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December 28, 2017

Honorable Kathleen H. Burgess
Secretary
NYS Public Service Commission
Empire State Plaza
Agency Building 3
Albany, New York 12223-1350

RE: Proposed Expansion of the Business Incentive Rate to Include an Electric Vehicle
Quick Charging Station Program

Dear Secretary Burgess:

Consolidated Edison Company of New York, Inc. (“Con Edison” or the “Company”) expects that an increasing number of vehicles will use electricity, not gasoline, for fuel. In support of New York State and City public policy objectives to encourage electric vehicle adoption, Con Edison is proposing a seven year program to incent publicly accessible electric vehicle quick charging stations (“EV Quick Charging Stations”) in its service territory. The Con Edison program, which was based on discussions with stakeholders, would be under the umbrella of its Business Incentive Rate (“BIR”) to provide delivery rate reductions for EV Quick Charging Stations. To implement this program, the Company is filing with the New York State Public Service Commission (“Commission”) amendments to its Schedule for Electricity Service, P.S.C. No. 10 – Electricity (the “Tariff”) applicable to its electric customers in the City of New York and the County of Westchester.

The revised Tariff Leaves, which are identified below, are filed to become effective on May 1, 2018:

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding No.</u>
195	4	3
196	5	4
197	4	3
198	5	4
200	5	4

The Tariff Leaves propose changes to the BIR that would enable the Company to implement the EV Quick Charging Station Program. This new program would be consistent with the spirit of BIR because the program will attract new business customers to the service area and will mitigate the high cost of EV charging station operation in an immature market with low-station utilization.

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Under this program, the Company would transfer 30 MW BIR from the Rate Plan's¹ New and Vacant Program (currently undersubscribed) to the new EV Quick Charging Stations program. Public charging stations are expected to build consumer confidence that electric vehicle charging is available when needed, thus enabling the EV market and resulting in air quality benefits. Like other BIR program components, the new program would require customers to receive economic incentives from federal or state authorities and/or local municipalities ("federal, state and/or local authorities"). Such incentives may come from existing programs or new programs that fit the eligibility requirements of the proposed EV Quick Charging Station Program.

Proposed Tariff Changes

The BIR is described in Rider J of the Tariff and currently includes the following four program components:

- New York City and Westchester Comprehensive Package of Economic Incentives;
- New and Vacant Program;
- Biomedical Research Program; and
- Business Incubators and Business Incubator Graduates.

EV Quick Charging Station Program

The Company proposes to add a new BIR program component, the EV Quick Charging Station Program. Major elements of this program component include:

- A 30 MW allocation transferred from the New and Vacant Program;
- An opportunity for owners of newly constructed EV quick charging stations with a minimum aggregate charging capacity of 100 kW and maximum aggregate demand of 2,000 kW to receive BIR delivery rate reductions;²
- A requirement that an EV quick charging station obtain economic incentives from the federal, state and/or local authorities;
- A term for delivery rate reductions of up to seven years from the effective date of the program; and
- Other BIR requirements as applicable.

The EV Quick Charging Station Program is designed to incent the construction of charging stations in the Company's service territory. With a 30 MW BIR allocation, there would be availability for approximately 300 EV charging stations with aggregate charging capacity of 100 kW, or 150 EV charging stations with aggregate charging capacity of 200 kW, or various

¹ Case 16-E-0060, et al., Proceeding as to the Motion as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Electric Service, *Order Approving Electric and Gas Rate Plans* (issued January 25, 2017).

² An EV quick charging station would take service under Service Classification ("SC") 9 of the Tariff. Under the current BIR, the delivery rate discount applicable to SC 9 Rates I and III is 39 percent and the delivery rate discount applicable to SC 9 Rate II is 34 percent.

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mixtures of sizes. According to estimates from the National Renewable Energy Laboratory,³ enabling this level of public EV charging effectively means that if fully subscribed, the Company would support over 85,000 electric vehicles by the end of the seven-year program term, contributing to New York State's achievement of its Zero Emission Vehicle ("ZEV") target. The 30 MW would be transferred from the New and Vacant Program, which has a 155 MW allocation, leaving 125 MW remaining for use. In other words, the total BIR allocation under the Rate Plan will not change.

To qualify for the EV Quick Charging Station Program, a participant would need to construct a charging station with a minimum of 100 kW of aggregate charging capacity that would be publicly accessible. Examples of locations for publicly accessible stations are supermarkets, malls and retail outlets, train stations, hotels, restaurants, and parking garages and parking lots where EV quick charging is open to the general public.

As with any other BIR program component, an EV Quick Charging Station must receive economic benefits from federal, state and/or local authorities.⁴

The Company believes that a delivery rate reduction timeframe of up to seven years is appropriate for the following reason. In today's market for public EV charging, principal barriers to development and profitability are upfront capital costs and operating costs, including the cost of electricity, at the current low station utilization rates. The Company expects that, over the next several years, increasing EV market share will lead to increasing station utilization rates and the operating cost barrier will no longer exist. Therefore, participants should receive delivery rate reductions only during the time period that low utilization rates are expected to deter participants from entering the market. Upon program expiration, participants will be billed on their otherwise applicable SC 9 rate.

The Company will require that the delivery rate discounts under the EV Quick Charging Station Program focus on EV quick charging infrastructure. Therefore, electric loads that are not associated with EV quick charging infrastructure will be limited to 10 kW. This limit is necessary so that the BIR delivery rate reductions do not subsidize other electric uses at the EV quick charging stations.

While the BIR program currently includes an energy audit requirement, this requirement is not proposed to be applicable to the EV Quick Charge Station Program. Participants will build new EV charging stations, with loads almost entirely associated with EV quick charging infrastructure. The expectation is that since the latest technology will be installed at these stations, the energy audit requirement is unnecessary as there is no expected improvement to the technology in the short term.

³ Wood, E., *et al.*, *National Plug-In Electric Vehicle Infrastructure Analysis* on behalf of the National Renewable Energy Laboratory, September 2017.

⁴ Economic Incentives may include recurring incentives such as tax relief incentives, energy rebate, and/or similar incentives including an allocation under the Recharge New York program. They may also include low-cost financing conferred by the local municipality, state authorities, the federal government, or entities tasked with providing federal financing and/or funds. Other applicable incentives include contributions in the form of on-going rebates or other incentives.

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The Company has previously addressed other situations where an incentive was needed to assist customers in a short-term situation through the BIR.⁵

All other BIR programs requirements are applicable to the EV Quick Charge Station Program.

Conclusion and Notice

The Company is proposing a seven-year EV Quick Charge Station Program to incent, along with federal, state and/or local authorities, the construction of publicly accessible EV Quick Charging Stations in its service territory.

The Company will publish notice of the proposed tariff changes on January 11, 18, 25 and February 1, 2018. Copies of this filing are being sent electronically to the active party list in Case 16-E-0060.

Respectfully submitted,

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

/s/
William A. Atzl, Jr.
Director
Rate Engineering

⁵ For example, after September 11, 2001, and Superstorm Sandy, the Company developed and implemented the World Trade Center BIR Program and the Superstorm Sandy BIR programs. Both programs were in place for a short period of time to incent economic development.