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Kent Chandler, Chairman,
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Kentucky Public Service Commission, 211 Sower Boulevard
P.O. Box 615 Frankfort, KY 40602-0615

RE: P.S.C. KY. Case No: 2022-00369- Formal Comments -ELECTRONIC INVESTIGATION OF AMENDMENTS TO THE PUBLIC UTILITY REGULATORY POLICIES ACT OF 1978 AND ELECTRIFICATION OF TRANSPORTATION

Background:

Kentucky Petroleum Marketers Association (KPMA) was founded in 1926. KPMA is a statewide, nonprofit trade association gathering representatives of all segments of the petroleum industry. KPMA serves as the collective voice for our liquid fuels and energy marketer industry doing business in Kentucky. The majority of our marketer/retailer members are generational Kentucky owned small/medium businesses serving homes, farms, business, and industry here in the Commonwealth. KPMA represents more than 2,300 wholesalers and retailers of gasoline, diesel, heating oil, lubricants, and renewable fuels. Our marketers and retail members own or supply more than 2,300 retail fueling facilities. KPMA members are in cities and on roadways that connect Kentucky. The existing locations owned and operated by KPMA members include spots on the most frequently traveled roads in Kentucky. Over the past 90+ years, the retail fueling market has evolved to meet the needs of Kentucky's consumers; one such need is the presence of fueling facilities along heavily traveled areas. While electrification is likely to bring about changes in customer habits and preference over time, this need along our key corridor locations will remain essential for transit EV customers and those who have not yet adopted EV utilization but still utilize traditional liquid fuels.

KPMA members are and remain an integral part of Kentucky's state infrastructure. Our membership owns and maintain the state's fuel infrastructure, both below and above ground assets. We are a strategic partner of the state & federal transportation system. We serve a critical role in our state emergency management system. As one of the state's most mature industries, the state's economy, workforce, and tax revenue structure lean heavily on us. Specifically, our industry in the Commonwealth has an economic impact of \$7.1 Billion and supports over 37,750 jobs (\$1.5 billion in labor income) across every county here in the Commonwealth.

The implementation of EV adoption and all findings of the Commission as it relates to matters under its jurisdiction related thereto, will have a significant and direct impact on our industry and businesses across the Commonwealth.

On behalf of the Kentucky Petroleum Marketers Association (KPMA), we submit the following comments and concerns for consideration in the Kentucky Public Service Commission's administrative case, PSC Case No. 2022-00369- ELECTRONIC INVESTIGATION OF AMENDMENTS TO THE PUBLIC UTILITY REGULATORY POLICIES ACT OF 1978 AND ELECTRIFICATION OF TRANSPORTATION.

As federal policy has set ambitious goals for electrification, there is still much work needed in terms of federal and state policy, law, and regulatory oversight necessary to provide business certainty, clarity, and

a true ability to enable thoughtful implementation, deployment, and operation of the electrification of Kentucky's transportation infrastructure. KPMA supports all energy sources, and similarly supports diversification in how we "fuel" the Commonwealth. To us, this includes electrification but is not limited to just that. We strongly believe to assure the Commonwealth's reliability, redundancy, plenitude, efficiency, affordability, cost effectiveness, and ability to respond during unique conditions, while providing customer choice, an "all the above" approach is the best. Any policy should preserve traditional liquid fuels, encourage advancement in alternative fuels, hydrogen and include electrification while providing the certainty of a level playing field that will allow for the necessary market investment this will require.

In a prior ruling, the Commission held that electric vehicle charging stations that receive electric service from a jurisdictional electric utility or that obtains electricity from a behind the meter source is not an electric utility as defined by KRS 278.010(3)(a), is not subject to the certification requirements of KRS 278.020(1) and is not subject to the Commission's jurisdiction. *In the Matter of: Electronic Investigation of Commission Jurisdiction Over Electric Vehicle Charging Stations*, PSC Case No. 2018-00372. A threshold issue in this case will be to what extent the issues in this matter will be subject to Commission jurisdiction.

