Virginia State Corporation Commission eFiling CASE Document Cover Sheet

Case Number (if already assigned) PUR-2021-00151

Case Name (if known) Application of Virginia Electric & Power Company for

approval of five voluntary tariffs to support

transportation electrification pursuant to Virginia Code

§ 56-234 A

Document Type RQFH

Document Description Summary Sierra Club & NRDC's Request for Hearing &

Expedited Consideration

Total Number of Pages

Submission ID 23096

eFiling Date Stamp 10/22/2021 12:55:40PM

10



Appalachian Mountain Advocates

West Virginia Post Office Box 507 Lewisburg, WV 24901 (304) 645-9006 <u>Virginia</u> 415 Seventh Street NE Charlottesville, VA 22902 (434) 529-6787

www.appalmad.org

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October 21, 2021

BY ELECTRONIC FILING

Mr. Bernard Logan, Interim Clerk c/o Document Control Center STATE CORPORATION COMMISSION Tyler Building — First Floor 1300 East Main Street Richmond, Virginia 23219

RE: Application of Virginia Electric & Power Company

For approval of five voluntary tariffs to support transportation electrification pursuant to Virginia Code § 56-234 A

Case No. PUR-2021-00151

Dear Mr. Logan,

Please find attached for filing in the above-captioned case:

- Notice of Participation of Sierra Club & Natural Resources Defense Council and Request for Hearing & Expedited Consideration, and
- Sierra Club and Natural Resources Defense Council's First Set of Discovery Requests to the Virginia Electric & Power Company.

Please do not hesitate to contact me if you have any questions regarding these filings.

Thank you,

Evan Dimond/Johns

APPALACHIAN MOUNTAIN ADVOCATES

Post Office Box 507

Lewisburg, West Virginia 24901

Phone: (434) 738 - 1863 E-Mail: ejohns@appalmad.org

Copied by Electronic Mail:

Commission Staff Service List

COMMONWEALTH OF VIRGINIA STATE CORPORATION COMMISSION

APPLICATION OF

VIRGINIA ELECTRIC & POWER COMPANY

Case No. PUR-2021-00151

For approval of five voluntary tariffs to support transportation electrification pursuant to § 56-234 A of the Code of Virginia

NOTICE OF PARTICIPATION OF SIERRA CLUB & NATURAL RESOURCES DEFENSE COUNCIL AND REQUEST FOR HEARING & EXPEDITED CONSIDERATION

Under Rule 80 of the Rules of Practice and Procedure of the State Corporation Commission, 5 VAC 5-20-80 B, and Ordering Paragraphs 10 and 12 of the Commission's August 17, 2021 Order for Notice and Comment, the Sierra Club and the Natural Resources Defense Council (NRDC) file this Notice of Participation and Request for Hearing & Expedited Consideration in the above-captioned proceeding.

NOTICE OF PARTICIPATION

1. Counsel for the Sierra Club and NRDC is:

Evan Dimond Johns (Virginia State Bar No. 89285) APPALACHIAN MOUNTAIN ADVOCATES Post Office Box 507 Lewisburg, West Virginia 24901 Telephone: (434) 738 – 1863

E-Mail: ejohns@appalmad.org

2. The Sierra Club is a nonprofit conservation organization incorporated in California. It currently represents more than 800,000 dues-paying members nationwide and approximately 20,000 dues-paying members in Virginia. The Club is dedicated to exploring, enjoying, and protecting the wild places of the Earth; to practicing and promoting the responsible use of the

Earth's resources and ecosystems; to educating and enlisting humanity to protect and restore the quality of the natural and human environment; and to using all lawful means to carry out those objectives. The mailing address for the Club's Virginia Chapter is:

Sierra Club — Virginia Chapter 442 East Franklin Street, Suite 302 Richmond, Virginia 23219

3. The Natural Resources Defense Council is a nonprofit environmental advocacy organization incorporated in New York. It represents the interests of more than 2.4 million members and supports and approximately 9,500 dues-paying members in Virginia. NRDC's central purpose is to safeguard the integrity of the elements that sustain life—air, land and water—and to defend endangered natural places. To those ends, NRDC has advocated for deep cuts to carbon emissions and for clean energy solutions that will lower consumer energy bills, create jobs, and build Virginia's economy. The mailing address for NRDC is:

Walton C. Shepherd 2105 M Street Richmond, Virginia 23223

- 4. Because widespread deployment of electric vehicles (EVs) will significantly reduce emissions of greenhouse gases and conventional air pollutants, the Sierra Club and NRDC regularly advocate for policies that will facilitate EV deployment and help integrate EVs into the grid in ways that benefit retail customers—both those who own EVs and those who do not.
- 5. The Sierra Club—both in its individual capacity as an organization and in its representative capacity on behalf of its members—is a retail customer of the Virginia Electric and Power Company (the Company). NRDC similarly represents the interests of its Virginia members,

many of whom are retail customers of the Company. Many Club and NRDC members are EV owners who would be interested in participating in a voluntary tariff tailored to EV owners. Other members are interested in owning an EV, and the availability of reasonable EV tariffs is a significant factor in their decision whether to purchase an EV. As such, the Club, NRDC, and their respective members have immediate, pecuniary, and substantial interests in the outcome of this proceeding.

