



March 28, 2025

Andrew Johnston
Executive Secretary
Public Service Commission of Maryland
6 St. Paul Street, 16th floor
Baltimore, MD 21202

Subject: Case No. 9478, In the Matter of the Petition of the Electric Vehicle Work Group for Implementation of a Statewide Electric Vehicle Portfolio

Re: Concerns raised by OPC on the relationship between SCM (smart charge management) and TOU rates offered by PHI

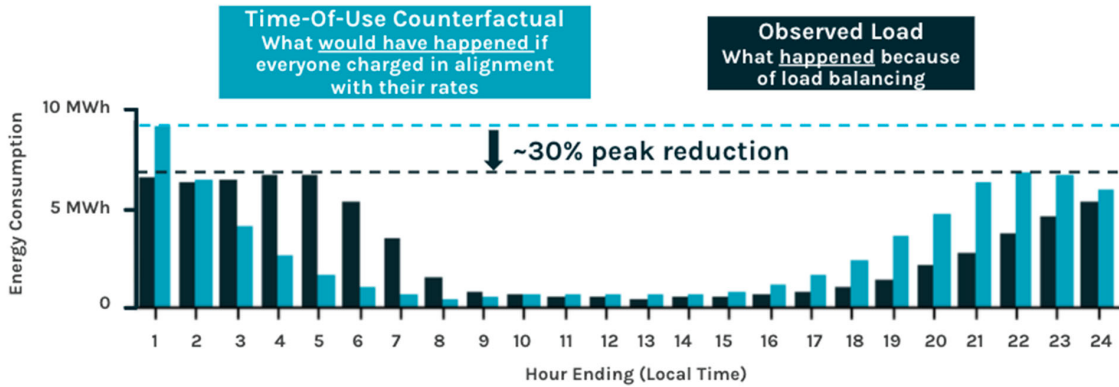
Dear Mr. Johnston:

The Alliance for Transportation Electrification (“ATE”)¹ submits these comments with specific regard to the interaction between PHI’s EV-TOU rate and incentives under the company’s Smart Charge Management program, which was the subject of comments by the Office of People’s Counsel (“OPC”) on December 16, 2024 (ML 314277) and was subsequently discussed during the December 18, 2024, Administrative Meeting. We recall that OPC’s comments that day were prefaced with the acknowledgement that PHI’s Phase II petition had not yet been filed, however we anticipate that the issue may be raised again and so we submit these comments on the matter. Please note that we would offer similar comments on these issues with the petitions and programs of other utilities if they are raised in comments in this docket.

OPC’s concern was a potential overlap between Time-Of-Use (“TOU”) and Smart Charge Management (“SCM”). For reference, Time of Use is a time-varying rate which is intended to encourage customers through a lower price to take an action (such as setting the timer on their EV or EV charger) to charge during periods of low demand. Smart Charge Management, by contrast, is a program through which the customer authorizes the utility to proactively change the level of power consumed by an EV by

¹ ATE is a 501(c)(6) non-profit corporation that engages with regulators and policymakers at the State and local government levels to remove barriers to EV adoption and to encourage the acceleration of electric vehicles (EV) infrastructure deployment. We consist of over 50 industry members along with affiliated non-governmental organizations across multiple sectors members that include electric utilities, auto and bus manufacturers, EV charging infrastructure providers, and related organizations.

sending a signal to individual EVs or EV chargers (EVSE). Importantly, while these programs are similar in the goals they seek to achieve, they are not redundant and in fact work in concert with each other as illustrated in the following graph which was included in PHI’s Phase II petition (at 27):



Another significant distinction between TOU and SCM is that TOU windows are fixed and cannot be altered without a formal tariff revision, subject to Commission approval which requires some time and documentation. SCM, by contrast, is highly flexible and provides the utility the ability to actively manage charging based on a wide range of factors which may change over time, including from day to day or even hour to hour. The EV industry generally makes a clear distinction between these two types of programs. TOU is considered “*passive* managed charging,” leaving control in the hands of customers, whereas SCM-type programs are “*active* managed charging,” in which the utility can make rapid decisions in real-time in response to events both expected and unexpected. The former is a means to influence consumer behavior through rates, while the latter is a technology-based solution. Neither solution is exclusive to each other, and should be complementary if properly designed. The goals of such programs are similar: both to relieve the stress on the distribution grid during peak hours, and to offer savings to the customer.

As PHI wrote in its Phase II petition, filed later in the day of the TOU-SCM discussion at the December 18 Administrative Meeting:

[Smart Charge Management (“SCM”) and Time-Of-Use (“TOU”) billing] are intended to be complementary, and customers will have the flexibility for enrollment in the program or combination of programs that best fit the customer’s needs. . . . While the SCM Program will actively manage charging to align with individual customer preferences and grid needs, the EV TOU Program is designed to allow passive participation for daily off-peak charging. Using both active and passive managed charging techniques, the Companies aim to reduce impacts on the distribution system and potentially reduce and/or delay the need to build-out additional infrastructure to accommodate the new load. The EV load management programs also help reduce the overall cost of owning and operating an EV by

rewarding customers for their participation during off-peak periods.” PHI Phase II Petition at 25-26.

Because of the uncertainty at this still-early period of the EV charging industry, it is reasonable for PHI to explore both methods of load management, particularly because it may be the case that both are required at a time that the grid is undergoing significant transformational changes as illustrated in Maryland by the Distribution System Support Services provisions of the DRIVE Act and regionally by the debates on resource adequacy (RA) on a system basis taking place at PJM and FERC.

We certainly appreciate OPC pointing out the importance of identifying localized peaks. The management of peaks on specific feeders and substations has become a more salient issue with more EV charging and DERs (distributed energy resources) deployed in the grid, along with the system wide peak analysis cited above. As OPC acknowledged during the Administrative Meeting, however “time of use rates are this sort of foundational tool, and Smart Charge Management is used to modify the charging impact where necessary.” Statement of Mark Szybist at 00:59:47. The Commission need, not, and should not wait to act. As Commissioner Suchman stated (at 1:04:45), “The whole point of smart charging, of time of use, is to try to avoid having to build out more distribution which is incredibly expensive . . . we should really try to find ways to make our usage smarter.” We concur.

We fully expect that as Phase II proceeds PHI will provide information about peaking assessments and the efficacy of TOU and SCM, including the use cases where one works better as a stand-alone measure, and how the two measures can complement each other. But ATE believes as EV adoption accelerates in Maryland it is critical to address these issues in a timely way as proposed in the Phase II programs so that stresses on the distribution grid can be mitigated properly.

In conclusion, we encourage the Commission to approve PHI’s proposed Phase II, including the continued use of Smart Charge Management in conjunction with TOU, and we look forward to continuing to engage with the Commission and stakeholders in this important proceeding.

Respectfully submitted,

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