



# White River Valley Electric Cooperative

A Touchstone Energy<sup>®</sup> Cooperative 

## **PURPA – Public Utility Regulatory Policies Act of 1978**

PURPA was meant to promote energy conservation (reduce demand) and promote greater domestic and renewable energy use (increase supply). In 2007, PURPA required qualified electric utilities (“QEUs”) like White River Valley Electric Cooperative to consider five standards, namely: smart metering, distributed generation interconnection, net metering, fuel sources, and fossil fuel generation efficiency. In 2010, PURPA required QEU’s to consider 4 additional standards covering integrated resource planning, rate design modification, smart grid investments, and smart grid information. With the passage of the 2021 Infrastructure Bill, the Cooperative must now consider two new PURPA standards set forth below:

### **1. Demand-response practices**

- (A) In general – Each electric utility shall promote demand-response and demand-flexibility practices by commercial, residential, and industrial consumers to reduce electricity consumption during periods of unusually high demand.
- (B) Rate recovery – A nonregulated electric utility may establish rate mechanisms for the timely recovery of the costs of promoting demand-response and demand flexibility practices in accordance with subparagraph (A).

### **2. Electric vehicle charging programs**

Each state shall consider measures to promote greater electrification of the transportation sector, including the establishment of rates that:

- (A) Promote affordable and equitable electric vehicle charging options for residential, commercial, and public electric vehicle charging infrastructures.
- (B) Improve the customer experience associated with electric vehicle charging, including by reducing charging times for light, medium, and heavy-duty vehicles.
- (C) Accelerate third-party investment in electric vehicle charging for light, medium, and heavy-duty vehicles.
- (D) Appropriately recover the marginal costs of delivering electricity to electric vehicles and charging infrastructure.

This Report is intended to share Staff's consideration of the above PURPA standards for Member and Board of Director Consideration and is subject to the receipt and review of additional comments or evidence, if any, received prior to final Board Resolution related to these standards. PURPA sets forth that each QEU consider each applicable standard and then "make a determination concerning whether or not it is appropriate to implement such standard." A QEU may: accept a standard, reject a standard, modify a standard, or defer implementation of a standard.

### **Utility Demand Response (Sec. 40104) (20) Demand-response practices**

The Cooperative's rates are set by its Board of Directors with input from Staff. To ensure rates are fair and equitable, the Cooperative hires a regional rate consultant to perform a comprehensive cost-of-service study that is performed every few years. Staff cannot guarantee that the Cooperative's rates will reflect cost-of-service "to the maximum extent practicable" which would be required if this standard were adopted.

However, the Cooperative provides rebates for Smart Thermostats which allow Members to control heating and cooling levels at all hours of the day, among numerous other energy-saving appliance rebates. This gives Members real time ability to respond to peak demand. The Cooperative has also completed a transition to Automatic Meter Reading (AMR) to better monitor Member loads. AMR is the technology of automatically collecting consumption, diagnostic, and status data from electric energy metering devices and transferring that data to a central database for billing, troubleshooting, and analyzing purposes. This technology mainly saves the Cooperative the expense of periodic trips to each physical location to read a meter, but another advantage is that billing can be based on near real-time consumption rather than on estimates on past or predicted consumption. This timely information coupled with analysis can help both the Cooperative and its Members better control the use and corresponding generation of electric energy.

The Cooperative continues to study time-of-day rates, seasonal rates, interruptible rates for large power accounts, rate design modifications to promote energy efficiency investments, and demand-response practices including rate mechanisms for the timely recovery of the costs for the delivery of electric energy to its Members. The Cooperative, through its elected Board of Directors, sets rates for Members and is not regulated by any State or Federal authority. While this PURPA standard related to ratemaking continues to be studied for energy efficiency and demand-response incentives, adoption of the standard is not in the best interests of the Cooperative or its Members at this time.

### **Staff Recommendation**

Staff recommends that the Board decline to adopt any of the standards enumerated for demand-response practices in order to preserve the full extent of the Board's rate-setting authority and to allow flexibility for future ratemaking decisions.

### **Promoting Transportation Electrification (Sec. 40431) (21) Electric Vehicle Charging Programs**

A recent study on the penetration of Electric Vehicles ("EVs") within the Cooperative's service area reveals that our region does not have a high demand for residential EV Charging stations; however, portions of

our service area are considered vacation destinations, and in those areas there is a slightly increasing trend for demand pressure for Level 2 and Level 3 EV charging stations for public use, mostly exhibited by hotel, resort, and large retail parking locations. Many residential applications for EV charging center on the more affordable Level 1 and level 2 charges that allow Members to charge their EV's over longer periods of time, with nighttime hours most prevalent for that purpose to achieve a full charge.

Presently, Members with residential and commercial accounts are eligible to apply for the Cooperative's Electric Vehicle ("EV") rebate. The rebate allows Members to receive \$250 per Level 2 EV charger up to a maximum of two rebates per Member location as part of the Cooperative's Take Control & Save program. To be eligible, Members must be in good standing with the Cooperative and the structure in which the charging station is installed must be a permanent structure on a permanent foundation on land owned by the Member. Rebates are limited to eligible services that purchase more than 6,000 kilowatt-hours of electricity from the Cooperative on an annual basis and the equipment must be new and ENERGY STAR rated. The Cooperative reserves the right to complete an on-site inspection of the charger after installation and EV charging stations that receive rebates may be subject to cooperative load control programs that will allow the Cooperative to control the timing of their use of the charging equipment.

This rebate promotes an affordable charging option for residential as well as commercial applications for public access to EV charging stations. Members may also obtain information about electric vehicles through the Cooperative's website using the following link: <https://www.whiteriver.org/electric-services/additional-services/electric-vehicles/> that contains data and information related to: EV benefits, EV Facts, Savings Calculator, EV Models, PHEV Models, Incentives and Promotions, and EV Charger Locations.

The Cooperative continues to work with Members and community partners who desire EV charging stations but has no immediate plans to invest Member capital in this endeavor, leaving that economic decision to those who may more directly benefit from investment of that kind. This supports a fairer approach to cost-of-service and assists with the avoidance of subsidization of certain Members and non-Members alike related to EV charging infrastructure by those who do not have similar needs. The Cooperative performs routine cost-of-service studies to ensure all Member rates are fair and equitable.

### **Staff Recommendation**

Staff recommends that the Board adopt the standard for promotion of affordable and equitable electric vehicle charging options for its Members' residential and commercial EV charging infrastructures that serve the public, with continued study on money-saving EV charging rates based on time-of-use and economical demand response practices, but decline to adopt the remaining three components of EV Charging Programs (B-D above) as not necessary or not in the Cooperative's best interest at this time.