

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NO. AVU-E-23-16
OF AVISTA CORPORATION, D/B/A/)
AVISTA UTILITIES, REQUESTING)
AUTHORITY TO ESTABLISH TARIFF) ORDER NO. 36125
SCHEDULE 23 FOR DIRECT CURRENT)
FAST CHARGING (DCFC) OF ELECTRIC)
VEHICLES)
)

On November 3, 2023, Avista Corporation, doing business as Avista Utilities (“Company”) applied to the Idaho Public Utilities Commission (“Commission”) requesting authority to establish electric tariff Schedule 23, “Direct Current Fast Charging (“DCFC”) Rate Option” (“Schedule 23”).

The Commission now issues this Order establishing the Company’s proposed Schedule 23 as a pilot as described below.

THE APPLICATION

The Company proposes a new optional commercial electrical vehicle (“EV”) rate schedule primarily to address the significant market barrier associated with high variable demand charges in existing rates. Application at 6. The Company represents that the EV rate schedule for general service Schedule 23 customers will encourage greater investment in public DCFC, while also continuing to recover utility costs through a higher per kilowatt-hour (“kWh”) charge. *Id.*

The Company proposes optional commercial EV rate Schedule 23 for DCFC charging general commercial service. *Id.* In addition to the fixed demand charge, the Company proposes to increase the per kWh charge and eliminate the variable demand charge for this new rate schedule. *Id.* at 7. The Company submitted the table below with details comparing the existing Schedule 21 base rates and the proposed Schedule 23 DCFC base rates.

Table No. 2 – Schedule 21 and 23 Base Rate Comparison

Monthly Bill Component	Schedule 023	Schedule 021
Fixed demand charge	\$ 500.00	\$ 500.00
Demand charge over 50 kw	\$ 0.00	\$ 6.50
First 250,000 kWh	\$ 0.08509	\$ 0.07135
Over 250,000 kWh	\$ 0.07386	\$ 0.06012

Id. at 7.

The Company represents that the full calculations of the proposed rates for Schedule 23 have been provided as workpapers with the Application, and that commercial EV rate Schedule 23 will be subject to the same adder schedules (DSM, PCA, FCA, etc.) and miscellaneous charges consistent with existing Schedule 21. *Id.* at 7-8.

The Company states that the proposed rates provide reasonable recovery of utility costs based on a simple flat rate for energy charges, while eliminating demand charges that currently inhibit market growth. *Id.* at 8. The Company represents that a relatively small number of customers are expected to adopt this optional rate schedule over the next few years; however, the Company believes that it may still be effective in removing a key market barrier to early adoption, while also providing a means to acquire utilization and cost data to inform revisions to the commercial EV rate schedules in the future. *Id.* at 9.

STAFF COMMENTS

Staff reviewed the Company's proposed Schedule 23 and identified two specific issues: (1) the Company did not provide a reliable cost-of-service analysis due to insufficient customer usage data making it impossible to know if the proposed rates are cost-based, and (2) the rates as proposed are not revenue neutral.

Staff reviewed the Company's current Schedules for its Idaho and Washington service territories, and Staff evaluated the need for an Idaho specific DCFC schedule in the Company's Idaho service territory. While Staff does not agree with the proposed rate design for Schedule 23 or the Company's justification on market transformation, Staff believes it is necessary to sustainably manage EV load growth on the system in the future.

Staff understands that the current operational costs of DCFC stations are not financially sustainable given the current schedules these customers are on, and that an alternative rate design could address some of these issues. However, given the small number of customers expected to use this schedule and a lack of data to support the need for a separate class, Staff is unable to justify a need for a DCFC specific customer class at this time.

Staff recommends that the Commission deny the request to implement the proposed DCFC tariff Schedule 23. Staff recommends that the Company consider revisiting adding an additional DCFC tariff in a future general rate case. If the Company chooses to revisit the DCFC tariff, the Company should provide the Commission with Class Cost-of-Service analysis, a cost-based rate

design, a system load forecast for DCFC stations on the Company's Idaho system, and more data on DCFC load characteristics to justify the need for a separate rate class.

PUBLIC COMMENTS

The Commission received four public comments in support of the proposed Schedule 23. The comments note the current high operating expenses under Schedule 11 and believe the proposed Schedule 23 would reduce the financial burden on DCFC customers and provide benefits for Idaho's EV market moving forward.

COMPANY REPLY COMMENTS

The Company believes there is a need for such a DCFC tariff currently, and the Company's intention in filing this case is to take a small step forward in supporting transportation electrification in Idaho. The Company believes that without some support for DCFC in the form of the Company's filing, Idaho will lag in electric vehicle adoption. However, should the Commission choose not to approve the Company's Application, the Company agrees with Staff that, if it chooses to pursue a tariff for DCFC down the road, it would do so in a general rate case.

COMMISSION DECISION AND FINDINGS

The Commission has jurisdiction over this matter under *Idaho Code* §§ 61-502 and 61-503. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provision of law, and to fix the same by order. *Idaho Code* §§ 61-502 and 61-503. The Commission has reviewed the record and based on our review we find it reasonable to approve the Company's proposed Schedule 23—DCFC Rate Option as a pilot.

Having reviewed the record we find that we need additional information to determine whether Schedule 23 becomes permanent. Primarily we need information to determine if Schedule 23 is revenue neutral and no costs are shifted to other customer classes. Rates should be based on cost-of-service which will ensure Schedule 23 customers are paying the appropriate rates. Accordingly, Schedule 23 will operate as a pilot until the Company's next general rate case when rates can be established based on cost-of-service or until this Commission otherwise issues an order making Schedule 23 permanent or modifying or terminating the schedule.

While Schedule 23 rates for the pilot program will initially be based on the Company's proposed rates, the Company shall notify customers that rates are subject to change at any time—even prior to the next general rate case. The Company shall also submit a semi-annual report to the Commission that provides details of the number of customers taking service under Schedule

23, notating customer growth or loss, and the total kWhs consumed by the class. This initial report shall be due by August 30, 2024.

ORDER

IT IS HEREBY ORDERED that effective April 1, 2024, Schedule 23 is approved as a pilot until the next general rate case or until the Commission enters an order making this schedule permanent or modifying or terminating Schedule 23. The Company shall submit a compliance filing updating its Schedule 23 consistent with this Order by April 15, 2024.

IT IS FURTHER ORDERED that the Company is directed to submit a semi-annual report including details about customer growth or loss, and the total kWhs consumed by Schedule 23 customers with the initial report due on or before August 30, 2024.

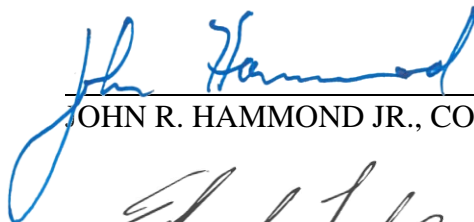
IT IS FURTHER ORDERED that the Company shall notify Schedule 23 customers that rates are subject to change.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order regarding any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code § 61-626.*

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 1st day of April 2024.



ERIC ANDERSON, PRESIDENT



JOHN R. HAMMOND JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Monica Barrios-Sanchez
Commission Secretary