

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Evergy
Metro, Inc. d/b/a Evergy Missouri Metro
for Approval of a Transportation
Electrification Portfolio

Case No. ET-2021-0151

In the Matter of the Application of Evergy
Missouri West, Inc. d/b/a Evergy Missouri
West for Approval of a Transportation
Electrification Portfolio

Case No. ET-2021-0269

**REPLY BRIEF OF
CHARGEPOINT, INC.**

ChargePoint, Inc. (ChargePoint), by and through its attorneys Elizabeth Hubertz and Scott Dunbar, respectfully submits its Reply Brief in this consolidated proceeding.

I. Executive Summary.

As ChargePoint stated in its Initial Brief, ChargePoint largely supports Evergy's Application for Approval of its Transportation Electrification Portfolio (TE Portfolio) and recommends key programmatic modifications to increase the effectiveness of the TE Portfolio and ensure the TE Portfolio supports the competitive market for EV charging services in Evergy's service territories.

It is disappointing that Staff, the Office of Public Counsel (OPC), and the Midwest Energy Consumers Group (MECG) recommend rejecting Evergy's proposed TE Portfolio while providing few or no recommendations for how to improve the programs to address their concerns. While several of their concerns are based on flawed analyses, ChargePoint provides several recommendations that, if adopted, should further improve the programs and resolve many of their concerns.

This Reply Brief focuses on rebutting the arguments of Staff and OPC with respect to Evergy's proposed rebate programs. ChargePoint stands by the arguments set forth in its Initial Brief with respect to Evergy's proposed Business EV Charging Service rate and the Electric Transit Service rate, which ChargePoint supports, and Evergy's proposed expansion of the Clean Charge Network, which ChargePoint supports with modifications, and does not address those issues further in this Reply Brief.

II. Evergy's Proposed Rebate Programs.

Staff's and OPC's concerns with Evergy's proposed rebate programs center around two themes: that the program has insufficient protections against free ridership and that the program will not encourage beneficial charging behavior. The Commission should find that free ridership concerns are misplaced and concerns about encouraging beneficial charging are easily solved. The Commission should also find that ChargePoint's recommended modifications to the Residential Rebate and Commercial Rebate programs will support the competitive market and provide additional benefits to customers and Evergy.

A. Concerns about free ridership are misplaced.

In finding that Evergy's programs do not adequately protect against free riders, Staff erects an impossibly high free ridership standard. Staff defines a free rider as "an actor who would undertake the action regardless of the existence of the offered incentive. The goal is to minimize free ridership, so only those who would not have taken an action without the incentive receive the rebates."¹ Evergy is transparent about the fact that it "is very difficult to attribute direct program impacts on the EV market."² Recognizing this difficulty, ICF's cost-effectiveness studies that Evergy attached to its application focused on the benefits of increased EV adoption in Evergy's

¹ Staff Initial Brief, pp. 15-16.

² TE Portfolio, p. 21.

service territories, rather than the benefits of any particular program. Notably, neither Staff nor OPC contest Evergy's assertion that it is very difficult to determine the impact of one particular program on EV adoption, but instead argue that this fact is a basis for rejecting the programs. Neither Staff nor OPC offer any recommendations for how program attribution could be determined in a manner that would satisfy them.

Energy efficiency programs typically provide incentives for the installation of energy efficient appliances. Accordingly, it is somewhat straightforward to determine whether an energy efficiency program is causing energy efficient appliances to be installed. By contrast, Evergy's rebate programs will provide incentives for the deployment of EV charging infrastructure, not EVs themselves. It is therefore more difficult to determine whether an incentive for a particular charger is the "but for" cause of someone purchasing an EV. Moreover, examining whether a particular charger has caused a particular person to purchase an EV is the wrong lens to evaluate transportation electrification programs for the simple reason that drivers typically do not rely on a single charger. Rather, EV drivers might rely on chargers at their home, at work, at retail locations where they shop and dine, and along highways when on a road trip. Evergy has appropriately proposed a portfolio of incentive programs that will make it more cost-effective to install charging stations at a wide variety of locations, including along highways, commercial locations, workplaces, multifamily housing, and in customers' homes. The Commission should decline to evaluate Evergy's TE Portfolio using the same free ridership standard that it uses to evaluate energy efficiency programs and instead find that Evergy's *portfolio* of programs will effectively support EV adoption in its service territories.

