

On June 9, 2023, AES Indiana filed the rebuttal testimony of Mr. Elliot and Ms. Aliff. Also on June 9, 2023, ChargePoint filed the cross-answering testimony of Mr. Deal.

The Commission issued a docket entry on June 29, 2023, in which the Presiding Officers requested additional information. Petitioner filed its response on June 30, 2023.

The Commission held an Evidentiary Hearing at 9:30 a.m. on July 6, 2023, in Hearing Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. AES Indiana, the OUCC, CAC, ChargePoint, and Walmart participated in the Evidentiary Hearing by counsel. The testimony and exhibits of AES Indiana, the OUCC, CAC, ChargePoint, and Walmart were admitted without objection.

Based on the applicable law and the evidence presented, the Commission now finds:

1. Commission Notice and Jurisdiction. Notice of the hearing in this Cause was given and published by the Commission as required by law. In addition, AES Indiana published notice of the filing of its Verified Petition as required by Ind. Code § 8-1-2.5-6(d). Pet. Ex. 1, Att. ZE-7.

AES Indiana is a public utility as that term is defined in Ind. Code § 8-1-2-1, an “electric utility” as defined in Ind. Code § 8-1-43-3, and an “energy utility” providing “retail energy service” as defined in Ind. Code §§ 8-1-2.5-2 and -3. As provided by House Enrolled Act 1221 (“HEA 1221”), the Commission has jurisdiction over the approval of public use electric vehicle (“EV”) pilot programs pursuant to Ind. Code ch. 8-1-43 (“Chapter 43”). Pursuant to Ind. Code §§ 8-1-2-42, 8-1-2-61, and 8-1-2.5-6(a)(3), the Commission also has jurisdiction over Petitioner’s rates and charges, including approval of time-varying price structures and tariffs, or other alternative pricing structures and tariffs. Therefore, the Commission has jurisdiction over AES Indiana and the subject matter of this Cause.

2. Petitioner’s Characteristics. AES Indiana is a corporation organized and existing under the laws of the State of Indiana, with its principal office at One Monument Circle, Indianapolis, Indiana. AES Indiana renders electric public utility service in the State of Indiana and owns and operates plant and equipment within the State of Indiana used for the production, transmission, delivery, and furnishing of such service to the public.

3. Relief Requested. Pursuant to its Verified Petition, AES Indiana proposes to offer a three-year pilot program (“EV Portfolio”) consisting of two components: (1) a Public Use EV Pilot Program pursuant to Chapter 43; and (2) an alternative regulatory plan (“ARP”) that consists of alternative rates, tariffs, and pricing structures offered pursuant to Ind. Code ch. 8-1-2.5-6. The Public Use EV Pilot Program consists of the limited deployment of charging and make-ready infrastructure as well as customer incentives and rebates. In addition, AES Indiana requests approval of time-varying and alternative pricing structures for residential customers, commercial and industrial (“C&I”) customers.

4. EV Portfolio.

A. Public Use EV Pilot Program. Mr. Elliot testified the Public Use EV Pilot Program is a three-year pilot to evaluate the feasibility and design, including the associated

costs and benefits, of a larger scale deployment of the infrastructure necessary to support public use EVs. He testified the Public Use EV Pilot Program includes proposals to install, own, and operate charging infrastructure or make-ready infrastructure to support public use EVs, as well as provide incentives or rebates to customers to encourage customer investment in public use EVs and in associated EV supply equipment (“EVSE”). The Public Use EV Pilot Program includes the following:

- Bi-directional Charging Pilot: This program will test vehicle-to-grid (“V2G”) integration and bi-directional power flow with select customers in AES Indiana’s service territory.
- Fleet Solutions: This program will provide planning and advisory services to customers who are transitioning their fleets from traditional fuels to public use EVs.
- EVSE Rebates: This program will provide rebates to encourage customer investment in Level 2 and direct current fast charging (“DCFC”) equipment to serve public use EVs.
- EVSE Rebates for Disadvantaged Communities: This program dedicates funds to help ensure that all customers within AES Indiana’s service area have convenient access to charging infrastructure, including in areas that are economically distressed or racially or ethnically diverse.

i. **Bi-Directional Charging Pilot.** Mr. Elliot testified the Bi-Directional Charging Pilot will look to establish a proof of concept for V2G integration with customers who operate and/or host public use EVs in AES Indiana’s service territory. He said AES Indiana will install, own, and operate charging and make-ready infrastructure sited at the participating customer’s facility, and will manage the bi-directional flow of energy to and from AES Indiana’s distribution system. He explained the goals for the Bi-Directional Charging Pilot include: (1) to study and establish requirements as necessary for the make-ready infrastructure and charging equipment for V2G installations, (2) to establish future requirements as necessary for V2G interconnection, (3) to collect load profiles for participating customers’ EV charging, and (4) to assess the system impacts and benefits and costs of operating bi-directional charging on AES Indiana’s distribution system. Additionally, he said, this work will inform the future value of distributed bi-directional EV charging as a grid service.

CAC witness Inskeep expressed concern that AES Indiana provided insufficient details on the proposed pilot program, and noted AES Indiana did not conduct a cost-effectiveness test for this program. He said it is unclear what, if any, new learnings or benefits this pilot program would have relative to more sophisticated and comprehensive pilot programs on bi-directional charging that other U.S. electric utilities are undertaking. He said a more cost-effective and efficient approach would be for utilities to learn from peer utilities who have already done or are doing this research, and AES Indiana has not demonstrated that here. He said AES Indiana should look to leverage federal or state government grants, incentives, and programs for deploying nascent technologies like this, and recommended the Commission deny the program at this time due to the limited information provided by AES Indiana on what the program entails

and would accomplish, the lack of demonstration by AES Indiana that alternative funding mechanisms have been adequately exhausted, and the unclear benefits to Indiana rate payers.

ChargePoint witness Deal testified ChargePoint generally supports the Bi-Directional Charging Pilot. He said, however, it is not necessary for Petitioner to own and operate the charging infrastructure to accomplish the goals of the proposed pilot program and AES Indiana has provided no justification for its proposal to own and operate the charging infrastructure. Further, he said Petitioner has not stated whether customers will have a choice amongst multiple providers of hardware and network services for the equipment installed on their property. Mr. Deal recommended the Commission direct AES Indiana to modify the pilot to explicitly provide customers the ability to choose among multiple providers of EV charging hardware and network services.

In rebuttal, Mr. Elliot stated that although AES Indiana could gather information from implementations in states such as California, AES Indiana is interested in better understanding how bi-directional charging and full V2G integration will affect its own customers and distribution system in central Indiana. Noting his direct testimony articulates the goals, objectives, and evaluation criteria for this proposal, Mr. Elliot reiterated that part of implementing a pilot program is to gather information not currently held by Petitioner. Mr. Elliot also expressed Petitioner's agreement with ChargePoint's recommendation to provide customers the ability to choose among multiple providers of EV charging hardware and network services.

ii. **Fleet Solutions.** Mr. Elliot testified the Fleet Solutions program will be offered to customers who are interested in transitioning their existing fleet of traditionally fueled vehicles to public use EVs. He said AES Indiana will prepare an electric fleet transition plan for participating customers, which will include make and model review, total cost of ownership analysis, and recommendations on EV charging infrastructure and make-ready work. He testified these planning and advisory services could be paired with Petitioner's proposed EVSE Rebates program, proposed Tariff EVSE, and/or proposed price discounts through C&I Managed Charging. He said Fleet Solutions paired with incentives to promote off-peak charging will provide benefits to both participating and non-participating customers. Mr. Elliot stated the goals of the Fleet Solutions program include: (1) to encourage Public Use EV fleet electrification in AES Indiana's service territory, (2) to better understand customer EVSE installations necessary to support varying fleet operational requirements, (3) to collect load profiles for participating customers' EV charging, (4) to encourage investment in managed-charging-capable EV charging infrastructure through the proposed EVSE Rebates program, and (5) to encourage fleet participation in C&I Managed Charging.

