STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF ROCKLAND ELECTRIC COMPANY FOR APPROVAL OF AN ELECTRIC VEHICLE PROGRAM, ESTABLISHMENT OF AN ELECTRIC VEHICLE SURCHARGE, AND FOR OTHER RELIEF

VERIFIED PETITION

BPU DOCKET NO. _____

I. INTRODUCTION

Rockland Electric Company ("RECO", the "Company", or "Petitioner"), a corporation of the State of New Jersey, which has an office at One Lethbridge Plaza, Suite 32 – Second Floor, Route 17 North, Mahwah, New Jersey 07430, respectfully petitions the New Jersey Board of Public Utilities ("Board"), pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, as follows:

1. Petitioner is a public utility engaged in the distribution of electricity and the provision of electric Basic Generation Service, for residential, commercial and industrial purposes within the State of New Jersey. RECO is a wholly-owned subsidiary of Orange and Rockland Utilities, Inc. ("Orange and Rockland"), and an affiliate of Consolidated Edison Company of New York, Inc. ("Con Edison"). RECO provides electric distribution service to approximately 73,000 customers in an area which extends from eastern Bergen County at the Hudson River to western Passaic County and small communities in Sussex County, New Jersey.

2. The rates and charges for electric service furnished by Petitioner and the conditions upon which the same are furnished are set forth in Petitioner's tariff designated B.P.U. No. 3 - Electricity.

3. Petitioner is subject to regulation by the Board for the purposes of setting its retail distribution rates and to assure safe, adequate and reliable electric distribution service pursuant to N.J.S.A. 48:2-13, *et seq*.

4. Through this Petition and the accompanying schedules and testimonies, RECO seeks Board approval for a comprehensive Electric Vehicle ("EV") Program. RECO is filing this Petition in compliance with the Board's *Order Adopting the Minimum Filing Requirements for Light-Duty, Publicly Accessible Electric Vehicle Charging*.[1] In the EV Filing Order (p. 26), the Board directed the Company and New Jersey's three other electric distribution companies to file EV proposals with the Board, and required that such filings meet minimum filing requirements.

II. EV PROGRAM

5. RECO proposes to commit approximately $6.7 million of investment over a period of approximately five years for the six EV subprograms described below and in the direct testimony of the EV Program Panel, to commence following Board approval. A breakdown of the types of costs reflected in the investment and expense categories are discussed further by the Accounting and Revenue Requirements Panel. The proposed five-year commitment period will provide funding and stability to support the EV market in RECO's service territory and in New Jersey.

A summary of the six EV subprograms, applicable to light-duty vehicles,[2] is as follows, with more detailed descriptions contained in the EV Program Panel's direct testimony, in the White Papers included in EV Program Panel Exhibits EVPP-1 through EVPP-5, and in the Rate Panel's direct testimony:

[1] I*/M/O Straw Proposal on Electric Vehicle Infrastructure Build Out*, BPU Docket No. QO20050357, Order Adopting the Minimum Filing Requirements for Light-Duty, Publicly Accessible Electric Vehicle Charging (dated September 23, 2020) ("EV Filing Order").
[2] Light-duty, or passenger, vehicles are any two-axle, four-wheel vehicle, primarily designed for passenger travel or light-duty commercial use. N.J.S.A. 48:25-2.

- **Charger Ready Program** – This five-year, $4,804,041, Charger Ready Program will provide financial incentives to help offset the costs of EV charging infrastructure, in order to increase charger deployment and address EV owner range anxiety (see, EV Program Panel Exhibit EVPP-1).
- **Voluntary Time-of-Day Rate** – The Voluntary Time-of-Day ("TOD") Rate will be offered as a residential rate option under Service Classification ("SC") No. 1 to customers who place their whole house usage under such rate. The Voluntary TOD Rate will encourage EV charging and other home energy consumption at times that assist in the management of the system peak by offering reduced rates. The Company projects the costs to implement the TOD Rate as $55,000 (see, the Rate Panel's direct testimony).
- **Direct Current Fast Charging ("DCFC") Incentive Program** – This five-year, $377,362, DCFC Incentive Program will offer a per-plug incentive to reduce the operational costs and encourage deployment of DCFCs (see, EV Program Panel Exhibit EVPP-2).
- **Smart Charge Program –** This five-year, $625,625, Smart Charge Program provides incentives to participating customers who charge their EVs off-peak anywhere in the RECO territory through the Smart Charge device (see, EV Program Panel Exhibit EVPP-3).
- **EVolved REcharge Program** – This five-year, $243,760, EVolved REcharge Program will provide incentives to customers who enroll and participate in the Company's managed charging program after purchasing on the Company's online

store (myorustore.com) a residential, in-home charger (see, EV Program Panel Exhibit EVPP-4).

– **Outreach and Education Program** - This five-year, $577,500, Outreach and Education Program will increase consumer awareness of EVs and reduce range anxiety (*i.e.*, fear of running out of charge because either the battery only holds a small charge or there are a lack of chargers)(see, EV Program Panel Exhibit EVPP-5).

6. The EV Program is consistent with the 2019 New Jersey Energy Master Plan ("EMP") which states that the electrification of transportation is an important strategy in meeting the State's clean energy goals and greenhouse gas emissions reductions targets.[3]

7. The EV subprograms will support the widespread adoption of EVs in all sectors of New Jersey's economy, including multi-family and low-income customers, as well as customers residing in overburdened communities most impacted by air pollutants and greenhouse gas ("GHG") emissions. The EV subprograms will employ multiple approaches to engage customers and encourage customer participation. These approaches include collaboration with advocacy and community groups, online advertising, email marketing, and direct mailings, among other methods.

8. The EV subprograms will have wide-reaching customer and societal benefits, including:

- Environmental benefits – EVs offer tremendous promise to help improve the environment by reducing GHGs and other air pollutants;
- Job creation - The EV subprograms will support the clean energy economy and will require electricians, engineers, marketers, salespersons, customer service

[3] EMP, p. 59.

representatives, and urban and regional planners to deploy electric vehicle charging infrastructure;

- Mitigation of EV market barriers – The EV subprograms will address critical barriers in the EV market such as lack of consumer awareness, lack of consumer understanding of the total cost of EV ownership, gaps in public charging coverage, and range anxiety; and
- Advancement of New Jersey's clean energy goals – as reflected in the EV law,[4] New Jersey Global Warming Response Act of 2007's[5] GHG reduction targets,[6] the EMP, and Executive Order No. 28.

9. RECO requests the flexibility to transfer funds among EV subprograms and across years to respond to market conditions and participant demands and to maximize energy savings and EV subprogram resources.

10. RECO currently has no plans to deploy, own and operate chargers. As noted in the direct testimony of the EV Program Panel (p. 16), if publicly accessible chargers have not been deployed in overburdened areas within 12 months of the EV Program start date, RECO will consider deploying, owning, and operating chargers in those areas as a "Last Resort." Likewise, the Company will consider deploying, owning, and operating publicly accessible chargers in non-overburdened areas if it has not received any interest in these areas within 18 months of the EV Program start date. If, at a future date, the Company decides to pursue the deployment, ownership, and operation of publicly accessible chargers, the Company will submit a separate filing with the Board setting forth the specifics of its proposed program.

[4] N.J.S.A. - Title 48. Chapter 25. (New) Electric Vehicles §§1-11 - C.48:25-1 to 48:25-11.
[5] N.J.S.A 26:2C-37.
[6] New Jersey Department of Environmental Protection's New Jersey's Global Warming Response Act 80x50 Report, released October 15, 2020.

III. EV PROGRAM COST RECOVERY

11. RECO proposes to implement an Electric Vehicle Surcharge ("EVS"), described more fully below and in the direct testimony of the Rate Panel, to enable it to recover the costs associated with the EV Program. The Company's proposed cost recovery mechanism is an equitable and efficient means of enabling RECO to recover on a timely basis the considerable investments that are required by the EV Program.

12. The revenue requirement to be recovered through the EVS will be calculated to include a return on investment, a return of investment through depreciation, and the incremental operation and maintenance ("O&M") expenses that will be limited to the EV Program components set forth in the whitepapers provided. Such investment will include capitalized costs net of deferred taxes related to the EV Program. The initial calculation will use the depreciation rates and methodology and the before–tax overall weighted average cost of capital used to set rates in the Company's most recently decided base rate case, Docket No. ER19050552, which was 8.91% (7.11% on an after-tax basis) based upon a return on equity of 9.50%.[7] Any Board-approved changes to the Company's depreciation rates and before–tax overall weighted average cost of capital used to set rates will be reflected in the subsequent monthly revenue requirements and interest calculations commencing with the month such changes become effective.

13. The revenue requirement to be recovered through the EVS also will include any price guarantees paid out during the prior year.

[7] *I/M/O the Verified Petition of Rockland Electric Company for Approval of Changes in Its Electric Rates, Its Tariff for Electric Service and Its Depreciation Rates; and for Other Relief*, BPU Docket No. ER19050552, Decision and Order Adopting Initial Decision and Stipulation of Settlement (dated January 22, 2020).

14. The initial EVS will be set based on the Company's projected cost data and resulting revenue requirement and a forecast of the Company's kWh deliveries to customers during the period ending December 31, 2021. The EVS will be subject to annual adjustments to reset the EVS to recover the forecasted revenue requirement for the succeeding twelve-month period, plus true-ups for any prior period over- or under-collections, based on the forecasted kWh deliveries for customers during the period in which the revised EVS will be in effect. The calculation of the revenue requirement for the purpose of setting the initial EVS for the period ending December 31, 2021 is set forth in Rate Panel Exhibit RP-3.

15. The Company will file an annual petition ("Annual Filing") to adjust its EVS on a calendar basis, with copies provided to Board Staff and Rate Counsel, on or before September 1, with a revised EVS proposed to become effective January 1 of each year. Each Annual Filing will contain a forecast of the revenue requirement associated with the modified Program for the period during which the EVS will be in effect, a reconciliation of EVS recoveries, and the actual revenue requirement for the period being reconciled, and other appropriate information.

16. The monthly interest on net over- and under-recoveries will be calculated as determined by the Board in its Order dated October 21, 2008 in Docket No. ER08060455. As set forth in that Order, the interest rate shall be based on two-year constant maturity Treasuries as published in the Federal Reserve Statistical Release on the first day of each month (or the closest day thereafter on which rates are published), plus 60 basis points, but shall not exceed the Company's overall rate of return. The interest rate shall be reset each month. The interest calculation shall be based on the net of tax beginning and ending average monthly balance. Simple interest will be calculated each month for any over-recovery or under-recovery and will be deferred for recovery or refund. The simple interest will be recovered or refunded when it is

included in the deferred balance at the end of the annual period. The true-up calculation of over- and under-recoveries shall be included in the Company's Annual Filing.

17. The Company anticipates that during its next base rate case(s) filed following the conclusion of this proceeding, the net capitalized amounts associated with the EV Program, if such amounts are deemed to be reasonable and prudent, will be rolled into the Company's rate base. No additional capital costs will be placed in the EVS following the base rate case that follows the conclusion of the five-year EV Program. Thereafter, the EVS will be used only as necessary to provide for the true-up of any under- or over-recovered costs of the EV Program. The EVS and EVS tariff will terminate following the conclusion of the Company's future base rate case, when the balance of over or under-recovered costs reaches zero. Draft tariff leaves are attached as Exhibit A.

IV. RATE DESIGN

18. The Company proposes that the EVS will be a non-bypassable cents per kilowatt hour surcharge applicable to all RECO distribution customers. As noted above, the calculation of the initial EVS is set forth in Rate Panel Exhibit RP-3. In Accounting Panel Exhibits AP-1 and AP-2, the Company sets forth the information and data required by N.J.A.C. 14:1-5.12 in order to implement the EVS.

V. RATES AND IMPACT

19. An initial EVS of $0.000047/kWh, including Sales and Use Tax, as set forth in Rate Panel Exhibit RP-3, will result in approximately $66,968 in revenue for the initial year of the program. The EVS will result in a rate increase for a typical residential customer using 925 kWh per month of $0.04 or 0.02% during the initial period.

VI. SUPPORTING TESTIMONY AND PUBLIC NOTICE

20. The Company is presenting the direct testimony of three witness panels in support of this Petition. The Accounting and Revenue Requirements Panel, consisting of Wenqi Wang and Kevin Lyons, will address how the Company developed the revenue requirement associated with the EV Program. The Accounting and Revenue Requirements Panel also sponsors the information, data, and financial statements that N.J.A.C. §14:1-5.12 requires the Company to submit as part of this Petition. The Rate Panel, consisting of Cheryl Ruggiero and Eric Caban, will address the Company's proposed time-of-day residential rate that can be used by customers with plug-in EVs who will have their entire household load served under the time-of-day rate ("Voluntary TOD Rate"). Their direct testimony also outlines the proposed cost recovery mechanism associated with and bill impact analysis for the EV Program and a sample calculation of the monthly over/under-recovery of the EVS for Years 1 and 2 of the program. The EV Program Panel, consisting of Roberta Scerbo, Brian Picariello and Raghusimha Sudhakara, will provide testimony in support of the six subprograms that comprise the EV Program.

21. The Form of Notice, as set forth in Exhibit B, sets forth the requested changes to electric rates, and will be placed in newspapers having a circulation within the Company's service territory upon receipt, scheduling, and publication of public hearing dates. The Form of Notice will be served on the County Executives and Clerks of all municipalities within the Company's electric service territory upon receipt, scheduling, and publication of public hearing dates.

VII. COMMUNICATIONS

Communications and correspondence related to this Petition should be sent as follows:

James C. Meyer, Esq.
Riker, Danzig, Scherer, Hyland & Perretti LLP
Headquarters Plaza
One Speedwell Avenue
P.O. Box 1981
Morristown, NJ 07962-1981
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and

John L. Carley, Esq.
Associate General Counsel
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New York, NY 10003
(212) 460-2097
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and

Brian Picariello
Section Manager, Utility of the Future
Orange and Rockland Utilities, Inc.
390 W. Route 59
Spring Valley, New York 10977
(845) 577-3125
picariellob@oru.com

VIII. MISCELLANEOUS

Two copies of this Petition will be served upon the Department of Law and Public Safety, 124 Halsey Street, P.O. Box 45029, Newark, New Jersey 07101 and upon the Director, Division of Rate Counsel, 140 East Front Street, 4th Floor, Trenton, New Jersey 08625. This Petition and supporting testimony and attachments will also be e-mailed to the persons identified on the service list provided with this filing.

Attached hereto and made a part of this Petition are the following exhibits:

Exhibit A – Draft Tariff Leaves;

Exhibit B – Form of Notice; and

Exhibit C – Minimum Filing Requirements.

IX. CONCLUSION AND REQUESTS FOR APPROVAL

For all the foregoing reasons, RECO respectfully requests that the Board retain jurisdiction of this matter and review and expeditiously issue an order approving this Petition specifically finding that:

1. RECO is authorized to implement the EV Program as described in this Petition;

2. RECO is authorized to recover the costs associated with the EV Program in the manner described in this Petition; and

3. Providing such other relief as is just and proper.

Respectfully submitted,

ROCKLAND ELECTRIC COMPANY

By _____ 11/23/2020

James C. Meyer, Esq.
Riker, Danzig, Scherer, Hyland & Perretti LLP
Headquarters Plaza
One Speedwell Avenue
P.O. Box 1981
Morristown, NJ 07962-1981

and

John L. Carley, Esq.
Associate General Counsel
Consolidated Edison Company Of New York, Inc.
Law Department, 18th Floor
4 Irving Place
New York, NY 10003

Attorneys for Rockland Electric Company

Dated: November 23, 2020

VERIFICATION

STATE OF NEW YORK)
: ss
COUNTY OF ROCKLAND)

ANN CEDRONE, of full age, being duly sworn according to law, on her oath deposes and says

1. I am the Treasurer of Rockland Electric Company, the Petitioner in the foregoing Petition.

2. I have read the annexed petition, and the matters and things contained therein are true to the best of my knowledge and belief.

Ann M Cedrone

Ann Cedrone

Sworn to and subscribed to
Before me this 20 day
Of November, 2020

Denise A. Collins

DENISE A COLLINS
Notary Public - State of New York
NO. 01CO5078588
Qualified in Rockland County
My Commission Expires May 27, 2023

EXHIBIT A
(Draft Tariff Leaves)

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GENERAL INFORMATION

No. 40 ELECTRIC VEHICLE SURCHARGE ("EVS")

The EVS shall be applied to the kWh usage on the bills of all customers served under this Schedule.

The EVS will recover program costs associated with the Company's Electric Vehicle program.

EVS Costs include: (1) the carrying costs (depreciation and return on net investment, including tax effects) on capital investments; and (2) the incremental operation and maintenance expenses associated with the programs. In addition, the EVS will include: (1) the collection of any price guarantees paid out under Special Provision D of Service Classification No. 1; and (2) any prior period over or under-recoveries. The EVS will be subject to deferred accounting, with interest, and reconciled annually by comparing actual EVS Costs to actual EVS revenues. Any difference will be included in the following year's EVS.

The difference between the actual monthly EVS Costs and EVS revenues will be deferred, with interest, for future recovery. Interest, calculated as determined by the Board in its Order dated October 21, 2008 in Docket Number ER08060455, will be included in the deferred balance for both an over-collection and for an under-collection.

Beginning XXXX, and September 1 of each year thereafter, the Company shall file with the Board the EVS to be effective for the twelve-month period commencing the following January 1. The annual filings will provide for: (1) current recovery of the forecasted EVS revenue requirement for the period in which the EVS will be in effect; and (2) recovery of any over- or under-recovered balances, including interest.

The EVS shall be set at 0.0047 cents per kWh including sales and use tax ("SUT").

SERVICE CLASSIFICATION NO. 1
RESIDENTIAL SERVICE

APPLICABLE TO USE OF SERVICE FOR

Sales and delivery of electric power supply provided by the Company or delivery of electric power supply provided by an electric generation supplier under the Company's Retail Access Program to residential customers. All service at each residence shall be taken through one meter. Service will also be furnished hereunder to a church and adjacent buildings (other than school buildings which substitute for public education), owned by the church and operated in connection therewith; provided, however, that if the buildings of any such church group are separated by a highway or highways, then the electricity delivered to each group so separated shall not be combined with the electricity delivered to other buildings of the church group but shall be billed separately under this rate.

CHARACTER OF SERVICE

Continuous, 60 cycle, A.C., from any of the following systems as designated by the Company:

(1) Single phase at approximately 120,120/208 or 120/240 volts.

(2) Three phase four wire at approximately 120/208 volts in limited areas.

RATE – MONTHLY

		Summer Months*	Other Months
(1)	Customer Charge	$5.41	$5.41
(2)	Distribution Charge		
	(a) Distribution Charge Applicable to non-Time-of-Day Service		
	First 600 kWh	@ 5.340 ¢ per kWh	5.340 ¢ per kWh
	Over 600 kWh	@ 6.725 ¢ per kWh	5.340 ¢ per kWh
	(b) Distribution Charge Applicable to Voluntary Time-of-Day Service		
	Peak All kWh measured between 12:00 p.m. and 8:00 p.m., Monday Through Friday…..	@ 11.773 ¢ per kWh	9.056 ¢ per kWh
	Off Peak All other kWh……	@ 3.920 ¢ per kWh	3.920 ¢ per kWh

* Definition of Summer Billing Months - June through September

(Continued)

SERVICE CLASSIFICATION NO. 1
RESIDENTIAL SERVICE (Continued)

RATE – MONTHLY (Continued)

(5) Basic Generation Service

Customers taking Basic Generation Service from the Company will be billed for such service in accordance with General Information Section No. 31.

In accordance with Riders CBT and SUT, the charges in this Rate Schedule include provision for the New Jersey Corporation Business Tax and the New Jersey Sales and Use Tax. When billed to customers exempt from one or more of these taxes, as set forth in Riders CBT and SUT, such charges will be reduced by the relevant amount of such taxes included therein.

MINIMUM CHARGE EACH CONTRACT EACH LOCATION

$5.41 monthly, not less than $32.46 per contract.

TERMS OF PAYMENT

Bills are due in accordance with General Information Section No. 10.

TERM

Terminable at any time unless a specified period is required under a line extension agreement.

Customers taking service under Part 2(b) of RATE – MONTHLY hereunder shall not be entitled to service at the same location under Part 2(a) of RATE – MONTHLY or Service Classification Nos. 3 or 5 until one year from the date of service or thereafter on the annual anniversary date upon 5 days' prior written notice. A customer cannot opt back into taking service under Part 2(b) of RATE – MONTHLY for at least one year after opting out of such rate.

EXTENSION OF FACILITIES

Where service is supplied from an extension the charges thereon shall be determined as provided in General Information.

(Continued)

SERVICE CLASSIFICATION NO. 1
RESIDENTIAL SERVICE (Continued)

SPECIAL PROVISIONS

(A) Short Term Service

Customers desiring service under this schedule for less than six months, where service is already installed, shall pay in advance the contract minimum as specified under "Minimum Charge Each Contract Each Location" or under an applicable line extension agreement, or, if the estimated bill for two months or such shorter period as service may be desired exceeds the contract minimum, the Company reserves the right to request a deposit equal to this estimated bill. A part of a month shall be considered a full month for computing all charges hereunder.

(B) Budget Billing Plan

Any customer taking service under Part 2(a) of RATE – MONTHLY hereunder may, upon request, be billed monthly in accordance with the budget billing plan as provided for in General Information Section 8 of this tariff.

(C) Metering for Voluntary Time-of-Day Service

Customers who wish to take service under Part 2(b) of RATE – MONTHLY hereunder shall not be permitted to opt out of AMI or AMR metering.

(D) Price Guarantee for Residence with Plug-in Electric Vehicle(s)

A customer taking service under Part 2(b) of RATE – MONTHLY hereunder for a residence that includes a Plug-In Electric Vehicle (“PEV”) and registers such PEV with the Company will receive a price guarantee for a period of one year commencing with the first full billing cycle after the customer registers the PEV with the Company. Under the price guarantee, the customer will receive a credit following the initial one-year period for the difference, if any, between what the customer paid and what the customer would have paid under Part 2(a) under Rate-Monthly over that one-year period if the Part 2(a) amount is lower.