KPMA believes the first step to creating a viable competitive market for EV charging is to ensure that Kentucky laws and regulations do not attempt to regulate charging stations as, or like, a traditional utility. A business should not be regulated as a utility simply because they own/operate and subsequently sell electricity via EV charging stations. If they are, the development of such stations will be stunted. While many states (roughly half) have already passed legislation that clarifies this point, the lack of uniformity among states puts at risk the ability of consumers to travel long distances easily, safely, and efficiently across state lines. Furthermore, local businesses cannot, and should not have to, comply with the often onerous and voluminous laws and regulations governing utilities if they simply want to provide an EV charging station for consumers.

KPMA strongly believes there must be a level and fair playing field – based upon free market principles. Federal infrastructure funds (taxpayer funds) are directly being utilized to incentivize EV adoption and deployment in direct competition with existing private industry. Investor-owned regulated utilities are government created and regulated monopolies, often with a guaranteed rate of return. Thus, it would be fundamentally unfair for government and utilities to be allowed to compete (and even be incentivized) in the free market against private sector motor fuel producers and retailers. KPMA is not opposed to utilities owning and operating EV chargers, however, if public utilities and government want to compete in the private sector retail motor fuel market, they should have to play by the exact same rules as other private sector businesses/motor fuel businesses.

The Commission, as part of its consideration of all factors in this case, has the responsibility to consider impacts to citizens of the Commonwealth, affiliated businesses and direct businesses associated with the existing traditional liquid motor fuels industry that is in every community in the Commonwealth. Likewise, any unfair advantage/unfair competition with private industry will result in increased costs, a reduction and a loss of those business who will be negatively impacted and what the loss or reductions are in each of those communities where we exist will mean in terms of local investment, jobs, and tax revenue.

While it seems to be widely assumed that most of the consumer EV charging is likely to occur at home in a residential setting and at night, there is a clear need for commercialized public retail options as well. As mentioned, business certainty is a critical piece in determining for private industry, including KPMA members, if and to what degree they engage in EV implementation and deployment. Despite initial "grant monies and incentives" our business members cannot make informed business decisions based on the information available on how implementation, operations and oversight will work in the Commonwealth.

Industry is being asked to invest millions upfront, which will not yield any return for years, while fully assuming the costs of all the ongoing operational, maintenance, upgrades, and replacement. At this time, it is still undetermined if, or how, the Commonwealth will ensure a level playing field, fair competition, clarify what the regulatory oversight will consist of, and which agencies will provide the regulatory compliance and oversight that we will be obligated to comply with – as well as any regulatory licensing requirements or annual fees. The lack of clear established policy, requirements, and processes has caused some hesitancy of private sector suppliers/retailers from actively pursuing engagement in infrastructure build out, especially as it relates to NEVI funding. Businesses and industry need certainty.

Uncertainties also exist on how electricity used for EV charging will be taxed and how charging at nonretail locations will be treated and taxed to assure a fair and level business environment. What decision or guidance on how the customer will pay for charging at retail locations, as well as for residential charging, are all questions the industry needs to understand to make necessary informed decisions on their role, if any, in EV charging infrastructure and its operations. This is occurring while states wait for critical guidance and Final Rule at the federal level. The Commission needs to assure not only a comprehensive consideration of any amendments to the Public Utility Regulatory Policies Act of 1978, the electrification of transportation in the Commonwealth and any guidance and policy recommendations forthcoming from the Commission must be done so timely. All this has created a challenging uncertain environment for private industry, while being faced with decisions in the here and now, no known return on investments (ROI) and the impending Kentucky grant applications forthcoming for the federal NEVI funding.

