



Idaho Public Utilities Commission  
11331 W. Chinden Boulevard,  
Building 8, Suite 201-A  
Boise, ID 83720

**Re: Avista Filing for DC Fast Charging Tariff for EVs (Sched. 23 proposal), Case# AVU-E-23-16**

Dear Commission Secretary:

We strongly support the proposal that Avis Corporation recently filed with the Commission to offer a revised rate design for commercial customers engaging in DC fast charging of electric vehicles (EVs). Since this industry is still in a nascent stage with low utilization of these charging assets, traditional demand charges become a major barrier to successful use of EVs with adequate and reliable charging infrastructure. Many other utilities and state Commissions in every region of the country have developed demand charge mitigation rates and measures, with Commission approval, that address these issues while preserving cost-of-service studies and not spreading undue costs to other customers or classes. We believe that Avista's proposal achieves this goal through a straightforward and fairly simple rate design which commercial customers, such as auto dealers or private EV charging providers, can understand and implement in their business models.

***General points***

Despite what one may be reading in the press and social media, EV sales grew substantially nationally (about 50% year-to-year) in 2023, which include both full battery electric vehicles (BEVs) and plug-in electric vehicles (called "PHEVs"). Idaho as a state is not as far along in the EV adoption curve as other states, but with the introduction of pick-up trucks (such as the Ford F-150 Lightning) and other light trucks in addition to the SUVs and sedans, adoption is increasing in Idaho as well. Increasing EV adoption is coming to Avista's service territory in northern Idaho. The broad industry trends are toward lower price points (recognizing the earlier EVs entered the market at higher price points) and lower battery prices due to increasing scale.

The electrification of transportation marks a major change in key industries like automobile, auto parts and services, auto dealers, energy supply and distribution, and EV charging providers (both host sites/landlords and network operators). ATE believes that each of these major industrial sectors needs to change and adjust as EVs become more prevalent in scale. Siting and building infrastructure for EV charging is one such challenge that poses obstacles, whether the use case be residential, commercial, workplace, or publicly accessible charging locations along highway corridors or metropolitan areas. Each use case is unique and different, but it requires a strong role for the regulated utility in several areas: good program design, sound rate design based on cost-of-service principles, education and outreach to key accounts and customers, and efficient interconnection policies.

While certain grants and incentives are available from federal and state agencies, the costs of designing, building, and most importantly, operating EV charging facilities with electric power supplied by the distribution grid of the utility are quite high in this nascent phase of growth. If utilization of charging stations is low in these early days of growth, the energy costs (today mostly demand charges depending on the type of charger and number of sessions per month) will often be the highest operating cost.

### ***Specifics points***

Many other utilities in other jurisdictions or their Commissions have authorized or developed demand charge mitigation measures. We have written three white papers on these topics, with Paper #2 focused on the variety of demand charge mitigation options. They include peak demand limiters (through a credit); a sliding scale discount based on utilization; a cost-of-service based rate without a demand charge (e.g., low load factor customers like irrigation districts, or certain industrial customers). All of these mechanisms recognize that these EV charging facilities operating for the public or for their own benefit are at this stage low load factor customers. Avista's filing reflects some of these best practices by deleting the traditional demand charge, and putting more of those costs into the basic charge, among others. The following are a few brief comments on the specific elements:

- The expected low load factor (calculated either monthly or yearly) should be a key determinant for the Commission when examining this proposed Schedule 23 tariff, and the evidence;
- Although we are still in the early days of development, there is ample evidence on the high and sometimes prohibitive cost that these demand charges pose to customers;
- To minimize the "cost-shifting", the utility can either shift fixed costs to the basic charge, or increase the energy (volumetric, or per kWh) rates.
- Avista has made a sensible choice here in increasing the basic charge for a commercial customer to \$500 per month, while maintaining the per kWh (energy charges)
- The evidence in the filing demonstrates that this will offer substantial savings to the operator/customer of the EVSE equipment, or the commercial customer, as demonstrated in the application submitted by Mr. Meyer in this docket,
- Avista has created a separate class for this type of commercial (Schedule 23), which will segregate these costs and benefits in a class,
- Avista will update this tariff, as appropriate, during future rate cases as a new cost-of-service study with revisions may be carried out for a future general rate case, which may reflect changes in cost allocation or rate spread.

