's EV charging network. CAP firmly believes that without an emphasis on quality consumer service as well as charging availability, EV adoption rates will lag.

Comments on the Interstate Corridor Depot Program

NV Energy's proposed Interstate Corridor Depot Program ("ICDP") budgets approximately \$22.7 million to support 10 interstate corridor sites with 80 charging ports. Under the ICDP, the customer could own the EV charger or opt for an NV Energy-owned turnkey solution. Concurrently, Nevada is slated to receive approximately \$38 million over five years from the National Electric Vehicle Infrastructure ("NEVI") formula program. The purpose of the NEVI funding is to catalyze additional private investment and supplement and fill gaps to provide a convenient, reliable, affordable and equitable national EV charging network.¹ Private capital investments in Nevada's EV charging network could be substantially delayed if NV Energy is allowed to corner the market by passing the costs of EV fast chargers onto ratepayers without market or competitive forces at play.

Private investment and fair competition will ensure Nevada's EV charging market grows independent of the need for government and ratepayer subsidies. Furthermore, the private market is well positioned to fill service gaps and provide the positive customer experience that drivers are accustomed to. Private businesses simply need the reassurance that Nevada's EV charging market will be based on fair competition and transparency for all charging providers.

It is important to note that CAP understands the financial realities that Nevada will face in order to upgrade host-site infrastructure to accommodate the state's EV fast charging network. NV Energy will play a crucial role in ensuring Nevada's grid infrastructure is prepared to support a statewide charging network. Indeed, this effort will require cooperation among all of Nevada's electricity providers and many other stakeholder groups. However, unregulated businesses that compete on price and quality of service are better suited to own and operate charging stations, while regulated electric utilities should focus on key challenges such as make-ready infrastructure, generation and grid modernization. This partnership will provide benefits to all electric utility ratepayers rather than only those who drive EVs.

¹ See the NEVI program guidance, page 25:

https://www.fhwa.dot.gov/environment/alternative_fuel_corridors/nominations/90d_nevi_formula_program_guidance.pdf

Comments on the Urban Charging Depot Program

NV Energy's proposed Urban Charging Depot Program ("UCDP") budgets approximately \$33.1 million to facilitate the deployment of charging infrastructure and associated equipment to support public EV charging for drivers in metropolitan areas of Nevada. The program intends to support 12 sites with 120 charging ports, and the site host could own the charger or opt for an NV Energy-owned turnkey solution just as with the ICDP. A key goal of the program is to promote the strategic deployment of public charging infrastructure particularly in Historically Underserved Communities and areas of high traffic and dwell times. CAP is in full support of increasing charger access to disadvantaged communities and neighborhoods; however, using ratepayer money to fund these investments is not the best option for serving these areas.

Retailers, including gas stations, convenience stores and grocery stores, can be found in every community across the country, including disadvantaged and underserved communities. In many instances, these businesses are the largest employers and largest taxpayers in their communities and the only location where local residents can buy groceries. If Nevada sends the necessary policy and regulatory signals to these businesses, they will invest in EV charging infrastructure to meet the demand of their customers.

Private businesses are acutely aware of customer demand and have spent decades researching trends to determine the optimum locations to serve clients. As a result, retailers and other businesses are sited in convenient locations to provide their customers with the products they need. CAP believes EV charging will benefit from similar analyses by the private sector. CAP, therefore, encourages Nevada to work with consumer interests rather than against them.

Conclusion

For the reasons previously stated, CAP submits that NV Energy's proposed ICDP and UCDP programs should not be approved as currently proposed. Accordingly, CAP urges the Commission to reject the provisions of the proposal that allow NV Energy to own the charging equipment itself, and only allow NV Energy to own the distribution system investment and upgrades and make-ready infrastructure.

To electrify the transportation industry, stakeholders need to focus on their core competencies. As stated previously, the most efficient, cost-effective path to a nationwide network of EV charging stations is for retailers and power companies to work in partnership, with each focused on their specific areas of expertise. Regulatory policy that incentivizes this partnership structure will encourage consumers to adopt EVs more quickly and meet climate change goals. CAP supports policies allowing utilities to receive funding to strengthen the grid and power infrastructure. We believe, however, that retailers and other private businesses that compete on price and services are in a better position to own and operate charging stations.

Thank you for your consideration of CAP's comments. As the Commission studies this issue, CAP is prepared to be a resource and welcomes all future opportunities to participate in this process as a commenter. We look forward to working with the Commission on this important issue.