(Continued)

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Superseding Revised Leaf No. 5

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(Continued)

EXHIBIT B
(Form of Notice)

Exhibit B

NOTICE TO ROCKLAND ELECTRIC COMPANY CUSTOMERS

Notice of a Filing
And Notice of Public Hearings
Proposed Electric Vehicle Program and an Associated Cost Recovering Mechanism

TAKE NOTICE that, on November 23, 2020, Rockland Electric Company ("RECO" or "the Company") filed a petition with the New Jersey Board of Public Utilities ("Board") for approval to implement a comprehensive Electric Vehicle ("EV") Program, including approval of a rate mechanism to recover the cost of the EV Program. This filing is being made in compliance with the Board's September 23, 2020 Order Adopting the Minimum Filing Requirements for Light-Duty, Publicly Accessible Electric Vehicle Charging in BPU Docket No. QO20050357.

RECO proposes to commit approximately $6.7 million of investment over a period of approximately five years for six EV subprograms: the Charge Ready Program, the Direct Current Fast Charging Incentive Program, the Smart Charge Program, the EVolved REcharge Program, a Voluntary Time-of-Day Rate Option, and an Outreach and Education Program. The EV subprograms will support the widespread adoption of EVs in all sectors of the economy, including multi-family and low-income customers, as well as customers residing in overburdened communities most impacted by air pollutants and greenhouse gas emissions. There are wide-reaching customer and societal benefits associated with the EV subprograms including environmental benefits, job creation, mitigation of EV market barriers, and the advancement of New Jersey's clean energy goals.

In order to recover the costs associated with these proposals, the Company has requested Board approval of an Electric Vehicle Surcharge ("EVS"). The EVS will be applied to the kWh usage on the bills of all RECO customers, to recover costs including: (1) the carrying costs (depreciation and return on net investment, including tax effects) on capital investments; and (2) the incremental operation and maintenance expenses associated with the EV subprograms. In addition, the EVS will recover any price guarantees paid out and any prior period over- or under-recoveries. The EVS will be subject to deferred accounting, with interest, and reconciled annually by comparing the EVS revenue requirement to actual EVS revenues. Any difference will be included in the following year's EVS. Interest, calculated as determined by the Board in its Order dated October 21, 2008 in Docket Number ER08060455, will be included in the deferred balance for both an over-collection and for an under-collection. On September 1 of every year, the Company will file with the Board the EVS to be effective for the twelve-month period commencing the following January 1. The annual filings will provide for: (1) current recovery of the forecasted EVS revenue requirement for the period in which the EVS will be in effect; and (2) recovery of any over- or under-recovered balances, including interest.

The Company has proposed that the EVS initially be set at 0.0047 cents per kWh including sales and use tax ("SUT").

The effect of the proposed EVS of 0.0047 cents per kWh on typical residential electric bills, if approved by the Board, is illustrated below:

Residential Electric Service				
Typical Average Monthly Bill				
(Includes Sales and Use Tax)				
			Increase	
	Present Charges (1)	Proposed Charges (2)	Amount	Percent
650 kWh average monthly use	$127.07	$127.10	$0.03	0.02
925 kWh average monthly use	183.16	183.20	0.04	0.02
1,500 kWh average monthly use	300.22	300.29	0.07	0.02

(1) Based upon Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) and Delivery Rates in effect November 1, 2020 and assumes that the customer receives BGS-RSCP service from RECO.
(2) Same as (1) except includes the EVS.

Based on RECO's filing, a RECO residential customer using 808 kilowatt hours per summer month, and 7,800 kilowatt hours on an annual basis, would see an increase of $0.40 in the annual bill from $1,524.80 to $1,525.20 or approximately 0.03%. The percentage change applicable to specific customers will vary according to the applicable service classification and the level of the customer's usage.

The Board has the statutory authority to establish the EVS charges at levels it finds just and reasonable. Therefore, the Board may establish the EVS charges at levels other than those proposed by RECO.

The Company's EV Program filing is posted on the Company's website at https://www.oru.com/en/nj-rates-tariffs.

The following date and time(s) for telephonic public hearings have been scheduled on the EV Program filing so that members of the public may present their views:

Date: XXX
Times: XXX
Telephone number: XXX
Passcode: XXX

Due to the ongoing COVID-19 pandemic, a telephonic hearing on the EV Program hearing will be conducted at the date and times listed above by a hearing officer designated by the Board. Representatives of the Board's Staff and the New Jersey Division of Rate Counsel will participate via phone in the public hearing. Members of the public are invited to listen and participate by phone via the above designated dial-in number and passcode and may express their views on this filing. Such comments will be made a part of the final record of the proceeding to be considered by the Board. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such

as interpreters, listening devices or mobility assistance, 48 hours prior to the above hearings to the Board's Secretary at board.secretary@bpu.nj.gov. The Board is also accepting written and emailed comments. Although both will be given equal consideration, the preferred method of transmittal is via email to ensure timely receipt while the Board continues to work remotely due to the ongoing COVID-19 pandemic. Written comments may be submitted to the Board Secretary, Aida Camacho, at the Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, Trenton, P.O. Box 350, New Jersey 08625-0350. Email comments should be submitted to board.secretary@bpu.nj.gov. Please include the name of the petition and the docket number when submitting comments.

ROCKLAND ELECTRIC COMPANY

EXHIBIT C
(Minimum Filing Requirements)

EXHIBIT C

Rockland Electric Company Electric Vehicle Program

Minimum Filing Requirements

MINIMUM FILING REQUIREMENTS	
General Filing Requirements	
MIMIMUM FILING REQUIREMENTS BOARD ELECTRIC VEHICLE ORDER SEPTEMBER 23, 2020	**Location in Filing**
A shared responsibility model with respect to Publicly-Accessible EV Charging Infrastructure with: • EDCs funding the Make-Ready investments for EV chargers;	Exhibit EVPP-1
• Private ownership and operation of EV chargers; and	Electric Vehicle Program Panel Exhibit EVPP-1
• Last Resort options for EDC ownership based on Board approval, as defined within this Board Order.	Electric Vehicle Program Panel
Proposed rate structure to address: • Demand charges;	DCFC Incentive Program Electric Vehicle Program Panel Exhibit EVPP-2
• Residential EV charging; and	EVolved REcharge program Electric Vehicle Program Panel Exhibit EVPP-4
• Multi-family dwellings rates.	Rate Panel
• Proposed rate structures that encourage networked, managed charging;	Smart Charge Program and EVolved REcharge program Electric Vehicle Program Panel Exhibit EVPP-3 Exhibit EVPP-4
• Proposals that provide equitable access to the EV Ecosystem in overburdened communities;	Charger Ready Program Exhibit EVPP-1
• Mapping that details areas which are best suited for EV infrastructure build-out on a regular basis;	Electric Vehicle Program Panel Exhibit EVPP-1
• Outreach and education plans; and	Electric Vehicle Program Panel Exhibit EVPP-5

• A list of Make-Ready investments made to date and all pending applications.	Exhibit EVPP-1
• While a robust EV Infrastructure Ecosystem will eventually involve all types of EVs including light-, medium- and heavy-duty, initially the focus should be on light-duty vehicles.	Electric Vehicle Program Panel
• Publicly-accessible charging stations must be accessible to the general public 24 hours a day, seven days a week.	Electric Vehicle Program Panel Exhibit EVPP-1
• Chargers must be listed on the U.S. Department of Energy ("USDOE") Alternative Fueling Station Locator.	Exhibit EVPP-1
• Chargers must provide all EV users, regardless of make and model, with the ability to charge their EV and must allow network interoperability (*i.e.*, a charging station must be able to share and readily use information securely and effectively with two or more networks, systems, devices, applications, or components with little or no inconvenience to the user)	Exhibit EVPP-1 (definitions of Standard Plug and Networked Plug)
• Electric Vehicle Service Equipment ("EVSE") Infrastructure Companies operating within New Jersey shall provide the Board with an annual independent audit report on areas of service and operability updates	N/A
• The EDCs shall make a site Charger-Ready upon request from a qualified EVSE Infrastructure Company or Site Host. For any location where the total cost of making the site ready is anticipated to exceed $100,000, the EDC shall notify Board Staff and New Jersey Division of Rate Counsel ("Rate Counsel") of the cost estimate before any work is conducted.	Exhibit EVPP-1
• For any Make-Ready installation anticipated to cost more than $250,000, the EDC must seek Board approval before any work is conducted.	Exhibit EVPP-1
• The EDCs are required to develop an application and administrative process that includes a standard set of criteria for owners/operators, a	Exhibit EVPP-1

standard contract for owners/operators, a queue, and an available map of all requests currently in process.	
• The EDCs will include in their filings requirements for applicants to show good faith in the construction of sites, including commitments from the location, permit applications and approvals, and the expectation that projects be fully operational within 18 months of their approval. If applicants cannot complete the project within 18 months, the EDCs should establish an extension process.	Exhibit EVPP-1

CASE NUMBER(S)
ROCKLAND ELECTRIC COMPANY
ELECTRIC VEHICLE PROGRAM PANEL

Table of Contents

I. INTRODUCTION

Q. Would the members of the Electric Vehicle ("EV") Program Panel ("Panel") please state their names and business addresses?

A. The Panel is comprised of three individuals – Roberta Scerbo, Brian Picariello and Raghusimha Sudhakara.

(Scerbo) My name is Roberta Scerbo. I will serve as chair of the Panel. My business address is 390 West Route 59, Spring Valley, New York 10977.

(Picariello) My name is Brian Picariello. My business address is 390 West Route 59, Spring Valley, New York 10977.

(Sudhakara) My name is Raghusimha Sudhakara. My business address is 4 Irving Place, New York, NY 10003.

Q. By whom are the Panel members employed?

A. (Scerbo) I am employed by Orange and Rockland Utilities, Inc ("O&R"), the corporate parent of Rockland Electric Company ("RECO" or the "Company").

(Picariello) I am employed by O&R.

(Sudhakara) I am employed by Consolidated Edison Company of New York, Inc. ("CECONY"), an affiliate of both O&R and RECO.

Q. In what capacity are the Panel members employed and what are their professional backgrounds and qualifications?

A. (Scerbo) I am Director of the Utility of the Future ("UotF") organization. I have been employed at O&R for 31 years, and the Director of UotF since 2015. Prior to this position I held the positions of Director of Retail Access, and Director of

Customer Assistance. My current organization has governance and oversight for the initiatives that O&R and the Company undertakes to enhance existing capabilities and develop the tools and processes needed to support the implementation of the Company and State energy policy goals. The UotF group is responsible for informing and bringing together other functional groups to implement New Jersey's Energy Master Plan ("EMP") and New York State's Climate Leadership and Community Protection Act ("CLCPA") requirements consistently across the Company. The UotF organization consists of three primary teams including a Markets and Regulatory Team, a Distributed Energy Resource Integration Team, and a newly created Electrification Portfolio Management Team created to coordinate and align the Company's efforts on the electrification of transportation, heating, and gas. I hold a Bachelor of Arts degree in Political Science from Moravian College.

A. (Picariello) I am Section Manager of UotF's newly created Electrification Portfolio Management Team since June 2020. The team is responsible for developing strategy and managing programs to enhance the electrification of transportation and heating to support a clean energy future, while maintaining the safety and reliability of O&R's gas and electric systems. Prior to my current role, beginning in January 2018, I worked as a Project Specialist in UotF's Distributed Energy Resources Integration Team developing the Company's energy storage strategy and managing non-wires alternatives and demonstration projects. Prior to joining O&R, I worked in business strategy, performance management, and gas

operations for Pacific Gas & Electric, and began my career in engineering, operations, and maintenance roles in pumped-storage hydroelectric and combined cycle gas-fired power plants in Massachusetts and Virginia. I hold a Bachelor of Science degree in Mechanical Engineering from the University of Delaware, and Masters of Business Administration degree from the University of California at Davis.

(Sudhakara) I am the Director of Demonstration Projects since November 2019, and my responsibilities include leading CECONY's portfolio of clean transportation initiatives that seek to facilitate charger deployment and off-peak charging, demonstration project efforts that test new utility business models, and strategic channel engagement efforts that work with stakeholders and regulators in areas of clean energy and customer-side solutions. Prior to my current role, beginning in December 2016, I was the Section Manager of Strategic Channel Engagement. Before that role, I worked as Manager of strategy for non-wires solutions as well as with CECONY's utility of the future efforts beginning in September 2014. And I worked as a Project Specialist in CECONY's Energy Markets Policy Group on wholesale market issues when I first started at CECONY in May 2012. Before joining CECONY, I previously worked for over five years in the area of efficiency of power generation (heat rate) for AES in southern California and as a consultant with GP Strategies. I have a Bachelors in Mechanical Engineering from National Institute of Technology, Karnataka, India, a Masters in Mechanical Engineering from Missouri University of Science and

Technology, and a dual Masters in Public Administration from Columbia University, New York, New York and Sciences Po, Paris, France.

II. PURPOSE OF TESTIMONY

Q. What is the purpose of the Panel's testimony?

A. The Panel supports the Company's accompanying Petition in compliance with the Board of Public Utilities' ("Board") EV Filing Order.[1] The Panel presents an overview of RECO's proposed comprehensive EV Program that is designed to comply with the EV Filing Order by furthering the adoption of EVs in RECO's service territory and supporting the attainment of the State's goals for EV deployment and the reduction of greenhouse gas ("GHG") emissions. RECO's EV program consists of six subprograms, including an outreach and education subprogram, that, when combined, are intended to reduce the costs to customers of owning and operating EVs, increase consumer awareness of EVs, reduce range anxiety, and encourage charging behavior which limits system impacts.

Q. Is the Panel sponsoring any exhibits?

A. Yes, the Panel is sponsoring the following exhibits that are incorporated as part of this testimony:

- Exhibit EVPP-1, Charger Ready White Paper;
- Exhibit EVPP-2, DCFC Incentive White Paper;
- Exhibit EVPP-3, Smart Charge White Paper;

[1] *I/M/O Straw Proposal on Electric Vehicle Infrastructure Build Out*, BPU Docket No. QO20050357, Order Adopting the Minimum Filing Requirements for Light-Duty, Publicly Accessible Electric Vehicle Charging (dated September 23, 2020) ("EV Filing Order").

- Exhibit EVPP-4, EVolved REcharge White Paper; and
- Exhibit EVPP-5, Outreach and Education White Paper.

Q. Please provide an overview of the components of RECO's proposed EV Program.

A. The Company is proposing a comprehensive five-year, $6.7 million program consisting of six separate subprograms described below. These six programs contain capital and regulatory asset components, which are detailed in the Accounting Panel testimony.

1. **Charger Ready Program** – This five-year, $4.8 million program will provide financial incentives to help offset the costs of public and workplace Level 2 ("L2") and Direct Current Fast Charging ("DCFC") EV charging infrastructure, to increase charger deployment and address EV owner range anxiety. The details of the Charger Ready Program are set forth in Exhibit EVPP-1.

2. **Voluntary Time-of-Day Rate Option for Residential Customers** – The Company will offer a Voluntary Time-of-Day ("TOD") Rate as a residential rate option under SC No. 1 to customers who place their whole house usage under such rate. The Voluntary TOD Rate will encourage EV charging and other home energy consumption at times that assist in the management of the system peak by offering reduced rates. The Company projects the cost to implement the Voluntary TOD Rate to be $55,000. The details of the Voluntary TOD Rate are set forth in the direct testimony of the Rate Panel.

3. **Direct Current Fast Charging ("DCFC") Incentive Program** – This five-year, $377,362 DCFC Incentive Program will offer a per-plug incentive to reduce DCFC operational costs, thus encouraging deployment of these stations. The details of the DCFC Incentive Program are set forth in Exhibit EVPP-2.
4. **Smart Charge Program –** This five-year, $625,625 Smart Charge Program provides incentives to participating customers who charge their EVs off-peak anywhere in the RECO territory as captured by the Smart Charge device. The details of the Smart Charge Program are set forth in Exhibit EVPP-3.
5. **EVolved REcharge Program** – This five-year, $243,760 EVolved REcharge Program introduces participating residential customers with in-home chargers to the benefits of managed charging. The details of the EVolved REcharge Program are set forth in Exhibit EVPP-4.
6. **Outreach and Education Program** - This five-year, $577,500 Outreach and Education Program will increase consumer awareness of EVs, reduce range anxiety by providing publicly accessible charger locations and educating customers on available EV models and ranges, and encourage charging behavior which limits system impacts. The details of the Outreach and Education Program are set forth in Exhibit EVPP-5.

Q. What is the duration of the EV Program?

A. RECO proposes that the EV Program be in place for five years following Board approval.

Q. How will these subprograms assist New Jersey in meeting its clean energy goals?

A. Consistent with the State Energy Master Plan ("EMP"), the EV law,[2] and the Global Warming Response Act ("GWRA") 80x50 Report,[3] RECO's EV offerings will encourage transportation electrification which will help achieve the State's clean energy goals. RECO's proposed EV Program is designed specifically to support RECO's customer base and the recommendations of both the EMP and GWRA 80x50 Report to increase EV adoption rates until all sales of light-duty vehicles are electric by 2035.[4] The proposed budgets and targets are based on support for 16,500 EVs in the RECO territory by 2025. The Company's proposed offerings support adoption of EVs in all sectors of New Jersey's economy, including by low-income customers and those customers residing in overburdened and environmental justice communities – those most impacted by air pollutants and GHG emissions.

Q. What experience has RECO leveraged in the design of the EV Program?

A. The Company is leveraging the experience of its affiliates, O&R and CECONY. The proposed programs build upon the experience of designing their New York EV programs and incorporate lessons learned. By modeling RECO's programs on these New York programs, the Company can avoid certain start up and administration costs, thereby reducing customer bill impacts.

[2] Title 48. Chapter 25. (New) Electric Vehicles §§1-11 - C.48:25-1 to 48:25-11.
[3] New Jersey Department of Environmental Protection (NJDEP) New Jersey's Global Warming Response Act 80x50 Report, released October 15, 2020 (GWRA 80x50 Report)
[4] GWRA 80x50 Report, p. 9-10, reiterating the EMP's finding in the Least Cost Scenario.

Q. Will the Company's proposed EV Program support the growth of New Jersey's green economy?

A. Yes, RECO's proposed EV Program supports the EMP's Clean Energy Innovation Economy by facilitating the growth of the jobs and skill sets necessary to achieve the State's green economy. Implementing the EV Program will require support from a diverse set of internal and external workers. Some examples of the work required to build out the charging infrastructure to supply the electrified transportation sector will include: marketing and selling public and private EV chargers; planning for and implementing electric infrastructure upgrades; installing public and private charging stations; monitoring, operating and maintaining the chargers; and supporting fleet operators as they transition to an electric fleet.

Q. Please discuss the flexibility that the Company is proposing for implementing the EV program.

A. The Company is proposing a flexible program that will allow the Company to address the evolving EV market needs, technology, and consumer behavior by shifting budgets among offerings or programs over the five-year term of the EV Program. RECO requests the ability to shift funds into a better performing program from a lesser performing program. This will allow for continued EV market growth, especially given the relatively nascent nature of EV infrastructure programs.

Q. Will the EV Program provide customer and societal benefits?

A. Yes, RECO's EV Program will have customer and societal benefits. Reduction in GHG emissions from transportation is critical to meeting the State's 80x50 emission reduction goal. The New Jersey Department of Environmental Protection's ("NJDEP's") GWRA 80x50 Report stated: "In order to promote and support the increased adoption of electric vehicles, it is urgent that New Jersey pursue a significant and visible buildout of public electric vehicle charging stations."[5] The Charger Ready program will assist in accelerating the build out of EV charging stations by reducing economic barriers through lowering upfront capital costs for new EV charger installations as well as increasing workplace and publicly accessible charging infrastructure. The Smart Charge, EVolved REcharge, and Voluntary Time-of-Day programs are managed charging offerings designed to encourage off-peak consumption, which will allow the Company to optimize the electric grid by shifting EV electric consumption to periods of low demand. The education and outreach offerings (including Ride and Drive events, dealership and municipal engagement, and advisory services) will increase customer awareness of EVs and charging availability, address range anxiety, and ultimately encourage EV adoption.

Q. Please explain how the EV Program would mitigate certain barriers for EVs.

A. There are numerous barriers that impede EV purchases, some that utilities can assist with, and others that utilities cannot. The EV Program is intended to address the barriers that the Company can assist in removing, including: decreasing range

[5] GWRA 80x50 Report, Executive Summary at p. x

anxiety through facilitating building of more visible and widespread charging infrastructure, increasing publicly available charging stations for customers without access to in-home charging, decreasing charging costs through incentives and lower rates during periods when the grid has spare capacity, and increasing consumer awareness of available EV models and potential savings opportunities. Other market participants, such as automobile original equipment manufacturers ("OEMs"), EV dealers, and charging station developers and operators, play a pivotal role in encouraging EVs, in aspects of the market where the utility does not have direct control.

Q. Please explain how RECO's proposed EV Program will address range anxiety and increase publicly available charging stations.

A. Education and Outreach materials will inform customers on the location of available chargers. The Company will update the RECO Education and Outreach materials to include available charging stations as they commence service to further reduce range anxiety. The Education and Outreach materials will be targeted to encourage the deployment of charging infrastructure in locations where utilization is likely to be highest, and in areas which are underserved. Those locations may include multi-family and multi-use complexes, shopping centers, and major travel corridors.

Q. What about addressing charging costs on the developer/operator side?

A. Developers of charging stations suggest that based on the low penetration level of EVs, the cost of operating DCFC stations is uneconomical, particularly due to low

station utilization. These developers note that once EV penetration levels increase, market conditions will improve, and more stations will be built that become both operational and economical. The DCFC Incentive Program is intended to address this issue by effectively lowering operating costs that can offset demand charges in the near- to medium-term while station utilization increases to levels where such support can be lowered or eliminated.

Q. Is RECO proposing any managed charging initiatives to reduce customer costs for EV charging?

A. Yes. To reduce overall customer costs and minimize the increase in system peaks, customers need to charge off-peak. RECO's programs are aimed at developing customer off-peak charging behavior. For example, RECO proposes a Voluntary TOD Rate so customers pay no more than the otherwise applicable rate for off-peak charging. To supplement the Voluntary TOD Rate, RECO's proposed Smart Charge offering will provide customers with monetary rewards for charging during off-peak times.