6. Through written comments—and, given the opportunity, through pre-filed testimony, and at hearing—the Sierra Club and NRDC intend to address whether the Company's voluntary EV tariffs are reasonable and just. To that end, the Club and NRDC may address whether the Company's EV tariffs provide appropriate incentives for would-be EV owners; whether they reflect the current and potential environmental, technical, and economic benefits of EV adoption; and, importantly, whether they are properly designed to reflect the true "cost of providing service" and "encourage[] efficient use of facilities"—two important considerations in evaluating whether rates are "reasonable and just."

REQUEST FOR HEARING & EXPEDITED CONSIDERATION

7. The Commission's Order for Notice and Comment acknowledges that the Company's request is governed by Virginia Code § 56-234.2 That Section authorizes utilities to propose:

voluntary rate or rate design tests or experiments, or other experiments involving the use of special rates, where such experiments have been approved by order of the Commission after

¹ Secretary of Defense v. Chesapeake & Potomac Telephone, 217 Va. 149, 153 (1976).

² Order for Notice & Comment at 1.

notice and hearing and a finding that such experiments are necessary in order to acquire information which is or may be in the furtherance of the public interest.³

- 8. Similarly, Virginia Code § 56-235.2 allows "the Commission [to] approve, either in the context of or apart from a rate proceeding after notice to all affected parties and hearing, special rates, contracts or incentives to . . . classes of customers where it finds such measures are in the public interest."
- 9. While the Commission is granted discretion in deciding, for example, which rate proceedings "are of sufficient [public] interest to require" the placement and availability of transcripts in "locations in the geographic area served by the utility," the statutory requirement for a public hearing on rate applications is mandatory. Moreover, the Commission has a legal duty to ensure such hearings allow "full and fair participation . . . by any interested person subject to such guidelines as the Commission may deem appropriate."
- 10. Even if the Code does not strictly require a hearing on the Company's request, a hearing is nonetheless appropriate given the importance of EV integration and deployment to the Commonwealth's policy goals. As the Company notes in its Application, EV integration

³ Virginia Code § 56-234 B (emphasis added).

⁴ *Id.* § 56-235.2 A (emphasis added).

⁵ Id. § 56-235.3. Note, however, that the statute removes that discretion for investor-owned utilities, like the Company, that serve at least 25,000 customers.

⁶ *Id*.

affects not only the growing number of EV-owners in Virginia;7 it "can result in downward rate pressure for all customers resulting from the increased system load and associated revenues and more efficient grid utilization." Accordingly, the General Assembly has expressed a clear policy of "promoting zero-emission vehicles and infrastructure, including electrified transport." Importantly, however, mismanaging EV integration can increase peak loads and require additional, ratepayer-funded investments in supply-side resources. 10

11. Although there is at least one pending docket before the Commission dedicated to a high-level investigation of EV integration, recent peer-reviewed "[r]esearch has found that charging-fee-related policies have a significant impact on EV adoption, as charging fees can significantly influence the total cost of ownership and change the consumer perception of

⁷ Application ¶ 4; see also Direct Testimony of Nathan J. Frost (Frost Direct) at 4:11-6:9.

⁸ Application ¶ 11; Frost Direct, Schedule 1 at 2.

⁹ Virginia Code § 45.2-1706.1(A)(6); see also 2021 VIRGINIA ACTS Chapter 268 ("It is the policy of the Commonwealth that transportation electrification will reduce dependence on petroleum, improve air quality and public health, reduce vehicle fueling costs, and reduce emissions of greenhouse gases from the transportation sector."); Frost Direct at 8:6-8:15 (pointing to 2021 House Bills 1965 and 1979 as additional legislation in support of the Commonwealth's policy in favor of EVs).

¹⁰ Rachana Vidhi et al., Social & Technological Impact of Business Surrounding Electric Vehicles, 3 CLEAN TECHNOLOGIES 81, 87 (2021), available at https://bit.ly/3pbkLft ("If electric vehicles start getting charged during grid demand peaks, the peak in the power draw will further increase, thus increasing the need for additional generation capacity."); see also Application ¶ 17 n.1 (emphasizing the importance of "manag[ing] the increased demand from EVs in a manner that can shift the new load from times of peak demand").