The Commission should also reject OPC’s recommendation to cap Commercial Rebates at 20 percent of charging station costs in order “to mitigate the free rider problem to some extent.”³ This recommendation is based on an unsupported assumption that a “20% discount should be enough enticement for customers who are ‘on the fence’... .”⁴ OPC forgets that the cost of installing commercial EV charging stations often exceeds the cost of the chargers themselves, with the result that a rebate capped at 20 percent of the cost of the chargers would in many cases offset only ten percent or less of the total cost of installing EV charging stations. There is simply no reason to think that an incentive that covers ten percent or less of the cost of installing EV charging stations would encourage any site hosts who are “on the fence” to do so. In fact, the more probable result of offering such a small incentive would be that only site hosts that would install charging stations regardless of the incentive would participate in the program, completely undermining OPC’s attempt to reduce free ridership. The Commission should approve Evergy’s proposed Commercial Rebates at the levels Evergy has proposed and reject OPC’s proposed cap, which would severely reduce the effectiveness the program.

Finally, all of Staff’s and OPC’s concerns about free ridership ignore the fact that Evergy’s proposed rebate programs are about more than simply encouraging EV adoption. As Evergy states in its Initial Brief, Evergy sees the TE Portfolio as a proactive approach and investment “to grow Evergy’s ability to manage the inevitable expansion of TE for Missourians, as well as have the tools and data intelligence” to do so.⁵ Seen through this lens, there are arguably no free riders in Evergy’s rebate programs because each participating customer will contribute to developing

³ OPC Initial Brief, pp. 49-50.

⁴ *Id.*, p. 50.

⁵ Evergy Initial Brief, pp. 14-15.

Evergy's tools and data intelligence for responding proactively to the growth of transportation electrification and its contributions to a reliable grid.

For these reasons, ChargePoint recommends that the Commission reject Staff's and OPC's arguments that Evergy's proposed rebate programs should be denied on the basis of free ridership concerns.

B. With minor modifications, Evergy's programs will encourage beneficial charging behavior, providing benefits to all customers.

Both Staff and the OPC go on at length in their initial briefs about their concerns that the EV adoption that the TE Portfolio would encourage will increase costs to non-participants, rather than decrease them.⁶ Rather than addressing each of these arguments, ChargePoint proposes a simple solution: the Commission should direct Evergy to provide information to participants in the Residential Rebate program that encourages them to sign up for the applicable time-of-use rate and educates them on the benefits of doing so. To the extent the Commission remains concerned that Residential Rebate program participants will charge during on-peak hours, the Commission should consider directing Evergy to enroll customers in the applicable residential time-of-use rate with the ability for customers to opt-out as needed. The Commission can also consider directing Evergy to develop a managed charging program for the Commission's consideration in the future.

As ChargePoint's witness Mr. Justin Wilson explained in his Surrebuttal Testimony, Evergy's time-of-use rates (Schedule RTOU in Evergy Metro and Schedule MORT in Evergy West) provide six-hour "super off-peak" periods everyday between midnight and 6 AM, which is typically ample time for an EV to get a full charge on a Level 2 charger at a significant discount to Evergy's standard residential rates.⁷ Mr. Wilson stated that he expects most residential

⁶ Staff Initial Brief, pp. 22-24; OPC Initial Brief, pp. 13-21.

⁷ Wilson Surrebuttal, p. 9.

customers that participate in the Residential Rebate program will want to sign up for the applicable residential time-of-use rate if Evergy provides them with information about the rate and their potential savings when they receive their rebate.⁸ ChargePoint notes that requiring Evergy to only provide rebates for smart chargers as ChargePoint recommends will streamline customers' ability to participate in time-of-use rates.⁹ Smart chargers allow customers to plug in whenever it is convenient for them, such as when they return from work in the evening, and program the charger to delay charging until off-peak or super-off-peak hours when they might be asleep.¹⁰

Alternatively, the Commission could also consider directing Evergy to enroll customers that receive a Residential Rebate in the applicable time-of-use rate. However, ChargePoint only supports this solution if the Commission also directs Evergy to allow customers to unenroll if they so choose. While most customers with Level 2 chargers will benefit from time-of-use rates, it is important to remember that the rates apply to the whole home. Some customers may have electric loads that they cannot shift to off-peak hours as easily as they can shift their EV charging. Automatically enrolling customers will likely benefit most program participants, but customers should not be forced to pay more on a time-of-use rate than they would otherwise pay on standard rates.