In addition, RECO's EVolved REcharge managed charging program will offer participating residential customers who purchase an in-home charger on the Company's online store with an incentive at the time of program enrollment and annual performance payments if the customer charges during off-peak times.

Q. Is RECO proposing any programs to offset developer costs for installing charging stations?

A. Yes. RECO's proposed Charger Ready program will offset these expenses by covering a percentage of the costs that customers would otherwise be responsible for. Publicly accessible charging stations with standard plugs may receive an incentive up to 90 percent of the eligible charger ready costs and may receive up to 100 percent of the eligible charger ready costs if located in an overburdened community. Plugs that are not publicly accessible and not standard, but meet all other eligibility criteria, may receive an incentive up to 50 percent of the eligible charger ready costs.

Q. What do you mean by "publicly accessible"?

A. As discussed by the EV Filing Order (p. 17), RECO will define this term as follows:

> "Publicly-accessible charging" means a charger located on public land, a community location, or a travel corridor. Such chargers are owned and operated by site owner, property manager or management company, EVSE Infrastructure Company or, in limited cases, an EDC that is accessible to the public 24 hours a day, seven days a week; however, generic parking restrictions or requirements, such as in a commercial garage, or emergency restrictions, including construction, street cleaning, etc., are not applicable. Such chargers may charge the EV owner a fee for charging; such fees will be clearly displayed to the user.

Q Please discuss the Company's proposed Outreach and Education Program.

A. RECO is proposing a customer outreach and education program aimed at increasing awareness of EVs and the benefits of EVs among the customers in its service territory. The outreach and education offering will also support local dealerships in informing potential EV customers of charging options and costs at the point of sale. This work will support New Jersey's goal to develop an EV Ecosystem where multiple stakeholders cooperate to enhance EV adoption and overall growth of the EV marketplace.

Q. Are there other Charger Ready models which recognize the important role utilities can play in deploying EV chargers in other states?

A. Yes. Other EV make-ready programs – including those in California, Massachusetts, and New York – recognize the important role utilities can serve in encouraging EV adoption. These programs demonstrate that a successful implementation not only requires adequate make-ready infrastructure incentives (in the 90 to 100 percent range) combined with incentives to lower operating costs, but also the program flexibility to adapt to an evolving market, constantly improving technologies, and changes in consumer behavior within a pre-defined budgetary and program design.

III. EV Programs

A. Charger Ready Program

Q. Please discuss the features of the proposed Charger Ready program.

A. The Charger Ready Program will address developer infrastructure costs by providing an incentive to offset the eligible costs incurred by a participant to install the charger, excluding the cost of the charger itself.

Q. What do you mean by incentives and eligible costs?

A. Generally, once the Company receives an application for the installation of DCFCs and L2 EV chargers, the Company will review the application to determine, under existing rules, what the Company pays for and what the customer pays for.

Q. What does the Company generally pay for under existing rules?

A. Typically, the Company is responsible for the design, installation, operation, and maintenance of utility-sided infrastructure.

Q. Are some utility costs charged to customers?

A. Yes. When the utility-sided costs exceed the entitlement provided in the Company's electric tariff, the customer would be responsible for those costs as well.

Q. What does the customer generally pay for?

A Typically, the customer is responsible for the design, installation, operation, and maintenance of the Customer-sided infrastructure – including the charging station itself.

Q. How does the Charger Ready program propose to modify this customary allocation of costs for utility-sided infrastructure?

A. Under the Charger Ready Program, RECO will provide incentives to offset certain EV Ecosystem costs. RECO will pay 100 percent of the eligible utility-sided infrastructure costs (in excess of the infrastructure costs covered by the Company's entitlement provisions in its tariff) for plugs which are standard, publicly accessible, and meet all other eligibility requirements. RECO will pay 50 percent of the costs for utility-sided infrastructure costs (in excess of the infrastructure costs covered by the Company's entitlement provisions in its tariff) for plugs which are not standard, nor publicly accessible, but meet all other eligibility requirements. Consistent with current practice, the Company will continue to own all utility- sided infrastructure.

Q. How does the Charger Ready Program propose to modify this customary allocation of costs for customer-sided infrastructure?

A Under the Charger Ready Program, RECO will pay up to 100 percent of the costs for customer-sided infrastructure (also known as the Make Ready portion of infrastructure) for plugs which meet all of the eligibility requirements and are sited in overburdened communities; up to 90 percent of the eligible customer-sided infrastructure costs for plugs which meet all of the eligibility criteria, but are not sited in an overburdened community; and up to 50 percent of the eligible costs for plugs which are not in overburdened communities, not standard, nor publicly accessible, but meet all other eligibility requirements. For more information on eligibility criteria, incentive levels, program requirements and implementation plans see the Charger Ready White Paper included as Exhibit EVPP-1.

Q. Will the Charger Ready Program alter the customary ownership model for customer-sided infrastructure?

A. No. Customers will continue to own customer-sided infrastructure. In addition, customers will continue to be responsible for the design, construction, and installation of customer-sided infrastructure.

Q. What is the proposed cost and size of this program?

A. The Company proposes a five-year $4.8 million Charger Ready Program and is targeting to provide incentives to 30 DCFC plugs and 434 L2 plugs.

Q. Why is the Company proposing to cover only a portion of third-party participants' costs under the Charger Ready Program?

A. A public-private partnership is critical to enabling the EV Ecosystem in New Jersey. This hybrid approach is consistent with the position of both the EMP and the EV Filing Order that attracting private capital to the EV infrastructure sector will moderate the cost of achieving the State's EV ambitious goals.[6]

Q. Does the Charger Ready Program provide for any prioritization of applications?

A. Yes. The Company will process all applications it receives that meet the eligibility criteria, subject to available funding. Pending participant interest, RECO will aim to deploy at least five percent of the total target number of plugs in Sussex County, and approximately 15 percent of the total target number of plugs in Passaic County, with the remainder in Bergen County.

[6] EMP, p. 65.

In addition to allocating plugs across the three counties, RECO will prioritize deployments in other strategic locations. Site that may provide societal benefits and may not otherwise be identified by analysis of load serving capacity or charging infrastructure forecasts are one example of strategic locations. Strategic locations may include overburdened communities.

Finally, RECO will prioritize lower cost applications over higher cost applications. The Company aims to minimize the per plug cost associated with the incentivizes provided.

Q. What do you mean by "overburdened communities"?

A. As set forth in the Board's EV Filing Order, we would define this term as follows:

> "Overburdened community" means any census block group, as determined in accordance with the most recent United States Census, in which at least one half of the households qualify as low income households and either: (1) at least 40% of the residents of the census block group identify as Black, African American, Hispanic or Latino, Asian, Pacific Islander, or as members of a State recognized tribal community; or (2) at least 40% of the households in the census block group have limited English proficiency.

Q. How will RECO communicate strategic locations?

A. Once identified, RECO anticipates adding strategic location information to the Company's Charger Ready webpage. Prior to submitting a program application, Participants can reference the map to determine whether the site in question falls

into a strategic location. RECO will continue to coordinate with the Board, the State's three other electric distribution companies ("EDCs"), and other stakeholders to define overburdened areas for inclusion as strategic locations. RECO will then apply that criteria to the Company's service territory to identify eligible locations and will leverage the existing hosting capacity map to advise potential EV Program participants with information on where these areas exist. At the end of EV Program year 2, the Company will assess whether these strategic areas have sufficient charging options. If not, RECO will identify deployment barriers, and explore opportunities to address any barriers though a carveout of, or adjustments to, the existing program.

Q. Can you provide additional information on the capacity map to Participants?

A The Company will develop a Load Serving Capacity map to provide developers with information regarding areas of the system with the most available load serving capacity, thus, potential lower development costs. RECO will approach the Load Serving Capacity mapping in two phases, discussed in Exhibit EVPP-1.

Q Does the Company plan to own any charging stations?

A No. However, RECO will continuously assess infrastructure deployment across its service territory, with a particular focus on overburdened communities. If publicly accessible chargers have not been deployed in overburdened areas within 12 months of the EV Program start date, RECO will consider deploying, owning, and operating chargers in those areas as a "Last Resort." Likewise, the Company will consider deploying, owning, and operating publicly accessible chargers in

non-overburdened areas if it has not received any interest in these areas within 18 months of the program start date. If, at a future date, the Company decides to pursue the deployment, ownership, and operation of publicly accessible chargers, the Company will submit a separate filing with the Board setting forth the specifics of its proposed program.

Q Is RECO proposing a program to assist with workplace charging?

A. Yes. RECO's Charger Ready Program seeks to support increased workplace charging locations by providing an incentive for the charging infrastructure costs typically borne by the participant.

Q. Why is RECO supporting workplace charging?

A. Workplace charging has been shown to be a significant driver of EV adoption, behind vehicle model availability and public charging infrastructure.[7] Industry experts forecast that most light-duty EV charging will continue to take place either at home or at work. Given these projections, RECO proposes a carve out of approximately 10 percent of the total Charger Ready program budget to incent the deployment of Level 2 workplace plugs. The Company estimates these funds will incentivize over 100 Level 2 workplace plugs.

Q. Will the application, eligibility requirements, cost allocation process and definition of utility and customer sided equipment be the same as it is for Charger Ready?

[7] ICCT. "The Continued Transition to Electric Vehicles in U.S. Cities," p. 36.

A. Yes. With the exception that chargers under the Workplace Charger Ready Program must be located at a workplace, accessible to employees and may be accessible to the public. In addition, the Workplace Charger Ready Program is limited to Level 2 chargers.

Q: Where will a Participant go to find information on the Charger Ready program?

A: Prior to program implementation, all process steps and requirements will be defined; controls will be established so that infrastructure projects are completed safely, and a feedback mechanism will be instituted to gain insight into the customer experience to continuously improve the program. The program implementation materials, including process steps, will be communicated to potential participants and other external stakeholders through RECO's website. On RECO's website, the Company will develop a webpage which serves as a one-stop shop for all Charger Ready program documentation, including the application, program guidelines, and marketing materials.

B. <u>Voluntary TOD Rate</u>

Q. Is RECO proposing any program to affect rate design?

A. Yes. RECO is proposing the Voluntary TOD Rate, which will provide a one-year price guarantee for customers who register their EV and take service under the Voluntary TOD Rate. TOD rate structures for EV owners can encourage beneficial charging behavior by charging at off-peak times, thereby reducing both the EV owner's costs and allowing the utility to potentially defer or eliminate

capital costs required to maintain system capacity which may otherwise be associated with meeting peak demand.

Q. How can rate design support achievement of New Jersey's clean energy goals?

A. EV charging will contribute to the projected increase in New Jersey's electricity demand.[8] Redesigned electricity rate structures are a means to manage the increased usage and demand resulting from increased EV adoption.[9] Consistent with the EV Filing Order (p. 26), RECO's proposed Voluntary TOD Rate seeks to encourage proactive customer energy usage behavior at times that assist in the management of the distribution system's peak and support the modern grid.

Q. Why is RECO structuring the Voluntary TOD Rate as available to all residential customers and applicable to the whole home, rather than as an EV-specific rate?

A. Rates designed to encourage price-responsive behavior impacting the entire home can advance policy goals that benefit both the grid and all customers. The benefits of EV-specific rate design may be negated if the whole home consumption increases during the peak time. Further, EV-specific rate design imposes both cost and complexity in isolating EV-specific load patterns. A Voluntary TOD rate option is a holistic approach to encourage EV charging and other home consumption during off-peak times which benefits both the customer and the distribution system.

[8] EMP, p. 37, citing the Integrated Energy Plan's Least Cost Scenario, which projects demand to more than double by 2050.
[9] EMP, p. 38.

C. DCFC Incentive Program

Q. Please describe RECO's proposed DCFC Incentive program.

A. RECO proposes to incentivize up to 31 DCFC plugs through a declining annual per-plug incentive over a five-year period. The DCFC incentive will provide operating cost relief for five years, at which time the Company anticipates that EV adoption, and consequently, charger use, will increase to a point that the operating cost economics of deploying a charger are sustainable, without subsidies. The DCFC Incentive Program is discussed in Exhibit EVPP-2. The cost of the program is $377,362, which RECO proposes to recover as a regulatory asset, as discussed by the Accounting Panel.

Q. Which plugs can qualify for the program?

A. The incentive is only available to DCFC plugs. In addition, the DCFC plugs must be publicly accessible, new projects and applicants must be on a demand-based rate.

Q. Will proprietary plugs be eligible for the incentive?

A. Proprietary plugs which are co-located with an equal number of non-proprietary plugs (of equal or greater charging capacity), will be eligible. DCFC plugs must be capable of dispensing a minimum of 50 kW.

D. Smart Charge Program

Q. What is the Smart Charge Program?

A. The Smart Charge Program will use price-based management techniques, such as offering incentives, to motivate EV owners and operators to charge their EVs during off-peak times. This program is discussed in Exhibit EVPP-3.

Q. How will the Smart Charge Program incentivize EV owners to charge during off-peak times?

A. RECO customers who participate in the program will be provided with a tracking device to plug into their vehicle. This tracking device will register charging location and time of charging. Customers will receive an incentive for charging in RECO's service territory during off-peak times.

Q. What is the scope of the Smart Charge Program?

A. The program will target to distribute up to 650 devices over the EV Program's five-year term.

Q. Will the Company modify the incentives available to customers participating in the Smart Charge program if they also participate in other Company programs?

A. Yes. Customers who opt to take service under the Company's proposed Voluntary TOD Rate and also enroll in the SmartCharge program will receive reduced incentives from the SmartCharge program to account for the savings realized through the Voluntary TOD Rate. Similarly, customers who participate in the Company's EVolved REcharge program and also enroll in the SmartCharge program will receive reduced incentives from the SmartCharge program to account for the benefits realized through the EVolved REcharge program.

Q. What is the projected cost of the Smart Charge Program?

A. The Company projects that the Smart Charge Program will cost $625,625.

E. EVolved REcharge Program

Q. Please describe the EVolved REcharge Program.

A. To encourage EV adoption and showcase the benefits of managed charging, RECO's proposed EVolved REcharge Program will provide an enrollment incentive to participating residential customers who purchase an in-home charger from the Company's online store, and annual performance incentives thereafter if the customer charges during off-peak times. When plugged into the home charger, the customer's EV will automatically be charged at beneficial times. The RECO EVolved REcharge Program is designed to incentivize 500 customers. The goal of this managed charging offering is to encourage EV charging at times that are beneficial to the electricity grid. The EVolved REcharge Program will be administered by a third-party vendor. This program is discussed in Exhibit EVPP-4.

Q. Are all residential customers eligible to participate in the EVolved REcharge Program?

A. To be eligible, a residential customer must install the charger purchased on the ORU Store at the residence where the customer receives RECO service. In addition, the customer must have an always on Wi-Fi network installed at the residence and agree to share charging data with the Company.

Q. Please discuss the costs of the EVolved REcharge Program.

A. The five-year program cost of $243,760 includes the enrollment and annual incentives for 500 EV chargers and additional costs for the third-party vendor's software and data. The program costs will be recovered through a regulatory asset, as more fully discussed in the Accounting Panel's direct testimony.

F. <u>Outreach and Education Program</u>

Q. Please describe the Company's proposed Outreach and Education Program.

A. RECO proposes a comprehensive, five-year, $577,500 program that contains a variety of outreach and education activities including:

- Ride and Drive Events;
- Offering an online EV Advisor that contains New Jersey-specific incentives and helpful EV ownership information;
- Dealership Engagement;
- Municipal Engagement; and
- Electric Fleet Support.

Each of the outreach and education programs are discussed in more detail in Exhibit EVPP-5.

Q. Please describe and explain the benefits of RECO-sponsored Ride and Drive Events.

A. Education and outreach are critical to facilitate increased EV adoption, expanding the EV marketplace, and achieving New Jersey's clean energy goals. To support these goals, RECO proposes to sponsor EV Ride and Drive events, at which prospective EV owners can test drive EVs, speak with EV owners, and learn

about EV ownership. RECO proposes to facilitate two events per year. During the event, RECO personnel will be available to discuss EV charging and the availability of rate options – a benefit that generally is not available at a dealership or non-utility sponsored event. RECO will leverage the experience of its corporate parent, O&R, to develop and host the Ride and Drive Events. O&R has hosted multiple successful events, receiving positive feedback after each event. The Ride and Drive events will provide the Company an opportunity to connect with customers, obtain feedback, and adjust programs to meet customer needs.

Q. Please discuss the online EV Advisor.

A. O&R has deployed an online EV Advisor that is currently available to its customers. RECO will update this tool, at minimal cost, to assist its customers. The EV Advisor is an online tool that allows customers to compare different EV models, estimate fuel savings and environmental benefits from switching to an EV, identify charging locations, and learn about charging options. The EV Advisor has an interactive quiz that pairs a customer with EVs that best fit the customer's needs based on customer inputs (*e.g.*, commuting miles, parking availability and potential purchase price). In addition, an interactive EV calculator compares a customer's internal combustion engine ("ICE") vehicle with the latest EV models. The interactive calculator uses customer-specific inputs (*e.g.*, daily driving miles, ICE vehicle's mileage per gallon, and cost per gallon) to estimate fuel cost savings and environmental benefits from switching to

an EV. In addition to informing customers about the benefits of a variety of different charger types, the EV Advisor also identifies the locations of publicly accessible chargers.

Q. What changes does the Company propose to make to the current EV Advisor tool to engage RECO customers?

A. The EV Advisor provides federal, New York State and O&R-specific incentives and rebates available to customers. As part of RECO's EV Program, the Company proposes to update the EV Advisor to include New Jersey incentives and rebates, as well as those RECO-specific incentives and rebates approved by the Board through this filing. The updated EV Advisor will offer the Company's customers a one-stop shop for locating and understanding available incentives. The Company will also enhance the online EV Advisor to include a separate landing page to direct New Jersey customers to information on state-specific rebates.

Q. What additional outreach opportunities are associated with the EV Advisor?

A. In addition to the EV website, the Company will leverage digital communications to provide unique tips to EV owners through home energy reports and Advanced Metering Infrastructure ("AMI") tips. RECO proposes to use a Home Energy Analysis tool to identify EV customers and an EV Marketing module to communicate the benefits of driving an EV and to educate customers on its Voluntary TOD Rate (if approved). The Company established a designated email address where RECO's customers can send their EV-related questions. Customer

inquiries will provide RECO with direct insight into EV customer wants, needs, and pain points, and help inform the design of future EV programs.

Q. Please describe the Company's plans for EV Dealership Engagement.

A. RECO will work with EV dealerships to provide a better EV experience for prospective EV buyers. A customer's EV experience often begins at the dealership. The Company can leverage its suite of marketing materials and complement its EV education and outreach initiatives by providing information related to EV ownership (*i.e.*, charging options, available incentives and rebates, and estimated charging costs) at the point of sale. Coordinating with and having a presence at EV dealerships will deliver a holistic education and outreach program that meets the potential EV owner at all the points where the customer is contemplating and seeking to understand EV ownership.

The Company will leverage existing relationships with EV dealership coalitions to develop programs that will engage dealerships to increase EV education and adoption.

Q. Please explain the Company's proposed program for EV dealership engagement.

A. RECO will offer educational events to EV dealerships on the available incentives and programs offered by the Company (*e.g.*, SmartCharge, EVolved REcharge Program), the State, and others. The Company can also use this opportunity to provide a high-level overview of the Company's rates. In addition, the Company can educate dealers on the benefits of charging EVs at off-peak times.

The Company will also develop educational materials which EV dealerships can provide to prospective EV owners, which will include information regarding: available electricity rates offered by RECO; the best time to charge to minimize charging costs; purchasing and installing an in-home charger; and locating and using public chargers.

The Company will offer a pilot program in which it will partner with a limited number of dealers to deploy an interactive kiosk at EV dealerships so that customers can explore EVs on their own as they wait. RECO will target to deploy a limited number of kiosks during the five-year program term, track usage and other performance metrics and expand this pilot if successful.

Q. Please explain RECO's approach to municipal engagement.

A. Municipalities can play an important role in the electrification of transportation. Increasing the deployment of EV charging infrastructure is a key step in moving forward to encourage greater municipal engagement and increase adoption of EVs. Working with and supporting municipalities as they seek to understand zoning and permitting laws and requirements is one way that RECO can partner with municipalities. In addition, RECO will offer its suite of education and outreach materials to inform municipalities on the EV industry, electric considerations, and planning of EV infrastructure. RECO will also leverage this opportunity to work with local municipalities to explore opportunities for deploying EV fleets.

The Company can participate in municipal events and home shows, such as Mahwah Day, to educate residents about the benefits of EVs, available incentives and rebates, and the types of chargers available; and to disseminate printed information that customers can refer to as a resource. These events also present an opportunity to market Ride and Drive Events, showcase RECO's online EV Advisor, discuss available electric rates that may benefit an EV owner, and answer questions about EV charging via in-home and publicly accessible chargers.

Q. Please explain the Company's approach to assisting fleet owners.

A. Electrification of fleets is important to meeting the State's greenhouse gas emissions reductions goals. While the GWRA 80x50 Report recommends that governments should "lead by example" and electrify their fleets, the Company can support all fleet owners in their transition, particularly with respect to the impacts of charging behavior on their utility bill and deploying chargers in beneficial locations that minimize installation costs and reliability impacts to the grid. The Company can provide a website dedicated to fleet electrification that will assist fleet owners and operators with their analysis.

Q. Please explain the benefits of RECO-sponsored outreach and education programs.

A. RECO is uniquely positioned to leverage the Company's role as a trusted energy advisor to facilitate the adoption of EVs through outreach and education. For example, RECO can provide objective tools – such as an EV Advisor – to help customers compare EV models, estimate and compare fuel costs to ICE vehicles,

understand the environmental benefits of switching to an EV, and find charging locations. RECO has built on the lessons learned from both its corporate parent, O&R, and its affiliate, CECONY, to develop these outreach and education programs. Further, as O&R continues to implement its current EV programs and deploy new ones, RECO will incorporate lessons learned and refine its specific outreach and education materials and related offerings.