Additionally, with the broad federal investment in the NEVI, and now with the EPA on the cusp of proposing to have EV companies generate RINs, the liquid fuels industry (*i.e., obligated parties*) are in danger of subsidizing our own market displacement. KPMA is opposed to any attempt should EPA proceed and propose to allow EV companies to use the RFS and subsequently e-RINs to generate additional EV subsidies.

Again, our key points of concern revolve around our fundamental belief and experience that free market principles and fair competition assure a level playing field. A level playing field will ensure that market's needs and demands are met and driven based on the actual needs of the end user. In this vein, some specific concerns the Commission must consider are as follows: addressing regulated utilities engagement in EV including not only costs related to charging and how that will be determined, but also their engagement in owning and operating public EV charging stations. The policies and requirements utilities will need to provide on their electrification efforts and addressing load and rates during peak demand, as well as grid reliability. Prohibiting incentivized charging locations on government property, specifically as it relates to assuring the same or an equitable rate to that of private business engaging in EV charging in that same utility service area, if they (*the state and municipalities*) get an electric rate different or less than what private industry must pay or that is assessed on private commercial businesses, to assure for the purposes of public facing retail charging the electric rate is the same.

From the utilities' perspective, the determination of who is the actual customer and how will the customer/user pay for charging at retail locations is a critical core issue. Will the EV station owner operator be considered the "end customer" and then be responsible, having to seek payment more as a cost recovery or reimbursement from the EV charging customer at point of sale/charge, then assuring there is a method or way to assure cost recovery based upon real time rate? Careful consideration by the Commission must look at beyond how the utility will charge but also to assure a private retail business has a means for cost recovery and profit. We still have much yet to develop in terms of our state's policy to integrate and simplify the overall payment experience in this industry. Further, if utilities and other entities (municipalities, nonprofits, non-traditional fueling for-profits, etc.) are going to engage and compete in a true retail EV charging market, all those entities must be treated the same in how this process shall work, including the utility billing itself as the owner/operator of EV retail charging facilities.

In traditional utility usage, the utility applies to the Commission for an approved tariff / guaranteed rate of return. Will tariffs exist with respect to EV charging? If so, the utilities, as a regulated monopoly, should not retain exclusive rights to impose tariffs to the detriment of both the private sector and ratepayers. Will rates be standardized to promote investment from the private sector, and will providers of charging stations have the ability to recover their costs and produce a reasonable rate of return?

This is particularly concerning since in recent rate filings by a Kentucky utility, there is discussion that these utility companies are directed to file proposed Electric Vehicle (EV) tariffs for home and business charging, with tariffs designed such that customers have an incentive to engage in off-peak EV charging. The Commission is also directing the companies to complete a study to identify areas of the distribution system that, with minimal upgrade costs, can best support EV charging. **Given the inherent advantages incumbent utilities have by the nature of their monopoly status, the Commission cautions private companies against making unreasonable, unnecessary, or unfair EV infrastructure investments.**

Regulated utilities could today make unregulated investments in Kentucky to expand their customer base, grow market share and promote alternative fuel adoption. The difference is that they wouldn't have the recovery guarantee from their regulated customer base. We recommend to the Commission that is how it should continue to be. Since regulated utilities can already make unregulated investments in EV infrastructure, KPMA opposes utilities EV investments being part of any regulated investments with a guaranteed rate of return. KPMA asks that the Commission affirm, any installation and operations of EV charging stations by a utility are in fact non-regulated activities and therefore cannot be part of any rate recovery by said utility. (See 278.2201 Prohibition against subsidy of nonregulated activity). Additionally, we believe the Commission needs to affirm its prior opinion in the matter of: *Electronic Investigation of Commission Jurisdiction Over Electric Vehicle Charging Stations*, PSC Case No. 2018-00372, that electric vehicle charging stations that receive electric service from a jurisdictional electric utility or that obtains electricity from a behind the meter source is not an electric utility as defined by KRS 278.010(3)(a), is not subject to the certification requirements of KRS 278.020(1) and is not subject to the Commission's jurisdiction. This would include customer side infrastructure, essentially shifting all risk to the rate paying class, and thus allowing utilities to socialize the costs and risks of competing in the private sector retail motor fuel market as well as the construction and costs associated with EV charging stations. KPMA opposes requiring monthly utility ratepayers to pay for or subsidize in any way, either directly or indirectly, any portion of any EV charging station including the electricity, lines, infrastructure, construction, land, or ongoing costs. KPMA's position is that our members' broad base of customers should not bear the brunt of higher utility costs so that utilities can have an EV infrastructure paid for on the customer side of the meter. When EV penetration becomes sustainable without government support, our industry will be ready to respond.