OUCG witness Sanka testified the Fleet Solutions program is a load-building marketing initiative and should be rejected. She said the Commission should be cautious in making captive ratepayers investors in AES Indiana's load-building activities. She noted Duke Energy Indiana's service territory is significantly larger than AES Indiana's service territory, and removing the Fleet Solutions Program from the EV Portfolio may result in a more cost-effective portfolio.

CAC witness Inskeep opposed the Fleet Solutions pilot program. He said the \$4.2 million program would provide direct benefits exclusively to participating, non-residential customers. While Mr. Inskeep supported fleet electrification, he argued it is inappropriate to subsidize this

transition through increases in residential utility bills. Further, he stated, while fleet advisory services are important and can provide valuable benefits to clients, that does not imply the service should be a component of a monopoly utility's regulated operations. He testified fleet advisory services are a competitive industry with companies in the private market already offering these services to clients. Mr. Inskeep expressed concern about expanding AES Indiana's operations to a competitive industry in a manner that could undercut private businesses already offering these same services.

ChargePoint witness Deal did not oppose the Fleet Solutions program but cautioned against a program that largely duplicates offerings already available in the competitive market. He said ChargePoint believes Petitioner can be an effective partner for all interested EVSE providers in their service territory, and the program should leverage the expertise of private actors in the EV fleet ecosystem to guide site hosts and fleet operators most efficiently in their EV transition. He stated ChargePoint recommends these services focus on promoting technical guidance, as well as an educational focus on how to manage charging and effectively integrate newly electrified vehicles, while mitigating disruptions to business operations. Additionally, Mr. Deal opined that, while it is appropriate for Petitioner to encourage its fleet customers to embrace electrification, it would distort the competitive markets for charging equipment and services, and for light duty and medium- and heavy duty EVs, if Petitioner were to promote specific vendors or vendor-specific technologies. He recommended AES Indiana ensure that all marketing materials and communications with customers through any fleet planning services be vendor neutral. Further, he said the Fleet Solutions program should not pick preferred providers or influence fleet operators' choice of equipment and service providers if the providers are capable of meeting Petitioner's operational requirements.

In rebuttal, Mr. Elliot disagreed with Mr. Inskeep's assertion that only participating customers stand to directly benefit from this pilot program. He stated that, as shown in Mr. Schmidt's benefit-cost analysis, non-participating customers stand to benefit from the participant's increased contribution to AES Indiana's fixed costs, and additionally from informed guidance around managed charging strategies and right sizing EVSE infrastructure. He said with Petitioner's involvement in the fleet planning process, AES Indiana can provide recommendations to participants that are intended to avoid costly and unnecessary system upgrades, the benefits of which will inure to both participating and non-participating customers.

Mr. Elliot further disagreed with Mr. Inskeep's concerns regarding the potential detriment to private companies. To the contrary, he said, the Fleet Solutions proposal is designed to provide valuable insight to participating customers, including information that can supplement a third-party providers' suite of products and services and allow customers to make more informed decisions to serve their fleet's operational needs. He said akin to an energy efficiency audit, a fleet electrification plan provides financial and operational guidance to support appropriate investment. He stated AES Indiana is not proposing to sell fleet vehicles, offer direct fleet telematics, or otherwise infringe upon the products and services being offered by various third parties to customers in Indiana. He noted that eligible customers will have the autonomy to make informed, arms-length decisions on whether they elect to voluntarily participate in the program. In addition, Mr. Elliot stated, the program is designed to act as a gateway for fleet customers into Petitioner's other proposed programs, like EVSE Rebates and C&I Managed Charging, which are projected to further result in benefits to AES Indiana customers.

Finally, Mr. Elliot agreed with and accepted ChargePoint's recommendation that marketing materials and communications with customers be vendor neutral and that AES Indiana not provide any preference or influence fleet operators' choice of equipment and service providers. He said AES Indiana intends to remain vendor neutral in its fleet planning equipment and network recommendations.

iii. **EVSE Rebates.** Mr. Elliot testified the EVSE Rebates program is designed to encourage AES Indiana customers who own and/or host public use EVs to invest in Level 2 and DCFC equipment. He explained AES Indiana will provide rebates to offset qualifying customer costs for charging infrastructure or make-ready infrastructure. As proposed, rebates would be eligible for both publicly available and private EVSE installations that encourage adoption of public use EVs. To qualify, he said the EVSE must be networked and capable of managed charging. Mr. Elliot stated the goals for the EVSE Rebates offering include: (1) to encourage customer investment in EV charging infrastructure and offset make-ready infrastructure costs, (2) to better understand customer EVSE installations to inform any necessary changes to future metering and/or interconnection standards, (3) to collect load profiles for participating customers' EV charging, and (4) to encourage investment in managed charging capable EVSE.

CAC witness Inskeep testified AES Indiana provided extremely limited information regarding the design and implementation of this pilot program. He said without basic information like rebate amounts, eligibility criteria, penalties, participation or budget caps, program terms and conditions, and other pertinent information, it is impossible for the Commission and stakeholders to judge the merit of this program. He recommended the Commission deny approval of this program because it was insufficiently explained and supported. Instead, he said AES Indiana should convene a collaborative to discuss and further develop a proposed program of this nature.

Mr. Elliot responded by noting that AES Indiana provided the information required by Chapter 43, has experience implementing a similar EVSE rebate program in Ohio, and has decades of experience designing and delivering incentive and rebate programs as a matter of course (*e.g.*, demand side management programs). He said acceptance of Mr. Inskeep's recommendations would be overly prescriptive and hinder flexibility needed by AES Indiana to deliver such a pilot program. Mr. Elliot stated that the level of detail identified by Mr. Inskeep is not needed for planning purposes and would be overly prescriptive for pilot programs where implementation flexibility and continuous improvement are important. He said AES Indiana's proposal to seek market feedback through a competitive request for proposals ("RFP") will provide valuable information as to emerging best practices in this space.

Mr. Elliot described AES Indiana and AES Ohio's prior experience implementing rebate programs and stated these programs have quality assurance and control measures in place, such as site inspections to verify equipment, application and documentation requirements, program terms and conditions, and dedicated program staff. He said additionally, many of AES Indiana's existing programs undergo third party evaluation to provide independent review of reported program results. He said AES Indiana's proposed EV Portfolio will have comparable quality assurance and control measures in place.

iv. **EVSE Rebates for Disadvantaged Communities.** Mr. Elliot testified the EVSE Rebates for Disadvantaged Communities program represents AES Indiana’s plan to ensure that EV charging infrastructure is located in an equitable manner as part of the Public Use EV Pilot Program proposal. He said Petitioner proposes that the rebate dollars for this program be reserved for federally designated disadvantaged communities. He said Level 2 and DCFC installations in disadvantaged areas would be eligible for up to 100% of qualifying EV charging infrastructure and make-ready infrastructure costs. He explained the goals of this program are similar to those for the EVSE Rebates program, while helping to encourage equitable investment in EV charging infrastructure.