Q. Does this conclude the Panel's direct testimony?

A. Yes.

EXHIBIT EVPP-1

2021 – Utility of the Future – Electric Vehicles

Project/Program Title	Charger Ready Program
Project/Program Manager	Brian Picariello
Project/Program Number	TBD
Hyperion Project Number	TBD
Organization's Project Number	TBD
Status of Project	Initiating
Estimated Start Date	2021
Estimated Completion Date	2025
Work Plan Category	Regulatory Filing

Work Description

Introduction

As part of Rockland Electric Company's ("RECO" or the "Company") comprehensive, five-year program for electric vehicles ("EVs") ("EV Program") designed to facilitate the adoption of EVs in RECO's service territory and support attainment of the State's goals for EV deployment and greenhouse gas emissions reductions, RECO is offering a Charger Ready Program. The objective of the $4.8 million Charger Ready Program is to encourage the deployment of charging stations for light-duty EVs by reducing the upfront cost of the electric infrastructure and equipment necessary to build the charging stations to support increased EV adoption. This program will seek to offset certain infrastructure costs associated with preparing a site for EV charger installation in RECO's service territory by providing an incentive to qualifying projects.

The infrastructure required to make a site ready for EV charging can be a significant and sometimes uncertain cost requiring investments in both utility-sided and customer-sided (or "Make Ready") infrastructure. RECO proposes a Charger Ready Program whereby the Company facilitates the installation of both Level Two ("L2") and Direct Current Fast Chargers ("DCFC"). This program will allow the Company to reduce the EV charging infrastructure costs incurred by a customer via an incentive to cover a significant portion of those infrastructure costs.

Due to the low penetration of EVs in the current marketplace, there is low utilization of publicly accessible chargers. This low utilization is a major reason why business models for chargers are not yet economical. RECO's Charger Ready Program comports with the Board of Public Utilities' ("Board") directive that there are appropriate roles for both third parties and electric distribution companies ("EDCs") in the deployment of charging infrastructure.[1] RECO's Charger Ready Program is consistent with this model by providing financial support to third-party owners which can facilitate charger availability.

[1] *I/M/O Straw Proposal on Electric Vehicle Infrastructure Build Out*, Docket No. QO20050357, Order Adopting the Minimum Filing Requirements for Light-Duty, Publicly Accessible Electric Vehicle Charging (dated September 23, 2020).

In addition, RECO's Charger Ready Program further supports the deployment of charger infrastructure in overburdened areas. To the extent that these areas are identified in the RECO service territory, the Company proposes to offer a larger incentive to projects sited in these areas.

Under the Charger Ready Program, RECO is proposing to reimburse a Participant (as defined below) a percentage of the cost that would typically be borne by a Participant for the combined utility-sided and customer-sided infrastructure costs. In addition to utility-sided costs, RECO proposes to incentivize and recover customer-sided costs, which are arguably a larger barrier to charger deployment than utility-sided costs. The Company will not reimburse =the costs of the DCFC or L2 chargers.

Utility-sided infrastructure includes equipment typically owned and operated by the EDC, which is required to establish a point of interconnection for the customer's service. Such investment may include the installation of a pad mounted transformer and/or circuit/distribution system upgrades needed to accommodate the additional customer load. As defined below, utility-sided costs include the costs for utility-sided equipment, which are in excess of the customer's entitlement and that would typically be borne by a Participant.

Customer-sided (or "Make Ready") infrastructure includes investments made by the customer for infrastructure and equipment that is typically customer-owned. This type of equipment may include service panels, junction boxes, conduit, and wiring necessary to make a location able to accommodate EVSE on a "plug and play" basis. The customer will own the equipment and be solely responsible for its operation and maintenance.

The Company will capitalize and depreciate all utility-sided infrastructure costs consistent with other utility capital infrastructure investments. The Company will recover the amounts that it pays for customer sided infrastructure and implementation costs through a regulatory asset.

As described below, the Company will provide an incentive to the customer for up to 100, 90, or 50 percent of the eligible costs incurred by the customer for installation of EV charger-ready costs.

Definitions:

- Community location – A charging location that is not a travel corridor location and that is established in a town center, commercial area, or retail center or near concentrations of multifamily dwellings to provide vehicle charging services to local plug-in electric vehicle drivers near where they live and work.
- Customer – An entity taking electric utility service from the Company.
- Developer – An entity for designing, constructing and commissioning an EV charger site. This entity may also be responsible for owning, managing and operating the chargers.
- Equipment owner – The entity that purchases and owns the EV charging equipment once it is installed.
- Networked plug – A station that allows for network interoperability (*i.e.*, a charging station must be able to share and readily use information securely and effectively with two or more networks, systems, devices, applications, or components with little or no inconvenience to the user).

- Overburdened community – Any census block group, as determined in accordance with the most recent United States Census, in which at least one half of the households qualify as low income households and either: (1) at least 40% of the residents of the census block group identify as Black, African American, Hispanic or Latino, Asian, Pacific Islander, or as members of a State recognized tribal community; or (2) at least 40% of the households in the census block group have limited English proficiency. Overburdened community is synonymous with the previously used term "Equity Area."
- Participant – An entity that applies for and receives incentives through the Charger-Ready Program. A Participant may include a developer, contractor, equipment owner, site host, customer, or other entity.
- Publicly accessible plug – A plug located on public land, a community location, or a travel corridor. Such chargers are owned and operated by site owner, property manager or management company, or, in limited cases, an EDC that is accessible to the public 24 hours a day, seven days a week; however, generic parking restrictions or requirements, such as in a commercial garage, or emergency restrictions, including construction, street cleaning, etc., are not applicable. Such chargers may charge the EV owner a fee for charging; such fees will be clearly displayed to the user.
- Site Host – The owner of the site on which the EV charging equipment is installed. The site host may or may not be the equipment owner.
- Standard plug – For DCFC, plugs which are non-proprietary, or stations where a proprietary plug type is collocated at a station with an equal number of non-proprietary plug types of equal or greater charging capacity. For L2, only plugs that are non-proprietary, such as SAE J1772 plugs.
- Travel corridor – Heavily used public roads as designated by the New Jersey Department of Environmental Protection, which shall include, but need not be limited to, the Garden State Parkway, the New Jersey Turnpike, the Atlantic City Expressway, federal interstate highways, and the subset of federal or State roads which collectively support the majority of long distance travel through and within the state, as well as the majority of daily travel by local drivers.

Scope

RECO plans to provide up to $4.8M in incentives to encourage deployment of EV charging infrastructure in the Company's service territory. To determine the program budget, RECO assumed five percent of the State target of 330,000 EVs based on the proportionate number of customers in its service territory. This results in a target of about 16,500 EVs on the road in the Company's territory. With this budget, RECO targets to deploy over 400 L2 plugs and 30 DCFC plugs. The Company estimates that the DCFC plugs will be located across 5-7 sites, and the L2 plugs will be located across 50-100 sites. Upon the Board's approval of this program, RECO proposes to incentivize Participants for a percentage of EV infrastructure costs incurred to deploy new L2 and DCFC charging stations.

Currently, there are 39 plugs across 12 sites in RECO's service territory. One of the sites offers DCFC charging capability (two plugs) and L2 charging capability (two plugs), while the

remaining 11 sites offer L2 charging capability only (35 plugs). RECO has not provided make-ready incentives for any of the existing charging sites in the Company's service territory.

Eligible Costs

The intent of the Charger Ready Program is to reduce Participants make ready costs. In designing the program, RECO has identified the following critical cost components associated with providing service for EV charging infrastructure.

1. **Utility-Sided costs** – costs exceeding the entitlement, for equipment which is typically EDC-owned and operated and may include traditional distribution infrastructure such as step-down transformers, overhead service lines, and the utility meter.
2. **Customer-Sided (or "Make Ready") costs** – costs for equipment which is typically customer-owned and operated, and includes conductor, conduit, trenching, panel(s), service board(s), and customer transformer(s)/pad(s), if needed.

Costs that RECO will not pay for or incentivize include the EV charger itself and associated equipment such as power blocks, modules, mounting hardware and pedestal and may also include co-located distributed generation and/or energy storage systems. This equipment is typically customer-owned and operated.

Eligibility Requirements

A project must satisfy the following requirements to receive an incentive through the Charger Ready Program.

1. Approved Application: Prospective Participants must submit an application on the RECO website detailing the proposed EV charging project. RECO will review, evaluate, and as appropriate, approve applications.

2. Station Maturity: Construction of the EV charging station must have commenced after the program's effective date.

3. Locational Capacity: EV charging stations must follow capacity guidelines which include:

    a. Charging stations must have a minimum of two plugs. The number of two-plug stations that can receive incentive through the Charger Ready Program is limited to no more than 25 percent of the target number of plugs within the RECO service territory.

    b. For DCFC stations, the number of plugs eligible for the incentive will be defined as those plugs capable of simultaneously charging at 50 kW or greater.

    c. DCFC stations with more than ten plugs and/or demand in excess of 2MW will only be allowed to participate in the Charger Ready Program if development of the site does not cause RECO to incur new business costs greater than the cost that would be incurred to develop a site with a maximum demand of 2MW.

d. The number of plugs at locations in excess of ten plugs cannot exceed 50 percent of RECO's target number of plugs proposed in the EV Program.

4. Other:

a. DCFC stations must comply with Federal Americans With Disabilities Act guidelines.

b. Publicly accessible chargers (*i.e.*, those not located at workplaces) must be listed on the U.S. Department of Energy Alternative Fueling Station Locator.

Incentive Levels

RECO will provide make-ready incentives, in the form of a rebate, to Participants following the criteria and levels described in Table 1. As evidenced by the incentive structure, RECO proposes to encourage the deployment of publicly accessible plugs which can charge all makes and models of EVs and to provide a premium for plugs deployed in overburdened or otherwise underserved areas.

No single Participant shall receive incentives equal to or greater than 50 percent of the Company's total make-ready incentive budget. Pending applicant interest, RECO will aim to deploy at least five percent of the plugs in Sussex County, 15 percent of the plugs in Passaic County, and the remaining 80 percent in Bergen County. The Company will evaluate these constraints following the second full year of program implementation to determine whether they should be expanded to encourage deployment of additional chargers.

Table 1 - Incentive Levels

Incentive Levels	Tier 1	Tier 2	Tier 3
Utility-side Incentive level	100%	100%	50%
Customer-side Incentive level	up to 100%	up to 90%	up to 50%
Incentive Criteria			
Overburdened location	Yes	No	No
Standard plug	Yes	Yes	No
Publicly accessible plug	Yes	Yes	No
Meets all other Eligibility Requirements*	Yes	Yes	Yes

*****This includes the requirements defined in Eligibility Requirements section above.

Examples of Tier 1 and Tier 2 locations may include retail locations, rest stops, town centers, restaurants, and others which are publicly accessible and/or in an overburdened or otherwise underserved area. Examples of Tier 3 locations may include private establishments, such as golf courses and others where dwell time may be significant, but the plug is not available to the public.

Prioritization

The Company's plug deployment efforts will focus on the development of charging infrastructure where it is most cost-effective and provides the most benefit to RECO's customers. RECO's efforts will leverage the following approach:

1. **Load Serving Capacity Map**: One of the strongest predictors of low-cost EV charging infrastructure is the capacity of the electric distribution system to accommodate the additional charging load without significant upgrades. To make this information available to developers, the Company will develop a Load Serving Capacity map to provide developers with information regarding areas of the system with available load serving capacity. RECO will approach the Load Serving Capacity mapping in two phases: Phase 1 will consist of basic calculations to provide simple load serving capacity at the feeder level. Phase 2 will automate load calculations leveraging the Company's DRIVE tool. By leveraging the load serving capacity maps, developers will be able to identify more easily areas of lower-cost infrastructure development.

2. **EV Charging Infrastructure Forecast**: The Charging Infrastructure Forecast will assist in identifying areas in the Company's service territory where the need for EV charging infrastructure is anticipated. This internally developed forecast will consider inputs such as customer type and existing and anticipated EV ownership to identify areas of potential EV-driven load growth. The forecast will be used to inform the Company's Capital Planning process and target and prioritize outreach and education efforts to developers and site hosts, with a focus on smaller businesses which otherwise may be unfamiliar with the details of the Charger-Ready Program. The Forecast will inform RECO's outreach and education activities to increase EV and EV infrastructure awareness and ultimately, drive EV adoption through the availability of public charging infrastructure development.

3. **Strategic Locations**: RECO will prioritize deployments in strategic locations which are sites that may provide societal benefits and may not otherwise be identified by analysis of load serving capacity or charging infrastructure forecasts. Strategic locations may include LMI areas, environmental justice areas, or otherwise overburdened communities. Once identified, RECO will add strategic location information to the Company's hosting capacity maps. Prior to submitting a program application, Participants will be able to reference the maps to determine whether the site in question falls into strategic location and may be eligible for a larger incentive. RECO will continue to coordinate with the Board, the other New Jersey EDCs, and other stakeholders to further identify overburdened areas. RECO will then apply that criteria to the Company's service territory to identify eligible locations.

RECO will also leverage these three measures to focus outreach and education efforts.

Program Implementation

To implement the Charger Ready Program expeditiously, RECO will leverage existing business processes and systems. However, in some cases, the processes and tools needed do not currently exist and RECO will need to develop them to administer and manage the Charger Ready Program. Generally, program implementation processes fall into the following five project phases: (1) Application & Eligibility Determination, (2) Design & Engineering, (3) Incentive Estimation, (4) Construction & Energization, and (5) Monitoring, Verification & Reporting.

Application Review and Eligibility Determination

Entities wishing to participate in the Charger Ready Program will be required to apply for the program via the Company's online application portal. Information regarding the portal, the application process, program eligibility and incentives, and other program information may be found on RECO's Charger Ready landing page, which will be available at the start of the program. RECO will also provide Participants with information related to the Charger-Ready queue, reserved incentives, and remaining incentives. RECO will map the location of all screened applications currently in process on the Load Capacity Map (described above) or by another means.

To apply for the Charger Ready Program, Participants will be required to submit the following information via the online portal:

1) Number of planned chargers and plugs (charge ports);
2) Project schedule;
3) Project budget (including a breakdown of per/plug costs);
4) Detailed site plan;
5) Expected number of EVs served;
6) Projected plug utilization;
7) Contractor who will perform customer-sided work;
8) Charger manufacturer;
9) Status of site control; and
10) Status of required permits.

Once an application is received, RECO will assign a project identification number and confirm the required information has been provided. RECO will review the application to determine program eligibility, including requesting and receiving from the Participant additional information, as necessary. Once RECO completes the initial review, the Company will engage with the Participant to align expectations. If the eligibility criteria are met, RECO will notify the Participant of the appropriate incentive level that RECO will apply to the project and update the status in the application portal accordingly.

If an application is incomplete, or an application is determined ineligible, the Company will explain any deficiencies to the Participant and allow the Participant to resubmit. RECO anticipates that the online application portal may initially provide basic functionality. However, in order to support the scaling of the Charger Ready Program and to facilitate the automation of application processing, the Company intends to develop a more robust application platform. This platform will integrate the application process with RECO's existing back-end processes and systems.

Design and Engineering

Once the application has been received, RECO will perform an initial analysis leveraging its existing business processes for new service interconnections. The Company's New Business team will schedule and conduct a site review for internal stakeholders and the Participant to discuss the Point of Interconnection ("POI"). Once the POI is determined, the New Business team will document the POI, establish a design job in the Company's Work Management System ("WMS"), and transmit the application to the Design Engineering group.

RECO's Design Engineering group will analyze the application to determine whether service upgrades will be necessary to support the charging station. If service upgrades will be required, the Company will develop a cost estimate and provide it to the Participant for review. During this time, the Participant will develop an estimate of customer-sided project costs to provide to the Company. If the total estimated costs of the project exceed the average per-plug installed cost across the Company's service territory, the Company will work with the Participant to evaluate alternative project designs that may reduce estimated project costs. If unable to reduce project costs below ten percent of the average per-plug installed cost, RECO may approve the project at a lower incentive level or decline to incentivize the project.

If the utility-sided Charger Ready work implicates the Board's Main Extension Rule at N.J.A.C 14:3-8.1 et seq, RECO will notify Board Staff before any work begins. If the utility-sided cost estimate exceeds $100,000, RECO will notify Board Staff and New Jersey Division of Rate Counsel ("Rate Counsel") of the estimate before any work begins. Charger-Ready work will begin after 60 calendar days unless Staff or Rate Counsel objects within this time period. In the case that the utility-sided cost estimate exceeds $250,000, RECO will seek Board approval before any work begins.

Incentive Estimation

Once a project's design engineering and cost estimates are complete and accepted by the Company, the Participant, and the Board (if applicable), RECO will calculate the estimated incentive taking into account estimated customer- and utility- sided costs and the project's incentive level based on its location, plug-type and accessibility.

To calculate the estimated incentive for each applicant, pursuant to its customary practice, RECO will apply existing entitlements to the utility-sided costs to determine the customer contribution for the utility-sided costs. The Developer will provide a detailed estimate of the customer-sided costs. During this process, the Charger Ready project team will review customer-sided cost estimates for reasonableness by comparing to average customer-sided costs and/or more detailed information for similar projects.

RECO will then offer an incentive up to 50, 90, or 100 percent of customer-sided or utility-sided costs as set forth in Table 1 above. If the Participant decides to proceed with the project, the Participant will be required to sign a Program Agreement, agreeing to the site design, service connection layout, incentive offering, and other terms. If the Participant chooses to proceed, the project will move into the typical permitting and construction activities required to provide new

service. Once customer-sided work is complete, and the charger is commissioned, the Participant will provide RECO with a final detailed summary of the customer-sided costs that are eligible for an incentive. The Company will confirm the eligible costs, apply the appropriate incentive level (*i.e*., 50%, 90%, or 100%), and send the Participant a check.

Construction and Energization

Once the Program Agreement is signed, the Participant and RECO will coordinate the development of a construction schedule that accommodates both customer-sided and utility-sided work. Once customer-sided work is complete, the Participant will notify RECO and RECO will commission the system. Following commissioning, the Participant will provide all invoices itemizing costs incurred for the customer-sided construction. RECO will validate the invoices and will not incentivize costs above agreed budgets. Once costs are validated, RECO will provide the Participant with a rebate. The Participant shall be responsible for all costs that exceed the estimate provided by the Participant.

RECO will require incentivized projects to be fully operational within 18 months of signing the Program Agreement. If the project is not fully operational within 18 months, RECO will require the Participant to develop a mitigation plan. If RECO deems the mitigation plan acceptable, the Company will approve the plan and grant an extension of the 18-month requirement. Any RECO-caused delays will not negatively impact the 18-month target.

Monitoring, Verification, and Reporting

Operational Requirements:

Participants in RECO's Charger Ready Program will be required to adhere to the following operational requirements:

- DCFC plugs must be operational 95 percent of the time annually;
- DCFC charging stations must be operational 99 percent of the time annually, with a minimum of half of the plugs considered to be "up" at all times;
- All charging stations in the EV Program must operate for a minimum of five years; and

Ownership of EV charging stations may change, or stations may be upgraded during the five-year term, as long as the number of plugs and the capacity of the station does not decrease, and the site continues to meet all performance and reporting obligations of the Program.

Reporting Requirements:

To participate in the program, RECO will require Participants to agree to share certain operational and financial data with the Company to assess program performance.

Operational data may include:

- The number of charging sessions daily;
- Start and stop times of each charge;
- The amount of time each EV is plugged in per session;
- Peak kW per charging session;

- KWh per charging session; and
- Plug outage information, including the number and duration of outages and is to be differentiated by expected outages (for maintenance) and unexpected outages.

Financial data may include:

- Fee structure (structure of fee to the end-use customer, *e.g.*, cost per minute, cost per kWh, cost per session and whether the station owner is providing charging for free);
- Charging revenues derived; and
- Operating costs, which should include energy-related costs and non-energy-related costs separately identified.

Cost Containment:

To address cost containment concerns, RECO will track customer-sided costs on a project level. RECO will also review cost estimates and actuals to confirm similar sites are within a reasonable percentage of one another and potentially limit the incentive for the higher cost site.[2] Such cost containment considerations allows RECO the flexibility to determine how to best control costs as the program is implemented while at the same time encouraging development in this new EV market. This approach also provides a built-in mechanism to control costs by participants to maximize their incentives.

Workplace Chargers

RECO plans to carve out approximately 15% of the overall Charger Ready Program to deploy chargers at workplace locations. Workplace charging promotes managed charging and provides grid benefits including:

- Daytime charging may help integrate renewables into the grid (in areas of high renewable energy penetration);
- Workplace charging will extend the charging load to more hours in a day leveling the charging load; and
- Daytime charging will also help EVs to have higher state of charge when they return home so there is higher likelihood that:
  - Users can wait until later in the evening (past the peak) to begin charging at home; and
  - EVs can provide grid services during peak hours.

RECO envisions the ideal applicant for this program to be large office park-type properties, where employee cars are stationary for most for the day. RECO will also accept applications for work locations which double as public gathering spaces, such as libraries, town halls, and schools.
The dollar amount of budget for workplace charger locations is approximately ten percent of the total Charger Ready Program budget. RECO estimates these funds will result in the build out of

[2] Per the Peer Benchmarking effort done by Roland Berger in 2020, a peer utility program adopted this approach by not approving any project which is 150% greater than average, as they forecast that actuals to come in over 2x estimate.

over 115 L2 plugs. At this point, RECO does not envision restricting the distance between plugs because there could be strong demand for charging at a workplace that is directly across the street from another workplace. RECO will, however, distribute funds to allocate the number of plugs across the RECO territory in a strategic manner. Pending applicant interest, RECO will aim to deploy at least five percent of the plugs in Sussex county, 15 percent in Passaic county, and the remaining 80 percent in Bergen County.

Program Budget:

RECO estimates the Charger Ready Program to cost $4.8 million over the five-year program. Most of the cost will be in years three through five, when RECO projects that 75 percent of the plugs to be deployed.

Total Cost	Program Year 1	$ 507,309
	Program Year 2	$ 737,513
	Program Year 3	$ 1,168,781
	Program Year 4	$ 1,186,301
	Program Year 5	$ 1,204,137
	Total	**$ 4,804,041**

Implementation and administration costs include Company expenses to implement and operate the program. These include, but are not limited to, processing applications and rebates; marketing; performing evaluation, measurement, and validation; and developing the systems needed to operate the program.

