BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF SOUTHWESTERN PUBLIC SERVICE COMPANY'S APPLICATION FOR APPROVAL OF ITS 2025–2027 TRANSPORTATION ELECTRIFICATION PLAN; PROPOSED PLAN RIDERS AND CREDIT; AND OTHER ASSOCIATED RELIEF,	)	**CASE NO. 24-00120-UT**
SOUTHWESTERN PUBLIC SERVICE COMPANY,	)	
APPLICANT.	)	

DIRECT TESTIMONY
OF
COURTNEY LANE

ON BEHALF OF
THE NEW MEXICO DEPARTMENT OF JUSTICE

July 12, 2024

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I. INTRODUCTION AND QUALIFICATIONS

Q. Please state your name, title, and employer.

A. My name is Courtney Lane. I am a Principal Associate at Synapse Energy Economics ("Synapse"), located at 485 Massachusetts Avenue, Suite 3, Cambridge, MA 02139.

Q. Please describe Synapse Energy Economics.

A. Synapse is a research and consulting firm specializing in electricity and gas industry regulation, planning, and analysis. Our work covers a range of issues, including economic and technical assessments of demand-side and supply-side energy resources; energy efficiency policies and programs; integrated resource planning; electricity market modeling and assessment; renewable resource technologies and policies; and climate change strategies. Synapse works for a wide range of clients, including attorneys general, offices of consumer advocates, public utility commissions, environmental advocates, the U.S. Environmental Protection Agency, the U.S. Department of Energy, the U.S. Department of Justice, the Federal Trade Commission, and the National Association of Regulatory Utility Commissioners. Synapse has over 40 professional staff with extensive experience in the electricity industry.

Q. Please summarize your professional and educational experience.

A. I have twenty years of experience in energy policy and regulation. At Synapse, I work on issues related to performance-based regulation, grid modernization, benefit-cost analysis, rate and bill impacts, and review of distributed energy resource and electric vehicle utility filings. Prior to working at Synapse, I was employed by National Grid

as the Growth Management Lead for New England where I oversaw the development of customer products, services, and business models for Massachusetts and Rhode Island. In previous roles at National Grid, I worked on the deployment of non-wires alternatives and grid modernization efforts and led the development of the Rhode Island electric and natural gas energy efficiency plans. Prior to joining National Grid, I worked on regulatory and state policy issues pertaining to energy conservation, retail competition, net metering, and the Alternative Energy Portfolio Standard for Citizens for Pennsylvania's Future ("PennFuture"). Before that, I worked for Northeast Energy Efficiency Partnerships, Inc. where I promoted energy efficiency throughout the Northeast.

I hold a Master of Arts in Environmental Policy and Planning from Tufts University and a Bachelor of Arts in Environmental Geography from Colgate University. My resume is attached as Exhibit A.

Q. On whose behalf are you testifying in this case?

A. I am testifying on behalf of the New Mexico Department of Justice ("NMDOJ").[1]

Q. Have you previously testified in regulatory proceedings in New Mexico?

A. Yes. I provided testimony on behalf of NMDOJ in Case No. 21-00269-UT related to El Paso Electric Company's Application for an Advanced Metering System Project and in Case No. 21-00178-UT related to Southwestern Public Service Company's ("SPS" or "Company") Application for Authorization to Implement Grid

[1] Formally, the New Mexico Office of the Attorney General ("NMAG").

Modernization Components, and Case No. 22-00058-UT related to Public Service Company of New Mexico's Authorization to Implement Grid Modernization Components.

Q. Have you previously submitted testimony in proceedings before other state commissions or agencies?

A. Yes. I have testified before the New Hampshire Public Utilities Commission, the Maryland Public Service Commission, the Pennsylvania Public Service Commission, the Public Service Commission of the District of Columbia, and the Rhode Island Public Utilities Commission. A list of my previous testimony is included in Exhibit A

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to review and assess the application of SPS for approval of a 2025–2027 Transportation Electrification Plan ("TEP") and provide recommendations for improvement.

Q. What materials did you rely on to develop your testimony?

A. The sources for my testimony and exhibits are the Company's Application and responses to discovery requests, public documents, and my personal knowledge and experience.

Q. Was your testimony prepared by you or under your direction?

A. Yes. My testimony and the accompanying exhibits were prepared by me or under my direct supervision and control.

II. SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

Q. Please summarize your concerns with the Company's TEP in its current form and your recommendations to address these concerns.

A. I find that several issues should be addressed to ensure that SPS's TEP programs support the transportation electrification goals of New Mexico while being in the best interest of ratepayers. Briefly, my conclusions and recommendations are as follows:

- The New Mexico Public Regulation Commission ("Commission") should reject the EV Charger and Wiring Rebate program and reallocate the associated budget to support programs for low-income customers and underserved communities. It is not an appropriate use of ratepayer funds to support EV charger and wiring rebates when there are existing private and federal incentives, especially when the Company has not demonstrated such rebates are required to incentivize a customer to purchase an EV.
    - Should the Commission decide to retain this program, I recommend that the Commission require SPS to:
        - Reduce the standard rebate level to $500 to better align with incentives found in other jurisdictions;
        - Pro-rate the rebate based on whether a customer already has the required home wiring to support Level 2 charging to right-size the incentive and avoid overcompensation;

- Require participants to report any state and federal funding they receive and deduct the corresponding amount from the rebate provided to the participant; and,

- Continue the requirement for rebate recipients to enroll in a time-of-use ("TOU") rate or managed charging program.

- The Commission should approve the EV Charger and Wiring Rebate program for low-income and underserved communities because they face the greatest financial barriers to EV adoption.

- The Optimize Your Charge program should be modified to require participants to charge at least 80 percent of the time during the 12-hour charging window. This change would incentivize participants to charge most of the time during off-peak periods and minimize on-peak charging, ensuring that participation in the program reduces grid impacts and benefits all ratepayers.

- The Charger Perks program should be approved as a pilot, contingent upon SPS committing to conducting a full benefit-cost analysis ("BCA") to determine whether it is appropriate to be implemented as a full program in the future.

- The Commission should require SPS to develop a managed charging pilot for commercial EV customers as well as a commercial EV TOU rate to be proposed in the Company's next TEP to expand customer options for time-varying EV charging rates and to promote EV charging during off-peak hours.

- The Commission should reject the Commercial SPS-owned Electric Vehicle Supply Infrastructure ("EVSI") option and reallocate the associated budget to the EVSI rebate option. SPS ownership of customer-side-of-the-meter EVSI goes beyond the traditional purview of the utility and will hinder the development of the competitive market for EVSI.

- SPS should modify the Commercial EVSI rebate option and the Public Fast Charging ("DCFC") rebate from a flat rebate to a percentage of each project's actual costs, based on a tiered rebate structure, up to a cap, to avoid over-subsidizing projects. The percentage tiers should be designed to prioritize charging sites that are publicly accessible, serve public transit and school buses, and/or are located in underserved communities. The Company should also require customers to report any state and/or federal funding and deduct the corresponding amount from the rebates.

- I recommend that the Commission reject the Company's cost-recovery proposal for proactive distribution feeder upgrades and voltage conversions as well as line extension costs through the EV Rider. The Company's proposal to recover the costs of distribution investments through the EV Rider is not appropriate and appears to be motivated by the Company's pursuit of quick, guaranteed cost recovery rather than by ratepayer or public benefit.

- I recommend that the Commission direct SPS to adopt a budget floor of 40 percent of TEP spending to be directed towards low-income customers and underserved

communities. This target will better match the proportion of these populations in the Company's service territory as well as the federal Justice40 initiative, which directs 40 percent of the benefits of federal energy, transportation, and other infrastructure investments towards disadvantaged communities.[2]

- The Company's proposal to place rebate costs in a regulatory asset is higher cost than traditional ratemaking practices; it is not in the best interest of ratepayers and should be rejected.

III. SUMMARY OF THE APPLICATION

A. Regulatory Background

Q. What is the current statutory authority for utility transportation electrification programs?

A. In accordance with NMSA 1978, Section 68-8-12 ("EV Statute") public utilities were required to file plans with the Commission by January 1, 2021, to expand transportation electrification in New Mexico. According to the EV Statute, TEPs are meant to "support transportation electrification, including electrification of public transit and publicly owned vehicle fleets, rate designs or programs that encourage charging that supports the operation of the electric grid and customer education and

[2] The White House. *Justice40: A Whole-of-Government Initiative.* https://www.whitehouse.gov/environmentaljustice/justice40/

outreach programs that increase awareness of such programs and of the benefits of transportation electrification."[3]

Q. Does the EV Statute set forth standards for the Commission to consider when evaluating a utility TEP application?

A. Yes. The EV Statute directs the Commission to consider whether investments, programs, and incentives are:

1) reasonably expected to improve the public utility's electrical system efficiency, the integration of variable resources, operational flexibility and system utilization during off-peak hours;

2) reasonably expected to increase access to the use of electricity as a transportation fuel, with consideration given for increasing such access to low-income users and users in underserved communities;

3) designed to contribute to the reduction of air pollution and greenhouse gases;

4) reasonably expected to support increased consumer choices in EV charging and related infrastructure and services; allow for private capital investments and skilled jobs in related services; and provide customer information and education;

5) reasonable and prudent, as determined by the Commission; and,

[3] NM Stat § 62-8-12 (2023).

6) transparent, incorporating public reporting requirements to inform program design and Commission policy.[4]

Q. What are the minimum filing requirements for a TEP?

A. In accordance with Commission Rule 17.9.574 NMAC ("EV Rule"), public utilities are required to file a three-year TEP that includes the following:

1) Plans for expanding transportation electrification among low-income customers and underserved communities including a budgetary carve-out for increasing EV awareness and adoption; strategies and measures for marketing and outreach; and strategies and measures for mass transit, ride-share programs, and multi-unit dwellings in underserved communities and areas that serve low-income customers;

2) Strategies and measures for expanding transportation electrification across customer classes including personal and commercial light-, medium-, and heavy-duty EVs and e-bikes;

3) Expected customer participation and estimation methods;

4) Strategies and measures for multiple market segments including commercial, multi-unit and single-family homes, and ride-sharing and public transit programs;

5) Strategies and measures for coordinating with state and federal EV infrastructure planning;

[4] *Id.*

6) Strategies and measures for coordinating with existing business locations that sell and dispense transportation fuel to the public; and,

7) Identification of key performance indicators for program success and how these indicators are utilized to further the success of the program.[5]

The EV Rule also requires utilities to include a two-year outlook beyond the three-year TEP, that includes information about (1) the expected number of light-, medium- and heavy-duty EVs; (2) expected lead times for planned construction, deployment, and infrastructure planning, and for coordination with state and federal EV infrastructure planning and EV charging station operators; (3) anticipated requests for regulatory approval; (4) potential plans for integration or coordination with other utilities' TEPs, rural electric cooperatives, tribes, and pueblos; (5) anticipated grid management and peak load requirements and plans for reducing the impacts of transportation electrification; (6) forecasted potential for meeting new load growth associated with EV charging with renewable energy; (7) expected policy or statutory issues that could potentially impact network upgrades.[6] TEP applications must also

[5] 17.9.574.12 NMAC – N, 2/14/2023.
[6] *Id.*

include yearly costs, intended cost-recovery mechanism(s), and demonstrated prudency of investments.[7]

B. Overview of SPS's Existing and Proposed TEP

Q. Does SPS currently offer EV programs?

A. Yes. On July 21, 2020, SPS filed its first TEP Application for the 2022–2024 in Case No. 20-00150-UT. The Commission approved eight programs across Residential, Commercial, and Advisory Portfolios with a total budget of $3.2 million.

The Residential Portfolio includes rebates for EV chargers, charger installations, and wiring upgrades, with expanded rebates for low-income customers, as well as a passive managed charging program called Optimize Your Charge. The Commercial Portfolio includes utility-owned EVSI for public charging stations and utility-owned public DCFC stations. The Advisory Portfolio includes outreach and education for residential customers and EV dealers and an advisory program for commercial fleets and local governments.

Q. Has SPS's first TEP been successful at expanding transportation electrification in New Mexico?

A. While SPS has yet to conduct a formal evaluation of the 2022–2024 TEP,[8] the Company indicates that there was limited participation across portfolios. Table 1 shows customer participation for the Company's inaugural TEP.

[7] *Id.*

[8] Direct Testimony of Patrick J. Murphy ("Murphy Direct"), pg. 18.

Table 1. 2022–2024 TEP programs and participation[9]

Portfolio	Program	Planned Participation	Actual Participation
Residential	EV Accelerate at Home ("EVAAH")	105	2
	Home Charger and Wiring Rebate	165	8
	Low-Income Home Charger and Wiring Rebate	20	0
	Optimize Your Charge	185	16
Commercial	Public Charging EVSI	9 ports	4 sites; 8 ports
	DCFC Stations	4 sites; 8 ports	3 sites; 6 ports
Advisory	Residential Advisory	N/A	N/A
	Commercial Advisory	N/A	N/A
	Community Advisory	N/A	N/A

Given the low levels of participation, SPS proposes to modify several of its TEP offerings in its 2025–2027 TEP, which I will discuss later in my testimony.

