

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION  
AT RICHMOND, JANUARY 24, 2020

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APPLICATION OF

RAPPAHANNOCK ELECTRIC COOPERATIVE

CASE NO. PUR-2020-00001

For Approval of an Electric Vehicle  
Smart Charging Pilot Program

ORDER FOR NOTICE AND COMMENT

On January 2, 2020, Rappahannock Electric Cooperative ("REC" or "Cooperative"), pursuant to Rule 40 of the State Corporation Commission's ("Commission") Rules Governing Cost/Benefit Measures Required for Demand-Side Management Programs,<sup>1</sup> filed an application ("Application") for approval of an electric vehicle smart charging pilot program ("EV Pilot"). REC seeks approval of its EV Pilot "to encourage off-peak electric vehicle charging," which REC anticipates would help the Cooperative to among other things, manage its related capacity costs, load factor, and the upward pressure on residential rates that could occur when charging is done during on-peak hours.<sup>2</sup>

The Cooperative specifically requests a voluntary, experimental two-year EV Pilot that initially is limited in scope to 200 residential customers the first year and up to 400 residential customers the second year.<sup>3</sup> REC states that it plans to "introduce the EV Pilot to its customers through its website, social media outlets, *Cooperative Living Magazine*, and other promotional methods."<sup>4</sup> As proposed by REC, to be eligible to participate in the EV Pilot, customers must:

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<sup>1</sup> 20 VAC 5-304-40 *et seq.*

<sup>2</sup> Application at 1-2.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.* at 3.

(i) be served on one of the Cooperative's residential rate schedules other than Schedule R-TOU; (ii) own an all-electric vehicle; and (iii) charge the electric vehicle at home using a specific type of Wi-Fi enabled, Level 2 charger continuously connected to the internet to transmit data to the Cooperative.<sup>5</sup> Per the Cooperative, participation in the EV Pilot would be voluntary, and there would be no fees to enroll or participate in the EV Pilot. Participants could elect to withdraw from the EV Pilot at any time without penalty.<sup>6</sup>

Through its proposed EV Pilot, REC states that it seeks to avoid what it perceives as two drawbacks to introducing a rate for a yet-to-exist load using separate metering and a new rate: (i) the additional cost incurred by the utility and participating customers for the separate metering; and (ii) the risk that the presumed load profile is incorrect and thus the new rate is insufficient to recover costs, or is overly burdensome or punitive.<sup>7</sup> REC states that the EV Pilot avoids these drawbacks because the EV Pilot would allow it to measure electric vehicle charging by using the metrology built into certain electric vehicle chargers, bill all household consumption therefor according to REC's standard residential tariff as measured by the utility meter, and then apply a bill credit of \$0.04 per kilowatt-hour ("kWh") to the kWhs consumed during Smart Hour<sup>8</sup> electric vehicle charging.<sup>9</sup> REC further states that customers who choose to charge an

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<sup>5</sup> *Id.* at 10.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.* at 5.

<sup>8</sup> "Smart Hours" are the designated off-peak hours for the EV Pilot as follows: 9 p.m. to 5 a.m. and 10 a.m. to 2 p.m., 365 days per year. Application at 6.

<sup>9</sup> Application at 5-6.

electric vehicle outside of Smart Hours, would continue to pay the standard rate with no risk of penalty, but would forfeit all bill credits for that cycle.<sup>10</sup>

REC represents in its Application that the EV Pilot would not harm non-participating customers because: (i) the avoidance of increased capacity-related costs resulting from charging during Smart Hours would offset the cost of bill credits REC plans to pay participants; and (ii) each participant would pay the full distribution rate, Electricity Supply Service ("ESS") rate, and all applicable riders for all electricity consumed at their residence.<sup>11</sup> The Cooperative states that its proposed bill credit amount is meant to remove capacity-related wholesale costs from the standard ESS rates within the residential tariff.<sup>12</sup> However, REC further represents in its Application that the Cooperative plans to analyze wholesale power costs annually to determine if the bill credit amount for the EV Pilot is appropriate.<sup>13</sup>

The Cooperative believes the EV Pilot provides an opportunity for REC to determine the feasibility of using the metrology of certain electric vehicle charges, to monitor both the volume of energy consumed by electric vehicle chargers and the time it was consumed, and to integrate that consumption data into the billing function of the Cooperative's Customer Information System.<sup>14</sup> In addition, REC believes the EV Pilot would assist the Cooperative in: (i) developing and testing an innovative rate design that incorporates new technologies; (ii) increasing the customer value of the Cooperative's existing Customer Information System,

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<sup>10</sup> *Id.* at 8.

<sup>11</sup> *Id.* at 9.

<sup>12</sup> *Id.* at 6-7.

<sup>13</sup> *Id.* at 7.