CAC witness Inskeep stated this program, like AES Indiana’s other proposals, has not been clearly defined, making it difficult to fully assess its merits at this time. He said one concern was that the rebates under this program could end up providing direct benefits primarily to private businesses that happen to be located in a disadvantaged community—even if the business itself is a sophisticated, multinational corporation making billions of dollars in profit, rather than public and nonprofit entities serving members of disadvantaged communities. He also expressed concern that this program did not meet the requirement that a utility submit a “plan” demonstrating the charging infrastructure will be located in an equitable manner. He contended that a pilot program is not a “plan,” and AES Indiana has not identified where the charging infrastructure will be located, who will be primarily served by this infrastructure, or what AES Indiana’s outreach process and strategy will be to ensure it will be located in an equitable manner. He said AES Indiana provided limited testimony on this issue, and the scope and budget of the pilot are also quite limited.

Mr. Inskeep encouraged Petitioner to include an EVSE rebate component for residential customers that provides additional upfront EV charging rebates to low- and moderate-income residential customers in single-family homes and for EVSE located specifically at multi-family housing located in disadvantaged communities. Mr. Inskeep recommended the Commission deny approval of this program and that AES Indiana engage with stakeholders on the needs of disadvantaged communities and program design features to further flesh out this program prior to refileing it with the Commission.

Mr. Elliot responded to Mr. Inskeep’s recommendation that Petitioner’s EV Portfolio include a rebate component for residential customers by noting that Chapter 43 defines a public use pilot program framework, including a definition for what constitutes a public use EV. He stated the definition of a public use EV does not include an electric vehicle that is used primarily for personal, family, or household purposes, including commuting. For that reason, according to Mr. Elliot, AES Indiana did not propose a residential component under Chapter 43. He said the EV Portfolio does, however, propose residential alternative pricing structures, including the Residential Managed Charging offering and the Off-Peak Incentive proposal, which would be available to customers at all income levels.

Mr. Elliot testified that AES Indiana’s proposal demonstrates that charging infrastructure will be located in an equitable manner. He explained AES Indiana has proposed to provide a dedicated set of rebates for projects located within federally designated Disadvantaged Communities, which is a common criterion for EVSE infrastructure investment through

programs such as the National Electric Vehicle Infrastructure and Community Fueling Infrastructure grants. He said federally designated Disadvantaged Communities take into consideration whether they are “economically distressed or racially or ethnically diverse” per the requirements of Chapter 43. Mr. Elliot disagreed with Mr. Inskeep’s claim that AES Indiana has not identified where the charging infrastructure will be located because the program is not yet in service.

B. ARP. Mr. Elliot testified that AES Indiana proposes, or proposes to modify, the following alternative rates, tariffs, and pricing structures as part of its EV Portfolio: (1) Residential Managed Charging; (2) Residential Off-Peak Incentive; (3) Rate EVX; (4) C&I Managed Charging; (5) Rate EVP; (6) Rate DCFC; and (7) Tariff EVSE. He explained HEA 1221 amended Ind. Code § 8-1-2.5-6 to expressly allow the Commission to approve time-varying pricing structures and tariffs, as well as other alternative pricing structures and tariffs.

ChargePoint witness Deal discussed the challenge that traditional demand-based utility tariffs pose for providers of EV charging services and offered potential alternative rate options that he said AES Indiana should implement. Mr. Deal testified the challenge of demand charges exists because charging sites can be dominated by rare but power-intensive bouts of fast charging, noting that demand charges can account for as much as 90% of a site host’s electricity costs. Mr. Deal said that site hosts taking service on Petitioner’s Rate SL face significant demand charges and, as a solution, recommended the Commission require AES Indiana to submit one or more alternatives to traditional demand-based tariffs for approval within six months from the date of an order in this proceeding. He also recommended AES Indiana be directed to modify each of its tariffs, as necessary, to remove any prohibition on resale, to ensure that providers of EV charging services can price and sell their services in accordance with HEA 1221.

In rebuttal, Mr. Elliot testified that HEA 1221 allows for the resale of electricity by certain persons or joint agencies owning or operating EV charging equipment. He said this allowance extends to the resale of electricity by kilowatt hours sold, by the amount of time spent by an electric vehicle at a designated charging space, or a combination thereof. He noted the resale of electricity, outside of the explicit allowances made in Ind. Code § 8-1-2-1.3, remains generally prohibited for entities not defined as a public utility or electricity supplier. For this reason, he said AES Indiana does not believe that changes to its tariffs or other rules and regulations it maintains are warranted because the explicit allowances enabled by the passage of HEA 1221 are the exception rather than the rule and supplement AES Indiana’s existing tariffs.

With respect to Mr. Deal’s suggestion that AES Indiana submit one or more alternatives to traditional demand-based tariffs within six months of an order in this Cause, Mr. Elliot responded that AES Indiana is open and interested in EV specific rates that are designed to encourage EV and EV infrastructure adoption in its service territory. He recommended, however, that cost-based customer rates as proposed by Mr. Deal, should be thoughtfully considered in the context of a broader cost of service study to ensure that benefits and cost are fairly distributed among participants and non-participants. He reiterated that a principal goal of the proposed EV Portfolio is to gather important information not currently held by Petitioner or the State of Indiana, such as EV charging load profiles for varying non-residential customer types. He said these load profiles will inform future cost of service research, provide Petitioner and other stakeholders with information necessary to design rates and charges that appropriately recover

both fixed and variable costs, and avoid unfair distribution of costs and benefits. He concluded that while Petitioner is supportive of the concept of EV specific rates, ChargePoint's recommendation is pre-mature and should not be required in this case.

i. Residential Managed Charging and Residential Off-Peak Incentive. Mr. Elliot testified the Residential Managed Charging is active demand response for electric car charging, where eligible residential customers can receive incentives in exchange for AES Indiana's ability to curtail their EV charging for a limited number of peak hours throughout the proposed three-year period. He said participating customers will receive a one-time, upfront rebate of \$250 for a qualified Level 2 EV charger and an annual incentive of \$50 to increase the value proposition for the customer and encourage their ongoing participation (*i.e.*, discourage program opt-outs). He discussed how many Residential Managed Charging event hours AES Indiana expects to call for each year and compared the projected number and duration of events to other AES Indiana demand response programs. Mr. Elliot also testified regarding how the Residential Managed Charging will work and how customers will be able to obtain a qualified Level 2 charger to participate.