Q. Please summarize SPS's proposed 2025–2027 TEP.

A. The Company is proposing a second TEP for years 2025–2027 with a total budget of $23.1 million for a suite of programs summarized in Table 2 below. This table also provides an indication of whether the program is new to the 2025–2027 TEP or is an update to an existing 2022–2024 TEP.

[9] Source: 2022-2024 TEP program descriptions from Murphy Direct Testimony, pgs.13-18; estimated and actual participation from SPS Response to NMDOJ Exhibit SPS-OPL 1-4(a).

Table 2. Summary of SPS's proposed 2025–2027 TEP programs[10]

Portfolio	Program	Description	New or Updated Program	Total Budget ($000)
Residential	Charger and Home Wiring Rebate	$1,200 rebates for chargers and wiring, $2,500 rebates available for low-income customers and underserved communities	Updated	$382.1
	Optimization	Optimize Your Charge: passive managed charging program with $50 annual incentive	Updated	$220.5
		Charging Perks: active managed charging with $50 sign-up incentive and $50 annual incentive	New	
	IT			$20.0
	Total			**$622.6**
Commercial	Commercial EVSI Program	EVSI at commercial locations, customer can choose between receiving a rebate or SPS-owned infrastructure	Updated	$9,634.3
	Commercial Public Fast Charging Rebate	Rebates for DCFC chargers at public locations	Updated	$3,241.5
	Distribution Investment	Distribution investments for line extensions and proactive feeder upgrades	New	$8,965.6
	Total			**$21,841.4**
Advisory	Residential Advisory	Residential advisory services include digital tools to provide information, advertisement, EV and e-bike test drives, support for EV dealers, and EV referral incentives	Updated	$200.0
	Commercial and Community Advisory	Community and commercial fleet advisory services supporting transportation electrification planning	Updated	$300.0
	Total			**$500.0**
Evaluation	Reporting and Evaluation	Annual reporting on key metrics, third-party for portfolio evaluation, stakeholder feedback	Updated	$150
	Total			**$150.0**
Total				**$23,114.0**

Q. Does SPS's proposed TEP meet the Commission's filing requirements and statutory requirements?

A. The Company's proposed TEP mostly complies with the Commission's filing and statutory requirements. However, EV Rule 17.9.574.11.B.1.c. requires SPS to include strategies and measures for mass transit, ride-share programs, and multi-family dwellings in areas that serve low-income customers and underserved communities. While the Commercial EVSI program is available to all commercial customers including multifamily locations, public transit, and ride-sharing organizations, there is insufficient prioritization of underserved communities. I provide recommendations throughout my testimony to improve programs to better serve these customers.

IV. SPS'S TEP PROGRAMS SHOULD BE MODIFIED

A. Residential Portfolio

Q. Please summarize the Company's proposed Residential Portfolio.

A. The Company includes three programs in its Residential Portfolio, (1) an EV Charger and Wiring rebate, (2) an EV Charger and Wiring Rebate (Low-Income and Underserved Communities), and (3) EV Optimization and Managed Charging, consisting of a passive managed charging program called Optimize Your Charge and an active managed charging program called Charging Perks.[11] Absent from this portfolio is the Company's existing EV Accelerate at Home ("EVAAH") program. The Company recommends removing this program due to limited customer interest (2

[10] Sources: Attachment PJM -2, pgs. 2-3.
[11] SPS Attachment PJM-1, pg. 5.

participants out of a planned 105) and the inability to obtain local electricians to support the program.[12]

i. EV Charger and Wiring Rebate

Q. Please summarize the EV Charger and Wiring Rebate program.

A. As part of the first TEP, the Company currently offers the Home Charger and Wiring Rebate to alleviate home wiring and charger cost barriers to prospective EV buyers. This program provides customers with a $500 rebate that can be used to offset the cost of a Level 2 home charger, the wiring costs associated with installing the charger, or both.[13]

Q. Has the Company proposed any changes to this program for the 2025–2027 TEP?

A. Yes. SPS proposes to increase the standard rebate amount from $500 to $1,200 to cover a larger portion of the home wiring and charger costs. The Company also proposes to expand the options available to customers to receive the rebate, allowing for customers to choose among a bill credit, ACH transfer, or rebate check.[14] The Company also plans to increase the maximum allowable limit for charger capacity from 50 amps to 100 amps, to allow for larger capacity chargers entering the market. Finally, SPS proposes to continue the requirement that EV Home Charger and Wiring Rebate recipients enroll in a TOU or managed charging program but expands the

[12] Murphy Direct, pgs. 23-24.
[13] SPS Attachment PJM-1, pg. 5
[14] *Id*., pgs. 20-22.

options available to customers with a new active managed charging program, Charging Perks.[15]

Q. What is the Company's justification for increasing the rebate level?

A. The Company explains it is increasing the rebate level to align with current home wiring costs and include some charger costs as well.[16]

Q. Do you have any concerns with the EV Charger and Wiring Rebate program proposal?

A. Yes, I have several concerns with the proposal. First, there is little evidence, and the Company provides none, that incentives to cover the cost of EV chargers, wiring, and installation will incentivize a customer to purchase an EV that would not have otherwise made that purchase. Second, I do not find it appropriate to provide utility incentives to support rebates for the purchase and installation of Level 2 Chargers when there are existing incentives available from the private market and the federal government. Lastly, I find that the Company's proposed rebate design may lead to overcompensating customers for the purchase and installation of an EV charger and that the proposed rebate level is higher than what has been approved in other jurisdictions for similar programs. I will explain each of these issues in more detail below.

[15] Murphy Direct, pg. 24, lines 10-21.
[16] *Id*., pg. 26, lines 11-13.

Q. Please explain why you do not support rebates for residential Level 2 chargers, and the wiring costs associated with installing the charger.

A. First there is no evidence to support that rebates for home wiring and charger costs incentivize a customer to purchase an EV. The Company itself notes that it "is not aware of any studies that address whether home wiring rebates alone impact an individual's decision to purchase an EV."[17]

I also find that utility intervention is no longer needed in this space due to the increasing availability of private and public funds. For example, there are an increasing number of automakers providing customers with a Level 2 charger or Level 2 charger incentives with the purchase of an EV. For instance, Hyundai provides customers with a free ChargePoint® Home Flex Level 2 charger and up to a $600 installation credit.[18] Other auto makers are also offering home charging incentives. Edmunds conducted a survey in 2023, detailing common automakers that provide either incentives toward the purchase of a residential charger (ranging from $100 to $500) or unlimited fast charging for a certain number of years at a specified charging network.[19]

There are also existing federal incentives to support the purchase and installation of EV chargers. For instance, the federal *Inflation Reduction Act of 2022* ("IRA") extended and amended the 30C Alternative Fuel Vehicle Refueling Property Credit

[17] SPS Response to NMDOJ 1-6(c).

[18] See Hyundai website: https://www.hyundaiusa.com/us/en/special-programs/hyundai-homecharging-package.

[19] See Edmunds website: https://www.edmunds.com/car-news/evs-with-free-charging.html.

("30C income tax credit"). A tax credit of up to $1,000 is available to customers who purchase and install qualified alternative fuel vehicle refueling property for their principal residence, including EV charging equipment, between December 31, 2022, and January 1, 2033.[20]

Q. Have other jurisdictions come to similar conclusions regarding the need for utility incentives for the purchase and installation of residential chargers?

A. Yes. For example, the Maryland Public Service Commission recently rejected a proposal from Baltimore Gas and Electric Company for an additional 2,500 residential Level 2 smart EV charger rebates, stating that "the Commission finds that use of a smart charger is becoming less relevant as more EVs enter the market with the capability of leveraging on-board telematics to not only capture the vehicle's charging data, but also program charging during specific times of the day, all without the need for a smart charger."[21]

A similar decision can be found in New York where the Public Service Commission ("PSC") declined to approve a proposal for a utility residential make-ready program that would provide incentives for the installation of wiring, outlet equipment, electric vehicle supply equipment ("EVSE") installation, and panel upgrades, stating that it "does not believe a residential make-ready program is an appropriate use of ratepayer dollars... Moreover, the Commission does not believe a make-ready program designed

[20] See Argonne National Laboratory Refueling Infrastructure Tax Credit webpage: https://www.anl.gov/esia/refueling-infrastructure-tax-credit.

[21] Maryland Public Service Commission Order 90036 in Case 9478: In The Matter of the Petition of the Electric Vehicle Work Group for Implementation of a Statewide Electric Vehicle Portfolio Issue Date: January 11, 2022, at para: 69.

for individual residences would be a prudent use of ratepayer dollars in the light of the existing and additional ratepayer investments in the transportation electrification sector that more appropriately serve a wider audience."[22]

Lastly, in Massachusetts, NSTAR Electric and National Grid each proposed to offer EVSE rebates to residential customers, with enhanced rebates to residential customers on their low-income discount rate or residing in an environmental justice community. The Massachusetts Department of Public Utilities ultimately limited those programs to low-income customers, stating that "the Companies' residential programs may disproportionately benefit higher-income customers…. Instead, the Department finds it appropriate to limit the availability of residential program EVSE rebates for one- to four-unit properties to low-income customers, who face the greatest financial barriers to EV adoption."[23]

Q. Please explain how the rebate design may lead to the overcompensation of customers.

A. As indicated above, the rebates are designed to help alleviate the cost of purchasing a Level 2 home charger, the wiring costs associated with installing the charger, or both. However, SPS does not propose to lower the rebate amount for circumstances where the customer does not require any wiring upgrades. The Company explains that "if the customer already has home wiring to support Level 2 charging in their preferred

[22] State of New York Public Service Commission ("NY PSC") Order Approving Midpoint Review Whitepaper's Recommendations with Modifications (Case 18-E-0138) November 16, 2023, pg. 92.

[23] The Commonwealth of Massachusetts Department of Public Utilities ("MA DPU") December 30, 2022 Order in cases D.P.U. 21-90; D.P.U. 21-91; D.P.U. 21-92, pgs. 116-117.

location, the rebate can be applied to the cost of purchasing and installing the Level 2 charger."[24] This is problematic when one compares the $1,200 rebate level against the average cost to purchase and install a Level 2 charger. The Company indicates that the average cost of a Level 2 charger is $625, and the average installation cost is $534.[25] This means the total cost for a customer that already has wiring support for the Level 2 charger is $1,159. Yet, under the Company's proposal, the customer would still be eligible to receive a $1,200 rebate, which results in $41 more than needed. This overpayment represents wasteful spending of ratepayer funds.

Further exacerbating this issue is the fact that SPS also does not plan to account for state or federal incentives. The Company explains that the "EV Charger and Home Wiring Rebate is designed as a flat rebate to support customers' home charging needs and does not consider additional state or federal incentives."[26]

Q. How does the Company's proposed rebate level compare to those in other jurisdictions?

A. For the utilities that still provide customers with rebates for Level 2 chargers, those incentive levels are lower than what SPS proposes. For example, Portland General Electric provides a Level 2 charger rebate up to $300 for non-low-income customers when a customer enrolls in its Smart Charging program.[27] Similarly, Eversource in

[24] SPS Response to NMDOJ 1-5(d).
[25] Exhibit SPS-OPL 1-7.
[26] SPS Response to NMDOJ 1-5(d).
[27] See Portland General Electric EV Smart Charging program webpage: https://portlandgeneral.com/energy-choices/electric-vehicles-charging/charging-your-ev/charging-your-ev-at-home.

Connecticut and Otter Tail Power in Minnesota provide a $500 rebate for qualified Level 2 chargers.[28]

Furthermore, SPS's proposed rebate amount is substantially higher than what its affiliate, Public Service of Colorado ("PSCo"), is currently offering in Colorado. PSCo offers a standard $500 rebate for home wiring and/or a Level 2 charger for non-low-income customers.[29] In its current TEP before the commission, PSCo is proposing to increase that rebate to $700 for Energy Star certified chargers to cover 30 percent of average charger and wiring costs. For installations without an Energy Star certified charger, the Company plans to maintain the market rebate amount of $500 for charger and wiring costs.[30] SPS fails to explain why higher rebate levels are needed in New Mexico compared to Colorado.

Q. What is your recommendation for the EV Charger and Wiring Rebate program?

A. I recommend that the Commission reject the EV Charger and Wiring Rebate program and reallocate the associated budget to support programs for low-income customers and underserved communities. It is not an appropriate use of ratepayer funds to support EV charger and wiring rebates when there are existing private and federal incentives,

[28] See Eversource Rebates for Connecticut Home Charging webpage: https://www.eversource.com/content/residential/save-money-energy/clean-energy-options/electric-vehicles/charging-stations and Otter Tail Power EV charging stations and rate webpage: https://www.otpco.com/ways-to-save/programs/electric-vehicle-rate/.

[29] SPS Response to NMDOJ 1-6(a).