<sup>14</sup> *Id.* at 11.

Advanced Metering Infrastructure, and Meter-Data Management systems; (iii) gathering data on electric vehicle ownership within REC's service area and the effect of residential charging on REC's distribution system; and (iv) encouraging beneficial electrification.<sup>15</sup>

REC proposes that necessary adjustments to, for example, the number of participants allowed, hours designated as Smart Hours, the amount of the bill credit, the term of the EV Pilot, adjustments to specific terms and conditions of the tariff due to technological or other issues, or other adjustments that may be necessary for the EV Pilot be submitted by the Cooperative to the Commission Staff ("Staff") for administrative review and approval.<sup>16</sup>

REC also proposes to provide the Staff with a report at the end of 12 months of operation of the EV Pilot, to include certain metrics of the EV Pilot for each month of the reporting period.<sup>17</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter shall be docketed; REC should provide public notice of its Application with the opportunity for interested persons to participate, comment, and request a hearing; Staff should be directed to investigate the Application and file a Report containing its findings and recommendations thereon; and as provided by § 12.1-31 of the Code of Virginia ("Code") and Rule 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"), a Hearing Examiner is appointed to rule on any discovery matters that may arise in this proceeding.

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<sup>15</sup> *Id.* at 12.

<sup>16</sup> *Id.*

<sup>17</sup> *Id.* at 12-13.

Accordingly, IT IS ORDERED THAT:

(1) This case is docketed and assigned Case No. PUR-2020-00001.

(2) As provided by Code § 12.1-31 and Rule 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Commission's Rules of Practice, a Hearing Examiner is appointed to rule on any discovery matters that may arise in this proceeding.

(3) On or before February 28, 2020, the Cooperative may file with the Clerk of the Commission any direct testimony and exhibits it deems necessary to support its Application, and each direct witness's testimony shall include a summary not to exceed one page. For all testimony that is filed, the Cooperative shall simultaneously serve a copy of the testimony and exhibits on Staff and all respondents. If not filed electronically, an original and fifteen (15) copies of such direct testimony and exhibits shall be submitted to the Clerk of the Commission at the address set forth in Ordering Paragraph (9).

(4) The Cooperative shall make copies of the public version of its Application, as well as a copy of this Order for Notice and Comment, available for public inspection during regular business hours at each of the Cooperative's business offices in the Commonwealth of Virginia. Copies may also be obtained by submitting a written request to counsel for Rappahannock Electric Cooperative, Garland S. Carr, Williams Mullen, 200 South 10th Street, Suite 1600, Richmond, Virginia 23219-4074. If acceptable to the requesting party, the Cooperative may provide the documents by electronic means. Copies of the public version of all documents also shall be available for interested persons to review in the Commission's Document Control Center, located on the First Floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding

holidays. Interested persons also may download unofficial copies from the Commission's website: <http://www.scc.virginia.gov/case>.

(5) On or before March 3, 2020, REC shall cause the following notice to be published as display advertising (not classified) on one (1) occasion, in *Cooperative Living Magazine*:

NOTICE TO THE PUBLIC OF AN APPLICATION BY  
RAPPAHANOCK ELECTRIC COOPERATIVE  
CASE NO. PUR-2020-00001

- **Rappahannock Electric Cooperative has requested approval of a voluntary electric vehicle smart charging pilot program ("EV Pilot").**
- **A Hearing Examiner has been appointed by the Commission to hear and make recommendations on all discovery matters.**
- **Further information about this case is available on the SCC website at: <http://www.scc.virginia.gov/case>.**

On January 2, 2020, Rappahannock Electric Cooperative ("REC" or "Cooperative"), pursuant to Rule 40 of the State Corporation Commission's ("Commission") Rules for Governing Cost/Benefit Measures Required for Demand Side Management Programs, filed an application ("Application") for approval of an electric vehicle smart charging pilot program ("EV Pilot"). REC's stated basis for this EV Pilot program is "to encourage off-peak electric vehicle charging" which will in turn, allow REC to manage its directly related capacity costs, reduce load, and reduce upward pressure on residential rates that could occur where charging is done during on-peak hours.

The Cooperative specifically requests a voluntary, experimental two-year EV Pilot that initially is limited in scope to 200 residential customers the first year and up to 400 residential customers the second year. The Cooperative states that the EV Pilot will measure electric vehicle charging by using the metrology built into certain electric vehicle chargers, bill all household consumption therefor according to REC's standard residential tariff as measured by the utility meter, and then apply a bill credit of \$0.04 per kilowatt-hour ("kWh") to the kWhs consumed during Smart Hour electric vehicle charging. REC further states that

customers who choose to charge an electric vehicle outside of Smart Hours, will continue to pay the standard rate with no risk of penalty, but will forfeit all bill credits for that cycle.

