



PURPA Public Hearing  
September 18, 2023

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# Agenda

- Overview of PURPA standards
- Why staff recommends not adopting PURPA standards
- Public comments
- Commissioner discussion
- Schedule and next steps

# Overview

Under the federal Public Utility Regulatory Policy Act of 1978 (PURPA), as amended on November 15, 2021, as part of the 2021 Infrastructure Investment and Jobs Act, Public Utility District No. 1 of Chelan County (Chelan PUD) must consider electric vehicle charging and demand-response programs and ratemaking standards.



# Proposed PURPA Standards

## 1. Electric Vehicle Programs

- Each State shall consider measures to promote greater electrification of the transportation sector.

## 2. Demand Response Programs

- Each electric utility shall promote the use of demand-response and demand flexibility to reduce electricity consumption during periods of unusually high demand.
- Establish rate mechanisms for the recovery of the costs of demand-response and demand flexibility practices.

# Staff Recommendations

- Staff recommends not adopting the Electric Vehicle and Demand Response standards described in the 2021 IJA.
- Not adopting the standards does not hinder the Boards ability to implement any or all the actions identified in the 2021 IJA
- Not adopting the standards provides the Board with flexibility to make decisions based on information and timelines that make sense for the District's customer-owners

# Discussion of EV Standards

- Chelan PUD's low electric rates already provide affordable and equitable charging options. Charging at home costs \$.30/gallon equivalent.
- Chelan PUD is participating in the WA State Clean Fuels program which will provide non-ratepayer funding for projects and programs that support charging options.
- Chelan PUD has upgraded website to assist customers with EV related questions.

<https://www.chelanpud.org/environment/electric-vehicles>

# Discussion of EV Standards (cont.)

- Several companies already offer DC fast-charging services in Chelan County
- Chelan PUD's existing DC fast-charging rate supports expansion of services by companies by providing sustainable and predictable rates
- Staff does not believe directly competing in this market space is in the best interest of Chelan PUD customers
- District is not set up to provide the maintenance and operations of DC fast-charging networks

# Discussion of EV Standards (cont.)

- Participating in the Washington Clean Fuels program may provide an opportunity to support customers wanting to invest in vehicle electrification infrastructure
- Chelan PUD implemented a DC fast-charging rate in 2022 that appropriately recovers the additional impacts of adding DC fast chargers to Chelan PUD electrical system
- Staff is assessing managed charging options that could help customers reduce peak loads



# Discussion of DR Standards

- Chelan PUD already has the authority to promote demand response activities
- Staff are currently evaluating demand response and demand flexibility practices and programs. Voluntary programs will be made available to customers as they make economic sense.
- This rate recovery standard is not applicable unless the standard requiring promotion of DR is adopted.
- The District currently offers a time-of-use rate for our Schedule 30 industrial customers. When it makes economic sense, the District can consider offering alternative rate mechanisms in the future to the rest of our customers.

# Public Comments to Date

Date	Customer	Comment
9/11/23	1	"I agree with the PUD in not getting involved with formulation of fast E-vehicle charging programs at this time. And "bypassing establishment of rates for customers who agree to use less power during peak demand." With the exception of the bitcoin businesses, they should be cut off completely during peak demand times."

# Opportunity for Public Comments

# Commissioner Discussion/Questions

# Schedule/Next Steps

- ✓ Sept. 5: Preview of staff recommendation, discussion of IJJA PURPA standard consideration, and set public hearing date
- ✓ Sept. 5 to Sept. 18: Public Notice and Comment Period on PURPA standard consideration
- ✓ Sept. 18: Public Hearing
- Oct. 2: Resolution presented to the Board for consideration

# Appendix-Standards

## Electric Vehicle (EV) 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 infrastructure;
  - (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; and
  - (D) appropriately recover the marginal costs of delivering electricity to electric vehicles and electric vehicle charging infrastructure.”



# Appendix-Standards Continued

## Demand-Response (DR) Practices:

- (A) In GENERAL

- Each electric utility shall promote the use of 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

- Nonregulated Electric Utility - 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).