[30] Public Service Company of Colorado 2024-2026 Transportation Electrification Plan (Proceeding No. 23A-0242E) Hearing Exhibit 103, Attachment HS-1, pg. 41.

especially when the Company has not demonstrated such rebates are required to incentivize a customer to purchase an EV.

Should the Commission decide to retain this program, I recommend that the Commission require SPS to do the following:

1. Reduce the standard rebate level to $500 to better align with incentives found in other jurisdictions, including that offered by SPS affiliate PSCo.

2. Pro-rate the rebate based on whether a customer already has the required home wiring to support Level 2 charging to right-size the incentive and avoid overcompensation.

3. Require participants to report any state and federal funding they receive and deduct the corresponding amount from the rebate provided to the participant.

4. Continue the requirement for rebate recipients to enroll in a TOU rate or managed charging program.

ii. *EV Charger and Wiring Rebate (Low-Income and Underserved Communities)*

Q. Please summarize the EV Charger and Wiring Rebate program for low-income and underserved communities.

A. This program is similar to the standard EV Charger and Wiring Rebate but provides an enhanced home wiring rebate of $2,500 to low-income customers.[31] The EV Statute

[31] SPS Attachment PJM-1, pg. 5

defines low-income customers as those households with an annual income of 200 percent or less of the Federal Poverty Level.[32]

Q. Has the Company proposed any changes to this program for the 2025–2027 TEP?

A. Yes, while SPS retains the current enhanced $2,500 rebate level, it proposes to expand eligibility to both low-income customers and customers who reside in underserved communities. The Company proposes to define underserved communities as a census tract which falls in the 80th percentile or higher for low-income residents, as found within the Council on Environmental Inequality's Climate and Economic Justice Screening Tool (part of the Justice40 Initiative).[33] The Company explains that by including both low-income and underserved communities, eligibility increases to approximately 48 percent of residential premises.

The Company also proposes to allow customers to self-certify their eligibility for the enhanced rebate, in compliance with Rule 17.9.574.11(C) NMAC that permits customers to self-certify as low-income. The Company proposes to extend self-certification to customers residing within an underserved community.

Q. Do you support the EV Charger and Wiring Rebate program for low-income and underserved communities?

A. Yes. While I do not support these rebates for market-rate customers for the reasons stated above, I find it is appropriate to provide financial incentives to low-income

[32] *Id*., pg. 20.
[33] *Id*., pg.20.

customers and customers living in underserved communities because they face the greatest financial barriers to EV adoption.

Q. Should the SPS TEP include additional programs to support low-income and underserved communities?

A. Yes. While I appreciate SPS's efforts to provide enhanced incentives to low-income customers and customers living in underserved communities, there should be additional programs to provide these customers with equitable access to EV programs.

Currently low-income customers face significant barriers to EV adoption due to the higher upfront costs of these vehicles compared to internal combustion engine ("ICE") vehicles and the lack of availability of EVs in the used vehicle market. For these reasons it is not clear how many low-income customers will be able to purchase an EV to take advantage of the EV Charger and Wiring Rebate. This could be a reason why no low-income customers participated in the first TEP.[34]

Q. What additional programs can create benefits for low-income customers and underserved communities?

A. Another way to support equitable access to the benefits of transportation electrification for customers that cannot afford to purchase an EV is through the electrification of public transit and school buses serving these communities, or fleets and yard trucks located in or near communities disproportionately affected by vehicle emissions. Supporting the electrification of vehicles used or located in low-income and

[34] The Company planned for 20 Low-Income Charging Rebate participants during 2022–2024 TEP. Exhibit SPS-OPL 1-4(a).

underserved communities can help to reduce harmful criteria pollutants and provide access to electric transportation, without requiring that low-income customers own EVs.

As discussed later in this testimony, I recommend that SPS modify its Commercial EVSI program to prioritize and provide higher incentive levels to buses and fleets located in or servicing these communities.

B. Managed Charging

Q. What is managed charging and why is it important?

A. Managed charging refers to the control of the timing and power level of EV charging load to maximize benefits to the grid and the customer, such as minimizing EV charging during peak periods and shifting that load to periods with low energy prices and/or high renewable energy penetration. There are two forms of managed charging: passive managed charging relies on modifying customer behavior to affect charging patterns (e.g., time-varying rates, off-peak charging incentives, etc.), while active managed charging relies on direct load control via communication/dispatch signals from a utility or aggregator to control charging in a predetermined way.[35] Managed charging can not only help mitigate grid costs and benefit all ratepayers but also provide EV customers with opportunities to reduce charging costs by aligning their charging behavior with grid needs. Attractive rates and programs that encourage

[35] Smart Electric Power Alliance. 2019. *A Comprehensive Guide to Electric Vehicle Managed Charging*. https://sepapower.org/resource/a-comprehensive-guide-to-electric-vehicle-managed-charging/.

managed charging can help facilitate transportation electrification by enhancing the fuel cost savings enabled by EVs relative to gas vehicles.

Q. Please summarize the Company's managed charging proposals for residential customers.

A. The Company proposes to modify the existing passive Optimize Your Charge program and offer a new active Charging Perks program.[36] Residential customers receiving the EV Charger and Wiring Rebate can satisfy the managed charging requirement by participating in the Optimize Your Charge Program, the SPS TOU Rate, or the Charging Perks program.[37]

Q. Please summarize the existing Optimize Your Charge program and the Company's proposed modifications.

A. Under the existing Optimize Your Charge program, participants choose one of three nine-hour charging windows and receive a $50 annual bill credit if they charge within their chosen window at least 25 percent of the time.[38] SPS proposes to set a new single twelve-hour charging window and increase the minimum requirement from 25 percent to 50 percent.[39]

Q. Do you have any concerns about the Optimize Your Charge program?

A. While moving to a twelve-hour charging window will help simplify the program and better align with off-peak periods, the program does not sufficiently encourage off-

[36] Murphy Direct, p. 22, Table PJM-4.
[37] Attachment PJM-1, pg. 22.
[38] Murphy Direct, ps. 27, lines 2-6.
[39] *Id.*, pgs. 27-28.

peak charging even with the increased minimum requirement. The requirement for participants to charge at least 50 percent during a twelve-hour charging window can be met by a participant evenly distributing EV charging load throughout the day. Under this structure, a participant can charge up to 50 percent of the time during the on-peak period and still receive a ratepayer subsidized annual bill credit, even though that charging pattern fails to provide meaningful benefits to the grid. Managed charging programs should incentivize participants to minimize on-peak charging and shift all or a majority of their EV charging load to off-peak periods, and particularly to hours when the grid is most stressed during the system peak. For example, the New York State Electric and Gas OptimizEV managed charging program has a similar structure as the SPS Optimize Your Charge program, yet only allows participants to earn incentives if at least 80 percent of their charging occurs within a 7.5-hour off-peak period.[40] The same program offered by Rochester Gas and Electric also requires at least 80 percent charging during a ten-hour off-peak period.[41]

Q. How do you recommend the Optimize Your Charge program be improved?

A. The Optimize Your Charge program should require participants to charge at least 80 percent of the time during the twelve-hour charging window. This change would incentivize participants to charge most of the time during off-peak periods and

[40] New York State Electric and Gas. *OptimizEV*, pg. 3. https://www.nyseg.com/documents/40132/72042565/FINAL+NEVC002+NYSEG+Optimize+EV+Booklet+Program+Guide+09-2023.pdf/8ce75ef5-1129-d5a0-4dce-19dc627bd302?t=1696010775775

[41] Rochester Gas and Electric. *OptimizEV*, pg. 3. https://www.rge.com/documents/40137/72049582/FINAL+REVC002+RG%26E+Optimize+EV+Booklet+Program+Guide+09-2023.pdf/58c63209-34d1-9859-a0dd-e092da1f730a?t=1696009789197

minimize on-peak charging, ensuring that participation in the program reduces grid impacts and benefits all ratepayers.

Q. Please summarize the Charging Perks program.

A. Charging Perks is an active managed charging program that will allow SPS to work with vendors, including WeaveGrid and several automotive manufacturers, to directly control and optimize participants' EV charging schedule on a daily basis.[42] Subject to each participant's charging requirements (e.g., vehicle must be fully charged by 7 AM everyday), the program will align EV charging load with hours that have lower demand and higher renewable energy generation.

Q. Do you have any concerns about the Charging Perks program?

A. While Charging Perks will expand the managed charging options available to residential customers and can unlock additional flexibility from EV charging load compared to passive managed charging offerings, additional analysis is necessary to ensure that the program actually delivers long-term benefits to ratepayers and the grid. Even though the program has been implemented in other Xcel Energy jurisdictions, the Company has not performed a full BCA or evaluated program benefits at the distribution level.[43] This is problematic as similar programs in other jurisdictions have not been cost-effective. For example as shown in Table 3, the net-present value

[42] Murphy Direct, pgs. 30-31.
[43] SPS Response to NMDOJ 1-8 and SPS Response to NMDOJ 1-26.

("NPV") of the benefits were lower than the NPV of the revenue requirements for the ev.energy and ChargePoint Home Flex managed charging programs in Nova Scotia.

Table 3. Costs versus benefits of Nova Scotia managed charging programs[44]

Program	NPV of Revenue Requirements ($M)	NPV of Benefits ($M)
ev.energy	1.57	0.07
ChargePoint	0.52	0.04

Without a BCA for the Charting Perks program, it is impossible to determine whether the program will provide a net positive for ratepayers in the long term.

Q. What do you recommend regarding the Charging Perks program?

A. I recommend that the Commission approve Charging Perks only as a pilot at this stage. The Commission should require SPS to perform a full BCA of the pilot, considering benefits at both the bulk system level and distribution system level, and file this analysis as part of the Company's next TEP. This should be based on actual charging behavior to the extent possible. This analysis will help determine whether Charging Perks should be implemented as a full program in the future.

Q. Does SPS offer any managed charging or time-varying rate options to encourage commercial customers to charge off-peak?

A. No. The Company offers three separate TOU rates: the General Service Primary TOU, General Service Secondary TOU, and Small General Service TOU.[45]

[44] Source: Nova Scotia Power, "Smart Grid Nova Scotia Project", Final Report, March 15, 2024, Table 4, pg. 50.
[45] SPS Response to NMDOJ 1-18.

Q. Do you have any concerns with the TOU rate options for commercial customers?

A. Yes. The current TOU rates for commercial EV customers are not sufficient. Each of the three existing TOU rates is available to a specific customer segment: the Small General Service TOU rate is available to customers with up to 25 kW demand, while the General Service Primary TOU and General Service Secondary TOU rates are available to customers with more than 25 kW demand taking service at primary voltage and secondary voltage, respectively.[46] The existing TOU rates are limited to a small number of participants, with the Small General Service TOU rate only available to 25 customers and the General Service Primary TOU and General Service Secondary TOU rates only available to 20 customers each.[47] These limits mean that not every EV charging customer will have the option to take service under an EV rate.

Q. What do you recommend regarding the commercial managed charging options?

A. I recommend that the Commission require SPS to develop a managed charging pilot for commercial EV customers as well as a commercial EV TOU rate for inclusion in the next TEP. For example, Con Edison in New York recently launched a Commercial Managed Charging Program, which provides commercial EV customers with incentives for avoiding peak charging and for charging off-peak.[48] In Colorado, SPS affiliate PSCo offers an EV Critical Peak Pricing rate, which is a time-varying rate

[46] SPS Tariff No. 3110.21; SPS Tariff No. 4030.2.

[47] *Id.*

[48] Con Edison. 2024. "Con Edison Launches First-of-Its-Kind Managed Charging Rewards Program for Commercial Operators." https://www.coned.com/en/about-us/media-center/news/2024/02-14/con-edison-launches-managed-charging-rewards-program.

that includes significantly increased energy charges during critical peak events.[49] SPS should leverage these examples to develop similar offerings that encourage commercial EV customers to charge off-peak and reduce on-peak charging.

C. Commercial Portfolio

i. Commercial EVSI Program

Q. Please summarize the Company's proposed Commercial EVSI Program.

A. The Company's proposed Commercial EVSI Program includes two sub-programs designed to support the customer-side-of-the-meter make-ready work associated with the installation of EV chargers: an SPS-owned EVSI option and an EVSI rebate option. Under either option, participants will still be subject to all applicable line extension costs according to existing SPS policies.[50] Unlike the Company's first TEP where SPS limited incentives to public-facing charging, SPS now proposes to provide the EVSI program across all market segments, including transit, multi-family housing, fleet, workplace, and public charging.[51]

The SPS-owned EVSI option covers 100 percent of the make-ready costs on the customer-side-of-the-meter.[52] This option requires the customer to install a new service line and will "provide design, construction, and maintenance services at no

[49] Xcel Energy. 2022. "A New Way to Manage Your Electric Vehicle Charging," https://www.xcelenergy.com/staticfiles/xe-responsive/Business%20Programs%20&%20Rebates/EV%20CO%20CPP%20Info%20Sheet_P3.pdf.
[50] Murphy Direct, p. 35.
[51] *Id*., p. 34.
[52] SPS Response to NMDOJ 1-12(a).

cost to the customer for all equipment between the point of interconnection and the charger stub, including service panels, conduit and wiring, meter casings, as well as any necessary civil design work."[53]

The rebate option allows customers to retain responsibility for the ownership, design, construction, and maintenance of the EVSI and receive rebates to offset the costs of the equipment and installation.[54] The Company proposes to provide flat rebates, meaning the level of the rebate is fixed. The rebates are designed to cover approximately 80 percent of average equipment and installation costs as shown in Table 4 below.[55]

Table 4. Proposed incentive levels for EVSI rebate option.