Mr. Elliot testified the Off-peak Incentives program, which will be offered to AES Indiana residential customers who drive an EV, is designed to modify participating customers' charging behavior by leveraging the onboard telematics capabilities of qualifying EVSE, one-time EVSE rebates, and ongoing performance-based incentives. He said residential customers will receive a one-time \$250 rebate for a qualified Level 2 charger and will be eligible to receive a recurring \$0.05 per kWh incentive for charging during certain off-peak times. He stated the recurring incentive level was developed to provide customers an economic inducement to participate in the Off-peak Incentive offering. He explained AES Indiana justified this amount based on the results of the Rate Impact Measure ("RIM") and Participant Cost Test ("PCT") for the Off-peak Incentive program completed by AES Indiana witness Schmidt. More specifically, he said the incentive level was selected so that participating customers are expected to receive greater benefits throughout the term of the program than the costs they incur to participate, while still remaining cost-effective for non-participating customers.

Mr. Elliot testified customers will not be able to participate in both the Residential Managed Charging and Off-Peak Incentives to prevent "double dipping" of rebates and recurring incentives. He said AES Indiana will seek a turnkey program delivery contractor(s) through a competitive bid process for both the Residential Managed Charging and Off-Peak Incentives alternative pricing structures. He stated the contractor would implement outreach and education, participant acquisition and enrollment, qualifying product specification, installation services, rebate and incentive fulfillment, reporting, and customer service and care.

CAC witness Inskeep testified that AES Indiana has created multiple tariff options for residential customers, providing customers a choice so that they can select the option that works best for them. He said both residential tariff options include an upfront rebate, plus an incentive that encourages continued participation, which he stated were reasonable design elements. He noted that under the Residential Managed Charging tariff AES Indiana would call nine events annually, with each event lasting four hours, which he believed is a reasonable target for such a tariff. He also expressed appreciation that AES Indiana is open to calling events in all 12 months,

which he said reflects the Midcontinent Independent System Operator's recent findings that resource adequacy issues can arise at any time of the year.

Mr. Inskeep stated that while he generally supports the provision of rebates and incentives to encourage managed charging through voluntary tariff offerings, he was concerned about the lack of details and the significant amount of program design that has been left to be figured out by a future program implementer. He noted AES Indiana did not identify the methodology it would use to determine when it calls events, the pre-event communication strategy with participating customers, how much of a participating EV charging station's load would be curtailed during an event, and other key program terms and conditions. He also questioned the lower rebate of \$150 for the Bring Your Own Device option compared to a \$250 rebate for customers that purchase a charging station through AES Indiana's online marketplace. He said the upfront rebate amounts should be the same regardless of how the EV charging equipment was procured by the customer, otherwise it would unfairly preference AES Indiana's online marketplace over other businesses.

Mr. Inskeep recommended the Commission deny the residential tariff offerings because AES Indiana's case-in-chief did not include draft tariffs for these programs. He also recommended that AES Indiana move more quickly in developing voluntary residential time-of-use and/or peak-time rebate options so that customers without an EV can also benefit, at their choice, from taking service under such an option.

In rebuttal, Mr. Elliot testified the Residential Managed Charging and Residential Off-Peak Incentive programs are proposed as alternative pricing structures, which are designed to reduce EV charging's contribution to peak load without the need for, and associated customer side cost of, setting a separate AES Indiana owned meter. He reiterated that up front rebates for qualifying EV charging equipment as well as the recurring incentives for both programs will be accomplished off-bill, and the EV charger will be owned by the customer. He said the participating customer's EV charging utilization, including time-of-use, will be tracked via available telematics, thereby eliminating the need for a separate meter and separate rate. He explained that because customers will remain on their standard service rate, will receive incentives off-bill, and will not require a separate AES Indiana meter, separate tariffs for Residential Managed Charging or Residential Off-Peak Incentives are unnecessary.

ii. Rate EVX. Mr. Elliot testified Petitioner currently offers Rate EVX, which is an EV-specific time-of-use rate with seasonal off-peak, mid-peak, and on-peak periods. He said AES Indiana is proposing to close Rate EVX to new participants and to instead deliver the alternative pricing structures proposed in the EV Portfolio. He explained that while Rate EVX has been successful in reducing peak charging contribution, customer investment required to participate in this rate can be cost prohibitive due to the need for separate metering, resulting in lower than desired program demand and participation. He testified that existing customers under Rate EVX can continue to access the time-of-use rate if they so desire. He said legacy Rate EVX participants who have an existing submeter or separate meter could also be targeted with new EVSE through the Off-Peak Incentives or Residential Managed Charging alternative pricing structures.

CAC witness Inskeep testified that the new residential tariff proposals incorporate learnings from Rate EVX. He said a current limitation of Rate EVX is that it requires a separate meter, resulting in significant costs borne by the customer, which can include electric service panel upgrades, new meter enclosures, and other miscellaneous costs to run dedicated EVSE charging circuits. He stated AES Indiana's proposed Managed Charging and Off-Peak Incentive offerings do not require a residential customer to install a separate meter to measure EV charging station usage, which he said shows that AES Indiana has learned from its existing EVX charging tariff and has proposed design improvements here to the benefit of its customers.

iii. **C&I Managed Charging.** According to Mr. Elliot, the C&I Managed Charging offering is similar to the Residential Managed Charging offering, where customers would be eligible to receive incentives in exchange for AES Indiana's ability to curtail their EV charging for a limited number of peak hours throughout the proposed program period. He said the proposed incentive amount is \$50 per EV charging port per year, and AES Indiana forecasts to operate the same number of events for both C&I and Residential Managed Charging. Mr. Elliot explained that to encourage investment in managed charging capable EVSE, customers who operate and/or host public use EVs will be able to receive rebates for charging infrastructure and make-ready work through AES Indiana's proposed EVSE Rebates program.

CAC witness Inskeep testified that the C&I Managed Charging program appears to target an important demand response opportunity that could help AES Indiana reduce system-wide usage during peak periods. That said, Mr. Inskeep stated AES Indiana was vague on many details of this offering, making it difficult to assess the reasonableness of this proposal. He recommended the Commission deny the C&I Managed Charging program at this time and that AES Indiana refile the program in the future with more details, including a draft tariff, after soliciting stakeholder input.

In rebuttal, Mr. Elliot stated that Petitioner provided information to meet the requirements of Ind. Code ch. 8-1-2.5 and the Commission's General Administrative Order 2020-05. He said, like the Residential Managed Charging proposal, no separate tariff is necessary for the C&I Managed Charging program.

iv. **Rate EVP.** Mr. Elliot stated AES Indiana has offered a Level 2 public charging rate for more than a decade as Rate EVP. He said AES Indiana is proposing to update Rate EVP from its current \$2.50 per session to reflect market pricing for Level 2 charging. He said the proposed Rate EVP is \$0.357 per kWh, which was calculated based on the average cost of Level 2 public charging in central Indiana. He said AES Indiana proposes to update Rate EVP annually based on a new market price assessment, but more frequent changes may be made through a 30-day filing as necessary or appropriate to reflect market conditions.

CAC witness Inskeep expressed concern that Rate EVP is not a cost-based rate and that the proposed rate methodology could allow AES Indiana to charge a rate that allows it to earn an excessive profit. He said it is unclear what costs AES Indiana needs to recover through Rate EVP, and the charging rates used in AES Indiana's sample for its analysis contain clear outliers. He noted that including these outliers causes the proposed Rate EVP to exceed that for AES Indiana's proposed Rate DCFC, a result which he called absurd. He testified that Petitioner's Rate SS is the best approximation for a cost-based rate for Rate EVP, and he did not see a

compelling reason for why Rate EVP should vary considerably from Rate SS. Alternatively, he recommended that the four outlier rates be removed from the sample when calculating the rate. Finally, he recommended that AES Indiana be required to track the revenues it earns from Rate EVP and return any excess revenues above its costs to either its customers or to its charging station users through future reductions to the EVP rate.