Over the past decade, some state regulatory commissions across the country have approved billions of dollars of ratepayer funds to be spent by investor-owned utilities for the purpose of expanding electric vehicle charging infrastructure. Florida, Georgia, Colorado, Minnesota, to name a few, have approved utility EV charger projects. The dollar amounts are different from state to state. As you are likely aware, due to issues, California has recently started actions to move away from the utility ownership model. Indeed, many utility-operated EV charging stations provide electricity to EV drivers free-of-charge in the hopes of further enticing consumers to switch to electric vehicles; however, the costs of these programs are ultimately spread among the utilities' entire customer base – regardless of whether they drive an electric vehicle. The costs of both the physical infrastructure and the electricity used to “refuel”/charge EVs are added into the rate base upon which the utility collects a guaranteed rate of return and essentially operates as a state-sanctioned, utility-distributed subsidy for EV drivers. While this may have been a logical method to spur early investment in EV infrastructure during the fledgling stage of EV adoption, any continued use of this financing mechanism is inappropriate given the volume of federal investments and incentives, and

it unfairly discriminates against lower income and fixed income communities who are both more sensitive to price fluctuations in their utility bills and are rarely EV drivers.

As such, KPMA would hope such practice would not be permitted in the Commonwealth. Allowing power companies to charge all their customers more money in their monthly electric bills operates as a regressive tax on those who do not drive an EV. While some may think that a few extra dollars a month is not a significant change, it can be catastrophic for some families, and this remains especially true in certain areas in the Commonwealth. Given many Kentucky households struggle to or couldn't pay an energy bill last year, and the average EV driver has an income of over \$75,000 (with some studies finding the average income to be over \$150,000), it does not follow the principles of equity, fairness, or social justice to allow this burden to be placed on disadvantaged communities or individuals with the bill for a product they are not using.

With so many unknowns and concerns, public policy that stunts private investment in EV infrastructure by economically favoring incumbent utilities that use their monopoly position in the market to extract guaranteed rates of return and impose demand charges on potential competitors makes the development of a competitive market for EV charging impossible. Demand charges pre-date EVs and are incompatible with the realities of owning a direct current fast charging (DCFC) station. For full EV deployment to occur, a transformative overhaul is required of our entire electric generation and transmission system in the U.S. In fact, studies have found an all-electric, light-duty vehicle fleet in the United States would require more than 1,100 TWh of electricity, equivalent to a nearly 29% increase in electricity consumption across the entire country – with some regions needing to generate 50% more electricity. Such extreme strains on resources are simply not feasible under the existing infrastructure.

To electrify the transportation industry, we believe major stakeholders need to focus on their core competencies. The most efficient, cost-effective path to a nationwide network of electric vehicle charging stations is for fuel retailers and power companies to work in partnership with each focused on their specific areas of expertise. Utilities can focus on their core competency of generating and transmitting electricity while fuel retailers can deliver the electricity to consumers in a price competitive, convenient, and familiar way. With refueling stations already occupying the most accessible real estate across the nation, the industry is poised to quickly and efficiently provide the necessary EV network that will give consumers the comfort needed to make the switch to EVs.