Project Type	Rebate Amount (per port)
L2 – New Construction	$1,500
L2 – No New Line of Service	$6,000
L2 – New Line of Service	$12,000
DCFC	$39,000

Q. Do you have any concerns about the proposed SPS-owned EVSI option?

A. Yes. It is not a reasonable use of ratepayer funds for SPS to construct, own, and maintain customer-side equipment. As a regulated monopoly, the Company has an unfair advantage over potential competitors for EVSI equipment and installation. Allowing SPS to construct, own, and maintain customer-side equipment will

[53] Murphy Direct, pg. 35, lines 4-7.
[54] *Id.*, pg. 36, lines 2-7.
[55] *Id*., pg. 37, Table PJM-6 and pg. 39, lines 5-6.

negatively impact the development of the competitive market for EVSI. Installation and ownership of customer-side assets is beyond the traditional purview of regulated monopoly utilities, and I urge the Commission not to take this encroachment lightly given potential interference with private markets and increased costs and responsibility to ratepayers which has not been shown to be necessary.

I am also concerned that the incentive disparity between the SPS-owned EVSI option and the EVSI rebate will exacerbate this issue. When given a choice between having the Company cover the entire cost of EVSI or receiving a rebate that only covers approximately 80 percent of EVSI costs, customers will most likely opt for the SPS-owned EVSI option. The utility has a clear financial incentive for customers to choose this option and has designed the program to make it more attractive to participants. Furthermore, the availability of the SPS-owned EVSI option will present a significant obstacle to independent equipment providers and installation contractors seeking to provide these services in the Company's territory. This dynamic will stifle competition and customer choice in this space and is counter to the public interest.

Furthermore, allowing SPS to own customer-side EVSI will increase costs to ratepayers due to the Company's ability to earn a return on those assets and the cost of debt, taxes, and other charges necessary for including those assets in rate base.

Q. What is your recommendation for the SPS-owned EVSI option?

A. For the reasons discussed above, I recommend that the Commission reject the SPS-owned EVSI option in its entirety and reallocate the associated budget to the EVSI rebate option. The Company's role in customer-side make-ready work should be

limited to administering financial incentives to customers and vendors to help offset the costs of installing EV chargers. This limitation will help ensure that the utility does not create an unfair advantage over the private market and will not adversely impact the growth of charging companies and installation service providers.

Other jurisdictions have seen similar conclusions. For example, the Colorado Public Utilities Commission ("PUC") recently rejected the proposal of an SPS affiliate, PSCo for a utility-owned EVSI offering in favor of a rebate program, finding that this approach "will have the beneficial effects of promoting competition (thereby driving down costs), stimulating innovation, increasing consumer choices, and attracting private capital investments."[56] The Colorado PUC also stated that "this shift to the unregulated market will attract many more electrical contractors to provide these services, which is likely to both dramatically increase the number of salespeople available to help customers scope and design their projects while simultaneously shortening the time to complete a project."[57]

Q. Do you have any concerns regarding the EVSI rebate option?

A. Yes. While the rebate option is the preferred approach to incentivize EV charging infrastructure deployment, it is important that its design minimize ratepayer costs. There are three aspects of the EVSI rebate option that require modification. First, the Company's proposal to provide a flat rebate instead of an incentive based on a

[56] Colorado Public Utilities Commission. April 10, 2024. Proceeding No. 23A-0242E, Decision No. C24-0223, pg. 57. https://www.dora.state.co.us/pls/efi/EFI_Search_UI.Show_Decision?p_dec=30806&p_session_id=
[57] Colorado Public Utilities Commission. April 10, 2024. Proceeding No. 23A-0242E, Decision No. C24-0223, pg. 57. https://www.dora.state.co.us/pls/efi/EFI_Search_UI.Show_Decision?p_dec=30806&p_session_id=

percentage of actual project costs fails to account for the inherent variability across EVSI projects and any state and federal funding that the customer may receive. Finally, by providing the same rebate level to all commercial EV charging sites, the Company's proposal fails to consider the level of public benefit provided by different types of EV charging sites. I address each of these issues in more detail below.

Q. Why is the Company's proposal for a flat rebate problematic?

A. The Company proposes rebates that are designed to cover approximately 80 percent of the average equipment and installation costs seen across Xcel Energy's service territories.[58] Calculating the rebates in this manner means that projects with lower-than-average EVSI costs will have more than 80 percent of EVSI costs covered by the rebates. In other words, these customers will be over-incentivized.

Q. Does the Company's failure to account for state or federal incentives exacerbate the issue with the flat rebate?

A. Yes. While SPS indicates that DCFC rebates will be capped at 100 percent of the charger costs, which will include any cost reductions associated with other public funding opportunities, the Company does not specify whether or how the proposed EVSI rebates would be adjusted for federal or state funding.[59] This could result in a situation where a customer receives combined utility and federal incentives equaling more than 100 percent of the total EVSI project costs. There is also the risk that the federal and/or state incentives alone are sufficient to motivate the customer to

[58] Murphy Direct, pgs. 38-39.
[59] SPS Response to NMDOJ 1-20(b).

complete the EVSI project. In this scenario, the SPS rebate is not actually incentivizing the customer to complete the project, which leads to a wasteful use of ratepayer funds.

Q. Please explain the issue with the lack of incentive tiers.

A. The Company proposes to expand eligibility for the Commercial EVSI program to all commercial EV customers, beyond the initial focus on publicly accessible charging sites in its previous TEP.[60] The Company states that with this change, "many other types of charging may be served, including but not limited to transit organizations, school bus fleets, workplace charging, rideshare organizations, municipal fleets, private fleets, and charging for multifamily housing."[61] While it is beneficial for more types of EV charging to participate in the program, providing equal rebate amounts to all commercial EV charging sites does not reflect the distinct differences between these commercial segments.

For example, publicly accessible charging sites and those serving public transit and school buses extend the benefits of electrified transportation to a wide segment of the population, while charging sites serving private fleets or workplaces only provide access to EV charging for those companies and employees. There is also an inherent financial disparity across the commercial sectors. School districts and municipal fleets tend to have funding constraints that limit their ability to invest in EVs, while larger

[60] Murphy Direct, pgs. 33-34.
[61] *Id.*, pg. 34, lines 8-12.

private fleets and private companies can access private capital and may be motivated to provide EV charging as part of the benefits offered to its employees.

Lastly, the Company's proposed rebates do not differentiate between charging sites located in or outside of underserved communities, even though underserved communities are less likely to be served by the competitive market in the near term. As summarized in Section IV.A.ii. of my testimony, supporting the electrification of fleets and school buses located in or serving low-income customers and underserved communities can provide equitable access to the benefits of transportation electrification to those customers that cannot afford to purchase an EV and would otherwise not be able to participate in SPS's TEP. The rebate program should prioritize charging sites that provide the most public benefit.

Q. Please summarize your proposed modifications to the EVSI rebate option to address these issues.

A. I recommend that instead of a fixed flat rebate level, the rebates be administered as a percentage of each project's actual EVSI costs, based on a tiered rebate structure, up to a cap based on of the average per-port EVSI cost. This structure will better match the rebate amounts to the actual costs of each project, while still protecting ratepayers from having to shoulder the costs of especially high-cost projects.

Q. What EVSI rebate tiers do you recommend?

A. I recommend that the EVSI rebates be structured into different percentage tiers depending on the type of charging site, outlined in Table 5 below, up to the incentive

provided in Table 6. The incentive caps are calculated by applying the percentage tier by SPS's assumed average per-port EVSI cost provided in Exhibit SPS-OPL 1-4(c)ii.

Table 5. Recommended EVSI rebate amount by site type

Charging Site	Rebate Level
• Publicly accessible AND located in an underserved community • Public transit/school buses charging sites located in or serving an underserved community • Multi-unit dwellings located within underserved communities	Up to 100% of EVSI costs
Publicly accessible charging sites	Up to 80% of EVSI costs
All other charging sites	Up to 60% of EVSI costs

Table 6. Recommended EVSI incentive caps by rebate level

Rebate Level	Incentive Caps			
	L2 New Construction	L2 No New Line of Service	L2 New Line of Service	DCFC
100%	$2,000	$8,000	$20,000	$52,000
80%	$1,600	$6,400	$16,000	$41,600
60%	$1,200	$4,800	$12,000	$31,200

I also recommend that SPS create a port or incentive limit per service address to ensure that one customer does not receive a disproportionate level of TEP incentives. These modifications will ensure that the program prioritizes charging sites with the most public benefit, including those located in underserved communities, while still allowing all commercial EV customers to participate in the program. In addition, the creation of a tiered incentive level cap based on SPS's assumed average per-port EVSI

costs for each project type listed in Table 4 will help to ensure incentives are right-sized to specific project needs.

Q. Have similar incentive tiers been implemented in other jurisdictions?

A. Yes. It is common for utilities to offer tiered incentives with caps. For example, the New York utilities have a Light-Duty EV Make-Ready Program that provides three tiers of incentives: up to 50 percent, 90 percent, or 100 percent of make-ready costs, depending on the type of charging sites and whether the site is in a disadvantaged community.[62] The incentive amounts are also capped. Table 7 below, shows the incentive caps per charger based on the incentive tier.

Table 7. Central Hudson Light-Duty Make-Ready Program incentive amounts[63]

Charger Type	Up to 50% of Installation Costs	Up to 90% of Installation Costs	Up to 100% of Installation Costs
L2	Capped at $3,500/plug	Capped at $6,300/plug	Capped at $7,000/plug
DCFC	Capped at $350/kW	Capped at $630/kW	Capped at $700/kW

Similarly, Atlantic City Electric in New Jersey provides rebates ranging from 50 percent to 100 percent of make-ready costs, with higher incentives for public DCFCs and multifamily properties.[64]

[62] Joint Utilities of New York. *EV Make-Ready* Program. https://jointutilitiesofny.org/ev/make-ready
[63] Source: Central Hudson Light-Duty Make-Ready program website: https://www.cenhud.com/en/my-energy/electric-vehicles/EV-make-ready-program/light-duty-make-ready-program/.
[64] Atlantic City Electric. Multi-family Charger Rebate. https://www.atlanticcityelectric.com/smart-energy/innovation-technology/multifamily-property-rebate.
Atlantic City Electric. Workplace Charger Rebate, https://www.atlanticcityelectric.com/smart-energy/innovation-technology/commercial-charger-rebate.

Q. How should the Company account for state and federal funding?

A. I recommend that the Commission require the Company to (1) require participants to report any state and federal funding they receive, and (2) deduct the corresponding amount from the ratepayer-funded EVSI rebate provided to the participant. The Massachusetts Department of Public Utilities ("DPU") adopted these requirements for the Massachusetts utilities' EV programs, finding that "these requirements for outside funding ensures that ratepayer-funded incentives do not result in a potential windfall for program participants at the expense of ratepayers."[65] This adjustment will also ensure that ratepayer funding is targeted towards charging sites not covered by state and/or federal programs, helping to support a more comprehensive EV charging network.

ii. Public Fast Charging Rebate Program

Q. Please summarize the Company's proposed Public Fast Charging Rebate Program.

A. The Company proposes to offer rebates for public DCFCs installed in its service territory by third-party developers. Like the EVSI rebates, the public DCFC rebates are intended to cover 80 percent of the cost of the chargers and are provided in flat amounts as shown in Table 8 below.[66]

Atlantic City Electric. Fleet Charger Rebate. https://www.atlanticcityelectric.com/smart-energy/innovation-technology/fleet-charger-rebate.

Atlantic City Electric. Public Charger Rebate. https://www.atlanticcityelectric.com/smart-energy/innovation-technology/public-charger-rebate.

[65] Massachusetts Department of Public Utilities. D.P.U. 21-90, 21-91, and 21-92. December 30, 2022 Order, pg. 127. https://fileservice.eea.comacloud.net/FileService.Api/file/FileRoom/16827694.

[66] Murphy Direct, pg. 40, lines 4-7 and pg. 47, Table PJM-7.

Table 8. SPS proposed Public DCFC rebate levels

Charger Output	Rebate Amount (per port)
150-249 kW	$45,000
250-349 kW	$85,000
350+ kW	$105,000

The Company states that the DCFC rebates will be stackable with public funds, such as the federal National Electric Vehicle Infrastructure (NEVI) program, as well as SPS's EVSI program.[67]

Q. Do you have any concerns about the proposed Public Fast Charging Rebate Program?

A. Yes. My concerns with the proposed Public Fast Charging Rebate Program are similar to the issues I identify with the EVSI rebates. First, it is inappropriate to allow customers to stack the DCFC rebates with state and federal funding, such as funds from the federal NEVI program. Second, the proposed flat rebates do not account for actual project costs, which vary between projects. Lastly, the Company's proposal fails to distinguish between DCFCs located in underserved communities versus those not located in underserved communities.