REC represents in its Application that the EV Pilot would not harm non-participating customers because: (i) the avoidance of increased capacity-related costs resulting from charging during Smart Hours would offset the cost of bill credits REC plans to pay participants; and (ii) each participant would pay the full distribution rate, Electricity Supply Service ("ESS") rate, and all applicable riders for all electricity consumed at their residence. The Cooperative states that its proposed bill credit amount is meant to remove capacity-related wholesale costs from the standard ESS rates within the residential tariff. However, REC further represents in its Application that the Cooperative plans to analyze wholesale power costs annually to determine if the bill credit amount for the EV Pilot is appropriate.

The Cooperative believes the EV Pilot provides an opportunity for REC to determine the feasibility of using the metrology of certain electric vehicle charges, to monitor both the volume of energy consumed by electric vehicle chargers and the time it was consumed, and to integrate that consumption data into the billing function of the Cooperative's Customer Information System. In addition, REC believes the EV Pilot would assist the Cooperative in: (i) developing and testing an innovative rate design that incorporates new technologies; (ii) increasing the customer value of the Cooperative's existing Customer Information System, Advanced Metering Infrastructure, and Meter-Data Management systems; (iii) gathering data on electric vehicle ownership within REC's service area and the effect of residential charging on REC's distribution system; and (iv) encouraging beneficial electrification.

REC proposes that necessary adjustments to, for example, the number of participants allowed, hours designated as Smart Hours, the amount of the bill credit, the term of the EV Pilot, adjustments to specific terms and conditions of the tariff due to technological or other issues, or other adjustments that may be necessary for the EV Pilot be submitted by the Cooperative to the Commission Staff ("Staff") for administrative review and approval.

REC also proposes to provide Staff with a report at the end of 12 months of operation of the EV Pilot, to include certain metrics of the EV Pilot for each month of the reporting period.

Interested persons are encouraged to review the Application and supporting documents for the details of these and other proposals.

TAKE NOTICE that the Commission may set any associated service, rates, terms, and conditions in a manner differing from that shown in the Application and supporting documents and thus may adopt service, rates, terms, and conditions that differ from those appearing in the Cooperative's Application and supporting documents.

The Commission entered an Order for Notice and Comment that, among other things, docketed this case; required REC to provide public notice of its Application with the opportunity for interested persons to participate, comment and request a hearing; directed Staff to investigate the Application and file a Report containing its findings and recommendations thereon; and as provided by Code § 12.1-31 and Rule 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.* ("Rules of Practice"), appointed a Hearing Examiner to rule on any discovery matters that may arise in this proceeding.

Copies of the Application and the Commission's Order for Notice and Comment are available for public inspection during regular business hours at each of the Cooperative's business offices in the Commonwealth of Virginia. Copies also may be obtained by submitting a written request to counsel for the Cooperative, James P. Guy, II and Garland S. Carr, Williams Mullen, 200 South 10th Street, Suite 1600, Richmond, Virginia 23219-4074. If acceptable to the requesting party, the Cooperative may provide the documents by electronic means.

Copies of the public version of the Application and other documents filed in this case also are available for interested persons to review in the Commission's Document Control Center, located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons also may download unofficial copies from the Commission's website: <http://www.scc.virginia.gov/case>.

On or before April 3, 2020, any interested person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation. If not filed electronically, an original and fifteen (15) copies of the notice of participation shall



be submitted to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Anyone filing a notice of participation simultaneously shall serve a copy of the notice of participation on counsel to the Cooperative at the address set forth above. Pursuant to Rule 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by Rule 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2020-00001.

On or before April 3, 2020, each respondent may file with the Clerk of the Commission and serve on the Commission's Staff, the Cooperative, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case. If not filed electronically, an original and fifteen (15) copies of such testimony and exhibits shall be submitted to the Clerk of the Commission at the address set forth above. Respondents also shall comply with the Commission's Rules of Practice, including: 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2020-00001.

On or before April 3, 2020, any interested person may request that the Commission convene a hearing in this matter by filing a request for hearing with the Clerk of the Commission. If not filed electronically, an original and fifteen (15) copies of the request for hearing shall be submitted to Joel H. Peck, Clerk, State Corporation Commission, at the address set forth above. Requests for a hearing shall refer to Case No. PUR-2020-00001 and shall include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. All filings shall refer to Case No. PUR-2020-00001.

On or before April 3, 2020, any interested person wishing to comment on the Cooperative's Application shall file written comments on the Application with the Clerk of the Commission at the address set forth above. Any interested person desiring to file comments electronically may do so on or before April 3, 2020, by

following the instructions found on the Commission's website: <http://www.scc.virginia.gov/case>. All such comments shall refer to Case No. PUR-2020-00001.