In rebuttal, Mr. Elliot stated AES Indiana's proposal is, in part, designed to reflect the market rate for Level 2 EV charging to avoid claims of anti-competitive practices. He said the market assessment for Rate EVP is designed to provide a cost that is reflective of the price of EV charging in central Indiana. He said excluding the outliers based on arbitrary grounds is not a replicable process for future rate updates and would likely lead to future disputes among parties with opposing views on what constitutes an outlier. He said Mr. Inskeep's suggestion to charge at the current Rate SS price, which is for energy only, would likely not cover the marginal system costs represented in approved demand rates, such as Petitioner's Rate SL, and may not properly capture the cost to serve a low load factor Level 2 charging installation.

v. **Rate DCFC.** Mr. Elliot stated AES Indiana proposes a new Rate DCFC applicable to users of AES Indiana-owned DCFC charging infrastructure. He explained AES Indiana is part of a consortium of utilities in the state developing a statewide fast charging network and, as a member of the group, AES Indiana will construct, own, operate, and maintain DCFC infrastructure in its service territory for a minimum period of five years. He said AES Indiana proposes a new Rate DCFC based on a per-kWh hour charging rate of \$0.357. Mr. Elliot explained Rate DCFC, which was calculated using a similar method as for Rate EVP, does not include an adjustment for no-cost charging. He said AES Indiana proposes to update Rate DCFC annually based on a new market price assessment, but more frequent changes may be made through a 30-day filing as necessary or appropriate to reflect market conditions.

Walmart witness Perry testified Walmart does not oppose AES Indiana ownership and operation of public EV DCFC charging and implementation of Rate DCFC where the Commission determines that the market will not deliver DCFC charging services and the utility is the only realistic provider of such services. She expressed concern that the proposed rate for Rate DCFC, as well as Rate EVP, is anti-competitive and will stifle investment in and deployment of public EV charging in AES Indiana's territory. Ms. Perry took issue with AES Indiana's market analysis because it relied on a small sample size of only six DCFC charging sites, which allows a single, extremely low charging price to skew the average below what is likely more representative of the market. She also stated there is a strong possibility that the proposed Rate DCFC would fail to cover the underlying electric costs for charging service, resulting in an anti-competitive rate. She said public EV charging is a competitive service that can be provided by the market and as such there does not appear to be a clear need for AES Indiana to engage in broad ownership and operation of public EV DCFC charging.

Ms. Perry recommended the Commission reject Rate DCFC and require the rate be set at either (a) the highest price per kWh offered by a third-party provider in Petitioner's service territory per a Commission-approved market assessment; or (b) a price per AES Indiana's discretion that is subject to a Commission finding that AES Indiana-owned and operated chargers are subject to the same rates as third-party operators and excludes costs incurred for AES Indiana-owned and operated public EV DCFC chargers from customers through regulated

rates. She further recommended the Commission commence a stakeholder process and require AES Indiana to file a third-party owned DCFC charging rate schedule.

In cross-answering, ChargePoint witness Deal expressed agreement with Walmart that there may be areas where the market may be slower to provide charging services due to low EV adoption or low traffic flow. Mr. Deal further agreed that these areas can be minimized by making rates specifically designed for DCFC available to third-party owned charging stations and that broader EV adoption should negate these factors over time, limiting the circumstances that may justify utility ownership and operation of public EV DCFC chargers. Mr. Deal recommended the Commission approve Walmart's recommendations.

CAC witness Inskip stated AES Indiana based its proposed Rate DCFC on a sample of only six DCFC stations, which makes it likely that it could change substantially in the future as additional DCFC stations are added. He said AES Indiana has not provided information on what a cost-based rate would be, so it is unclear how the proposed rate compares to a more traditionally designed rate. He recommended the Commission deny Rate DCFC at this time and that AES Indiana solicit stakeholder input, conduct additional research on rate methodologies and rate design options for DCFC rates, and refile a modified Rate DCFC proposal in the future.

In rebuttal, Mr. Elliot testified AES Indiana calculated the average price for the entire population (not a sample) of publicly available DCFC that met certain criteria. While Mr. Elliot agreed that the current number of publicly available DCFC ports in central Indiana is low, he said Petitioner believes its price reasonably reflects the market price of DCFC and has proposed safeguards to ensure the price remains reflective of the market price through periodic rate adjustments. He disagreed with Ms. Perry's recommendation to remove a particular site from its market price assessment for Rate DCFC, stating that such an approach can cut both ways and would arbitrarily increase or decrease the price depending on the unique interest of the intervening party or interested stakeholder. Mr. Elliot noted that CAC witness Inskip argues that the proposed prices are too high, which conflicts with the arguments of Walmart witness Perry. He said AES Indiana's methodology avoids arbitrary inclusion or exclusion of outliers and would be used for future market price assessments and associated pricing adjustments.

With respect to concerns about anti-competitiveness, Mr. Elliot stated Petitioner's proposal to use market reflective rates, as opposed to cost-based rates, is intended, in part, to avoid such arguments or complaints. He stated AES Indiana does not currently own or operate any DCFC equipment but is part of a consortium of utilities in Indiana developing a statewide DCFC network. He said, as part of this agreement, AES Indiana will own and operate DCFC at eight locations in central Indiana for a minimum period of five years and expects to have DCFC locations commissioned by the end of 2023. Mr. Elliot testified that if Rate DCFC is rejected, AES Indiana would charge EV drivers a flat \$2.50 per charge, per its authority and discretion under Rate EVP. He noted this would be the lowest price charged for DCFC in central Indiana. Mr. Elliot also disagreed with Ms. Perry's recommendation that Rate DCFC be set at the highest price per kWh offered by a third party in AES Indiana's service territory. He said this recommendation is unduly punitive and does not reflect the unaltered range of DCFC pricing available in central Indiana.

Finally, Mr. Elliot responded to recommendations that AES Indiana convene a stakeholder process to develop an EV charging tariff for third-party owned public EV chargers. He stated that while AES Indiana is supportive of the concept of EV-specific rates, Walmart's recommendation is premature and should not be imposed at this time. He stated the CAC's recommendation for an EV charging collaborative lacks specificity related to the nature, and general constitution, of such a collaborative. He noted mandatory collaboratives impose real costs. He testified AES Indiana is open to specific program recommendations and considers diversity of perspective when planning for new customer focused programs and services. He said AES Indiana, however, is ultimately responsible for program implementation, quality assurance, and program cost-effectiveness—not other parties. For these reasons, he stated AES Indiana is open to continued stakeholder and customer collaboration but does not believe a mandatory collaborative should be required to move forward with the proposed EV Portfolio.

vi. **Tariff EVSE.** Mr. Elliot testified AES Indiana is proposing a separate, stand-alone tariff that would be available on a voluntary basis to AES Indiana's non-residential customers. He said customers who voluntarily elect to participate would pay a fixed, monthly fee for qualifying AES Indiana-owned/operated EVSE, which would be 1.65% of the cost, including equipment, installation, administrative, and projected maintenance cost, of the EVSE used or ready to be used at the beginning of the monthly billing period. He said the EVSE agreement would begin at the time the service is installed and metered under the customer's name and assigned rate and extend for a period of five years, which could be renewed or cancelled after the initial five-year term.