We believe it is in the interest of fair competition and the interest of the rate payer to prohibit regulated investor-owned utilities from recovering costs as part of a rate case and passing costs on to KY rate payers while assuring the utility a guaranteed rate of return that other private sector businesses such as ours do not get. Again, those investments should be made not part of a rate case but out of private funds and revenues of the utility, not the rate payer. Specifically, the utilities' ability to recover costs of building and operating the stations by charging ratepayers more for such development and investment and determining whether it is in the public interest to have a utility company provide such a service where the private sector could otherwise flourish. While the Commission similarly determined in a previous Order issued on a matter from a Kentucky regulated utility, KPMA believes further action is necessary to assure this is the standardized policy uniformly applied and/or codified into law within the Commonwealth and not left to just the decision and Order of each Commission and those who serve on it as it considers requests by utilities.

The state has imposed and supported caps on self-generation of power by businesses which would drive down a business's costs, but if we are now considering retail investments with no risk for utilities and if this is not addressed, and if measures are not put into place to assure any EV investment by a regulated utility is not allowed to be part of any rate making/regulated investments with a guaranteed rate of return, then this should be re-examined and consideration given to self-generation to offset costs by the serving utility provider.

KPMA believes public policy should incentivize and leverage private investment in bringing to market more charging stations. Under normal conditions, we would see private investment align and follow consumer demand. However, the current climate of forced implementation and deployment through a highly incentivized environment changes the game – pushing investments when demand is not yet there to support it nor provide a ROI. In several states, the utilities have already been given financial incentives – to the tune of over \$3 billion across the nation – for the purposes of the purchase and installation of EV charging stations (*both public and private*) as well as supplying the electricity to end-users free of charge. Installation of EV chargers by utilities that offer electricity to end-users free of charge poses additional negative impacts on viable EV retail charging market. It would not only pull potential customers from commercial for-profit retail owners/operators, but it would also if not explicitly prohibited, potentially shift the cost of that energy used across all other rate payers for which that utility serves if the utility itself was not required to pay for that electric utilization costs out of non-rate-based revenues. It would seem possible that most utilities would not eat those costs or could not just absorb it.

Given the current economic climate, there is no sound financial path forward for the private sector to engage with this market. The utilities essentially given this blank check are not held to the same accounting standards as a private business that would need to put significant financial resources at risk to enter the market. We believe that all stakeholders should be able to compete for grants or be eligible for incentives regardless of whether they are a massive incumbent utility or a single rural refueling station. But to achieve the shared goal of creating a nationwide, robust charging network, all players need to be on an even playing field for the construction and operations of a statewide EV charging network.

Additionally, once the private sector can compete and has been assured a level playing field in the market, utilities that have made the decision to enter the EV charging market should not be able to bill their “competitors” for EV refueling electricity at a rate or cost more than they charge themselves. Utilities should not be able to price their competition out of the market by hitting them with high electricity bills – including costly demand charges – that they themselves do not/would not have to pay.

The retail fuel market is the most transparent and competitive commodities market in the United States. Consumers can easily see fuel prices and decide where to refuel based on the posted price without having to leave their vehicles. This transparency and competition lead to lower prices for Kentucky customers. A difference is that electricity pricing is different and can be a challenge because many utilities operate in a monopoly position in which there are not viable market competitors to discipline pricing. That can lead to continually, and often dramatically fluctuating prices of electricity throughout a single day. In turn, that dynamic would make it difficult for EV charging station suppliers to consistently offer prices that are competitive with, and as stable as, traditional fuels. While the price of gasoline may differ a few cents from station to station and from day to day, it likewise varies depending on where the fuel is pulled from. However, it is entirely possible for the price of electricity to significantly differ by the hour – especially in hot summer days or cold winter nights when electricity usage is at its highest. This makes it incredibly difficult for private businesses to mitigate risks and calculate potential revenues as balanced against the expenses of installing the charging equipment and supplying the electricity to the end-user, in a manner that is affordable and efficient for all parties.