Cost Recovery

RECO proposes to recover utility-sided costs as a capital asset, and customer-sided and Program Implementation costs as a regulatory asset, collected from customers via a surcharge. RECO will roll utility-sided costs into rate base in subsequent rate cases.

EXHIBIT EVPP-2

2021 – Utility of the Future – Electric Vehicles

Project/Program Title	DCFC Incentive Program
Project/Program Manager	Brian Picariello
Project/Program Number	TBD
Hyperion Project Number	TBD
Organization's Project Number	TBD
Status of Project	Initiating
Estimated Start Date	2021
Estimated Completion Date	2025
Work Plan Category	Regulatory Filing

Work Description

Introduction

Rockland Electric Company's ("RECO" or the "Company") DCFC Incentive Program proposes to encourage the deployment of public fast charging infrastructure throughout the Company's territory. "Range anxiety" is a concern for potential electric vehicle ("EV") owners and has been claimed to be a barrier to EV adoption. RECO's proposed incentive will support the addition of Direct Current Fast Chargers ("DCFC") stations, which will reduce range anxiety, and result in greater adoption of EVs.

The DCFC incentive is structured to provide relief from demand charges during the five-year term of the program, after which the Company anticipates that the economics of deploying a charger will be sustainable . The DCFC Incentive Program offers a decreasing annual per-plug incentive. To participate in this program and receive the incentive, charger owners must take service under a demand-based tariff which maintains DCFC stations on appropriate rate schedules and encourages demand and bill management when the incentive sunsets at the end of the five-year term.

Definitions:

- Community location – A charging location that is not a travel corridor location and that is established in a town center, commercial area, or retail center or near concentrations of multifamily dwellings to provide vehicle charging services to local plug-in electric vehicle drivers near where they live and work.
- Publicly accessible plug – A plug located on public land, a community location, or a travel corridor. Such chargers are owned and operated by site owner, property manager or management company, or, in limited cases, an EDC that is accessible to the public 24 hours a day, seven days a week; however, generic parking restrictions or requirements, such as in a commercial garage, or emergency restrictions, including construction, street cleaning, are not

applicable. Such chargers may charge the EV owner a fee for charging; such fees will be clearly displayed to the user.

- Standard plug – For DCFC, plugs which are non-proprietary, or stations where a proprietary plug type is collocated at a station with an equal number of non-proprietary plug types of equal or greater charging capacity. For L2, only plugs that are non-proprietary, such as SAE J1772 plugs.
- Travel corridor – Heavily used public roads as designated by the New Jersey Department of Environmental Protection, which shall include, but need not be limited to, the Garden State Parkway, the New Jersey Turnpike, the Atlantic City Expressway, federal interstate highways, and the subset of federal or State roads which collectively support the majority of long distance travel through and within the state, as well as the majority of daily travel by local drivers.

Program Overview

RECO plans to provide approximately $377,000 in incentives to encourage deployment of DCFC infrastructure in its service territory. With this budget, RECO targets to deploy over 30 DCFC plugs. The Company estimates that the DCFC plugs will be located across 5-7 sites

Incentives:

The per-plug incentive will be set at the time an applicant submits a complete application for service and will be eligible for payment upon plug commissioning. The incentive will be provided on a first-come, first-served basis. The amount of the per-plug incentive will be set based on the schedule below and will be available until the program budget is exhausted or the end of the program's five-year term, whichever occurs first. The incentive amount was estimated to offset electric delivery costs while charger utilization is relatively low. RECO will pay per-plug incentives to participating customers within 60 days of the end of the 12-month period of program participation ("Anniversary Date"). If ownership of a DCFC station is transferred during the program term, the new owner will be eligible to continue program participation at the incentive level of the previous entity, as long as the new entity maintains program eligibility. Once costs are validated, the Company will provide incentives to the participant on its Anniversary Date via a rebate.

Program Year	**2021**	**2022**	**2023**	**2024**	**2025**
Incentive for plugs installed in 2021	$5,400	$4,320	$3,240	$2,160	$1,080
Incentive for plugs installed in 2022		$5,400	$4,320	$3,240	$2,160
Incentive for plugs installed in 2023			$5,400	$4,320	$3,240
Incentive for plugs installed in 2024				$5,400	$4,320
Incentive for plugs installed in 2025					$5,400

Eligibility Criteria:

A project must satisfy the following criteria to receive an incentive through the DCFC Incentive Program.

1. Approved Application: Prospective participants must submit an application on the RECO website detailing the proposed EV charging project. RECO will review and approve applications as appropriate.

2. Station Maturity: Construction of the EV charging station must commence after the program's effective date.

3. Locational Capacity: EV charging stations must follow capacity guidelines which include:

    a. Charging stations must have a minimum of two plugs. The number of two-plug stations that can receive incentive through the Charger Ready Program is limited to no more than 25 percent of the target number of plugs within the RECO service territory.

    b. The number of plugs eligible for the incentive will be defined as those plugs capable of simultaneously charging at 50 kW or greater.

    c. DCFC stations with more than ten plugs and/or demand in excess of 2MW will only be allowed to participate in the Charger Ready Program if development of the site does not cause RECO to incur new business costs greater than the cost that would be incurred to develop a site with a maximum demand of 2MW.

    d. The number of plugs at locations in excess of ten plugs cannot exceed 50 percent of RECO's target number of plugs proposed in the EV Program.

4. Other:

    a. DCFC stations must comply with Federal Americans With Disabilities Act guidelines.

    b. Plugs must be publicly accessible, as defined above, and must be listed on the U.S. Department of Energy Alternative Fueling Station Locator.

    c. Plugs must be standard, as defined above.

    d. Customers will receive a place in the program queue for a period of one year from the latter of (a) the date in which the customer provides proof of building permit, or (b) payment of the excess distribution facilities charge, if applicable.

Cost Recovery

RECO proposes to recover costs as a regulatory asset, collected from customers via a surcharge.

Program Budget

RECO estimates the program will cost approximately $377,362 over the five-year program term. The Company currently projects incentivizing three plugs in program year 1, five plugs in program year 2, and eight plugs per year for the remaining program years.

EXHIBIT EVPP-3

2021 – Utility of the Future – Electric Vehicles

Project/Program Title	SmartCharge Program
Project/Program Manager	Brian Picariello
Project/Program Number	TBD
Hyperion Project Number	TBD
Organization's Project Number	TBD
Status of Project	Initiating
Estimated Start Date	2021
Estimated Completion Date	2025
Work Plan Category	Regulatory

Work Description

Managing the electric load on the distribution system will be essential as the electric vehicle ("EV") market continues to grow. EV charging at off-peak times will improve the utilization of the electric distribution system, thereby benefitting all RECO customers. Price signals help customers to manage their charging behavior by encouraging EV charging during off-peak hours. Both innovative rate design and charging incentive programs (*e.g.,* SmartCharge) will help the Company limit the peak load impacts that may result from the electrification of transportation. The SmartCharge program is designed to encourage EV charging at beneficial times thereby developing positive charging habits. It seeks to minimize the need for additional infrastructure to serve peak demand and improve the utilization of existing utility assets. RECO can use the data collected through this program to better understand its customers' charging behavior and further refine its EV programs to offer solutions that benefit EV owners, the distribution system, and all ratepayers.

Scope

The SmartCharge Program will use price-based management techniques, such as offering incentives, to motivate drivers to charge at off-peak times as well as opportunities to educate drivers on the benefits of doing so. The program will use data reported by a third-party device installed in the EVs. RECO customers who participate in the program will be provided with a device to plug into their vehicle. The device will track the charging location and time of charging. Customers will receive an incentive for charging in RECO's service territory during off-peak times.

The SmartCharge program will distribute up to 650 third-party devices during the five-year program life. Program costs will include costs for the hardware device, an annual license fee per EV, and the annual incentives. The third-party vendor will administer this program, including participant enrollment and onboarding, program management, participant web-portal, utility dashboards and reports, and an automated incentive payment processing and distribution system on behalf of the utility for its program participants.

Customers who opt to take service under the Company's proposed Voluntary TOD Rate or the EVolved REcharge program and also enroll in the SmartCharge program will receive reduced incentives from the SmartCharge program to account for the savings realized through the Voluntary TOD Rate or the EVolved REcharge program.

Program Budget

The SmartCharge Program will cost approximately $625,625 over five years, and the Company aims to deploy 130 devices per year over the program term.

Cost Recovery

The Company proposes to recover these costs through a regulatory asset, amortized over ten years, and collected via a surcharge.

EXHIBIT EVPP-4

2021 – Utility of the Future – Electric Vehicles

Project/Program Title	EVolved REcharge Program
Project/Program Manager	Brian Picariello
Project/Program Number	TBD
Hyperion Project Number	TBD
Organization's Project Number	TBD
Status of Project	Initiating
Estimated Start Date	2021
Estimated Completion Date	2025
Work Plan Category	Regulatory

Work Description

Program Overview

According to the International Council on Clean Transportation, approximately 80 percent of electric vehicle ("EV") charging takes place at home, through Level 1 or Level 2 chargers.[1] To encourage mass market adoption of EVs, and beneficial charging behavior that supports reliably serving the increased load, financial incentives targeted at managed residential charging are critical. RECO proposes to promote beneficial EV charging behavior through a managed charging program which provides participating residential customers who purchase an in-home charger on the Company's online store with an enrollment incentive at the time of program enrollment, and annual performance payments if the customer charges during off-peak times.

Scope

To encourage EV adoption and beneficial charging behavior, RECO proposes to incentivize customers who purchase a residential charger on the Company's online store and enroll in the Company's EVolved REcharge managed charging program.

EV charging will have an impact on the electric distribution system and may contribute to an increase in peak demand. Therefore, managed charging is important to encourage EV owners to charge their vehicles at times that are beneficial to the grid and thereby to all customers. RECO proposes to implement a managed charging program, to encourage EV owners to modify their behavior by understanding the impacts of their behavior on the grid. RECO plans to work with a third party to implement this program. The Company will issue a request for information and/or proposal to engage with a third party and further refine this program.

When a customer purchases an eligible EV charger on the Company's store and enrolls in the EVolved REcharge Program, the customer will receive an enrollment incentive of up to $200. During the program term, the customer will receive up to $50 in annual performance payments

[1] ICCT. "Quantifying the Electric Vehicle Charging Infrastructure Gap Across U.S. Markets," p. 36

for charging his or her EV during off-peak periods. RECO reserves the right to adjust incentive levels throughout the program terms based on performance. Through the managed charging program, the Company envisions that when plugged into the home charger, the customer's EV will automatically be charged at beneficial times.

RECO proposes to incentivize up to 500 chargers. Customers will be eligible to enroll up to two chargers per household.

Eligibility

To be eligible, a customer must:

- be a RECO residential electric customer;
- install the charger at the residence where the customer receives RECO service;
- have an always on Wi-Fi network installed in the customer's residence;
- have full control of the garage or parking space at the customer's residence; and
- agree to the program terms and conditions (including information sharing with the Company).

Unenrollment

Customers will be allowed to unenroll from the program at any time but will forfeit future performance payments.

Cost Recovery

RECO will recover incentives paid to program participants as a regulatory asset, amortized over ten years. The revenue requirement will be collected via a surcharge.

Program Budget

RECO estimates the program will cost $243,760 over the five-year program term. The program budget assumes 50 charger purchases in year one, 75 charger purchases in year two, and 125 charger purchases in each of the remaining years.

EXHIBIT EVPP-5

2021 – Electric Vehicles -Project Management

Project/Program Title	Outreach and Education Program
Project/Program Manager	Brian Picariello
Project/Program Number	TBD
Hyperion Project Number	TBD
Organization's Project Number	TBD
Status of Project	Initiating
Estimated Start Date	2021
Estimated Completion Date	2025
Work Plan Category	Regulatory Filing

Work Description

RECO proposes several initiatives to support improving consumer awareness of EVs. These initiatives include: Ride & Drive events, updates to the EV Advisor on the ORU Store, and dealership, municipal, and fleet engagement. This suite of initiatives will inform potential EV customers regarding EV models on the market, locations of charging infrastructure, available state and federal rebates, and utility rate impacts. The goal of the Outreach and Education program is to provide RECO customers with information about EV charging and the benefits of EV adoption.

Marketing, Education and Outreach Materials

RECO will develop a suite of outreach and education materials for use in all of its outreach efforts which communicate the benefits of EVs. These materials will provide both current and potential EV owners with information on: EVs, types of EV chargers (*e.g.*, Direct Current Fast Chargers ("DCFCs") and in home chargers), beneficial EV charging, electric rates offered by the Company, incentives and rebates offered by a variety of sources, the total cost of EV ownership, and the Company's website which houses the Company's online EV advisory tool.

Ride & Drive Events

RECO proposes to partner with a third-party vendor to facilitate EV ride and drive events. These events provide prospective EV owners with an opportunity to test drive EVs, speak with EV owners, and learn about EV ownership. These events will also provide RECO an opportunity to connect with customers and tailor programs to customer wants.

In most cases, automobile dealerships are the only place where customers can test drive an EV. Ride & Drive events, often held at community festivals or for employees at large organizations, provide customers with an opportunity to test drive an EV without any pressure from a sales representative and help motivate individuals to switch to an EV. This is especially true in communities with low EV adoption. In fact, in under ten years (Q1 2011 to end of Q4 2019), the

number of available EV models in North America has increased from eight models to 94 – increasing by a factor of eight.[1]

The target audience for Ride & Drive events are commercial and residential customers. RECO proposes to facilitate two events per year, at a cost of $27,500 per event. The Company will aim to make available at least ten different EV models for participants to test drive. Company personnel will be available at these events to field questions about incentives, rates and the State's goals. In addition to the third-party partner, the Company will invite EV industry representatives (*e.g.*, the Electric Auto Associated) who can add to the customer's experience. In addition, RECO's outreach and education materials will be available at Ride & Drive Events.

After each Ride & Drive event, the Company will send attendees a post-event survey to track the success of the event—measured by likelihood to purchase an EV. Attendees will be asked about their interest in purchasing/leasing an EV, preferred models, potential for installation of Electric Vehicle Service Equipment ("EVSE"), rate plans, and interest in volunteering as an EV Advocate to promote EV adoption.

RECO's affiliate, Orange and Rockland Utilities, Inc, has conducted Ride & Drive events in its New York service territory. Over the course of these events, customers completed over 1,000 test drives which, for most participants, was their first time driving an EV. The third-party partner provided attendees with a unique look into EV ownership, as many of the partner's staff present at the events were EV owners able to share their personal experiences regarding EV ownership. Based on experience facilitating Ride & Drive events in NY, customers will enjoy the absence of pressure associated with the usual car shopping/buying experience. When asked if customers would be interested in becoming an EV advocate to promote EVs, 66% of the respondents answered yes. Responses from the post-event survey illustrate the benefits of the event, with 8.49% of the respondents purchasing or leasing an EV; 81.72% of respondents stating that they would consider purchasing or leasing an EV for their next vehicle purchase.

EV Advisor Enhancements

Having a robust utility advisor is an essential element to customer outreach to promote EVs. The Company will make additional enhancements to its online EV Advisor to assist New Jersey customers, including the addition of a separate landing page to communicate rebates available to RECO customers.

The Company's EV Advisor will communicate:

- Plug in vehicle types;
- Available EV models;
- EVSE choices;
- EV total cost of ownership;
- Federal and State incentives;
- Utility programs;

[1] Bloomberg NEF from company announcements. (2020, 13 August). https://www.bnef.com/interactive-datasets/2d5d59acd9000013?data-hub=11

- EV charger locations;
- EV rates; and
- Environmental and societal benefits.

In addition to the information listed above, the EV Advisor considers several factors to help determine the type of EV that will best fit a customer's needs. The EV Advisor uses customer-specific inputs (*e.g.*, daily driving miles, internal combustion engine vehicle's mileage per gallon, and cost per gallon) to illustrate the impact of EV ownership to a customer's fuel costs, carbon emissions, and electric bills. A snapshot of the EV calculator can be seen below.

In addition to the EV website, the Company will leverage digital communications to provide unique tips to EV owners through home energy reports and Advanced Metering Infrastructure ("AMI") tips. The Company will use a Home Energy Analysis tool to identify EV customers and an EV Marketing module to communicate the benefits of driving an EV and to educate customers on EV TOU rates, and available EV incentives. The Company established a designated email address, "EV@ORU.COM," where customers can send their EV-related questions. These customer inquiries provide the Company with direct insights into customers' EV needs and concerns and help inform the design of the Company's EV programs, rates, and rebates.

The EV Advisor and website are existing tools that are available to both O&R and RECO customers. The cost to add New Jersey information is $27,500 over five years.

Dealership Engagement

A customer's EV experience starts at the dealership. EVs are not only new to customers, but also to dealerships and salespeople. Affordable and reliable electric service is a factor in making an EV purchase decision, which does not factor in when purchasing a non-EV vehicle. To compliment EV education and outreach through the Company's website and Ride & Drive events, the Company proposes to partner with dealerships to inform customers at the point of sale. Information communicated through Dealership Engagement will include, but not be limited to, available rates, the best time to charge to limit charging costs, purchasing and interconnecting a charger, and public charger infrastructure.
To implement this program, RECO will develop marketing materials which it will provide to targeted dealers in the RECO service territory. The Company will also partner with dealers to deploy an interactive kiosk pilot at dealerships which customers can use to explore EVs on their own as they wait at the dealer. RECO will deploy three kiosks over the term, track utilization and other performance metrics, and expand this pilot if proven successful.

Dealership Engagement will cost $137,500 over five years, which will cover three interactive dealership kiosks, general costs for education and outreach, and marketing materials.

Municipal Outreach

Marketing and increasing customer awareness of charging infrastructure is critical to increasing EV adoption. To deploy more charging infrastructure, partnering with and supporting municipalities as they contemplate zoning and permitting law will be critical. O&R has

experience engaging with municipalities regarding new technology such as energy storage. O&R will leverage its suite of education and outreach materials to inform municipalities on the EV industry, electric considerations, and planning of EV infrastructure, as needed. The Company will support municipal efforts such as Mahwah Day, and other similar community events. O&R will also leverage this opportunity to work with local municipalities to explore opportunities for deploying EV fleets. RECO currently projects that Municipal Outreach will cost $27,500 over five years.

Electric Fleet Support

Transitioning to an EV fleet may offer organizations opportunities to reduce lifetime operating costs for vehicles and lessen their carbon footprint. For the utility, electric fleets provide an opportunity for increased sales, but also have the potential to result in reliability impacts if not coordinated properly. As such, RECO believes there is an opportunity to coordinate and support organizations what are contemplating the switch to an EV fleet. Support may include estimating rate impacts, guidance on procuring charging infrastructure, and locating chargers which limit interconnection costs for the organization and reliability impact on the distribution system.

The EV fleet market is in its infancy, so RECO will begin by engaging with the commercial customers to gauge their EV understanding, and then build an application on the Company's website which all fleet operators may use to assess site feasibility and rate impacts of transitioning to an EV fleet. RECO estimates this support will cost $110,000 over five years.

Program Budget

RECO estimates that in total, the Outreach and Education Program will cost $577,500 over the five-year program.

Program Name	2021	2022	2023	2024	2025	Total
Education and Outreach	$ 126,500	$ 126,500	$ 126,500	$ 99,000	$ 99,000	**$ 577,500**

Cost Recovery

RECO proposes to recover the education and outreach costs as a regulatory asset, collected from customers via a surcharge.

ROCKLAND ELECTRIC COMPANY
DIRECT TESTIMONY OF
ACCOUNTING AND REVENUE REQUIREMENTS PANEL

I. INTRODUCTION

Q. Would the members of the Accounting and Revenue Requirements Panel ("Panel") please state their names and business addresses?

A. Wenqi Wang, 4 Irving Place, New York, NY 10003 and Kevin Lyons, One Blue Hill Plaza, Pearl River, NY 10965.

Q. By whom are you employed, in what capacity, and what are your professional backgrounds and qualifications?

A. **(Wang)** I am employed by Consolidated Edison Company of New York, Inc. ("Con Edison"), an affiliate of Rockland Electric Company ("RECO" or the "Company) where I hold the position of Department Manager of Regulatory Accounting and Revenue Requirements.

(Lyons) I am employed by Orange and Rockland Utilities, Inc. ("Orange and Rockland"), the parent company of RECO, where I hold the position of Project Specialist in the Orange and Rockland Financial Planning and Anaysis department.

Q. Please briefly outline your educational and business experience.

A. **(Wang)** In June 1999, I received a Bachelor of Science Degree in Accounting from the University at Albany, State University of New York. I began my employment with Con Edison in July 1999 as a Management Intern. I worked in the Corporate Accounting Department from July 2000 until April 2014, primarily in the General Accounts section starting as a Staff Accountant, then Supervisor and ultimately reaching the Department Manager level. In May

2014, I assumed my current position as Department Manager of Regulatory Accounting and Revenue Requirements.

(Lyons) I received a Bachelor of Science degree in Finance in 1988 from St. Thomas Aquinas College and a Juris Doctorate degree from New York Law School in 1995. In August 2011, I assumed my current position of Project Specialist. From May 2008 through July 2011, I was employed as a Senior Accountant in the Regulatory Filings Department within Con Edison. Prior to joining Con Edison I held a variety of managerial positions in Regulatory, External Reporting and Corporate Accounting at Verizon Communications, Kraft Foods and Realogy Corporation. I have submitted testimony before the NYPSC.

II. PURPOSE OF TESTIMONY

Q. What is the purpose of your direct testimony in this proceeding?

A. The purpose of this direct testimony is to explain how the Company developed the revenue requirement associated with the Electric Vehicle Program ("EV Program") discussed in the Petition and the direct testimony of the Electric Vehicle Program Panel ("EV Panel").

Q. Are you sponsoring any exhibits?

A Yes, we are sponsoring Accounting Panel Exhibits AP-1 and AP-2.