ChargePoint witness Deal acknowledged that there may be instances where a site host would like to have charging options on its property but cannot, or does not, want to own or operate the charging infrastructure. He said in these cases, utility ownership is not the only solution, and the private sector offers many different business models and products to provide turnkey solutions for site hosts. He recommended the Commission direct AES Indiana to file an additional tariff option that expressly enables third-party turnkey solutions within 60 days of the Commission's Order. In addition, he recommended the tariff be revised to allow site hosts to choose from at least two vendors of EV charging hardware and software. Finally, he stated ChargePoint recommends that any EV chargers installed through Tariff EVSE be networked. He said networked chargers will be vital to ensure that EV charging benefits the distribution grid by enabling advanced load management capabilities to facilitate off-peak charging and other managed charging strategies. He concluded that requiring networked charger capabilities now will future-proof investment in EV charging infrastructure.

CAC witness Inskeep stated he does not oppose the adoption of Tariff EVSE. He said he supports AES Indiana's proposal that all costs to deliver Tariff EVSE be borne by the voluntary participant, which he said is reflective of cost causation and ensures there is no interclass cross-subsidization.

OUC witness Latham recommended that each prospective participant be given a detailed cost estimate based on current electric usage and expected current cost based on estimated usage. He said this would help small business operators make informed decisions prior to entering the five-year program.

In rebuttal, Mr. Elliot stated AES Indiana accepted ChargePoint's recommendations that Petitioner provide site hosts the ability to choose from at least two vendors of EV charging hardware and software for all options under Tariff EVSE and that networked charging equipment be required for Tariff EVSE participants.

5. EV Program Benefits. Mr. Elliot identified several benefits associated with supporting increased EV adoption and charging load modification. He stated increased EV adoption results in increased contributions to AES Indiana's fixed costs in the form of new retail rate revenue, which provides an opportunity for future downward pressure on rates for all customers. He said new kWh sales on AES Indiana's system spread fixed costs over more units of sales, which would be reflected in the cost of service in (and associated rates established by) a future rate case proceeding.

Mr. Elliot said, at the same time, unmanaged EV load growth would require additional capacity, transmission, and distribution infrastructure investment that could otherwise be delayed or avoided through EV load management. Accordingly, he stated it is important to actively influence this incoming load growth such that it is managed for the benefit of customers. He added that all customers stand to benefit from increased flexibility and reduced emissions from an accelerated transition away from internal combustion engine vehicles.

Mr. Schmidt presented the input data, methodology, and results of the cost-effectiveness modeling for the EV Portfolio programs. He testified the modeling developed four of the five tests detailed by the industry standard guide to cost-effectiveness testing, including the RIM test, the Total Resource Cost ("TRC") test, the PCT, and the Societal Cost Test ("SCT") results for the EV Portfolio.² He also presented the benefit-to-cost ratios and associated net benefits (in dollars) for the second year of the program. In particular, he noted the portfolio as a whole has a RIM greater than 1.0, meaning that non-participants save money as a result of the programs.

Mr. Schmidt described each of the cost-effectiveness tests and provided specific mathematical equations and the components used by Petitioner's consultant, MCR, to calculate each of the tests' benefit-to-cost ratio. He explained how he conducted the cost-effectiveness modeling and explained that MCR modeled the second year of program implementation because it represents the first steady-state year of implementation. He added that the first, or ramp-up, year typically has a higher than steady-state level of administrative costs and lower level of participation. For each of the programs modeled by MCR, Mr. Schmidt provided a description of the program planning design, including projected participation, rebate and incentive budgets, administrative budgets, and projected savings. He said AES Indiana also considered provisions of the Infrastructure Investment and Jobs Act in its cost-effectiveness modeling.

Mr. Schmidt testified that all the modeled programs achieve PCT and SCT benefit-to-cost ratios greater than 1.0, meaning the benefits to participants exceed the costs. He said all programs except the EVSE Rebates for Disadvantaged Communities also yield RIM and TRC test ratios of greater than 1.0. He added that the ratios for the EV Portfolio as a whole are also

² Mr. Schmidt did not present the fifth test, the Program Administrator Cost Test, also known as the Utility Cost Test, because he said it is intended for traditional energy efficiency load reduction programs as opposed to fuel substitution activities such as vehicle electrification.

greater than 1.0, meaning the programs actually lower the costs to non-participants. He said the results of all four tests (RIM, TRC, PCT, and SCT) for Tariff EVSE are also all greater than 1.0.

OUCG witness Hanks noted AES Indiana did not determine cost-effectiveness for the life of the pilot program, instead determining cost-effectiveness using only the second year, 2025. He said excluding the first program year departs from typical demand side management cost-effectiveness testing and inflates the benefit/cost ratio of the EV Portfolio, thus obscuring the impact of the portfolio over the life of the program on customers. He stated the model itself was not produced in AES Indiana's case-in-chief, only the inputs. He said the OUCG met with MCR to discuss the model, but because no spreadsheet was provided for the OUCG to review, it is unable to properly assess the impacts of the EV Portfolio. Mr. Hanks further argued that savings for the EV Portfolio are overstated due to the assumption that 62.5% of charging would take place on-peak without the EV Portfolio, which assumption was based on the Pennsylvania Technical Resource Manual ("TRM") that did not include EVs.

CAC witness Inskip expressed concern that MCR made its proprietary cost-effectiveness testing model available to view but did not otherwise produce the model in discovery. He said the Commission and parties need transparency and this information should have been filed in workpapers accompanying AES Indiana's testimony. He recognized utilities operate in complex environments that sometimes necessitate the use of proprietary modeling under specific situations or for specific functions, but disagreed this was such a situation. He said cost-effectiveness modeling can be done in simple spreadsheet tools and that it is unreasonable for AES Indiana to offer a meeting with its consultant in lieu of producing the model. As a result, he recommended the Commission disregard or assign a low weight to AES Indiana's testimony on cost-effectiveness because AES Indiana failed to provide its models, meaning the results cannot be verified to be accurate.

In rebuttal, Mr. Elliot testified that AES Indiana offered to meet with the parties to review the cost-effectiveness model and underlying assumptions as a follow up to an OUCG data request. He said AES Indiana met with the OUCG, addressed the questions raised by the OUCG, and no follow-up meeting was requested. He argued that meeting to walk through the model and underlying assumptions provides sufficient transparency and allowed for a question-and-answer dialogue while protecting the confidentiality of MCR's proprietary model. He stated that he was unaware of any request from the CAC to meet or better understand the model.

Mr. Elliot also responded to Mr. Hanks' testimony regarding the assumption that 62.5% of charging would take place on-peak without the EV Portfolio. He said, in selecting the coincidence factor assumed, AES Indiana and MCR researched whether there were any published values for EV charging peak coincidence that are reasonably consistent with Petitioner's or the region's load patterns, especially those related to EV charging. He said because AES Indiana's objective is to understand within what range of hours during the day charging load peaks, not what type of charging or charger and not instantaneous system peak coincidence, the high frequency charger entry from the Pennsylvania TRM is reasonable.