Q. What is the Company's justification for allowing DCFC rebates to stack with federal and state funding sources?

A. The Company explains that stacking the SPS rebates with public funds can potentially allow public funding to have a greater impact. SPS states that this "stackability will also reduce the amount of NEVI funding necessary on a per-project basis, potentially

[67] *Id*., pg. 45, lines 10-12.

expanding the reach of federal programs by allowing investment in a larger number of projects."[68]

Q. Do you agree with the Company's justification?

A. No, I do not. The Company is proposing to use ratepayer funds to allow for federal funds to be allocated to more projects. This is the opposite of what should occur to protect ratepayers. Unlike progressive federal taxes, which impose a higher tax rate on higher taxable income, electricity rates are highly regressive, meaning lower-income households tend to spend a higher portion of their income on energy bills than higher-income households. Considering that lower-income households are less likely to own EVs and benefit from EV charging infrastructure in the near term, taxpayer funds should be prioritized over ratepayer funds to support EV charging infrastructure. Furthermore, increasing the cost of electricity is directly contrary to electrification goals.

In addition, SPS notes that the New Mexico NEVI development plan leaves gaps in SPS's service territory and the majority of SPS customers are located in the far southeastern portion of the state, far removed from the interstate corridors expected to receive the first rounds of funding.[69] It is a better use of ratepayer dollars to provide DCFC rebates to locations that will not be served by NEVI to provide greater access to EV charging across the SPS service territory.

[68] *Id.*, pg. 48:16-7 and 49:1-2.
[69] *Id.*, pg. 44, lines 3-9.

Q. What are your recommended modifications to the Public Fast Charging Rebate program?

A. I recommend that the Commission require the Company to (1) ensure program participants report any state and federal funding they receive, and (2) deduct the corresponding amount from the ratepayer-funded DCFC rebate provided to each participant. Specific to the NEVI program, I recommend that DCFC rebates only be made available to sites not located along Alternative Fuel Corridors and sites that are not able to comply with certain NEVI requirements, helping to further fill gaps in the charging network.

I also recommend that the rebates be provided as a percentage of each project's actual costs, up to a limit equal to a percentage cap based on SPS's average per-port cost by charger output as included in Table 8. The percentage levels and caps should be set as follows to prioritize projects located in an underserved community:

Table 9. Recommended DCFC rebate amount by site type

Charging Site Type	Rebate Level
Public DCFCs located in an underserved community	Up to 80% of DCFC costs
Public DCFCs not located in an underserved community	Up to 60% of DCFC costs

Table 10. Recommended DCFC incentive caps by rebate level[70]

Rebate Level	Incentive Caps		
	150–249 kW	250–349 kW	350+ kW
80%	$45,000	$85,000	$105,000
60%	$35,000	$65,000	$80,000

Finally, I recommend that SPS create a rebate limit per service address to ensure that one customer does not receive a disproportionate level of TEP incentives.

Q. Have other jurisdictions implemented similar incentive tier?

A. Yes. In addition to examples of tiered make-ready rebates summarized above, it is also common for utilities to offer tiered incentives for EV chargers. For example, National Grid and Eversource in Massachusetts offer tiered charger rebates depending on whether the public chargers are located in or outside of environmental justice communities.[71] In Connecticut, Eversource and United Illuminating (UI) also provide different rebate levels based on whether chargers are located in underserved communities.[72]

[70] The incentive caps are calculated by applying the percentage tier by SPS's assumed average DCFC cost provided in Exhibit SPS-OPL 1-4(c)iii.
[71] Massachusetts Department of Public Utilities. December 30, 2022. D.P.U. 21-90, 21-91, 21-92. *Order*, pgs. 106-109. https://fileservice.eea.comacloud.net/FileService.Api/file/FileRoom/16827694.
[72] Eversource, UI. 2023. *Connecticut Electric Vehicle Charging Program (Commercial)*, pg. 7. https://www.uinet.com/documents/1678076/1704267/Final+UEVC005+Eversource+UI+Program+Guide+Commercial+10.27.22.pdf/137e7b59-bbdf-f452-008b-c19ce9ad7e5d.

iii. Distribution Investments

Q. Please summarize the Company's proposal for distribution investments.

A. The Company proposes to include the costs of certain distribution investments in the TEP. First, the Company proposes to proactively perform feeder upgrades and voltage conversions at locations likely to install charging facilities to ensure adequate grid capacity to accommodate new EV charging load.[73] The Company states it anticipates the need for six to nine projects over the duration of the TEP, ranging from $0.5 million to $1 million per project and totaling $6 million.[74] Second, SPS proposes to recover line extension costs for EV projects installed through the proposed EVSI program, totaling $3 million.[75] The Company clarifies that the inclusion of these costs in the EV Rider does not impact how its current line extension policy is applied to EV charging customers.[76]

Q. Please summarize the EV Rider and its allocation across customers.

A. SPS is proposing to include capital investments, O&M, as well as the cost of rebates in the EV Rider.[77] Program costs in the EV Rider are shared equally by all customers and are allocated and charged to customers as a fixed percentage of customer base rate charges.[78]

[73] Direct Testimony of Brianne R. Jole ("Jole Direct"), pg. 5 at 7-8.
[74] *Id*., pg. 5, Table BRJ-1 and p. 6 at 10-11.
[75] *Id*., pg. 5, Table BRJ-1 and p. 9 at 10-13.
[76] *Id*., pg. 10 at 3-5.
[77] Direct Testimony of Stephanie Niemi ("Niemi Direct"), pg. 11, lines 4-5.
[78] SPS Response to NMDOJ 1-39.

Q. Do you have any concerns about the Company's proposal for proactive investments in feeder upgrades and voltage conversions?

A. Yes. The Company's proposal to recover the costs of distribution investments through the EV Rider is not appropriate and appears to be motivated by the Company's pursuit of quick, guaranteed cost recovery rather than by ratepayer or public benefit. SPS has not adequately demonstrated why it is necessary and beneficial for the Commission to approve these investments as part of the TEP, which is inconsistent with established ratemaking practices. Second, performing feeder upgrades and voltage conversions at locations *likely* to install EV charging facilities does not guarantee that the additional capacity from utility investment will be used and useful for ratepayers. In response to interrogatory, the Company stated that it "will develop project scopes outside of the TEP and detail the projects through existing processes" and failed to provide anticipated project details such as the location, necessary upgrades, EV charging load to be served by said upgrades, and costs to perform said upgrades.[79] This proposal sets a dangerous new standard of ratemaking that is likely to benefit shareholders at the expense of ratepayers. This proposal is inadequately supported and should be rejected.

Q. How should SPS recover the costs of feeder upgrade and voltage conversion costs?

A. I recommend that the Commission reject the Company's cost-recovery proposal for feeder upgrades and voltage conversions through the EV Rider. These investments

[79] SPS Response to NMDOJ 1-41.

should be examined in the context of a general rate case and recovered through base rates.

Q. Do you have any concerns related to the Company's cost-recovery proposal for line extension costs?

A. Yes. Similar to my concerns related to the cost recovery of feeder upgrades and voltage conversions, the Company has not adequately demonstrated the necessity or benefits of recovering line extension costs through the EV Rider. The Company claims that this proposal would "ensure that costs incurred to facilitate transportation electrification are appropriately attributed to SPS's TEP programs."[80] However, the Company has not explained how this practice would benefit ratepayers.

Q. How should line extension costs be recovered?

A. I recommend that the Commission reject the Company's proposal to recover line extension costs through the EV Rider. These costs should be treated the same as line extension costs for customers not participating in the TEP programs (i.e., recovered through base rates).

D. Low-Income Customers and Underserved Communities

Q. What are the TEP requirements as they relate to low-income customers and underserved communities?

A. The EV Rule requires the Company's TEP to include "plans for expanding transportation electrification among low-income customers and underserved communities including a budgetary carve-out for increasing EV awareness and

[80] Jole Direct, pg. 9, lines 10-12.

adoption, strategies and measures for marketing and outreach, and strategies and measures for mass transit, ride-share programs, and multi-unit dwellings in underserved communities and areas that serve low-income customers."[81]

Q. How does the Company propose to prioritize low-income customers and underserved communities in the TEP?

A. The Company commits that a minimum of 15 percent of the total 2025–2027 TEP budget will be directed towards low-income customers and underserved communities.[82] For residential customers, the Company proposes an enhanced EV Charger and Wiring Rebate for low-income customers and customers in underserved communities.[83] For commercial customers, the Company does not propose enhanced incentives but instead uses criteria related to whether a project is sited in underserved communities as part of SPS's scoring system to determine project eligibility for programs under the Commercial Portfolio.[84] Additionally, the Company plans to support greater outreach and education to low-income customers and underserved communities.[85]

Q. Does the Company's proposal for a 15 percent budget floor sufficiently prioritize low-income customers and underserved communities?

A. No. Given that 48 percent of the Company's residential customers are low-income, live in an underserved community, or both, the proposed 15 percent budget floor

[81] 17.9.574.12 NMAC – N, 2/14/2023
[82] Murphy Direct, pg. 63.
[83] *Id.*, pg. 14, Table PJM-1.
[84] Attachment PJM-3.
[85] Murphy Direct, pg. 54-55.

cannot be considered a *prioritization* of these customers.[86] If the budget is allocated as proposed, the vast majority of the program budget and charging infrastructure deployment will instead benefit customers who are not low-income and do not live in underserved communities, thereby perpetuating existing inequities in EV adoption. The Company explains that its proposed budget floor was determined based on "current and forecasted program uptake, current EV adoption levels in the service territory, and forecasted EV growth within SPS" and that "equity spend will reflect market demand."[87] However, these statements demonstrate a failure to recognize the Company's ability to influence market demand through its incentive programs. If utility incentives are necessary for charging infrastructure deployment and effective at facilitating EV adoption as the Company claims, then directing those incentives towards charging infrastructure that serve low-income customers and underserved communities should increase the deployment of such infrastructure relative to a scenario without any utility incentives.[88]

Q. Is the Company's proposal to prioritize underserved communities for Commercial Portfolio programs through the scoring criteria meaningful?

A. No, the scoring criteria does not reflect any meaningful prioritization of charging sites located in underserved communities. Projects only need to meet a minimum score to be approved for construction and receive rebates, rather than having to compete with other projects based on their performance across the different criteria.[89] Furthermore,

[86] *Id*., pg. 25-26.
[87] SPS Response to OPL 1-15.
[88] Murphy Direct, pg. 6-7.
[89] *Id*., pg. 47.

under the proposed scoring methodology, siting in an underserved community is unlikely to have any impact on whether a project is approved or not. As summarized in Table 11, projects need to exceed a total of 20 points out of a total of 50 across seven criteria to be approved, with siting in an underserved community worth 10 points and any commercial EV charging site likely to be able to meet many of the other criteria:[90]

Table 11. SPS proposed EVSI and public charging scoring criteria

Criteria	Points
• Does this project increase access to electricity as a transportation fuel?	10
• Will this project improve air quality and reduce greenhouse gas emissions?	5
• Does this project support customer choice?	5
• Does this project assist the State of New Mexico in reaching its EV goals?	5
• Does this project allow efficient grid operation?	5
• Does this project serve an "underserved community"?	10
• Project readiness – is sufficient detail provided?	10

Q. How do you recommend SPS prioritize low-income customers and underserved communities in the TEP?

A. I recommend that the Commission direct SPS to adopt a budget floor of 40 percent of TEP spending to be directed towards low-income customers and underserved communities. This target will better match the proportion of these populations in the Company's service territory as well as the federal Justice40 initiative, which directs 40 percent of the benefits of federal energy, transportation, and other infrastructure

[90] Attachment PJM-3.

investments (including the NEVI program) towards disadvantaged communities.[91] Additionally, residential rebates should be limited to low-income customers, as discussed in Section IV.A, and commercial rebates should be differentiated based on whether the charging site is located in an underserved community, as discussed in Section IV.C. Together, these changes will ensure that investments under the TEP are focused on customers and market segments least likely to be served by the market alone and that low-income customers and underserved communities enjoy a proportionate share of the benefits of electrified transportation.

Q. Have other jurisdictions adopted similar funding targets for disadvantaged communities?

A. Yes. The New York utilities allocate 35 percent of the Make-Ready Program budget to disadvantaged communities.[92] In Illinois, Commonwealth Edison directs 70 percent of the funding for its Commercial and Industrial and Public Sector EV Charging Infrastructure Sub-program to charging sites located in or primarily serving low-income or environmental justice communities.[93]

[91] The White House. *Justice40: A Whole-of-Government Initiative.* https://www.whitehouse.gov/environmentaljustice/justice40/

[92] New York Public Service Commission. November 16, 2023. Case 18-E-0138. *Order Approving Midpoint Review Whitepaper's Recommendations with Modifications*, Appendix B, Table 4. https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={6057D98B-0000-C912-9B64-A2D769C4790D}.