Similarly, should incumbent utilities compete in the market without fair rules, it brings us back to the concern they could attempt to significantly lower their own costs due to the monopolistic benefits that are inherent with vertically integrated utilities. This includes being able to “self-deal” and provide themselves with electricity at a cheaper rate by cutting transmission or generation costs. This puts the private market at a severe competitive disadvantage – particularly for customers who are sophisticated stakeholders, incredibly price-sensitive, and will reroute their trucks to find the cheapest fueling option. Any pricing

mechanisms imposed by public policy must ensure that rates are fair, predictable, transparent, and do not disincentivize private investment into charging stations.

Given the current variations across the state that already exist in differing electric rates, it remains that this difference shall continue to exist in terms of certain areas or regions within the Commonwealth having to pay higher electric rates and for charging their EVs than other parts of the state. This will not only create economic barriers to the end-user customer/EV charging customer but to private industry/businesses attempting to own/operate and compete in the EV retail charging market. EV drivers should have access to the same competitive, stable, and convenient prices that drivers of gas-powered vehicles have enjoyed for decades. Similarly, small rural business owner/operators seeking to provide retail EV charging should be able to compete especially if their service area is contiguous to that under a different electric utility they may offer or have a significant better rate. The rate charged must be measured in a consistent, predictable, and affordable way for drivers to have confidence that they should buy an EV. In tandem with the demand charge principle, it is equally important that both end-users and EV charging suppliers have the ability to know what prices they will “see at the pump.” End-users should easily be able to tell exactly how much they will be spending to “fuel/ charge up their car.” It is imperative that end-users do not get blindsided by a high price tag such as would be necessary to cover large, monthly demand charges.

We cannot discuss pricing and costs without raising concerns regarding demand charges. Identifying the impact of demand charges is important given the critical need for more DCFC stations to meet the electrification of our transportation system and the goals/deployment desired by federal policies. Given how it works, utilities must be able to build and operate any electric generation infrastructure to meet peak demand events, which may require the utility to operate additional equipment to manage the electric load. Electric utilities often bill commercial and industrial customers an additional demand charge, and this is generally based on the highest peak demand for power capacity within each billing period. Therefore, one of the most critical issues about large-scale EV deployment lies with the electricity sector planning and – even more importantly – the implementation of demand charges assessed on commercial/retail EV charging owner/operators.

It is well known that vehicle charging (*retail charging*) could cause sudden spikes in instantaneous power. Fair and transparent pricing of demand charges are another critical concern that is twofold, since most all public retail EV charging would occur during peak usage hours and the NEVI required/fast or fastest chargers (*which is the only charging choice in reality that would be tolerable for customer demand and time to charge for those EV users truly needing to “charge/fuel up” during travel or because of need that would utilize a retail EV charging opportunity*) when used require and result in a peak usage demand or draw/surge of power themselves. Both scenarios (use during peak demand periods and the charger resulting in a peak demand) will generate peak demand charges. These peak demand charges can make the business of fast charging unviable. Private retailers would be at a severe disadvantage and suffer financial loss if required to pay or remit to the utility a demand charge for a service that may not be utilized/fully utilized in any given day/period – and which would result in a significant cost and loss to that retailer – that the retailer or EV charging operator cannot recover.

The primary problem in most cases is that demand charges make the electricity to the owner of the charging station so expensive that the cost cannot be passed through to customers. The business owning the charger would then lose market share to a utility that does not experience demand charges or lose revenue on the charge. This would create an unfavorable business case for fast charging investment. KPMA believes there must be a rate that doesn’t undercut direct-current fast-charger economics. Presently, demand charges are one of the most significant cost factors in the operation of a fast charger. Acknowledging this barrier, we are seeing that some utilities nationally are creating alternative pricing structures for EV charging stations for both residential and public-facing charging. KPMA believes any public policy should work to find the

most equitable and fair rate structure that promotes private investment and collaboration between power companies and the refueling industry, and best serves the transportation needs of the general public.