6. EV Program Costs and Ratemaking. Mr. Elliot presented the EV Portfolio costs, which were estimated to total \$16.2 million over the three-year pilot period. He said the projected operating and capital costs include AES Indiana's program administrative costs,

vendor implementation fees, charging infrastructure costs, make-ready work costs, vendor Software as a Service fees, and customer rebates and incentives. Of the \$16.2 million in total program operating and capital costs, Mr. Elliot said \$13.5 million is projected for the Public Use EV Pilot Program, \$1.5 million is projected for the alternative rates, tariffs, and pricing structures, and the remaining \$1.2 million is budgeted for AES Indiana administrative costs. He explained the projected costs were based on Petitioner's experience developing and delivering similar customer programs in Indiana and Ohio. He said if approved, AES Indiana will issue a competitive RFP for all services necessary to deliver the EV Portfolio. Mr. Elliot testified AES Indiana requests authority to defer, with carrying charges, any program operating and capital costs necessary to implement the proposed EV Portfolio, with the exception of the Tariff EVSE program. He said capital expenditures associated with Tariff EVSE will be funded solely through the bill premium charged to participating customers.

Ms. Aliff provided additional detail regarding AES Indiana's proposed accounting and ratemaking treatment. She explained AES Indiana proposes to defer the EV Portfolio costs (excluding the Tariff EVSE pilot) and record them as a regulatory asset, with carrying charges, for recovery in subsequent base rate cases. She testified that assuming a total regulatory asset of approximately \$17.3 million (including carrying charges of approximately \$1.2 million), the monthly estimated rate impact for a residential customer using 1,000 kWh is \$0.58.

OUCG witness Hanks recommended the EV Portfolio be rejected due to AES Indiana's lack of support for proposed program costs. He testified that despite being issued multiple data requests, AES Indiana did not provide sufficient support for its proposed budget amounts, and the OUCG was unable to evaluate the budget and cost-effectiveness modeling based on the information available to it. He also stated the bulk of program spending is devoted to C&I customers, though these costs were allocated to all customer classes based on allocation factors that do not reflect how the program costs are allocated.

OUCG witness Sanka testified there is a large discrepancy in costs between AES Indiana's proposed EV Portfolio and that approved for Duke Energy Indiana in Cause No. 45616. She noted that while Duke Energy Indiana's EV portfolio is a two-year program (versus three for AES Indiana), the cost of AES Indiana's EV Portfolio is roughly almost five times the amount of Duke Energy Indiana's EV portfolio. In addition, for several of AES Indiana's programs, she said the projected costs are higher than those proposed by Duke.

OUCG witness Latham testified the allocation factors from Cause No. 45029 are in no way reflective of the expected EV Portfolio spend basis, by sector. He presented recalculated allocation rates based on total program and capital costs. OUCG Ex. 2, Attach. BRL-1. He recommended that regulatory asset recovery match the expected timing between rate case filings. He also recommended limiting carrying costs to Petitioner's \$1.2 million estimate to maximize ratepayer benefits and provide impetus for AES Indiana to file a rate case. Finally, he proposed limiting AES Indiana's spending to its \$16.2 million budget. He said Petitioner's EV Portfolio reporting should include a yearly and cumulative budget to actual spending comparison, with the reporting required within 90 days of close of each program year.

CAC witness Inskeep also expressed concern with how the costs of the EV Portfolio were allocated. More specifically, he testified that the vast majority of the EV Portfolio spending

directly benefits non-residential customers, yet the allocation factors from Cause No. 45029 would allocate approximately 42% of costs to the residential class. He argued this departed from cost causation principles and that AES Indiana has not demonstrated that having residential customers pay for non-residential EV programs is in the public interest such that it justifies deviating from traditional cost causation. He recommended that for the purpose of cost allocation, any approved residential EV Portfolio costs be recovered from residential customers and any approved non-residential EV Portfolio costs be recovered from non-residential customers.

Mr. Inskeep also took issue with AES Indiana's proposed regulatory asset treatment. He testified this cost recovery proposal would result in a projected regulatory asset to be included in rate base of \$17.4 million, inclusive of carrying charges. He said in addition, AES Indiana would receive an annual return on the regulatory asset of approximately \$1.4 million. He said a more cost-effective approach for customers would be to treat EV Portfolio costs, to the extent any of them are approved, as operation and maintenance ("O&M") costs rate than capital expenditures, allowing AES Indiana to earn recovery "of" but not "on" these expenses.

In rebuttal, Ms. Aliff explained AES Indiana is not seeking approval of cost allocations in this proceeding, so the cost allocation concerns raised by the OUCC and CAC are premature. She explained that the allocation factors were used for estimation purposes and the actual allocation of the EV Portfolio costs will be decided in a future rate case. Ms. Aliff also responded to Mr. Inskeep's suggestion that AES Indiana be permitted to earn recovery "of" but not "on" the EV Portfolio expenses. She explained the EV Portfolio is comprised of both capital and O&M expenditures, and AES Indiana's request is reasonable and consistent with the deferral accounting granted to Duke Energy Indiana for its EV programs. With respect to Mr. Latham's recommendation that recovery of the regulatory asset match the expected timeframe between rate cases and carrying charges be limited to the \$1.2 million estimate presented in direct testimony, Ms. Aliff testified the actual amortization periods will be determined within the course of a base rate case. She noted that based on the Commission Order approving Petitioner's transmission, distribution, and storage system improvement charge plan, AES Indiana is required to file a base rate case at least every seven years, and therefore it is not necessary to limit carrying charges based on the illustrative estimate presented in this case.

Mr. Elliot responded to Mr. Hanks' testimony regarding the level of detail provided for the cost estimates. He stated Attachment ZE-1 provides budget detail broken down by rebates, incentives, and various administrative costs. He said for some programs, costs are further broken down to reflect estimates for Software as a Service, equipment, and installation. He added that the estimated costs for the Public Use EV Pilot Program as well as alternative rates, tariffs, and pricing structures were based on recent experience delivering like or similar programs. Mr. Elliot also provided Confidential Attachment ZE-1R, which provided additional support for the EV Portfolio's cost estimates, including underlying assumptions and sources, where applicable, for AES Indiana's proposed cost estimates.

Mr. Elliot also responded to Ms. Sanka's comparison of the cost estimates in this case to those presented by Duke Energy Indiana in Cause No. 45616. He stated the estimated costs for AES Indiana's EV Portfolio are reasonable given the supporting public policy framework and EV adoption activity in Indianapolis. He noted that Cause No. 45616 case was not decided under

Chapter 43, and stated it is thus reasonable that the approved budgets therein were in line with similar EV pilots approved by the Commission before the passage of supporting public policy in Indiana. He said additionally, Indianapolis, as the capital city in Indiana, represents a large share of EV adoption in the State. Marion and the surrounding counties (eight of 92 counties in the State of Indiana) represent slightly less than half of all EVs registered in Indiana. He testified it is thus important that Petitioner deliver the EV Portfolio to gain access to customer side information not currently held by AES Indiana as it plans for and encounters larger scale deployments.