[93] Commonwealth Edison. May 25, 2023. Illinois Commerce Commission Docket No. 22-0432. *ComEd Beneficial Electrification Plan*, pg. 39. https://www.icc.illinois.gov/docket/P2022-0432/documents/338224/files/589765.pdf.

V. TEP REBATES SHOULD NOT BE ALLOWED REGULATORY ASSET TREATMENT

A. Capitalization of customer rebates is contrary to standard ratemaking principles

Q. How did SPS recover the costs associated with customer rebates during the 2022–2024 TEP?

A. SPS received Commission approval to place TEP rebates into a regulatory asset, amortizing the rebates over a 10-year amortization period, and earning a return on the asset at SPS's most recently approved weighted average cost of capital.[94]

Q. Does SPS propose to continue this practice?

A. Yes. SPS requests that the Commission continue this process for the rebates offered in its 2025–2027 TEP.[95]

Q. Does this practice allow SPS to treat non-capital costs included in its TEP as if they are capital expenditures?

A. Yes. The Company will not own and operate any charging equipment rebated through the TEP.[96] The TEP rebates consist of financial incentives to customers to support customer-side make-ready upgrades, EV chargers, and the Fleet Electrification Advisory Program.

Q. What is the Company's justification to continue this practice?

A. The Company states "it is appropriate for SPS to record a regulatory asset for the rebates because it reflects the useful life of the charging equipment for which the

[94] Direct Testimony of Jeremiah W. Cunningham ("Cunningham Direct"), pg. 31, lines 2-5.
[95] *Id.*, at pg. 31, lines 5-6.
[96] SPS Response to NMDOJ 1-47.

rebate was used and because increasing transportation electrification through rebates is especially critical in the early market transformation years."[97]

Q. How are non-capital expenditures normally recovered?

A. Non-capital costs related to customer rebates and financial incentives, program administration, and advisory services are traditionally expensed at the time they are incurred because they are not capital investments on the part of the utility. These costs are typically considered utility O&M expenditures.

There is a long-accepted practice of expensing costs associated with utility rebate programs in the year they occur. This is typically seen with utility energy efficiency programs.[98] Even though the energy efficiency equipment installed because of the rebate will continue to provide benefits over its lifetime, the costs of those rebates are not capitalized but are instead typically expensed and funded through a monthly system benefits charge on customer bills.[99] In fact, this is how SPS treats rebates in its energy efficiency programs. SPS does not include the cost of energy efficiency

[97] Cunningham Direct, at pg. 31, lines 6-9.

[98] *See, e.g.*, Narragansett Electric Co. d/b/a Rhode Island Energy, *2023 Energy Efficiency Plan* at 36, Docket No. 22-33-EE (Rhode Island Pub. Util. Comm'n, Sept. 30, 2022), https://ripuc.ri.gov/Docket-22-33-EE; Order on 2022-2024 Three Year Energy Efficiency Plans at 14 (Mass. Dept. Pub. Util., Jan. 31, 2022), https://www.mass.gov/doc/2022-2024-three-yearenergy-efficiency-plans-order/download; Duke Energy Progress, LLC's Application for Approval of Demand-Side Management and Energy Efficiency Cost Recovery Rider, Docket No. 2019-89-EE-2, Sub 1206, (S. Carolina Pub. Serv. Comm'n, June 11, 2019), https://dms.psc.sc.gov/Attachments/Matter/b188d468-3375-475c-be34-e9dd349f8393.

[99] Nineteen states are listed as using tariffs or riders to fund energy efficiency programs, see: https://database.aceee.org/state/customer-energy-efficiency-programs.

program rebates as regulatory assets in rate base; instead it recovers energy efficiency program rebates through the Company's Energy Efficiency Rider."[100]

Q. Do you agree with the Company's claim that regulatory asset treatment reflects the useful life of the charging equipment for which the rebate was used?

A. No, I do not. The fact that a program results in the creation of benefits over multiple years does not alone justify its classification as a capital asset. Using the example of the Company's energy efficiency programs above, the installation of more efficient equipment resulting from utility rebates provides customer benefits over multiple years, yet those costs are recovered in the year they occur instead of being capitalized.

B. Regulatory asset treatment increases costs to customers

Q. Will customers pay more under the Company's regulatory asset treatment proposal?

A. Yes. While it is true that amortization of the rebate costs minimizes the upfront rate increase, customers will pay more over the amortization period than they otherwise would if rebate costs were expensed. This is because, in addition to the Company being eligible to earn a return on the amortized costs, those costs are subject to the cost of debt, taxes, and other charges necessary for including costs in rate base.

Q. Did you calculate the increased costs to customers from regulatory asset treatment of the TEP rebates?

A. Yes. Regulatory asset treatment of TEP rebates would result in a $2.3 million increase in customer costs over the amortization period. This represents a 44 percent increase

[100] SPS Response to NMDOJ 1-46(c).

in costs to customers due to the additional costs associated with including these rebates in rate base.

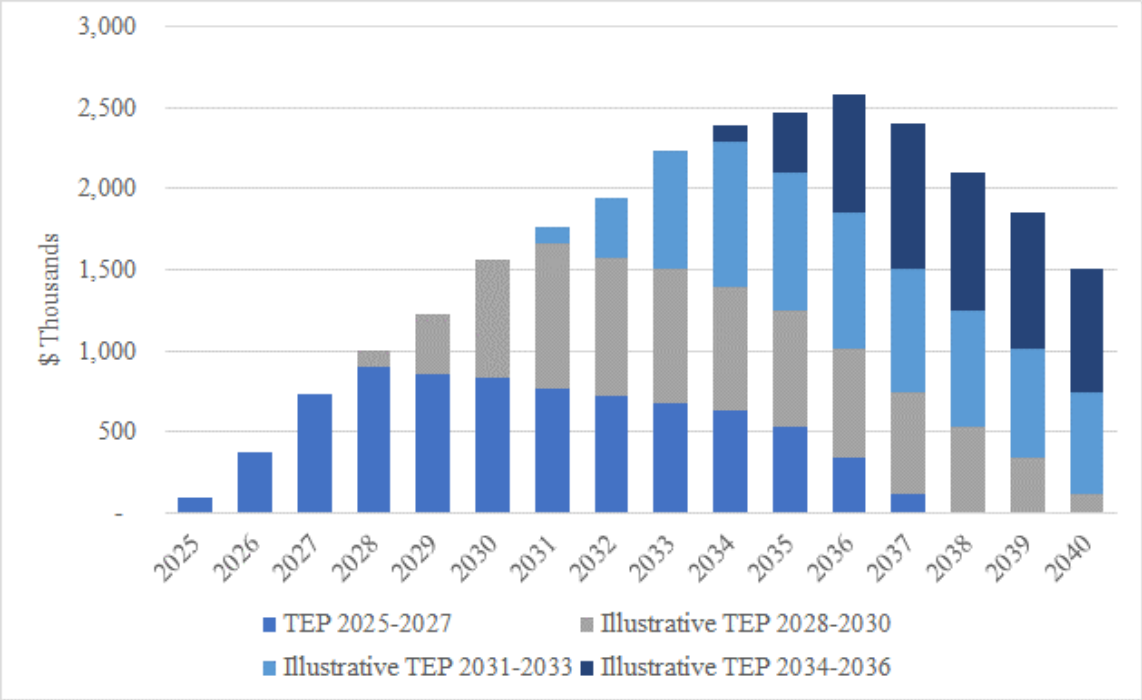
Q. How will customer affordability be impacted should this practice continue?

A. The EV Rule requires the New Mexico public utilities to file a TEP every three years.[101] If utilities continue to file TEPs every three years, and continue to utilize regulatory asset treatment, this will compound accumulation of carrying costs.

I provide an illustration of the potential for compounding revenue requirements in Figure 1 below. This figure illustrates the compounding revenue requirements if SPS were to utilize regulatory asset treatment for both the current TEP proposal and a hypothetical one of the exact same size and revenue requirement in three years. This would be further exacerbated should additional programs be introduced in another three years, and so on. While the impact of just the SPS TEP is modest due to the current size of the programs, it is important to consider the continued impact of regulatory asset treatment as utility programs continue and potentially grow over time.

[101] NMAC 17.9.574.12(A).

Figure 1. Illustrative cumulative revenue requirements due to regulatory asset treatment of ongoing TEP rebates



Q. Are there additional motivations for utilities to include the costs of rebates in a regulatory asset?

A. Yes. From a utility's perspective, it is more advantageous to place rebates in a regulatory asset than to expense those costs. This is because regulatory asset treatment allows SPS to earn a return for its shareholders on these expenditures, which expensing does not allow. Return to shareholders represents an additional $1.9 million from 2025–2027 compared with expensing costs, based on SPS's proposed and forecast return estimates provided in response to interrogatories.[102]

[102] Exhibit SPS-NMDOJ 1-46(a).

Q. Are you aware of any other jurisdictions where Commissions have addressed utility efforts to earn a return on non-capital expenditures?

A. Yes. While I have not done an exhaustive review, I am aware that the Maryland Public Service Commission ("MD PSC") recently ended the practice of allowing utilities to capitalize program costs for the statewide EmPOWER energy efficiency programs. The MD PSC determined that this cost-recovery approach resulted in an untenable affordability situation for ratepayers as costs accumulated due to the long-term impacts of capitalizing expenditures. As the MD PSC discussed in its order to address these balances:

> While this cost recovery method [capitalization] helped to minimize the impact of EmPOWER's upfront costs to ratepayers and allowed ratepayers to experience a relatively steady monthly surcharge, it has also resulted in the accumulation of uncollected program costs. This, when combined with program costs progressively increasing over time, has led to a current combined balance for the utilities of over $800 million in unamortized program costs and interest.[103]

In addition, I am aware that California's investor-owned utilities ("IOUs") were previously allowed in some instances to own (and thus capitalize) some customer-side infrastructure costs in the context of EV subsidies, including infrastructure work on the customer side of the meter, and charging stations. This approach was recently ended as the California Public Utilities Commission ("CPUC") seeks to transition programs to a rebate structure where costs are expensed, primarily due to the same

[103] Maryland Public Service Commission Order No. 90456, 12/29/22, p. 3.

affordability concerns noted by the Maryland Commission. In its decision, the CPUC stated:

> We find it appropriate to eliminate all IOU ownership of BTM [behind the meter] infrastructure beginning with FC1 [Funding Cycle 1]. Such a shift in the ownership paradigm allows for technology and construction flexibility, **while reducing the cost burden that capitalized IOU expenditures impose on ratepayers**.
> […]
> capitalizing these costs will be significantly more expensive for ratepayers over time. This approach [towards rebates that are expensed] is consistent with recent decisions and with our directives in those decisions to limit the amount of utility ownership of BTM infrastructure and thus capitalization of those assets. One of the main objectives of the funding cycle proposal and the FC1 structure is to reduce total costs to ratepayers. **Allowing the capitalization of BTM infrastructure costs runs counter to this objective because it unnecessarily adds costs for ratepayers**.[104]

Q. What is your recommendation for cost recovery of the TEP rebates?

A. I recommend that SPS recover the costs associated with the TEP rebates as an expense through the EV Rider.

Q. Does this conclude your testimony?

A. Yes, it does.

[104] Emphasis added. D.22-11-040, 11/21/22, pp. 103 and 105, https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M499/K005/499005805.PDF.

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF SOUTHWESTERN PUBLIC SERVICE COMPANY'S APPLICATION FOR APPROVAL OF ITS 2025–2027 TRANSPORTATION ELECTRIFICATION PLAN; PROPOSED PLAN RIDERS AND CREDIT; AND OTHER ASSOCIATED RELIEF,	)	**CASE NO. 24-00120-UT**
SOUTHWESTERN PUBLIC SERVICE COMPANY,	)	
APPLICANT.	)	

AFFIRMATION OF COURTNEY LANE

I, Courtney Lane, hereby file this testimony on behalf of the New Mexico Department of Justice and state as follows:

I hereby affirm in writing under penalty of perjury under the laws of the State of New Mexico that the statements contained in the foregoing Testimony of Courtney Lane on Behalf of the New Mexico Department of Justice are true and correct to the best of my knowledge, information, and belief.

I further declare under penalty of perjury that the foregoing is true and correct. Executed on July 12, 2024.

/s/ Courtney Lane
Courtney Lane
Expert Witness on Behalf of
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PROFESSIONAL EXPERIENCE

Synapse Energy Economics, Inc., Cambridge, MA. *Principal Associate*, September 2022 – Present, *Senior Associate,* November 2019 – September 2022.

Provides consulting and researching services on a wide range of issues related to the electric industry including performance-based regulation, benefit-cost assessment, rate and bill impacts, and assessment of distributed energy resource policies and programs. Develops expert witness testimony in public utility commission proceedings.