Staff and OPC both argue that mandating time-of-use rates for all customers will accomplish the goals of the Residential Rebate program without the need for an incentive program.¹¹ Perhaps needless to say, this recommendation cannot be implemented in this proceeding but would need to wait for a rate case. Further, this argument ignores the fact that many EV drivers will need a Level 2 charger to complete their charging during the six-hour "super off-

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

¹¹ Staff Initial Brief, p. 24; OPC Initial Brief, pp. 19-21.

peak” period in Evergy’s residential time-of-use rates. Residential customers using a standard 110 V wall outlet will likely need to charge during other hours when it is more expensive, potentially during on-peak hours, to meet their charging needs. It is therefore reasonable for Evergy to help reduce the cost to install a Level 2 charger through its Residential Rebate program. Moreover, Staff’s and OPC’s argument again ignores the fact that one of the purposes of Evergy’s TE Portfolio is to invest in Evergy’s ability to manage EV charging loads. The Residential Rebate program will enhance Evergy’s insight into which customers have EVs, allowing it to provide targeted education to these customers or enroll them in future managed charging programs. Finally, at the early stages of EV adoption, it is important to provide customers with flexibility and options that allow them to find the solution that works best for them. As discussed above, while most EV drivers would benefit from time-of-use rates, those with electric loads that they cannot shift to off-peak hours may not benefit or may be more hesitant to take service on a time-of-use rate. The Commission should encourage flexibility by ensuring that EV drivers have the ability to sign up for time-of-use rates and the ability to opt out of such rates if they do not work for them.

Finally, the Commission should dismiss Staff’s and OPC’s arguments that the Residential Rebate program should be rejected because it will reduce energy consumption.¹² These arguments attempt to negatively characterize Evergy’s assertion that Level 2 chargers can use 7-15 percent less energy than charging with a Level 1 charger.¹³ Evergy has never presented these potential energy savings as the purpose or justification for the Residential Rebate program, but merely one additional benefit of the program. As explained by ChargePoint’s witness Mr. Wilson, a far more important benefit of the Residential Rebate program is to encourage customers that drive traditional vehicles to purchase or lease EVs by making it more convenient and affordable to install

¹² Staff Initial Brief, p. 28; OPC Initial Brief, pp. 9-12.

¹³ Evergy Initial Brief, p. 21.

a Level 2 charger at home.¹⁴ Even if an existing EV owner that switches from Level 1 charging to Level 2 charging uses slightly less electricity, someone that currently drives a gas-powered car or truck will use significantly more electricity if they switch to an EV as a result of Evergy's programs. The increased revenue from new EV drivers that "go electric" as a result of Evergy's programs will dwarf any small decreases in revenue from existing EV drivers switching from Level 1 charging to Level 2 charging. These increased revenues should benefit all Evergy customers, including nonparticipating customers, by spreading Evergy's fixed costs across a greater number of kilowatt-hours sold. If most of these increased electricity sales take place during off-peak hours, the benefits to all customers will be even greater.

C. ChargePoint's recommended programmatic modifications will improve the effectiveness of the rebate programs.

As discussed in ChargePoint's Initial Brief, ChargePoint recommends that the Commission direct Evergy to allow residential customers that participate in the Residential Rebate program to hardwire their home chargers and not to require the installation of NEMA outlets and to develop a list of qualifying chargers for the Residential Rebate program.¹⁵ Just as Evergy has proposed to require for the Commercial Rebate program, ChargePoint recommends that the Commission require chargers be ENERGY STAR certified, have a safety certification from UL or another Nationally Recognized Testing Laboratory, and have managed charging capabilities.¹⁶ ChargePoint explained in detail how these recommendations would improve the effectiveness of the Residential Rebate programs and ensure that customers install chargers that meet minimum technical and safety standards.¹⁷

¹⁴ Wilson Surrebuttal, p. 8.