¹¹ See generally Commonwealth ex rel. State Corporation Commission, Ex Parte: Electrification of Motor Vehicles, Case No. PUR-2020-00051, Order Establishing Proceeding Regarding Electric Vehicles (March 24, 2020), available at https://bit.ly/3jhyAFu.

electric vehicles." ¹² In addition to high-level investigation of EV issues, then, the Commission should ensure a thorough and substantive review of concrete policies like those the Company proposes here.

- 12. Establishing a new procedural schedule would also ensure that the Commission's review can benefit from any insights gained through the ongoing EV Stakeholder Group process. That process—required by 2021 House Bill 2282¹³ and implemented within the pending *ex parte* docket mentioned above¹⁴—involves five stakeholder meetings concluding on December 16, 2021. Although the primary goal of those meetings is "to assist the Commission in the preparation of its report to the General Assembly" due May 2022, is information gleaned through the process may also inform the Commission's consideration of whether the proposals at issue in this case are incomplete, flawed, or premature.
- 13. If the Commission sets this matter for hearing, the Sierra Club and NRDC intend to present the testimony of Kathy Harris, an expert in transportation electrification in NRDC's Climate & Clean Energy Program, who has testified to Commissions across the East Coast regarding similar transportation electrification matters. Before joining NRDC, Ms. Harris was a Clean

¹² Vidhi, supra note 10, at 91 (citing Jingjing Li et al., Analysis of the Impact of Policies Intervention on Electric Vehicles Adoption, 144 ENERGY POLICY 111560 (2020); Y.Q. Qui et al., Assessing the Effectiveness of City-Level Electric Vehicle Policies in China, 130 ENERGY POLICY 22 (2019)).

^{13 2021} VIRGINIA ACTS Chapter 268 at § 1.

¹⁴ See, e.g., Commonwealth ex rel. State Corporation Commission, Ex Parte: Electrification of Motor Vehicles, Case No. PUR-2020-00051, Order Establishing Additional Procedures (June 28, 2021), available at https://bit.ly/3jdvRwI.

¹⁵ *Id.* at 3.

Transportation Planner in the Delaware Department of Natural Resources & Environmental Control's Division of Climate, Coastal & Energy. In that role, Ms. Harris managed the state's Clean Vehicle Rebate & Electric Vehicle Charging Equipment Rebate Programs, which included rebates for electric vehicle charging stations. Due to her expertise in electrification policy, Ms. Harris's testimony will assist the Commission in evaluating the efficacy, fairness, and costs—including opportunity costs—of the Company's proposal.

14. Under the Commission's Order for Notice and Hearing, the only opportunity currently available for respondents to register concerns with the Company's proposal is through written comments due by November 4, 2021¹⁶—also the deadline for respondents to file a notice of participation. A prompt grant of this request for hearing, then, would give interested parties assurance that the November 4 deadline is not their only chance to voice concerns with the Application. That assurance would allow the Sierra Club, NRDC, and other interested parties to prepare more targeted testimony on the Company's proposal. And given that the Club and NRDC intend to articulate substantive concerns, Staff and the Company would also benefit from understanding the procedural timeline for responding to those concerns.

WHEREFORE the Sierra Club and NRDC respectfully request that the Commission promptly enter an order setting this matter for hearing and establishing a procedural schedule that provides

¹⁶ Order for Notice & Comment at 10.

¹⁷ Id. at 11.

interested parties, Staff, and the Company an opportunity to fully address the issues surrounding the proposed EV tariffs.

Dated: October 21, 2021

Respectfully submitted,

Evan Dimond Johns

(Virginia State Bar No. 89285)

APPALACHIAN MOUNTAIN ADVOCATES

Post Office Box 507

Lewisburg, West Virginia 24901 Telephone: (434) 738 - 1863 E-Mail: ejohns@appalmad.org

> Counsel for the Sierra Club and the Natural Resources Defense Council

CERTIFICATE OF SERVICE

In accordance with the Commission's April 1, 2020 Order Requiring Electronic Service, entered in Case No. CLK-2020-0007, I certify that on October 21, 2021, I sent the foregoing by electronic mail to:

Ashley Macko
Austin Skeens
STATE CORPORATION COMMISSION
OFFICE OF THE GENERAL COUNSEL
Post Office Box 1197
Richmond, Virginia 23218

Audrey Bauhan Brien J. Fricke Dominion Energy Services 120 Tredegar Street Richmond, Virginia 23219 Vishwa B. Link
Sarah R. Bennett
Nicole M. Allaband
McGuire Woods LLP
800 East Canal Street
Richmond, Virginia 23219-3916

C. Meade Browder Jr.

OFFICE OF THE ATTORNEY GENERAL DIVISION OF CONSUMER COUNSEL 202 North Ninth Street — Eighth Floor Richmond, Virginia 23219-3424

Evan Dimond Johns

(Virginia State Bar No. 89285)