National Grid, Waltham, MA. *Growth Management Lead*, *New England,* May 2019 – November 2019, *Lead Analyst for Rhode Island Policy and Evaluation,* June 2013 – April 2019.

- Portfolio management of product verticals including energy efficiency, demand response, solar, storage, distributed gas resources, and electric transportation, to optimize growth and customer offerings.
- Strategy lead for the Performance Incentive Mechanisms (PIMs) working group.
- Worked with internal and external stakeholders and led the development of National Grid's Annual and Three-Year Energy Efficiency Plans and System Reliability Procurement Plans for the state of Rhode Island.
- Represented energy efficiency and demand response within the company at various Rhode Island grid modernization proceedings.
- Led the Rhode Island Energy Efficiency Collaborative; a group focused on reaching consensuses regarding energy efficiency plans and policy issues for demand-side resources in Rhode Island.
- Managed evaluations of National Grid's residential energy efficiency programs in Rhode Island, and benefit-cost models to screen energy efficiency measures.

Citizens for Pennsylvania's Future, Philadelphia, PA. *Senior Energy Policy Analyst*, 2005–2013.

- Played a vital role in several legislative victories in Pennsylvania, including passage of energy conservation legislation that requires utilities to reduce overall and peak demand for electricity (2009); passage of the $650 million Alternative Energy Investment Act (2008); and important amendments to the Alternative Energy Portfolio Standards law vital to the development of solar energy in Pennsylvania (2007).
- Performed market research and industry investigation on emerging energy resources including wind, solar, energy efficiency and demand response.
- Planned, facilitated and participated in wind energy advocates training meetings, annual partners retreat with members of wind and solar companies, and the PennFuture annual clean energy conference.

Northeast Energy Efficiency Partnerships, Inc., Lexington, MA. *Research and Policy Analyst,* 2004–2005.

- Drafted comments and testimony on various state regulatory and legislative actions pertaining to energy efficiency.
- Tracked energy efficiency initiatives set forth in various state climate change action plans, and federal and state energy regulatory developments and requirements.
- Participated in Regional Greenhouse Gas Initiative (RGGI) stakeholder meetings.
- Analyzed cost-effectiveness of various initiatives within the organization.

EnviroBusiness, Inc., Cambridge, MA. *Environmental Scientist,* July 2000 – May 2001

- Conducted pre-acquisition assessments/due diligence assignments for properties throughout New England. Environmental assessments included an analysis of historic properties, wetlands, endangered species habitat, floodplains, and other areas of environmental concern and the possible impacts of cellular installations on these sensitive areas.

EDUCATION

Tufts University, Medford, MA
Master of Arts; Environmental Policy and Planning, 2004.

Colgate University, Hamilton, NY
Bachelor of Arts; Environmental Geography, 2000, *cum laude.*

PUBLICATIONS

Fortman, N., J. Michals, T. Woolf, C. Lane. 2022. *Benefit-Cost Analysis: What it Can and Cannot Tell us About Distributional Equity of DERs*. E4TheFuture, Synapse Energy Economics. Presented at the 2022 ACEEE Summer Study of Energy Efficiency in Buildings.

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Public Service Commission of the District of Columbia (Formal Case No. 1176): Direct and Surrebuttal Testimony of Courtney Lane regarding the Application of Potomac Electric Power Company for Authority to Implement a Multiyear Rate Plan for Electric Distribution Service in the District of Columbia. On behalf of the District of Columbia Government. January 12, 2024 and April 22, 2024.

Maryland Public Service Commission (Case No. 9702): Direct and Surrebuttal Testimony of Courtney Lane regarding electric vehicle programs and cost recovery issues in the application of Potomac Electric Power Company for an Electric Multi-Year Plan. On behalf of the Maryland Office of People's Counsel. December 15, 2023 and February 23, 2024.

Public Utilities Commission of New Hampshire (Docket No. DE 23-039): Direct Testimony of Courtney Lane regarding Liberty Utilities Request for Change in Distribution Rates. On behalf of the Office of Consumer Advocate. December 13, 2023.

Maryland Public Service Commission (Case No. 9696): Direct Testimony of Courtney Lane regarding the application of Baltimore Gas and Electric Company for an Electric School Bus Pilot Program. On behalf of the Maryland Office of People's Counsel. July 25, 2023.

Maryland Public Service Commission (Case No. 9695): Direct and Surrebuttal Testimony of Courtney Lane regarding electric vehicle program benefit-cost analysis issues in the application of the Potomac Edison Company for Adjustments to its Electric Retail Rates. On behalf of the Maryland Office of People's Counsel. June 9, 2023 and July 14, 2023.

Maryland Public Service Commission (Case No. 9692): Direct and Surrebuttal Testimony of Courtney Lane regarding electric vehicle program benefit-cost analysis issues in the application of Baltimore Gas and Electric Company for an Electric and Gas Multi-Year Plan. On behalf of the Maryland Office of People's Counsel. June 20, 2023 and August 25, 2023.

California Public Utilities Commission (Application Nos. 22-05-015/22-05-01): Prepared Testimony of Eric Borden and Coutney Lane regarding Quantitative Risk Analysis Issues in Sempra's 2024 Test Year General Rate Case. On behalf of The Utility Reform Network. March 27, 2023.

New Mexico Public Regulation Commission (Case No. 22-00058-UT): Direct Testimony of Courtney Lane regarding the application of Public Service Company of New Mexico's for authorization to implement grid modernization. On behalf of the New Mexico Office of Attorney General. January 27, 2023.

Illinois Commerce Commission (Dockets 22-0432/22-0442 (Consol.): Direct and Rebuttal Testimony of Courtney Lane and Eric Borden regarding the petition of Commonwealth Edison Company for Approval of Beneficial Electrification Plan Under the Electric Vehicle Act. On behalf of the People of the State of Illinois. September 22, 2022 and November 16, 2022.

Illinois Commerce Commission (Docket No. 22-0431/22-0443): Direct and Rebuttal Testimony of Courtney Lane and Eric Borden regarding the petition of Ameren Illinois Company for Approval of Beneficial Electrification Pursuant to Section 45 of the Electric Vehicle Act. On behalf of the People of the State of Illinois. September 15, 2022 and November 7, 2022.

New Mexico Public Regulation Commission (Case No. 21-00178-UT): Direct Testimony of Courtney Lane regarding the application of Southwestern Public Service Company's for authorization to implement grid modernization. On behalf of the New Mexico Office of Attorney General. October 11, 2022.

Public Service Commission of Wisconsin (Docket 5-UR-110): Direct and Surrebuttal Testimony of Courtney Lane regarding the Joint Application of Wisconsin Electric Power Company and Wisconsin Gas, LLC for Authority to Adjust Electric, Natural Gas, and Steam Rates. On behalf of Clean Wisconsin. September 9, 2022 and October 3, 2022.

Maryland Public Service Commission (Case No. 9681): Direct Testimony of Courtney Lane regarding the application of Delmarva Power & Light Company for an Electric Multi-Year Plan. On behalf of the Maryland Office of People's Counsel. August 19, 2022.

New Mexico Public Regulation Commission (Case No. 21-00269-UT): Testimony of Courtney Lane in Support of Unopposed Comprehensive Stipulation regarding the Application of El Paso Electric Company for Approval of a Grid Modernization Project to Implement an Advanced Metering System. On behalf of the New Mexico Office of Attorney General. May 11, 2022.

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Maryland Public Service Commission (Case No. 9645): Direct and Surrebuttal Testimony of Courtney Lane regarding the Application of Baltimore Gas and Electric Company for an Electric and Gas Multi-Year Plan. On behalf of the Maryland Office of People's Counsel. August 14, 2020 and October 7, 2020.

Maryland Public Service Commission (Case No. 9619): Comments of Maryland Office of People's Counsel Regarding Energy Storage Pilot Program Applications, attached Synapse Energy Economics Report. June 23, 2020.

Public Service Commission of the District of Columbia (Formal Case No. 1156): Direct, Rebuttal, Surrebuttal, and Supplemental Testimony of Courtney Lane regarding the Application of Potomac Electric Power Company for Authority to Implement a Multiyear Rate Plan for Electric Distribution Service in the District of Columbia. On behalf of the District of Columbia Government. March 6, 2020, April 8, 2020, June 1, 2020, and July 27, 2020.

Rhode Island Public Utilities Commission (Docket No. 4888): Oral testimony of Courtney Lane regarding the Narragansett Electric Co. d/b/a National Grid - 2019 Energy Efficiency Program (EEP). On behalf of National Grid. December 11, 2018.

Rhode Island Public Utilities Commission (Docket No. 4889): Oral testimony of Courtney Lane regarding the Narragansett Electric Co. d/b/a National Grid - 2019 System Reliability Procurement Report (SRP). On behalf of National Grid. December 10, 2018.

Rhode Island Public Utilities Commission (Docket No. 4755): Oral testimony of Courtney Lane regarding the Narragansett Electric Co. d/b/a National Grid - 2018 Energy Efficiency Program (EEP). On behalf of National Grid. December 13, 2017.

Rhode Island Public Utilities Commission (Docket No. 4684): Oral testimony of Courtney Lane regarding the RI Energy Efficiency and Resource Management Council (EERMC) Proposed Energy Efficiency Savings Targets for National Grid's Energy Efficiency and System Reliability Procurement for the Period 2018-2020 Pursuant to §39-1-27.7. On behalf of National Grid. March 7, 2017.

Rhode Island Public Utilities Commission (Docket No. 4684): Oral testimony of Courtney Lane regarding National Grid's 2018-2020 Energy Efficiency and System Reliability Procurement Plan. On behalf of National Grid. October 25, 2017.

Rhode Island Public Utilities Commission (Docket No. 4654): Oral testimony of Courtney Lane regarding the Narragansett Electric Co. d/b/a National Grid - 2017 Energy Efficiency Program Plan (EEPP) for Electric & Gas. On behalf of National Grid. December 8, 2016.

Rhode Island Public Utilities Commission (Docket No. 4580): Oral testimony of Courtney Lane regarding the Narragansett Electric Co. d/b/a National Grid - 2016 Energy Efficiency Program Plan (EEPP) for Electric & Gas. On behalf of National Grid. December 2, 2015.

Pennsylvania Public Utility Commission (Docket No. P-2012-2320369): Direct testimony of Courtney Lane regarding the Petition of PPL Electric Utilities Corporation for an Evidentiary Hearing on the Energy Efficiency Benchmarks Established for the Period June 1, 2013 through May 31, 2016. On behalf of PennFuture. October 19, 2012.

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Resume updated July 2024.

INTERROGATORY NMDOJ 1-5:

Refer to the Direct Testimony of Patrick J. Murphy on page 24 related to the EV Charger and Home Wiring Rebate.

a. What is the average cost of wiring upgrades to residential customers?

b. What is the average cost of a Level 2 charger?

c. What percentage of the combined wiring upgrades and charger costs does the $1,200 represent?

d. If a customer does not need any wiring upgrades, are they still eligible for the full $1,200 incentive? Please explain.

e. What percentage of the average cost of wiring upgrades does a $1,200 rebate represent?

f. What percentage of the average cost of a Level 2 charger does a $1,200 rebate represent?

g. Are wiring upgrades needed to support a Level 1 charger? If yes, are those costs the same as for a Level 2 charger?

h. Are customers installing a Level 1 charger eligible for the $1,200 rebate?

i. Is SPS aware of any state or federal incentives that provide financial incentives to support residential home charging? If yes, please provide those incentives.

j. Does the level of rebate per passenger vehicle change based on whether a customer receives a state or federal incentive? Please explain why or why not.

RESPONSE:

a. Please refer to SPS's response to Question No. OPL 1-7 and Exhibit SPS-OPL 1-7.

b. Please refer to SPS's response to subpart (a).

c. Please refer to SPS's response to subpart (a).

d. Yes. If the customer already has home wiring to support Level 2 charging in their preferred location, the rebate can be applied to the cost of purchasing and installing the Level 2 charger.

e. Please refer to SPS's response to subpart (a).

f. Please refer to SPS's response to subpart (a).

g. Level 1 charging requires a standard 110-volt outlet, as commonly found in garages and outdoor parking areas. As such, most residences are able to support Level 1 charging without any additional upgrades to home wiring.

h. No. The EV Charger and Home Wiring Rebate is only available to customers installing a Level 2 charger.

i. No. SPS is not aware of any state or federal incentives to support home wiring costs.

j. SPS interprets this question to be referring to the EV Charger and Home Wiring Rebate, as SPS has not included any proposal for vehicle incentives. With that understanding, the EV Charger and Home Wiring Rebate is designed as a flat rebate to support customers' home charging needs and does not consider additional state or federal incentives.

Preparer: Ryan Austin
Sponsor: Patrick J. Murphy

INTERROGATORY NMDOJ 1-6:

Refer to the Direct Testimony of Patrick J. Murphy on page 26, lines 9-11, which states that "SPS has used project cost data to assess the current rebate amount, based on Xcel Energy's experience implementing similar rebate programs in other jurisdictions relate."

a. Please provide the list of the "similar rebate programs" including the name of the utility, the jurisdiction, the program name, the rebate level, and eligibility requirements.

b. Is Xcel Energy aware of any formal evaluations of the "similar rebate programs"? If yes, please provide those evaluations.

c. Does Xcel Energy have supporting data demonstrating that rebates for wiring upgrades and/or residential chargers incentivizes a customer to purchase an EV that would not have otherwise made that purchase? If yes, please provide that data.