III. REVENUE REQUIREMENT

Q. Please briefly describe RECO's proposal to recover the costs associated with the Company's EV Program.

A. RECO is seeking Board of Public Utilities approval to recover the revenue requirement associated with certain program costs of the EV Program through an Electric Vehicle Surcharge ("EVS"), which is further detailed in the direct testimony of the Rate Panel. The forecasted increase in revenue requirement associated with EV Program costs in 2021 is $66,968, rising to $947,079 by 2026 and totaling $9,858,803 over the life of the underlying assets. The revenue requirement calculation summary is included in Accounting Panel Exhibit AP-1, Schedule 1, of this Panel's testimony. As noted, the Company will calculate the revenue requirement as follows:

+(Net Investment*Pre-Tax Cost of Capital)
+Depreciation/Amortization Expense
+Operation & Maintenace Costs
= Revenue Requriement before Gross Up

Q. What are the program cost assumptions used to derive the EV Program revenue requirement?

A The Company anticipates total program costs of approximately $6,683,288 from 2021 through 2025 to be incurred across the six EV subprograms described in detail in the EV Panel's direct testimony. A breakdown of costs by subprogram is included within Accounting Panel Exhibit AP-1, Schedule 2. Based on the anticipated nature of program costs within each subprogram, the Company catalogued costs as either capital expenditures or costs to be deferred as regulatory assets. For the EV capital expenditures set forth in Accounting Panel Exhibit AP-1, Schedule 2, the Company assumed an average 40-year

asset life given the range of activities involved in developing make-ready infrastructure such as primary main line work, service laterals to step-down transformers, transformers, conduit, cable, tap-ons, sockets, trenching, and meters. For costs to be deferred as regulatory assets, the Company assumed a ten-year asset life in order to mitigate customer bill impacts and to reflect that current efforts to expand EV adoption will benefit customers for years into the future. Costs to be deferred as regulatory assets include the costs to implement the Voluntary Time-of-Day Rate (excluding price guarantees), Education and Outreach Program costs, Charger Ready Program (customer side) costs, Smart Charge Program costs, as well as the incentives paid by the Company to customers pursuant to the Direct Current Fast Charging ("DCFC") Incentive Program and EVolved REcharge Program.

Q. What is the rate of return that the Company applied to the EV Program Rate Base?

A. The Company applied a pre-tax weighted average cost of capital to the EV Program Rate Base using the capital structure and rate of return approved in the Company's last electric base rate case.[1] The Company then adjusted the equity portion of the approved rate of return for the effect of federal and state income taxes. The Company's calculation of the pre-tax weighted average cost of capital is shown in Accounting Panel Exhibit AP-1, Schedule 3.

[1] *I/M/O the Verified Petition of Rockland Electric Company for Approval of Changes in Its Electric Rates, Its Tariff for Electric Service and Its Depreciation Rates; and for Other Relief*, BPU Docket No. ER19050552, Decision and Order Adopting Initial Decision and Stipulation of Settlement (dated January 22, 2020).

Q. How did the Company calculate the EV Program Net Investment (Rate Base)?

A. The EV Program Net Investment (Rate Base) in the filing represents the actual Plant in Service and Regulatory Assets, less accumulated depreciation/amortization and less associated accumulated deferred income taxes. For purposes of calculating deferred income taxes, the Company assumed a 20-year Modified Accelerated Cost Recovery System tax life for all capital expenditures and a full tax deduction for all regulatory asset expenditures in the year costs are incurred. The Company assumed a mid-year convention for annual program spending either closing to plant in service or being recorded as a regulatory asset. The calculation of rate base is included within Accounting Panel Exhibit AP-1, Schedule 4.

Q. How did the Company calculate the depreciation and amortization expense associated with the EV Program?

A. The depreciation and amortization expense associated with the EV Program was calculated as the gross plant in service divided by a 40-year asset life for capital expenditures and a ten-year asset life for expenditures deferred as regulatory assets. This is included within the calculation in Accounting Panel Exhibit AP-1, Schedule 4.

Q. Does the revenue requirement include any tax adjustments and, if so, how were they calculated?

A. There are no tax adjustments other than the book/tax timing differences shown on Accounting Panel Exhibit AP-1, Schedule 4, related to plant additions and regulatory assets.

Q. Please discuss the gross up factor employed in the revenue requirement calculation.

A. The gross up factor adjusts the revenue requirement for uncollectibles. RECO used a gross up factor of 1.002 consistent with the percentage determined in the Company's last electric base rate case.

Q. Does the revenue requirement include any Cost of Removal?

A. RECO has not included any Cost of Removal expenses in the calculation of the proposed revenue requirement.

Q. How are Operation and Maintenance expenses handled in the calculation of the proposed revenue requirements?

A. RECO has included utility administration and other program costs associated with the EV Program in the calculation of the proposed revenue requirement and proposes to defer such program costs as regulatory assets over ten years. Any additional incemental Operation and Maintenance expenses will be expensed and included in RECO's annual EVS filing.

Q. Have you provided the detailed calculations supporting the revenue requirement?

A. Yes. The detailed calculations supporting the revenue requirement are set forth in Accounting Panel Exhibit AP-1, Schedule 4. Due to the size of the calculation, the revenue requirement from 2021 – 2026 is illustrated within the schedule while subsequent years are available to be provided by the Company electronically upon request.

Q. Do your exhibits address the requirements of N.J.A.C. §14:1-5.12?

A. Yes, in order to comply with the requirements of N.J.A.C. §14:1-5.12, this Panel is sponsoring the following information that is included in Accounting Panel Exhibits AP-1 and AP-2:

- A pro forma income statement reflecting operating income at proposed rates (Accounting Panel Exhibits AP-2, Schedule 6).
- A comparative balance sheet for the most recent four-year period (*i.e.*, 2017, 2018, 2019, 2020) (Accounting Panel Exhibits AP-2, Schedule 1);
- A comparative income statement for the most recent four-year period (*i.e.*, 2017, 2018, 2019, 2020) (Accounting Panel Exhibits AP-2, Schedule 2);

To date, the Company has not specifically supplied electricity pursuant to the EV Program. Accordingly, the Company has not included a statement of the amount of revenue derived in the calendar year last preceding the institution of this proceeding (*i.e.*, 2019) from the intrastate sales of the product supplied, or intrastate service rendered, the rates, tolls, fares or charges for which are the subject matter of the filing.

Q. Does this conclude your direct testimony?

A. Yes, it does.

Rockland Electric Company

Accounting Panel Exhibit 1
Index of Schedules

Rockland Electric Company
Revenue Requirement Calculation
Witness: Accounting Panel

(amounts in 000s)

	2021	2022	2023	2024	2025	2026	Revenue Requirement (Yr. 1 - Yr. 45)
Revenue Requirement*							
Avg. Rate Base (Capital & Reg. Assets)	$ 305	$ 964	$ 1,815	$ 2,766	$ 3,636	$ 3,827	
ROR	8.91%	8.91%	8.91%	8.91%	8.91%	8.91%	
Earnings Base	27	86	162	246	324	341	
Depreciation	40	128	246	387	531	604	
Gross up for Uncollectibles	0	0	1	1	2	2	
Revenue Requirement	$ 67	$ 214	$ 409	$ 635	$ 857	$ 947	$ 9,859

Note:
* Please see Exhibit AP-1, Schedules 3 and 4 for backup.

Rockland Electric Company
Electric Vehicle Program Budget
Witness: Accounting Panel

Program Budget

ID	Program Name	2021	2022	2023	2024	2025	Total
1	Charger Ready Program	$ 507,309	$ 737,513	$ 1,168,781	$ 1,186,301	$ 1,204,137	**$ 4,804,041**
2	Whole Home TOU Rate	$ 27,500	$ 6,875	$ 6,875	$ 6,875	$ 6,875	**$ 55,000**
3	DCFC Incentives	$ 18,681	$ 42,967	$ 80,330	$ 108,352	$ 127,033	**$ 377,362**
4	SmartCharge Program	$ 125,125	$ 125,125	$ 125,125	$ 125,125	$ 125,125	**$ 625,625**
5	Evolved REcharge Program	$ 51,260	$ 27,500	$ 48,125	$ 55,000	$ 61,875	**$ 243,760**
6	Education and Outreach	$ 126,500	$ 126,500	$ 126,500	$ 99,000	$ 99,000	**$ 577,500**
Portfolio Total		**$ 856,375**	**$ 1,066,480**	**$ 1,555,736**	**$ 1,580,653**	**$ 1,624,045**	**$ 6,683,288**

Regulatory Accounting

Bucket	2021	2022	2023	2024	2025	Total
Capital	$ 83,800	$ 128,499	$ 210,635	$ 213,793	$ 217,047	$ 853,773
Reg Asset	$ 772,575	$ 937,981	$ 1,345,101	$ 1,366,860	$ 1,406,998	$ 5,829,515
Total	**$ 856,375**	**$ 1,066,480**	**$ 1,555,736**	**$ 1,580,653**	**$ 1,624,045**	**$ 6,683,288**

Rockland Electric Company

Pre-Tax Rate of Return Calculation

Witness: Accounting Panel

	Cost *	Capital Structure % *	Weighted After-Tax Cost	Weighted Pre-Tax Cost
Long Term Debt Rate	4.88%	51.68%	2.52%	2.52%
Regulated Return on Equity	9.50%	48.32%	4.59%	6.39%
			7.11%	**8.91%**

State tax rate	9.00%	a
Federal tax rate	21.00%	b
Combined Income Tax Rate after Federal Tax Deduction for State Income Taxes Paid	28.11%	c = 1-(1-b)*(1-a)
Net of Tax Factor	71.89%	d = 1/(1-c)

After-Tax Return on Equity	4.59%
Divide by: Net of Tax Factor	71.89%
Pre-Tax Return on Equity	6.39%

* From RECO's most recently approved electric base rate case, ER19050552

Rockland Electric Company
Revenue Requirement Calculation
Witness: Accounting Panel

				1	2	3	4	5	6
				2021	**2022**	**2023**	**2024**	**2025**	**2026**
REVENUE REQUIREMENT									
Beginning Plant					816,699	1,755,321	3,064,805	4,258,304	5,351,116
+ Additions				856,375	1,066,480	1,555,736	1,580,653	1,624,045	-
- Depreciation				(39,676)	(127,858)	(246,251)	(387,154)	(531,233)	(604,296)
-Cost of removal				-	-	-	-	-	-
End of period Net Plant			**0**	**816,699**	**1,755,321**	**3,064,805**	**4,258,304**	**5,351,116**	**4,746,820**
- End of period Cumulative Deferred Taxes				(206,901)	(437,682)	(752,969)	(1,038,759)	(1,299,094)	(1,144,609)
Rate Base			**0**	**609,798**	**1,317,639**	**2,311,836**	**3,219,544**	**4,052,022**	**3,602,211**
Avg. rate base				**304,899**	**963,718**	**1,814,738**	**2,765,690**	**3,635,783**	**3,827,116**
* Pre-tax WACC for rev req		8.91%		8.91%	8.91%	8.91%	8.91%	8.91%	8.91%
Carrying charge				27,158	85,841	161,644	246,348	323,850	340,893
+ Depreciation				39,676	127,858	246,251	387,154	531,233	604,296
+ O&M				0	0	0	0	0	0
+ Property tax				-	-	-	-	-	-
Total Expense				**66,835**	**213,699**	**407,895**	**633,503**	**855,083**	**945,188**
* Gross up factor		1.002		1.002	1.002	1.002	1.002	1.002	1.002
Revenue Requirement	**$**	**9,858,803**		**66,968**	**214,126**	**408,711**	**634,770**	**856,793**	**947,079**
SUPPORTING SCHEDULES									
Capital									
Book depreciation		**Spend**	**Depreciable life**						
	2021	83,800	40	1,048	2,095	2,095	2,095	2,095	2,095
	2022	128,499	40	-	1,606	3,212	3,212	3,212	3,212
	2023	210,635	40	-	-	2,633	5,266	5,266	5,266
	2024	213,793	40	-	-	-	2,672	5,345	5,345
	2025	217,047	40	-	-	-	-	2,713	5,426
Total book depreciation				1048	3701	7940	13246	18631	21344
New tax basis per year				83,800	128,499	210,635	213,793	217,047	-
Less: bonus depreciation per year		**0%**		-	-	-	-	-	-
CapEx eligible for MACRS depreciation per vintage				**83,800**	**128,499**	**210,635**	**213,793**	**217,047**	**-**
		Spend	20 **Tax life**						
	2021	83,800	20	3,143	6,050	5,595	5,176	4,787	4,429
	2022	128,499	20		4,819	9,276	8,580	7,937	7,341
	2023	210,635	20			7,899	15,206	14,064	13,011
	2024	213,793	20				8,017	15,434	14,275
	2025	217,047	20					8,139	15,669
Annual tax depreciation				**3,143**	**10,868**	**22,770**	**36,979**	**50,362**	**54,724**
Deferred Tax Calculation									
Normalized									
Tax depreciation				3,143	10,868	22,770	36,979	50,362	54,724
Book depreciation (excluding cost of removal)				1048	3701	7940	13246	18631	21344
Difference between tax and book depreciation				2,095	7,167	14,830	23,733	31,731	33,380
* Tax rate			28%	28%	28%	28%	28%	28%	28%
Increase/(decrease) in normalized deferred taxes				589	2,015	4,169	6,671	8,919	9,383
Cumulative normalized deferred taxes				589	2,604	6,772	13,444	22,363	31,746
Reg Asset & Program Implementation									
Book depreciation schedule		**Spend**	**Depreciable life**						
	2021	772,575	10	38,629	77,258	77,258	77,258	77,258	77,258
	2022	937,981	10	-	46,899	93,798	93,798	93,798	93,798
	2023	1,345,101	10	-	-	67,255	134,510	134,510	134,510
	2024	1,366,860	10	-	-	-	68,343	136,686	136,686
	2025	1,406,998	10	-	-	-	-	70,350	140,700
Total book depreciation				**38,629**	**124,157**	**238,311**	**373,909**	**512,602**	**582,952**
New tax basis per year				772,575	937,981	1,345,101	1,366,860	1,406,998	-
Less: bonus depreciation per year		**0%**		-	-	-	-	-	-
CapEx eligible for MACRS depreciation per vintage				**772,575**	**937,981**	**1,345,101**	**1,366,860**	**1,406,998**	**-**
		Spend	1 **Tax life**						
	2021	772,575	1	772,575	-	-	-	-	-
	2022	937,981	1		937,981	-	-	-	-
	2023	1,345,101	1			1,345,101	-	-	-
	2024	1,366,860	1				1,366,860	-	-
	2025	1,406,998	1					1,406,998	-
Annual tax depreciation				**772,575**	**937,981**	**1,345,101**	**1,366,860**	**1,406,998**	**-**
Deferred Tax Calculation									
Federal									
Tax depreciation				772,575	937,981	1,345,101	1,366,860	1,406,998	-
Book depreciation (excluding cost of removal)				38629	124157	238311	373909	512602	582952
Difference between tax and book depreciation				733,947	813,824	1,106,790	992,952	894,397	(582,952)
* Tax rate			28%	28%	28%	28%	28%	28%	28%
Increase/(decrease) in normalized deferred taxes				206,312	228,766	311,119	279,119	251,415	(163,868)
Cumulative normalized deferred taxes				206,312	435,078	746,197	1,025,316	1,276,731	1,112,863

Rockland Electric Company
EV Program
Journal Entries

No.	FERC Account	Description	Debit	Credit
1	182.3	Other Regulatory Asset	XXX	
	131	Cash		XXX
		To record the deferral of program expenditures associated with the EV program.		
	101	Plant in Service	XXX	
	131	Cash		XXX
		To record the EV capital expenditures		
2	142	Customer Receivables	XXX	
	400	Operating Revenues		XXX
		To recover through revenues via a surcharge.		
3	908	Customer Assistance Expenses	XXX	
	182.3	Other Regulatory Asset		XXX
		To record the amortization of the program costs.		
	403	Depreciation Expenses	XXX	
	108	Accumulated Reserve for Depreciation		XXX
		To record the depreciate EV capital expenditure over the appropriate book life		
4	182	Other Regulatory Asset	XXX	
	456	Other Operating Revenues	XXX	
	908	Customer Assistance Expenses		XXX
	254	Other Regulatory Liabilities		XXX
		To record the over/ under recovery.		
5	182.3	Other Regulatory Asset	XXX	
	419	Other Income		XXX
	254	Other Regulatory Liabilities		XXX
	431	Interest Expenses	XXX	
		To record interest on over/under recovery.		

Rockland Electric Company
EV Program

PRO FORMA INCOME STATEMENT

	Year 1	Year 2	Year 3
Operating Revenues w SUT	**$ 71,405**	**$ 228,312**	**$ 435,788**
less SUT	4,437	14,186	27,077
Net Operating Revenues	**66,968**	**214,126**	**408,711**
Operating Expenses			
Amortization/Depreciation Expense*	39,810	128,285	247,067
Total Operating Expenses	**39,810**	**128,285**	**247,067**
Operating Income	**27,158**	**85,841**	**161,644**
Interest Expense	7,683	24,286	45,731
Income before income taxes	**19,475**	**61,556**	**115,913**
Income Taxes	5,474	17,303	32,583
Net Income	**$ 14,000**	**$ 44,252**	**$ 83,330**

* Including gross up factor for uncollectible.

PRO FORMA BALANCE SHEET

	Year 1	Year 2	Year 3
Assets			
Plant in Service	$ 83,800	$ 212,299	$ 422,934
less Accumulated Depreciation	1,048	4,749	12,689
Net Plant	82,753	207,550	410,245
Regulatory Assets	772,575	1,710,556	3,055,657
less Accumulated Amortization	38,629	162,785	401,096
Net Regulatory Assets	733,947	1,547,771	2,654,561
Total Assets	**$ 816,699**	**$ 1,755,321**	**$ 3,064,805**
Liabilities & Capitalization			
Deferred Income Taxes	$ 206,901	$ 437,682	$ 752,969
Capitalization	609,798	1,317,639	2,311,836
Total Liabilities & Capitalization	**$ 816,699**	**$ 1,755,321**	**$ 3,064,805**

Exhibit AP-2

ROCKLAND ELECTRIC COMPANY
Accounting Panel Exhibit 2
Index of Schedules

Rockland Electric Company
Comparative Balance Sheets - Assets
Year 2017 to 2020

ASSETS AND OTHER DEBITS	DECEMBER 31, 2017	DECEMBER 31, 2018	DECEMBER 31, 2019	SEPTEMBER 30, 2020
Utility Plant				
Electric Plant in Service	$364,525,914	$392,711,881	$410,054,514	$449,462,737
Electric Plant Held for Future Use	208,709	208,709	208,709	208,709
Construction Work in Progress	15,657,245	17,145,365	29,610,382	16,652,431
Total Utility Plant	**380,391,868**	**410,065,955**	**439,873,606**	**466,323,878**
Accum. Provision for Depreciation				
Electric Plant in Service	85,804,125	88,687,118	87,745,603	98,808,475
Retirement Work in Progress	(64,819)	(107)	(38,599)	(38,599)
Electric Plant Held for Future Use	-	-	-	-
Total Accumulated Provision for Depreciation	**85,739,306**	**88,687,010**	**87,707,004**	**98,769,876**
Net Utility Plant	**294,652,562**	**321,378,945**	**352,166,602**	**367,554,002**
Other Property and Investments				
Investments in Subsidiary Companie	231,500	231,500	231,500	231,500
Other Investments	-	-	-	-
Total Other Property and Investments	**231,500**	**231,500**	**231,500**	**231,500**
Cash	308,775	306,183	475,986	7,043,678
Special Deposits	-	-	-	-
Working Funds	-	-	-	-
Temporary Cash Investments	40,450,000	17,425,000	22,575,000	2,900,000
Customer Accounts Receivable	17,243,036	20,302,280	15,883,704	23,361,611
Other Accounts Receivable	4,146,307	2,850,293	2,661,642	1,874,977
Accumulated Provision for Uncollectible Accounts	(826,260)	(552,343)	(581,329)	(1,043,568)
Accounts Receivable from Associated Companies	197,294	7,122,116	7,292,083	9,925,342
Fuel Stock	-	-	-	-
Materials and Supplies	3,278,702	3,388,576	3,700,173	3,951,737
Nuclear Materials Held for Sale	-	-	-	-
Prepayments	609,586	1,606,966	607,243	3,339,938
Unbilled Revenues	8,202,207	4,260,048	7,077,954	6,645,660
Miscellaneous Current and Accrued Assets	-	-	-	-
Derivative Instrument Asset Hodges	77,672	320,263	17,916	-
Total Current and Accrued Assets	**73,687,318**	**57,029,383**	**59,710,374**	**57,999,374**
Deferred Debits				
Deferred Fuel Costs	-	-	-	-
Unamortized Debt Expense	-	-	-	-
Other Regulatory Assets	14,368,034	20,227,047	21,088,127	37,716,301
Clearing Accounts	-	-	(20,860)	(48,522)
Miscellaneous Deferred Debits	1,054,934	910,598	761,366	1,068,724
Research and Development Expens	-	-	-	-
Accumulated Deferred Federal Incor	21,123,465	23,244,143	27,245,341	22,829,431
Total Deferred Debits	**36,546,433**	**44,381,788**	**49,073,974**	**61,565,933**
Total Assets and Other Debits	**$405,117,813**	**$423,021,616**	**$461,182,450**	**487,350,809**

Rockland Electric Company
Comparative Balance Sheets - Liabilities
Year 2017 to 2020