All documents filed with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

The Commission's Rules of Practice may be viewed at: <http://www.scc.virginia.gov/case>. A printed copy of the Rules of Practice and an official copy of the Commission's Order for Notice and Comment in this proceeding may be obtained from the Clerk of the Commission at the address above.

RAPPAHANNOCK ELECTRIC COOPERATIVE

(6) On or before March 3, 2020, the Cooperative shall serve a copy of this Order for Notice and Comment on the following local officials, to the extent the position exists, in each county, city, and town in which the Cooperative provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city and town; and the county, city, or town attorney. Service shall be made by first class mail to the customary place of business or residence of the person served.

(7) On or before April 3, 2020, any interested person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation. If not filed electronically, an original and fifteen (15) copies of the notice of participation shall be submitted to the Clerk of the Commission at the address set forth in Ordering Paragraph (9). The respondent shall simultaneously serve a copy of the notice of participation on counsel for the Cooperative at the address set out in Ordering Paragraph (4). Pursuant to Rule 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a

statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2020-00001.

(8) Within five (5) business days of receipt of a notice of participation as a respondent, the Cooperative shall serve upon such respondent a copy of this Order for Notice and Comment, a copy of the public version of the Application, and a copy of the public version of all materials filed by the Cooperative with the Commission, unless these materials already have been provided to the respondent.

(9) On or before April 1, 2020, the Cooperative shall file with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, proof of the notice and service required by Ordering Paragraphs (5) and (6), including the name, title, and address of each official served.

(10) On or before April 3, 2020, any interested person may request that the Commission convene a hearing in this matter by filing a request for hearing with the Clerk of the Commission. If not filed electronically, an original and fifteen (15) copies of the request for hearing shall be submitted to the Clerk of the Commission at the address set forth above. Requests for a hearing shall refer to Case No. PUR-2020-00001 and shall include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter.

(11) On or before April 3, 2020, each respondent may file with the Clerk of the Commission and serve on the Staff, the Cooperative, and all other respondents, any testimony

and exhibits by which the respondent expects to establish its case. Each witness's testimony shall include a summary not to exceed one page. If not filed electronically, an original and fifteen (15) copies of such testimony and exhibits shall be submitted to the Clerk of the Commission at the address set forth in Ordering Paragraph (9). In all filings, the respondent shall comply with the Commission's Rules of Practice, including: 5 VAC 5-20-140, *Filing and service*; and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2020-00001.

(12) On or before April 3, 2020, any interested person may file with the Clerk of the Commission, at the address set forth in Ordering Paragraph (9), written comments on the Application, and copies of such comments shall simultaneously be sent to counsel for the Cooperative at the address set forth in Ordering Paragraph (4). Any interested person desiring to submit comments electronically may do so on or before April 3, 2020, by following the instructions found on the Commission's website: <http://www.scc.virginia.gov/case>. Compact disks or any other form of electronic storage medium may not be filed with the comments. All comments shall refer to Case No. PUR-2020-00001.

(13) The Staff shall investigate the Application. On or before April 17, 2020, the Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of the Staff's Report containing its findings and recommendations. Staff shall promptly serve a copy thereof on counsel to the Cooperative and all respondents.

(14) On or before May 1, 2020, the Cooperative may file with the Clerk of the Commission any rebuttal to the Staff Report, requests for hearing, and any comments filed by interested persons in this proceeding. The Cooperative shall simultaneously serve a copy of its rebuttal on Staff and all respondents. If not filed electronically, an original and fifteen (15)

copies of such rebuttal shall be submitted to the Clerk of the Commission at the address set forth in Ordering Paragraph (9).

(15) All documents filed with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

(16) The Commission's Rule of Practice, 5 VAC 5-20-260, *Interrogatories or requests for production of documents and things*, shall be modified for this proceeding as follows: responses and objections to written interrogatories and requests for production of documents shall be served within seven (7) calendar days after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served electronically, or by facsimile, on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney if the interrogatory or request for production is directed to the Staff.<sup>18</sup> Except as modified above, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq.*

(17) This matter is continued generally.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: James P. Guy, II, Esquire; and Garland S. Carr, Esquire, Williams Mullen, 200 South 10th Street, Suite 1600, Richmond, Virginia 23219-4074 and C. Meade Browder, Jr., Senior Assistant Attorney General, Division of Consumer Counsel, Office of the Attorney General, 202 N. 9th Street, 8th Floor, Richmond, Virginia 23219-3424. A copy also shall be delivered to the Commission's

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<sup>18</sup> The assigned Staff attorney is identified on the Commission's website, <http://www.scc.virginia.gov/case>, by clicking "Docket Search," and clicking "Search Cases," and entering the case number, PUR-2020-00001, in the appropriate box.

Office of General Counsel and Divisions of Public Utility Regulation and Utility Accounting and Finance.

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