¹⁵ ChargePoint Initial Brief, pp. 1-2 and 4-6.

¹⁶ *Id.*

¹⁷ *Id.*

ChargePoint takes exception to OPC's assertion that ChargePoint's recommendations "represent nothing but a self-serving attempt to promote their own business interests" and OPC's warning that this case could "become a mechanism by which Evergy customers (especially non-participating customers) may be extorted for the benefit of a non-utility third party like ChargePoint."¹⁸ OPC made similar accusations with respect to ChargePoint's recommendation not to require site hosts that participate in the Commercial Rebate program, which will compete with Evergy's CCN, to share their charger utilization data, stating that these recommendations "are all self-serving attempts to promote ChargePoint's business at the expense of Evergy's ratepayers."¹⁹

As the only participant in the competitive EV charging market that is a party to this case, ChargePoint brings a unique and valuable perspective to this proceeding. ChargePoint has taken care in this proceeding to make recommendations that will improve the effectiveness of Evergy's proposed TE Portfolio and ensure that Evergy's proposed programs will support the competitive market. Unfortunately, rather than engage with the substance of ChargePoint's recommendations, OPC chose to cast aspersions on ChargePoint's intentions.

As a participant in the competitive market for EV charging equipment and services in Evergy's service territories, ChargePoint benefits from a robust competitive market, but so do other competitive providers. Accordingly, both ChargePoint and other competitive providers will benefit from ensuring that Evergy's TE Portfolio supports the competitive market in a manner consistent with ChargePoint's recommendations. For example, there are many brands of residential chargers that meet the minimum criteria that ChargePoint recommends the Commission adopt for the Residential Rebate program. ChargePoint's recommendations are designed to ensure that customers have positive experiences with Evergy's Residential Rebate program, not to limit

¹⁸ OPC Initial Brief, pp. 22-23

¹⁹ *Id.*, p. 47.

customers' choices. Further, it would be site hosts, not charging providers like ChargePoint, that would primarily benefit from ChargePoint's recommendation not to require site hosts to share utilization data in the Commercial Charging program. ChargePoint made this recommendation not because it would provide direct benefits to ChargePoint but because it will support a robust, competitive market for EV charging equipment and services.

ChargePoint consistently advocates for utility transportation electrification programs to support competition, innovation, and customer choice because ChargePoint believes that a robust competitive market will provide the most benefits to EV drivers, utility customers, utilities, and competitive providers, including ChargePoint. Contrary to OPC's unsupported accusations, ChargePoint will not benefit from Evergy's programs *at the expense* of Evergy's customers. As Mr. Wilson pointed out in testimony, OPC's advocacy does not recognize or acknowledge that Evergy's proposed TE Portfolio is an *investment* that can be expected to yield future benefits to all customers.²⁰ As a provider of EV charging equipment and services, ChargePoint (and other competitive providers) will facilitate the realization of these benefits. It is unfortunate that OPC fails to recognize that non-utility providers of EV charging equipment and network services are essential to achieving these benefits for customers.

For the reasons explained in ChargePoint's Initial Brief, the Commission should adopt ChargePoint's recommended programmatic modifications to the Residential Rebate and Commercial Rebate programs and reject OPC's suggestion that these recommendations are self-serving at customers' expense.

²⁰ Wilson Surrebuttal, p. 16.

III. Conclusion.

ChargePoint thanks the Commission for the opportunity to participate in this proceeding and respectfully recommends that the Commission approve Evergy's TE Portfolio with the modifications listed in its Initial Brief.

Respectfully submitted on November 29, 2021,

/s/ Scott Dunbar

Scott Dunbar

Keyes & Fox LLP

1580 Lincoln St., Suite 1105

Denver, CO 80203

949-525-6016

sdunbar@keyesfox.com

Elizabeth Hubertz

Missouri Bar No. 58403 Interdisciplinary

Environmental Clinic Washington University

School of Law One Brookings Drive –

Campus Box 1120

St. Louis, MO 63130

314-935-8760

ejhubertz@wustl.edu

Counsel to ChargePoint, Inc.

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record on November 29, 2021:

/s/ Alicia Zaloga