LIABILITIES AND OTHER CREDITS	DECEMBER 31, 2017	DECEMBER 31, 2018	DECEMBER 31, 2019	SEPTEMBER 30, 2020
Proprietary Capital				
Common Stock Issued	$11,200,000	$11,200,000	$11,200,000	$11,200,000
Capital Stock Expense	-	-	-	0
Retained Earnings	261,715,007	276,282,289	287,078,117	299,659,894
Paid in Capital	-	-	10,000,000	20,000,000
Total Proprietary Capital	**272,915,007**	**287,482,289**	**308,278,117**	**330,859,894**
Long Term Debt				
Bonds	-	-	-	-
Unamortized Discount on Long Term Debt	-	-	-	-
Total Long Term Debt	**-**	**-**	**-**	**-**
Other Noncurrent Liabilities				
Accumulated Provision for Misc Operating	2,221,041	-	-	1,092,000
Obligations Under Capital Leases - Noncurren	-	-	-	169,081
Total Noncurrent Liabilities	**2,221,041**	**-**	**-**	**1,261,081**
Current and Accrued Liabilities				
Long Term Debt Due Within one Year	-	-	-	
Accounts Payable	9,904,541	10,726,821	20,537,557	23,465,794
Accounts Payable to Associated Companies	9,327,631	10,497,852	8,934,236	9,964,481
Customer Deposits	3,294,584	2,834,055	2,639,858	3,479,193
Taxes Accrued	1,105,142	(74,692)	(169,712)	(113,279)
Interest Accrued	229,093	25,742	44,078	83,835
Tax Collections Payable	79,427	107,441	154,860	199,793
Miscellaneous Current and Accrued Liabilities	2,023,405	1,613,954	2,393,400	1,324,789
Obligations Under Capital Leases - Current	-	-	28,635	40,970
Derivative Instrument Liabilities - Hedges	-	-	695,738	189,817
Total Current and Accrued Liabilities	**25,963,823**	**25,731,173**	**35,258,650**	**38,635,393**
Deferred Credits				
Customer Advances for Construction	573,462	1,254,145	618,613	534,595
Other Deferred Credits	920,881	1,236,426	1,100,581	1,209,693
Regulatory Liabilities	28,779,934	24,487,763	23,833,050	21,409,344
Accumulated Deferred Income Taxes-Other Pr	59,885,784	65,933,781	70,228,148	71,593,978
Accumulated Deferred Income Taxes-Other	13,558,381	16,637,190	21,644,427	21,651,171
Accumulated Deferred Investment Tax Credits	299,500	258,849	220,864	195,660
Total Deferred Credits	**104,017,941**	**109,808,154**	**117,645,683**	**116,594,442**
Total Liabilities and Other Credits	**$405,117,813**	**$423,021,616**	**$461,182,450**	**$487,350,809**

Rockland Electric Company
Comparative Income Statement

Utility Operating Income	**DECEMBER 31, 2017**	**12 Months Ended DECEMBER 31, 2018**	**DECEMBER 31, 2019**
Operating Revenue	$173,732,353	$175,160,210	$174,475,809
Operating Expenses:			
Operation Expenses	129,861,618	137,759,907	143,139,582
Maintenance Expenses	13,844,959	12,215,002	11,208,563
Depreciation Expense	8,123,366	8,186,405	8,746,937
Amortization of Other Limited Term Plant	35,169	34,887	34,887
Amortization of Property Losses	-	-	-
Taxes Other than Income Taxes	1,849,478	1,797,149	1,764,331
Income Taxes			-
Federal Income Taxes	5,522,531	1,761,475	(715,574)
NJ State Income Taxes	1,829,117	1,053,648	1,087,367
Gain/loss on disposition of utility plant	-	-	-
Total Utility Operating Expenses	**161,066,237**	**162,808,471**	**165,266,091**
Net Utility Operating Income	**12,666,116**	**12,351,739**	**9,209,718**
Other Income			
Expenses of Nonutility Operations	-		
Equity in Earnings of Subsidiary Companies	-	-	-
Investment Income	306,000	509,549	439,208
Allowance for Other Funds Used During Construction (AFDC)	356,805	541,795	581,592
Miscellaneous Non-Operating Income	-	-	-
Gain on Disposition of Properties			
Total Other Income	**662,805**	**1,051,344**	**1,020,801**
Taxes Applicable to Other Income Deductions			
Taxes Other than Income Taxes	18,954	19,245	19,504
Income Taxes - Non Operating	(61,325)	(880,261)	(605,637)
Miscellaneous Income Deductions	189,091	171,830	210,916
Total Taxes Applicable to Other Income Deductions	**146,720**	**(689,186)**	**(375,218)**
Net Other Income and Deductions	**516,085**	**1,740,531**	**1,396,018**
Interest Charges			
Interest on Long Term Debt	-	-	-
Amortization of Debt Discount and Expense	-	-	-
Other Interest Expense	68,253	(180,028)	101,999
Allowance for Borrowed Funds Used During Construction	(184,065)	(294,984)	(292,090)
Total Interest Charges	**(115,812)**	**(475,013)**	**(190,092)**
Net Income	**$13,298,014**	**$14,567,282**	**$10,795,827**

ROCKLAND ELECTRIC COMPANY
DIRECT TESTIMONY OF THE
RATE PANEL

Q. Would the members of the Rate Panel please state your names and business addresses?

A. Cheryl Ruggiero and Eric Caban, 4 Irving Place, New York, NY 10003.

Q. By whom and in what capacity are you employed?

A. **(Ruggiero)** I am employed by Consolidated Edison Company of New York, Inc. ("Con Edison") where I hold the position of Department Manager of the Orange and Rockland Rate Design section in the Rate Engineering Department.

(Caban) I am employed by Con Edison where I hold the position of Senior Rate Analyst in the Orange and Rockland Rate Design section in the Rate Engineering Department.

Q. Please briefly outline your educational and business experience.

A. **(Ruggiero)** In 2000, I graduated from Polytechnic University with a Bachelor of Science degree in Electrical Engineering. In 2009, I graduated from Baruch College with a Master of Business Administration degree in Finance and Investments. I joined Con Edison in 2000 as a Management Intern with rotational assignments in Electric Operations, Engineering Services, and Gas Operations. In July 2001, I accepted a position as Associate Engineer - A in Distribution Engineering. In November 2005, I accepted a position as Senior Analyst in Rate Engineering and since then, I have held positions with increasing responsibility. I was promoted to my current position in March 2013. I have previously testified before the Board of Public Utilities ("Board"), the New York Public Service Commission, and the Pennsylvania Public Utility Commission in numerous rate

proceedings on behalf of Orange and Rockland Utilities, Inc. ("Orange and Rockland") and its subsidiaries.

(Caban) In 2003, I graduated from Boston University with a Bachelor of Arts degree in Economics, and a minor in Business Administration and Management. In February of 2019, I obtained my Project Management Professional Certification from the Project Management Institute. My first employment was as an analyst within the Structured Transactions Group at Deutsche Bank Berkshire Mortgage from 2003 to 2006. I was subsequently employed as an analyst within the CMBS Group at Hyperion Brookfield Asset Management from 2007 to 2008. I joined Orange and Rockland, the parent company of Rockland Electric Company ("RECO" or the "Company"), in 2009 as a Specialist in the Customer Energy Services Group. In June 2011, I was promoted within the group to the position of Program Administrator. In June 2013, I accepted a position as Senior Analyst in Con Edison's Rate Engineering department. I was promoted to my current position in October 2015.

SUMMARY OF TESTIMONY

Q. What is the purpose of the Rate Panel's direct testimony in this proceeding?

A. The purpose of the Rate Panel's direct testimony is to describe the Company's proposed voluntary time-of-day residential rate that can be used by customers with plug-in electric vehicles ("EVs") who will have their entire household load served under the time-of-day rate ("Voluntary TOD Rate"). Our direct testimony also outlines the proposed cost recovery mechanism associated with the Company's EV Program, as described in the Company's Petition. Finally, the

Rate Panel discusses why demand charges should be applied to customers who operate Direct Current Fast Charging ("DCFC") stations.

Q. Please identify the exhibits to the Rate Panel's direct testimony.

A. There are four exhibits to the Rate Panel's direct testimony:

Exhibit RP-1	Proposed Rate Structure
Exhibit RP-2	Bill Impacts
Exhibit RP-3	Calculation of Surcharge for Years 1 – 3
Exhibit RP-4	Sample Calculation of Monthly Over/Under-Recovery

VOLUNTARY TOD RATE

Q. Please describe the proposed rate structure for the Voluntary TOD Rate.

A. The Company proposes to add the Voluntary TOD Rate as a rate option under Service Classification ("SC") No. 1, as shown in the proposed tariff leaves attached as Appendix A to the Company's Petition. This proposal is consistent with the Board's directive that electric distribution companies should offer rate options that encourage managed charging and off-peak charging times.[1] The Voluntary TOD Rate recovers distribution costs through a monthly customer charge (a fixed amount each billing period) and TOD peak and off-peak volumetric (kWh) charges. All other rates and charges, including Basic Generation Service – Residential and Small Commercial Pricing ("BGS-RSCP") charges, will initially be set equal to those of the SC No. 1 non-TOD rates.

[1] *I/M/O Straw Proposal on Electric Vehicle Infrastructure Build Out*, Docket No. QO20050357, Order Adopting the Minimum Filing Requirements for Light-Duty, Publicly Accessible Electric Vehicle Charging (dated September 23, 2020) ("EV Filing Order")(pp. 23, 26).

Q. How did you set the Voluntary TOD Rate customer charge?

A. The Voluntary TOD Rate customer charge has been set equal to the existing SC No. 1 non-TOD customer charge.

Q. Please describe how you developed the Voluntary TOD Rate volumetric charges.

A. The Voluntary TOD Rate volumetric charges have been set to recover the portion of the SC No. 1 distribution revenue requirement that will not be recovered through the monthly customer charge, resulting in a distribution rate structure that is designed to be revenue-neutral to the current level of revenue. Further, the peak and off-peak usage charges were determined in a manner that accounts for differences in the cost drivers for local facilities which are located in close proximity to customers' homes or businesses, as compared to upstream facilities which are located (electrically) further from the customer. The billing determinants and proposed rates are set forth in Exhibit RP-1.

Q. Please continue.

A. The proposed Voluntary TOD Rate includes two measures of usage in each billing period of the year: (1) a customer's usage during the peak period; and (2) a customer's usage during the off-peak period. The peak time period is defined as the period from 12:00 P.M. through 8:00 P.M., Monday through Friday. The off-peak time period is all other hours, Monday through Friday, and all hours on Saturday and Sunday. The peak usage charges, which vary by season, are designed to recover a portion of the rate class local distribution costs and upstream distribution costs. The off-peak usage charges are designed to recover a portion of the local distribution costs. Local distribution costs include: (a)

secondary distribution costs, and (b) a portion of primary distribution costs. Upstream distribution costs include the portion of primary distribution costs that are not local distribution costs.

Q. Please continue.

A. The volumetric rates of the Voluntary TOD Rate proposal may be described as consisting of a "base" usage rate layer that is included in both the peak and off-peak usage charges for all seasons, and an "incremental" usage rate layer on top of the base rate during peak periods of each season. The base usage rate layer is designed to recover local distribution costs and the incremental rate layer is designed to recover upstream distribution costs. The off-peak period usage charge is the same as the base usage rate layer and the peak period usage charge is the sum of the base usage rate layer and the incremental usage rate layer.

Q. How did you determine the peak usage period?

A. The Company examined the system load data from the same calendar year as its load research data used in its analysis to determine the year's five peak days. The Company took an integrated five-day average across each hour during the 24-hour period to identify what hours exceeded a threshold of 90% of the system peak for the year. Based on this analysis, the peak time period is proposed to be set from 12:00 P.M. through 8:00 P.M., Monday through Friday.

Q. Why did you set supply costs for the Voluntary TOD Rate equal to the existing BGS-RSCP non-TOD charges for SC No. 1?

A. The BGS-RSCP charges are determined as part of the annual statewide auction process and become effective on June 1 of each year. Upon approval of the

Voluntary TOD Rate by the Board, the Company will include a proposal to separate the Voluntary TOD Rate from the non-TOD SC No. 1 BGS-RSCP rates in the RECO Company Specific Addendum filed by the Company following such approval. Until that time, the Company is proposing to set supply rates for the Voluntary TOD Rate equal to the SC No. 1 BGS-RSCP non-TOD rates.

Q. Did you calculate bill impacts associated with the proposed rates?

A. Yes, the bill impacts are set forth in Exhibit RP-2.

Q. Please describe the bill impacts included in Exhibit RP-2.

A. As shown in Exhibit RP–2, the Company estimated bill impacts using customer hourly load profiles from the Company's load research sample. The charts included in Exhibit RP–2, Schedule 1, show bill impacts of the Voluntary TOD Rate against the SC No. 1 non-TOD Rate as of September 1, 2020 on a total bill basis. There is a comparison of bill impacts for customers both with and without EV charging stations on a percentage basis. The charts shown in Exhibit RP–2, Schedule 2, show these same bill impacts on a distribution only basis.

Q. What assumptions did the Company make regarding customers using EV charging stations?

A. The Company layered on an incremental 9 kWh to each customers' respective hourly base load profile. This 9 kWh is based on the typical charging profile for an L2 charger (*i.e.*, 3 kWh per hour over a three-hour period). The Company assumed charging would occur between the hours of 12:00 A.M to 3:00 A.M. However, the customer can choose any three-hour charging period in the off-peak time frame and see the same bill, all else being equal.

Q. Are there any other requirements for a customer opting for the Voluntary TOD Rate?

A. There are two other requirements. First, a customer that opts-in to the Voluntary TOD Rate will not be allowed to opt-out of AMI metering. Second, there is a minimum one-year term associated with the Voluntary TOD Rate. A customer who opts-in to the Voluntary TOD Rate must stay on the rate for at least one year. Further, a customer who opts-out of the Voluntary TOD Rate after the minimum one-year of service will not be allowed to opt back in to receiving the rate for a period of one year. These requirements have also been added to the draft tariff language.

Q. Does the Company plan to offer any price guarantees to residential customers with EVs?

A. Yes. The Company proposes to offer, under Special Provision D of SC No. 1, an initial one-year price guarantee to residential customers who register their EV with the Company and take service under the Voluntary TOD Rate. At the end of the first year of service under the Voluntary TOD Rate, a customer will receive a credit for the difference, if any, between what the customer paid for distribution under the Voluntary TOD Rate structure, and what the customer would have paid under the SC No. 1 non-TOD rate structure over that one-year period, if the Voluntary TOD Rate structure resulted in higher distribution charges for the customer.

Q. Did the Company design any EV rates specific to multi-family dwellings?

A. No. A typical multi-family dwelling account will be served under a commercial account. The possible charging characteristics at a multi-family dwelling likely will be more similar to a publicly-accessible EV charging station than an individual residence. Therefore, the applicable commercial rate structure should apply to any EV charging station(s) located at multi-family dwellings.

PROGRAM COST RECOVERY

Q. How will the costs of the EV Program described in the Company's Petition be recovered from customers?

A. The Company proposes to establish an Electric Vehicle Surcharge ("EVS"). The EVS will be set annually based on the sum of: (1) the Company's forecasted revenue requirement (the calculation of which is detailed in the direct testimony of the Accounting Panel) associated with the EV Program; (2) any price guarantees paid out during the prior year; and (3) any prior period over- or under-recoveries including interest. Such quantity will then be divided by the forecast of the Company's kWh deliveries to customers for the annual recovery period. The resulting rate in cents per kWh will then be increased to reflect Sales and Use Tax ("SUT").

Q. How will any over- or under-collection of revenue be treated?

A. Each month the actual revenue collected through the EVS will be compared to the month's revenue requirement (the calculation of which is outlined in the direct testimony of the Accounting Panel) plus the price guarantees that had been paid out. The difference will be deferred as a regulatory asset or regulatory liability with an offsetting charge to expense.

A carrying charge will be included in the deferred balance for both an over-collection and an under-collection. The carrying charge will be calculated as determined by the Board in its Order dated October 21, 2008 in BPU Docket No. ER08060455. As set forth in that Order, the interest rate shall be the interest rate based on two-year constant maturity Treasuries as published in the Federal Reserve Statistical Release on the first day of each month (or the closest day thereafter on which rates are published), plus 60 basis points, but not to exceed the Company's overall rate of return. The interest rate will be reset each month.

Q. Has the Company proposed any amendments to its electric tariff to implement the EVS?

A. Yes. The Company proposes to establish General Information Section No. 40 – Electric Vehicle Surcharge. The draft tariff leaves associated with this change are included in Appendix A to the Company's Petition, in addition to the other tariff changes previously discussed in this testimony.

Q. When do you propose the EVS should become effective?

A. We propose the effective date of the EVS be the first of the month following the Board's approval of the Company's Petition.

Q. When would the Company make filings to adjust the EVS?

A. We propose that the Company would make annual filings by September 1 of each year to reconcile the prior period collections versus recoveries and to forecast the revenue requirement for the following calendar year. A new EVS would become effective every January 1.

Q. What would the initial level of the EVS be set at?

A. Based on a first-year revenue requirement of $66,968 for the EV Program as provided by the Accounting Panel, the initial EVS will be 0.0047 cents per kWh, including SUT. The calculations of the initial EVS and the EVS for Years 2 and 3 have been included as Exhibit RP-3.

Q. Please describe Exhibit RP-4.

A. Exhibit RP-4 includes a sample calculation of the monthly over/under-recovery of for Years 1 and 2 of the EVS.

Q. What impact will the initial EVS have on a typical residential customer's electric bill?

A. At rates effective November 1, 2020, the monthly electric bill for a typical residential customer with an average annualized monthly usage of 925 kWh is $183.16. The EVS would increase this bill by $0.04 from $183.16 to $183.20 or by 0.02%.

Q. Will the Company propose to roll-in unrecovered EV Programs costs through base rates?

A. Yes. The Company anticipates that in its next base rate case(s) filed following the conclusion of this proceeding, the net capitalized amounts associated with the EV Program, if such amounts are deemed to be reasonable and prudent, will be rolled into the Company's rate base. No more capital costs will be placed in the EVS following the base rate case that follows the conclusion of the five-year EV Program. Thereafter, the EVS will be used only as necessary to provide for the true-up of any under- or over-recovered costs of the EV Program. The EVS and

EVS tariff will terminate following the conclusion of the Company's future base rate case when the balance of over or under-recovered costs reaches zero.

DEMAND CHARGE APPLICABILITY TO DCFC STATIONS

Q. The Electric Vehicle Program Panel states that the DCFC Incentive Program will address the issue of the uneconomical cost of operating DCFC Stations due in large part to high demand charges. Why are demand charges appropriate to be charged to a DCFC Station?

A. The costs of distribution service are mainly fixed and demand-related with virtually nothing related to volumetric, or kWh, usage. This is because utility investments in infrastructure are driven by customer demands rather than their kWh usage. Therefore, DCFC Stations, like other commercial customers, are billed on rates that are mainly demand-based and designed to recover the costs of serving their demand. Since distribution costs are mainly demand-related, demand charges provide appropriate price signals that encourage efficient customer and utility investments. In other words, customers are encouraged to take actions and make investments that improve the efficiency of the distribution system, in order that these actions and investments benefit not only those individual customers, but also all customers on the electric distribution system.

Q. Does this conclude your direct testimony?

A. Yes, it does.

Rockland Electric Company

Summary of Rate Design

SC No. 1 Voluntary Time of Day - Distribution Charges		
	Summer*	Non-Summer*
Customer Charge**	$5.41	$5.41
On Peak kWh ($/kWh)**	0.11773	0.09056
Off-Peak kWh ($/kWh)**	0.03920	0.03920
Peak Period	Noon - 8:00 pm weekdays	
Off-Peak Period	All other hours	

* Summer Months - June through September

** Rates Include SUT of 6.625%

Rockland Electric Company

SC No. 1 Voluntary Time of Day Rate Design

Delivery Revenue Recovery by Cost Category (1)

	Delivery Revenue (1)	Percent Distribution by Charge: Customer	All kWh Charges	Peak kWh Charges	Revenue Distribution by Charge: Customer (2)	All kWh Charges	Peak kWh Charges	Total
Customer	$18,900,389	19.9%	80.1%		$3,768,369	$15,132,020		$18,900,389
Secondary	5,242,492		100.0%	0.0%	0	5,242,492	0	5,242,492
Primary	17,868,248		33.3%	66.7%	0	5,956,083	11,912,166	17,868,248
Total	$42,011,129				$3,768,369	$26,330,595	$11,912,166	$42,011,129

Rate Calculations

Summer

	Billing Units	Rates (4) (Exc SUT)	Revenue
Customer Charge	247,756	5.07	1,256,123
Peak kWh (3)	97,409,712	0.11041	10,755,458
Offpeak kWh	216,599,783	0.03677	7,963,534
			19,975,115

Winter

	Billing Units	Rates (4) (Exc SUT)	Revenue	Total Revenue
Customer Charge	495,512	5.07	2,512,246	3,768,369
Peak kWh (3)	98,365,389	0.08493	8,354,599	19,110,057
Offpeak kWh	303,789,669	0.03677	11,169,169	19,132,703
			22,036,014	42,011,129

Summer Peak to Offpeak Ratio	3.00
Winter Peak to Offpeak Ratio	2.31
Summer to Winter Peak Ratio	1.30
Summer Revenue Recovery	47.5%

(1) Based on rates approved in BPU Docket No. ER19050552

(2) Assumes current customer charge

Customer Charge (Exc SUT)	5.07
No. of Customers	61,939
Customer Charge Revenue	3,768,369