Several challenging economics exist for DCFC stations; for example, how frequently must a DCFC station be used by customers, and how much do they need to pay, for the station to break even each year? Cost factors such as electric rates, demand charges, cellular and data network costs, billing services, and customer charges should be considered, among others. Some data on demand charges recently reviewed is a recent study shared by the Great Plains Institute (GPI). The findings on ROI and issues related to investment in DCFC and demand charges indicated that their findings showed it would be “less costly to operate a single 50 kW charger, and some of these chargers can break even with as little as 2 to 5 charging customers per day depending on the rates charged by the electric utility.” However, in most other cases, it is very difficult for a DCFC station to break even due to demand charges. If EV penetration eventually reaches the level for a charging station to see 10 charging customers per day, 50 kW stations would break even at nearly all electric utility rates that GPI studied. For 150 kW chargers (which could include three 50 kW chargers or a single 150 kW charger), a DCFC station will break even for about half of the electric utility rates studied. Increasing power capacity beyond 150 kW makes it nearly impossible for a station operator to break even except in cases where the electric utility does NOT have a demand charge.”

While we understand demand charges exist for a reason, the heavy electric demand from large commercial and industrial customers does increase infrastructure requirements and costs for electric utilities. It should be considered and investigated compared to heavy industrial operations and large commercial facilities, to the desired DCFC stations. Perhaps a DCFC is not as impactful on the system and alternatives to demand charges could be used. If the goal or mandate is the increased adoption of EVs and supporting infrastructure, then consideration should be given to the fact that there are multiple economic, environmental, and social benefits to increased adoption of EVs and charging stations. More EVs would mean more electric customers and demand for the electric utility to serve.

Under certain policies, it may be possible for the utility to get credit for the greenhouse gas reductions of a customer switching from gasoline to electricity. Some utilities in the U.S. have already offered to reduce or eliminate their demand charge for EV charging stations. The GPI report also stated that “by eliminating the demand charge, it can decrease operational costs for DCFC stations by as much as 85 percent.” While the elimination of demand charges will likely be met with opposition by some utilities, KPMA believes utilities have a role to play here and need to be challenged to evolve and consider that given the role of DCFC stations in accelerating EV adoption; it will be important to address this barrier of the current thought and method of assessing demand charges.

Challenges to full electrification and EV deployment remain. These include but are not limited to access, performance, payment, power, and business certainty to promote infrastructure investments. The missing key component is the development of sound and comprehensive public policy that promotes a fair, competitive landscape which offers a path for financially-sound private sector investment. Public policy that incentivizes this partnership structure will be the most efficient, cost-effective, and timely method to encourage consumers to adopt EV vehicles and meet climate change goals. Utilities should focus on preparing the grid for 21st century demands and partner with fuel retailers to develop EV charging infrastructure. Regulatory policy and incentives structures, coupled with a sharp eye on demand charge costs and leveraging of innovative time-of-use rate structures from utilities, are some aspects that can generate and encourage immediate impact on the commercial viability of especially public DCFC charging networks.

In summary, KPMA respectfully requests that the Commission consider our concerns and requests herein. Further, KPMA requests that the Commission assure in its Final Order that it seek to mitigate harm to all impacted parties, and to limit costs to both utility customers (businesses engaging in retail EV charging) and the end user-customers (EV owners & all Kentucky rate payers). Since the Commission’s Final Order will

have significant impact to EV deployment, implementation and operations, any policy or positions should support private capital investment in EV charging stations, particularly DCFC stations, while increasing consumer choices. Such strategies should be designed to support customer-owned investments in EV charging stations. Again, great care should be exercised by the Commission and through its decisions to ensure that the deployment of EV charging stations does not impose an unfair burden on ratepayers, or on private sector investors and facilitators. This will allow the Commission to carry out its directive, while maintaining a level playing field for private companies, and fostering a viable, customer-friendly environment for EV charging.