RESPONSE:

a. Public Service of Colorado ("PSCo"), an SPS affiliate, offers a similar EV Charger and Home Wiring Rebate. Under the 2021-2023 TEP , PSCo customers can receive a standard $500 rebate for home wiring and/or a Level 2 charger. Income-qualified customers are eligible to receive an enhanced rebate of $1,300. For the 2024-2026 TEP, PSCo has proposed to adjust the rebate levels and is currently waiting on a final Commission decision on the 2024-2026 TEP-eligible chargers and home wiring must support Level 2 charging and rebate recipients must enroll in a managed charging offering.

b. Yes. Please refer to Exhibit SPS-NMDOJ 1-6.

c. The goal of the EV Charger and Home Wiring Rebate is to assist customers with the upfront costs of purchasing and installing home charging, which is a cost frequently associated with EV adoption and which EV purchasers may be unaware of or informed about when contemplating an EV purchase. This is one of the various barriers to EV adoption that SPS's TEP programs work to address. SPS is not aware of any studies that address whether home wiring rebates alone impact an individual's decision to purchase an EV.

Preparers: Ryan Austin, Ryan Odell
Sponsor: Patrick J. Murphy

INTERROGATORY NMDOJ 1-8:

Refer to the Direct Testimony of Patrick J. Murphy on page 30, lines 4-6, which states that Xcel Energy operates Charging Perks in other jurisdictions.

a. Has a formal evaluation of the Charging Perks program in other jurisdictions been conducted? If yes, please provide all evaluations conducted.

b. Has the Charging Perks program been found to be cost-effective in other jurisdictions? If yes, please provide the cost-benefit analysis results and all supporting materials.

RESPONSE:

a. Yes. Please refer to Exhibit SPS-NMDOJ 1-8.1 for the most recent evaluation of Public Service of Colorado's Charging Perks pilot which was published in 2024 and evaluated program performance between January 2022 and December 2023. Please refer to Exhibit SPS-NMDOJ 1-8.2 for an initial evaluation of program performance between Oct 2021(when pilot enrollment began) through the end of 2022, which was published in 2023.

b. The evaluations analyzed the financial benefits that Charging Perks provides at the bulk system level (avoided peak power, avoided energy cost, and avoided renewable energy curtailment), but Public Service has not performed a formal cost-benefit analysis.

Preparer: Ryan Austin
Sponsor: Patrick J. Murphy

INTERROGATORY NMDOJ 1-12:

Refer to the Direct Testimony of Patrick J. Murphy on page 35.

a. Please explain if the full service EVSI program covers 100 percent of the cost of all utility-side of the meter make-ready work and all customer-side of the meter make-ready work.

b. Is a participant in the full service EVSI program responsible for the full cost of the EV charger?

c. Can a participant in the full service EVSI program also participate in the EVSI Rebate program? Please explain.

RESPONSE:

a. The EVSI program covers 100 percent of the make-ready costs on the customer side of the meter. See the Direct Testimony of Patrick J. Murphy at 35:1 – 35:9 for a description of what this program covers. Customers may be required to pay for line extension costs in accordance with SPS's line extension policy.

b. Yes. However, eligible public charging stations will be able to receive a DCFC Rebate in addition to the EVSI service.

c. A project must be funded through either the full service EVSI program or the EVSI rebate program and cannot participate in both. A customer with multiple projects could theoretically utilize both programs for different projects.

Preparer: Lucas Roach
Sponsor: Patrick J. Murphy

INTERROGATORY NMDOJ 1-18:

Please provide a list of all current and planned rates and programs available to commercial EV customers that encourage EV load management, such as time-varying rates or managed charging programs. For each offering, please provide the program structure, eligibility, budget, and number of participating EV customers.

RESPONSE:

SPS offers three separate time of use rates for commercial: General Service Primary TOU, General Service Secondary TOU and Small General Service TOU. Rate details can be found in the SPS rate book at the following link: https://www.xcelenergy.com/staticfiles/xe/Regulatory/Regulatory%20PDFs/rates/NM/nm_sps_e_entire.pdf

See table below for a breakout of customers enrolled in each rate option.

Rate Class	Total Customers	EV Customers
General Primary TOU	1	0
General Service Secondary TOU	15	0
Small General Service TOU	86	0

Preparer: Lucas Roach
Sponsor: Patrick J. Murphy

INTERROGATORY NMDOJ 1-20:

Refer to the Direct Testimony of Patrick J. Murphy on pages 45-46, which indicates that the DCFC rebates will be stackable with public funds as well as SPS's EVSI program.

a. Will the DCFC rebate be adjusted to account for the incentive received from the EVSI program and/or public funds? Please explain why or why not.

b. How will SPS ensure that the combined incentives from the DCFC rebate, EVSI program, and public funds does not result in a customer receiving financial incentives equaling more than 100 percent of the total project costs?

c. How does Xcel Energy account for the presence of public funds in determining EVSI rebate levels in its other jurisdictions?

d. Will DCFC rebates only be made available to sites not located along Alternative Fuel Corridors (AFCs)? Please explain why or why not.

RESPONSE:

a. The DCFC rebate is intended to pay for separate equipment than what the EVSI program pays for. Please refer to SPS's response to subpart b., below, for an explanation of how rebates will be adjusted to account for public funding.

b. Rebates will be capped at 100 percent of charger costs, which will include any cost reductions associated with other public funding opportunities.

c. Please refer to SPS's response to subpart (b).

d. No. Given the lack of public charging availability in SPS's service territory, SPS does not think it is appropriate to restrict rebate access at this time. However, customers that are not located on AFC's and are therefore less likely to receive public funds will be more likely to receive the full rebate amount.

Preparer: Lucas Roach
Sponsor: Patrick J. Murphy

Charger Wattage Range	Rebate per Port
Public DCFC 150-249 kW	$17,500
Public DCFC 250-349 kW	$32,500
Public DCFC 350+ kW	$40,000

e. Please refer to Exhibit SPS-NMDOJ 1-21.

Preparers: Lucas Roach, Ryan Odell
Sponsor: Patrick J. Murphy

INTERROGATORY NMDOJ 1-26:

Refer to the summary of the Charging Perks program on page 25 of Attachment PJM-1, which states that "Through the Colorado pilot, PSCo found that active managed charging is successful at shifting EV charging load to reduce peak demand, helping reduce curtailment of excess renewable energy, and potentially supporting management of the distribution grid."

a. Was an evaluation conducted of the Colorado pilot? If yes, please provide a copy of the evaluation. If not, please provide the materials that support PSCo's determination that the pilot was successful at shifting EV charging load and reducing peak demand.

b. Did PSCo or its evaluator conduct a cost-effectiveness analysis of the Colorado pilot? If yes, please provide a copy of the cost-effectiveness analysis and supporting workpapers in Microsoft Excel format with all formulae intact. If not, please explain why not.

c. Is PSCo approved to continue offering Charging Perks to customers as a program? If yes, were any modifications made to the program? If not, please explain why not.

RESPONSE:

a. Please refer to SPS's response to Question No. NMDOJ 1-8(a).

b. The evaluation conducted by Guidehouse evaluates and provides the estimated value that the Charging Perks pilot provides to the grid per EV enrolled. However, PSCo has not performed a full cost-benefit analysis of the pilot. Of note, the evaluation above estimates grid benefits at the bulk system level. It does not estimate potential benefits that Charging Perks could provide at the distribution grid level.

c. Yes. The Colorado Public Utilities Commission has verbally approved PSCO's proposal to turn the Charging Perks pilot into a full program. The Commission gave directions to PSCo to increase the incentives to $150 annually per participant.

Preparer: Ryan Austin
Sponsor: Patrick J. Murphy

INTERROGATORY NMDOJ 1-39:

Refer to the Direct Testimony of Alexander G. Trowbridge Attachment AGT-3. Please confirm that the cost of the 2025-2027 TEP will be equally allocated across all customer classes. If not confirmed, please explain how the cost paid by the residential class will differ from that paid by the commercial class.

RESPONSE:

Please refer to SPS's response to Question No. OPL 1-2.

Program costs are shared equally by all customers and are allocated and charged to customers as a fixed percentage of customer base rate charges. This methodology complies with the Final Order in Case 20-00150-UT, in which the Commission required SPS to "[p]rovide for the recovery of TEP costs more broadly from all SPS customers."

Preparer: Taylor Hurt
Sponsor: Alexander G. Trowbridge

INTERROGATORY NMDOJ 1-41:

Refer to the Direct Testimony of Brianne R. Jole, page 6, lines 10-11, which states "SPS anticipates the need for 6-9 projects over the lifecycle of this TEP, ranging from $0.5-1M per project across the population centers SPS serves." For each identified proactive distribution upgrade project, please provide the location, necessary upgrades, EV charging load to be served by said upgrades, and costs to perform said upgrades. Please include any workpapers and spreadsheets with formulas intact.

RESPONSE:

SPS is proposing to invest in its distribution system to address feeder upgrades and voltage conversions necessary to facilitate the deployment of charging infrastructure and associated electrical equipment that support transportation electrification. SPS's proposed investment is designed to reduce barriers to adoption of electric vehicles and electric vehicle charging rather than respond to specific electric vehicle charging load.

SPS will develop project scopes outside of the TEP and detail the projects through existing processes, such as filing a 440 form with the NMPRC. Further understanding of the nature of distribution feeder investments can be found in SPS's response to Question No. OPL 1-6(c).

Preparer: Brianne R. Jole
Sponsor: Brianne R. Jole

INTERROGATORY NMDOJ 1-46:

Refer to SPS's proposal to include the cost of rebates as regulatory assets in rate base on pages 12-13 of the Direct Testimony of Stephanie N. Niemi and provide the following information:

a. In Microsoft Excel, please provide the annual revenue requirement for the 2025-2027 TEP costs that SPS proposes to be accounted for as regulatory assets. This should be provided for the entire proposed 10-year amortization period of the proposal on an annual basis. Please include in the response all supporting workpapers, calculations, and assumptions in Excel with formulas intact.

b. In Microsoft Excel, please provide the annual revenue requirement for SPS's proposal, assuming 2025-2027 TEP rebate costs are treated as an expense and not a regulatory asset. Please include in the response all supporting workpapers, calculations, and assumptions in Excel with formulas intact.

c. Does SPS include the cost of its energy efficiency program rebates as regulatory assets in rate base? If not, please explain how SPS recovers the costs of its energy efficiency program rebates.

RESPONSE:

a. Please refer to Exhibit SPS-NMDOJ 1-46(a).

b. Please refer to Exhibit SPS-NMDOJ 1-46(b).

c. No. Energy efficiency program rebates are recovered through the Energy Efficiency Rider.

Preparer: Ian Fetters, Jeff Comer
Sponsors: Stephanie N. Niemi; Jeremiah W. Cunningham

INTERROGATORY NMDOJ 1-47:

Refer to the Direct Testimony of Stephanie N. Niemi on page 12, which states "SPS proposes to issue rebates for the installation of charging equipment." Will SPS own and operate any of the charging equipment rebated through the TEP? If yes, please provide the annual budget for those rebates resulting in SPS owning and operating the charging equipment in each year of the 2025-2027 TEP.

RESPONSE:

No, SPS will not own and operate any charging equipment rebated through the TEP.

Preparer: Ian Fetters
Sponsors: Stephanie N. Niemi, Patrick J. Murphy

QUESTION NO. OPL 1-15:

Referring to the Direct Testimony of Patrick J. Murphy at page 63, lines 13–14, please explain how SPS determined the budget floor for the proposed TEP would be set at 15% rather than another percentage.

RESPONSE:

SPS views the 15 percent as a reasonable budget floor for its low-income and underserved community focused program offerings and is similar to the approach taken in other Xcel Energy jurisdictions. This level was determined by reviewing current and forecasted program uptake, current EV adoption levels in the service territory, and forecasted EV growth within SPS. SPS notes that this is not a budget cap and equity spend will reflect market demand.

Preparer: Ryan Odell
Sponsor: Patrick J. Murphy

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF SOUTHWESTERN PUBLIC SERVICE COMPANY'S APPLICATION FOR APPROVAL OF ITS 2025-2027 TRANSPORTATION ELECTRIFICATION PLAN; PROPOSED PLAN RIDERS AND CREDIT; AND OTHER ASSOCIATED RELIEF,	)	**Case No. 24-00120-UT**
SOUTHWESTERN PUBLIC SERVICE COMPANY, APPLICANT	)	

CERTIFICATE OF SERVICE

I CERTIFY that on this date I sent, via email, a true and correct copy of the ***Direct Testimony of Courtney Lane on Behalf of the NMDOJ*** to the parties listed below:

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Dated 7/12/2024

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