(3) Peak period is Noon to 8:00 pm weekdays

(4) Calculation of Peak kWh rates:

x = Winter Peak rate

1.3x = Summer Peak rate

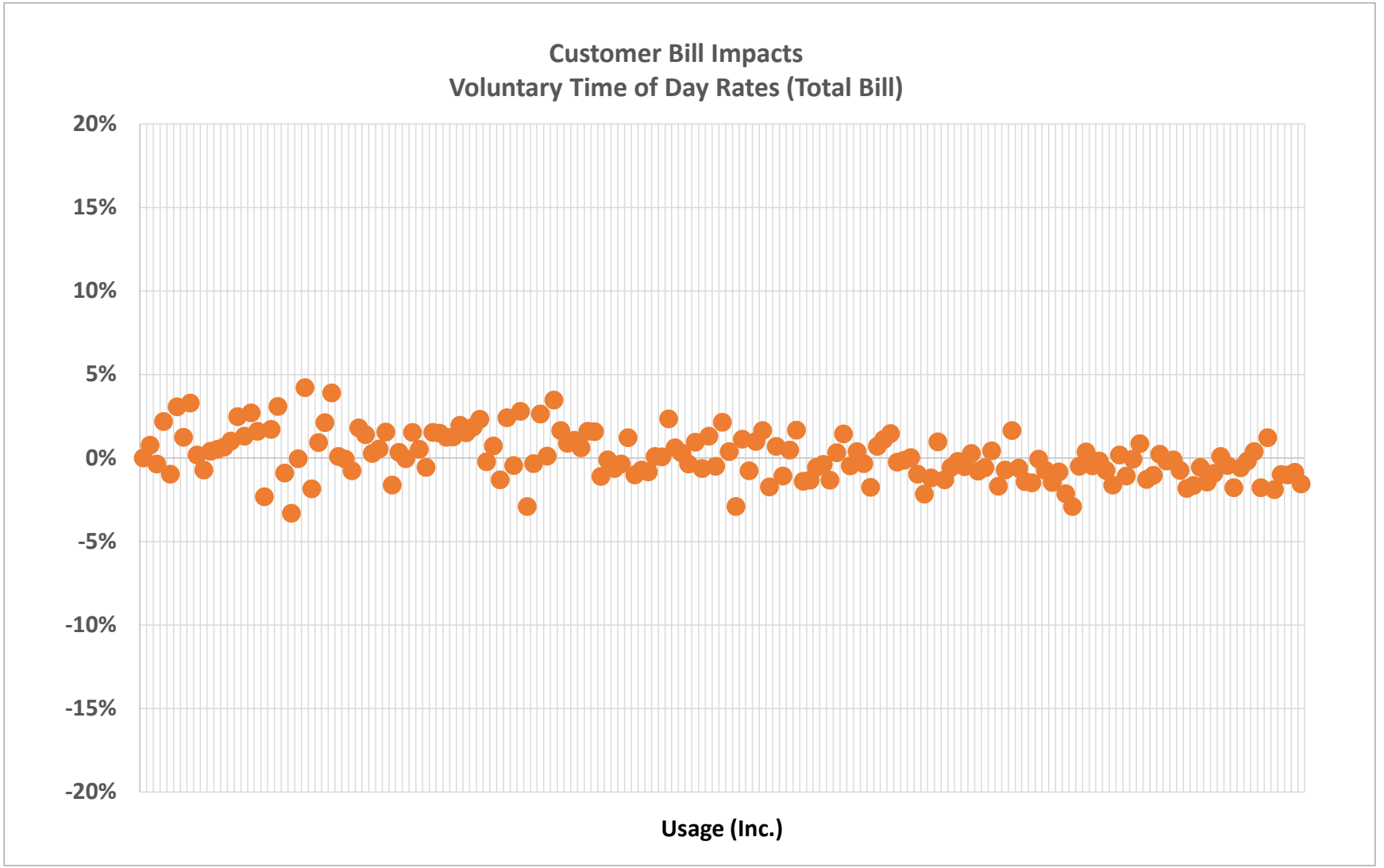
Peak kWh Rev = Total Rev - Customer Charge Rev - Offpeak kWh Rev

J26 * x + D26 * 1.3 x = M17 - (G25 + L25 + G27 + L27)

x * (J26 + D26 * F34) = M17 - (G25 + L25 + G27 + L27)

x = (M17 - (G25 + L25 + G27 + L27))/(J26 + D26 * F34)

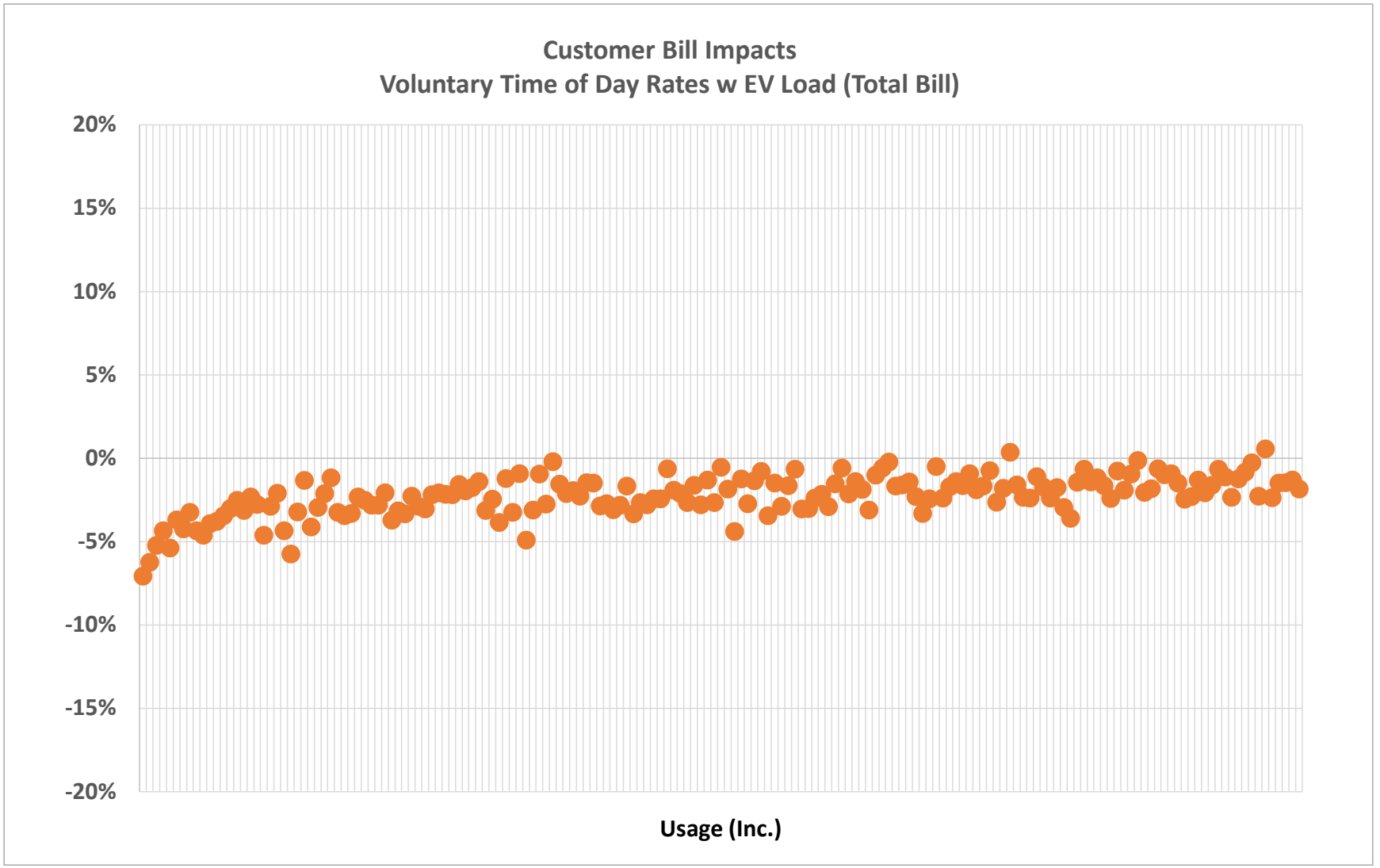
Rockland Electric Company



Bill Impacts		
>0	83	Losers
<=0	90	Winners

4.2%	Max
-3.3%	Min

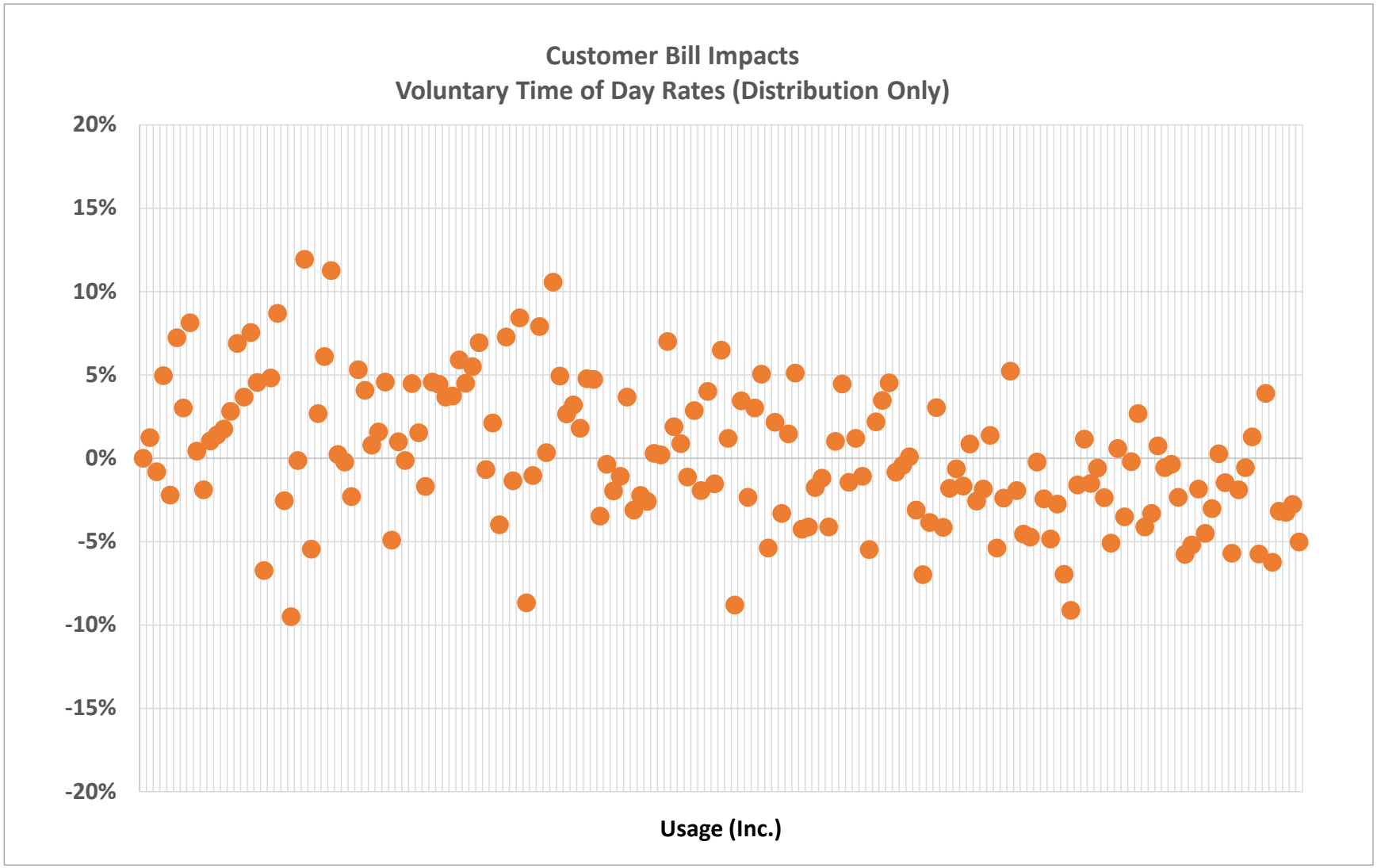
Rockland Electric Company



Bill Impacts		
>0	2	Losers
<=0	171	Winners

0.6%	Max
-7.1%	Min

Rockland Electric Company



Bill Impacts		
>0	83	Losers
<=0	90	Winners

11.9%	Max
-9.5%	Min

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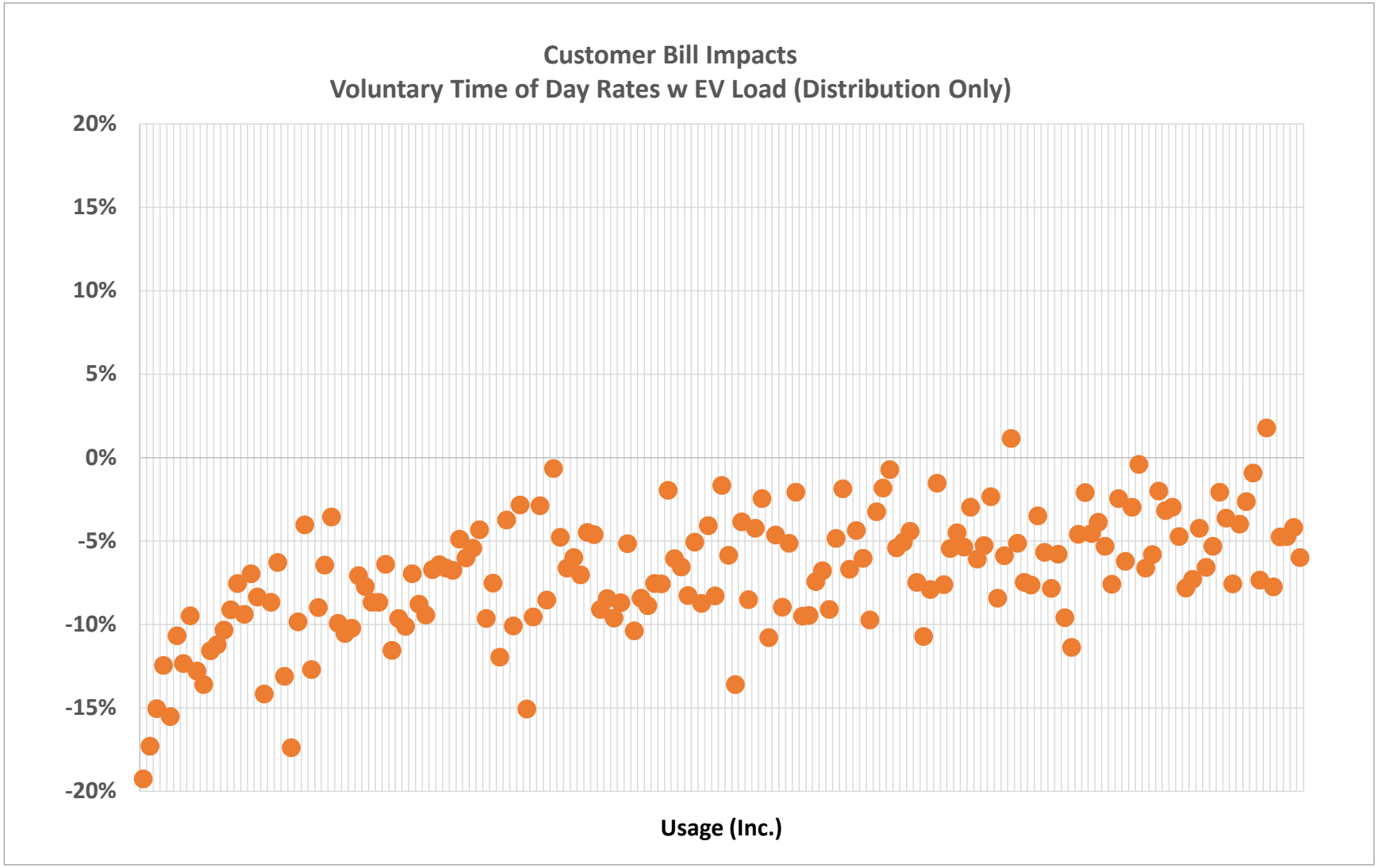

Bill Impacts		
>0	2	Losers
<=0	171	Winners

1.8%	Max
-19.3%	Min

Rockland Electric Company

Electric Vehicle Surcharge Proposal
Determination of Electric Vehicle Surcharge for Years 1 - 3

Period	Revenue Requirement	Forecast MWh	EV Surcharge (¢/kWh)	EV Surcharge w/SUT (¢/kWh)
January - December 2021	$66,968	1,516,929	0.0044	0.0047
January - December 2022	$214,126	1,500,238	0.0143	0.0152
January - December 2023	$408,711	1,604,305	0.0255	0.0272

Rockland Electric Company

Electric Vehicle Surcharge Proposal
Sample Calculation of Monthly Over/Under-Recovery

Year 1 Assumptions:	**Projected Annual**	**Actual Annual**
Revenue Requirement - Year 1	$66,968	$67,191
Total Sales (KWh)	1,516,929,325	1,592,775,791
Recovery Rate (excl SUT)	$0.000044	$0.000044
Total Amount Actually Collected		$70,317

Revenue Breakdown:	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Year 1	8.80%	7.80%	7.10%	7.00%	7.20%	8.40%	10.40%	10.70%	9.40%	8.00%	7.10%	8.10%	100.00%

Year 1 - As Projected Initially Based on Uniform Monthly Rev. Req.

	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total
Revenue Requirement	$5,581	$5,581	$5,581	$5,581	$5,581	$5,581	$5,581	$5,581	$5,581	$5,581	$5,581	$5,581	$66,968
Monthly Recoveries	(5,893)	(5,224)	(4,755)	(4,688)	(4,822)	(5,625)	(6,965)	(7,166)	(6,295)	(5,357)	(4,755)	(5,424)	($66,968)
(Over)/Under Recovery	($313)	$357	$826	$893	$759	($45)	($1,384)	($1,585)	($714)	$223	$826	$156	$0
Beginning Balance - (Over)/Under Recovery	$0	($313)	$45	$871	$1,763	$2,522	$2,478	$1,094	($491)	($1,205)	($982)	($156)	
Ending Balance (Over)/Under Recovery	($313)	$45	$871	$1,763	$2,522	$2,478	$1,094	($491)	($1,205)	($982)	($156)	$0	
Average Balance (Over)/Under	($156)	($134)	$458	$1,317	$2,143	$2,500	$1,786	$301	($848)	($1,094)	($569)	($78)	

Year 1 Actual - For Illustrative Purposes	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total
Revenue Requirement	$5,692	$5,525	$5,469	$5,748	$5,023	$5,302	$5,804	$6,139	$5,581	$5,302	$5,916	$5,692	$67,191
Monthly Recoveries	(6,188)	(5,485)	(4,992)	(4,922)	(5,063)	(5,907)	(7,313)	(7,524)	(6,610)	(5,625)	(4,992)	(5,696)	($70,317)
(Over)/Under Recovery	($496)	$40	$477	$826	($40)	($605)	($1,509)	($1,385)	($1,029)	($324)	$923	($3)	($3,125)
Beginning Balance - (Over)/Under Recovery	$0	($496)	($455)	$21	$847	$807	$202	($1,307)	($2,692)	($3,721)	($4,045)	($3,122)	
Ending Balance (Over)/Under Recovery	($496)	($455)	$21	$847	$807	$202	($1,307)	($2,692)	($3,721)	($4,045)	($3,122)	($3,125)	
Average Balance (Over)/Under	($248)	($475)	($217)	$434	$827	$504	($552)	($2,000)	($3,207)	($3,883)	($3,583)	($3,124)	
Average Balance (Over)/Under - Net of Tax	($178)	($342)	($156)	$312	$595	$363	($397)	($1,437)	($2,305)	($2,792)	($2,576)	($2,245)	
Interest Rate (Monthly)	0.06%	0.07%	0.80%	0.75%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	
Interest (To Customer) /To Company	($0)	($0)	($1)	$2	$0	$0	($0)	($1)	($1)	($2)	($2)	($1)	($6)

Rockland Electric Company

Electric Vehicle Surcharge Proposal
Sample Calculation of Monthly Over/Under-Recovery

Year 2 Assumptions:	**Projected Annual**	**Actual Annual**
Revenue Requirement - Year 2	$214,126	$219,301
Year 1 True-Up (Over)/Under	($3,125)	($3,125)
Year 1 Interest (To Customer)/To Company	($6)	($6)
Total Amount to be Collected	$210,996	$216,170
Total Sales (KWh)	1,500,237,756	1,545,244,889
Recovery Rate (excl SUT)	$0.000141	$0.000141
Total Amount Actually Collected		$217,325

Revenue Breakdown:	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Year 2	8.60%	7.70%	7.20%	7.10%	6.80%	8.30%	10.80%	10.80%	9.60%	8.00%	7.20%	7.90%	100.00%

Year 2 - As Projected Initially Based on Uniform Monthly Rev. Req.

	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Total
Revenue Requirement	$17,844	$17,844	$17,844	$17,844	$17,844	$17,844	$17,844	$17,844	$17,844	$17,844	$17,844	$17,844	$214,126
Prior Period (Over)/Under Recovery	(3,131)												(3,131)
Monthly Recoveries	(18,146)	(16,247)	(15,192)	(14,981)	(14,348)	(17,513)	(22,788)	(22,788)	(20,256)	(16,880)	(15,192)	(16,669)	(210,996)
(Over)/Under Recovery	($3,433)	$1,597	$2,652	$2,863	$3,496	$331	($4,944)	($4,944)	($2,412)	$964	$2,652	$1,175	$0
Beginning Balance - (Over)/Under Recovery	($3,131)	($3,433)	($1,835)	$817	$3,680	$7,176	$7,507	$2,564	($2,380)	($4,792)	($3,827)	($1,175)	
Ending Balance (Over)/Under Recovery	($3,433)	($1,835)	$817	$3,680	$7,176	$7,507	$2,564	($2,380)	($4,792)	($3,827)	($1,175)	($0)	
Average Balance (Over)/Under	($3,282)	($2,634)	($509)	$2,248	$5,428	$7,342	$5,036	$92	($3,586)	($4,310)	($2,501)	($588)	
Average Balance (Over)/Under - Net of Tax	($2,359)	($1,894)	($366)	$1,616	$3,902	$5,278	$3,620	$66	($2,578)	($3,098)	($1,798)	($422)	

Year 2 Actual - For Illustrative Purposes	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Total
Revenue Requirement	$18,736	$17,487	$17,130	$18,379	$19,628	$18,201	$18,379	$17,487	$17,130	$19,271	$18,736	$18,736	$219,301
Prior Period (Over)/Under Recovery	(3,131)												(3,131)
Monthly Recoveries	(18,690)	(16,734)	(15,647)	(15,430)	(14,778)	(18,038)	(23,471)	(23,471)	(20,863)	(17,386)	(15,647)	(17,169)	(217,325)
(Over)/Under Recovery	($3,085)	$753	$1,483	$2,949	$4,850	$163	($5,092)	($5,984)	($3,733)	$1,885	$3,089	$1,567	($1,155)
Beginning Balance - (Over)/Under Recovery	($3,131)	($3,085)	($2,332)	($849)	$2,100	$6,950	$7,113	$2,021	($3,963)	($7,696)	($5,811)	($2,723)	
Ending Balance (Over)/Under Recovery	($3,085)	($2,332)	($849)	$2,100	$6,950	$7,113	$2,021	($3,963)	($7,696)	($5,811)	($2,723)	($1,155)	
Average Balance (Over)/Under	($3,108)	($2,708)	($1,591)	$625	$4,525	$7,031	$4,567	($971)	($5,830)	($6,754)	($4,267)	($1,939)	
Average Balance (Over)/Under - Net of Tax	($2,234)	($1,947)	($1,143)	$450	$3,253	$5,055	$3,283	($698)	($4,191)	($4,855)	($3,067)	($1,394)	
Interest Rate (Monthly)	0.06%	0.07%	0.80%	0.75%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	
Interest (To Customer) /To Company	($1)	($1)	($9)	$3	$2	$3	$2	($0)	($3)	($3)	($2)	($1)	($10)