In summary, ATE believes that Avista's proposal is both balanced and straightforward and attempts to address legitimate challenges in the EV market today while recognizing traditional cost-of-service principles that should be sustained over time.

Sincerely,

*Philip B. Jones*

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Monica Barrios-Sanchez, Secretary  
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**Re: Case No. AVU-E-23-16 (Avista) General Motors (GM) Support for the Avista Utilities application requesting the Company to establish a new tariff Schedule 23 for Direct Current Fast Charging (DCFC) of electric vehicles**

Dear Ms. Barrio-Sanchez,

I am writing on behalf of General Motors LLC (GM) to express our staunch support for Avista Utilities' application to the Commission seeking approval for Electric Tariff Schedule 23, "Direct Current Fast Charging (DCFC) Rate Option".

GM is a leader in developing the market for plug-in electric vehicles (PEVs) and is helping to realize the grid benefits of widespread transportation electrification. Automakers – including GM – are investing billions of dollars in electric vehicle technologies and are also working on innovative programs to facilitate market development. Examples of this work include extensive efforts to facilitate infrastructure deployment and expose more people to electric vehicles. Electricity rates are central to these transportation electrification efforts. PEVs represent a fundamentally different type of load and it is increasingly clear that targeted rates are needed. By affecting the cost of charging, smart rate design can: help build consumer interest in PEVs by ensuring cost savings compared with gasoline; facilitate infrastructure deployment; and enable sustainable models for EV deployments in new mobility and fleet applications.

Throughout the nation, regulatory commissions are increasingly approving utility electric vehicle (EV)-specific rates to foster accessible and equitable EV charging solutions. Avista's proposed rates (Electric Tariff Schedule 23) not only aim to facilitate the growth of affordable public DCFC but also play a crucial role in supporting auto dealerships in Idaho. These dealerships, including 24 GM affiliated dealerships, must charge both new EVs for sale and those undergoing maintenance, typically with a DCFC. GM has seen elevated initial energy expenses confronting its dealerships in Idaho. The existing Avista commercial electric rate linked to DC fast charging incurs exorbitant overall costs per kilowatt-hour (kWh), primarily due to low utilization and steep demand charges. Employing the current commercial electricity rate with demand charges disproportionately affects dealerships that may only have a few EVs charging per month, yet the resulting costs soar for charging an extremely limited number of electric vehicles. This financial strain is unsustainable for these small businesses.

Nationally, utilities are actively formulating rates tailored to DCFC, underscoring the importance of creating such structures to bolster the expansion of the EV market. Beyond supporting our dealerships, GM is collaborating with Pilot company <sup>1</sup> to install DCFC stations for public use across the US as well as in Idaho. Approval of the proposed rate will significantly improve the business model to expand public charging in Idaho and keep rates affordable for drivers.

In states like Idaho, where the EV market is still emerging, supportive policies for both vehicles and charging infrastructure are crucial for sustained growth. GM is committed to advancing EV adoption, a key objective as we strive toward a zero-emission future, exemplified by our development of compelling EVs like the Silverado EV. Drawing inspiration from the success of states and utilities implementing innovative rate designs to accelerate the EV market, GM is pleased to endorse Avista's proposal in the current rate application.

Thank you for considering our support for Avista Utilities' initiative, which aligns with our shared vision for a sustainable and thriving EV ecosystem.

Respectfully submitted,

*Kathy Knoop*

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<sup>1</sup> <https://news.gm.com/newsroom.detail.html/Pages/news/us/en/2022/jul/0714-gmpilot.html>