7. **Commission Discussion and Findings.** AES Indiana requests approval of an EV Portfolio, which it describes as consisting of two components: (1) a Public Use EV Pilot Program under Chapter 43; and (2) an ARP containing alternative pricing structures and tariffs pursuant to Ind. Code § 8-1-2.5-6. We consider each of these components below.

A. **Public Use EV Pilot Program.**

i. **Statutory Framework.** Ind. Code § 8-1-43-8(a) authorizes AES Indiana to seek Commission approval to implement a public use electric vehicle pilot program to: (1) install, own, or operate charging infrastructure or make-ready infrastructure to support public use EVs, and/or (2) provide incentives or rebates to customers to encourage customer investment in public use EVs and in associated EV supply equipment. A public use EV is defined as an EV that is used primarily to serve the public, such as an electric school bus, electric transit bus, or other EV that is used by a commercial enterprise primarily to deliver goods or services to the public; a public use EV is not one that is used primarily for personal, family, or household purposes, or for commuting. Ind. Code § 8-1-43-6. Additionally, the purpose of the pilot program is to evaluate the feasibility and design of a larger scale deployment of charging and make-ready infrastructure necessary to support public use EVs. Ind. Code § 8-1-43-7.

Ind. Code § 8-1-43-8(b) identifies the required elements of a request for approval of a public use EV pilot program under Chapter 43. More specifically, the request must include:

- (1) A description of the need for and goals of the pilot program;
- (2) A description of the criteria that will be used to measure the success or usefulness of the pilot program;
- (3) A cost estimate of the pilot program, including costs borne by participants, non-participants, and the general public;
- (4) A timeline for completion or termination of the pilot program;
- (5) A plan demonstrating any charging infrastructure to be installed will be located in an equitable manner; and
- (6) Supporting evidence as to why the pilot program is in the public interest.

In addition, an electric utility's request for approval of a pilot program under Chapter 43 may include a request for: (1) assurance of cost recovery for pilot program capital costs, up to the amount of an approved cost estimate; and (2) deferral of pilot program capital costs. Ind. Code § 8-1-43-8(c).

Ind. Code § 8-1-43-8(e) provides that the Commission shall approve an electric utility's request for approval of a public use electric vehicle pilot program under Chapter 43 if the Commission determines that the proposed pilot program is reasonable, just, and in the public interest. In making its determination, the Commission considers the factors enumerated in Ind. Code §§ 8-1-2-43-8(e)(1) through (7).³ The evidence establishes that AES Indiana is an electric utility and that it made a submission under Chapter 43 seeking approval of a proposed public use electric vehicle pilot program.

As an initial matter, both the OUCC and CAC argued that AES Indiana failed to meet its burden to present evidence supporting the information required by Ind. Code § 8-1-43-8(b). As reflected in the summary of evidence above, AES Indiana presented evidence specifically directed to each of the required elements. Although the exact parameters of the Public Use EV Pilot Program offerings are not firmly set, the evidence demonstrates that AES Indiana will use a competitive RFP process to help define the specific parameters and ensure its proposed programs are reasonable, achievable, consistent with best practices, and cost-effective. We find this approach to be reasonable given the limited scope and duration of the pilot program at this early stage of increasing interest in public use EVs and associated EVSE. Accordingly, based on the record presented and as discussed further below, we find AES Indiana provided sufficient evidence to consider its request for approval of the Public Use EV Pilot Program.

Additionally, while AES Indiana has requested approval of its Public Use EV Pilot Program under the authority of Chapter 43, the evidence demonstrates that AES Indiana intends to offer the EVSE Rebates and EVSE Rebates for Disadvantaged Communities to customers to encourage investment in EV charging infrastructure that may not be limited to when necessary to support that customer's investment in public use EVs as required by Chapter 43. Because AES Indiana is seeking approval of its Public Use EV Pilot Program under Chapter 43, we find that to be authorized the cost recovery allowed under that Chapter, AES Indiana must also ensure that its recoverable rebate offerings are limited to customers for the encouragement of their investment in public use EVs (as defined in Ind. Code § 8-1-43-6) and the associated EVSE as required by Ind. Code § 8-1-43-8(a)(2). Before the costs associated with these rebate offerings are included in base rates, AES Indiana is required to demonstrate the nexus between the investment and the ratemaking incentive provided by the statute. Thus, for cost recovery consideration, customers seeking these rebates should provide Petitioner with sufficient information demonstrating the necessity for the infrastructure to support the customer's investment in public use EVs and associated EVSE.

We address below the required factors that the Commission must consider under Chapter 43 when determining whether to approve a public use EV pilot program.

ii. Consideration of Statutory Factors.

a. Goals. Under Ind. Code § 8-1-43-8(e)(1), the Commission is to consider the goals of the pilot program. The record shows the principal goal of the Public

³ These factors are essentially the same factors set forth in the Commission's General Administrative Order 2020-05 that provides guidance for utilities filing pilot programs for Commission approval.

Use EV Pilot Program is to better understand and influence the impact of public use EV growth on reliability and on the transmission and distribution system and to provide programs designed to produce net benefits to AES Indiana customers. As summarized above, AES Indiana also discussed and identified specific goals for each proposed offering, including any data that will be measured or collected through the pilot program, such as data concerning customers' electric charging behavior, AES Indiana's load management capabilities, and the impact of public use EVs on AES Indiana's distribution system.

The Bi-Directional Charging Pilot is expected to provide Petitioner with information and operational experience regarding the grid impact. The Fleet Solutions offering, which will share information early in the process between the utility and its customers that are considering the transition to a fleet of public use EVs, will allow Petitioner a better understanding of customer EVSE installations, requirements, and load profile data. In addition, the EVSE Rebates and EVSE Rebates for Disadvantaged Communities will encourage managed charging and investment in infrastructure necessary to support a customer's investment in public use EVs, both generally and as to the location of infrastructure in an equitable manner.

The record shows ChargePoint is generally supportive of the EV Portfolio's goals and objectives. No other party expressed specific concerns with AES Indiana's proposed goals. Based on the evidence, we find the proposed goals for the Public Use EV Pilot Program are reasonable. We also find the proposed goals for the individual offerings are reasonable, even when the EVSE Rebates and EVSE Rebates for Disadvantaged Communities are limited to customers for encouraging their investment in public use EVs and associated supply equipment.

b. Evaluation Criteria. Ind. Code § 8-1-43-8(e)(2) directs the Commission to consider whether the pilot program "includes objective evaluation criteria consisting of clearly defined metrics to be used in assessing the success of the pilot program." AES Indiana identified objective evaluation criteria for each of the offerings in the Public Use EV Pilot Program.

OUCC witness Hanks testified that AES Indiana did not provide a full description of the objective criteria to measure the success or usefulness of the pilot program but did not elaborate on his statement. In rebuttal, Mr. Elliot reiterated that his direct testimony clearly described the objective evaluation criteria for each of the proposals in the Public Use EV Pilot Program, as well as the need for, and goals of, each proposal. None of the other parties specifically addressed AES Indiana's evaluation criteria. Based on the evidence, we find AES Indiana has provided reasonable, objective evaluation criteria to be used in assessing the success or usefulness of the Public Use EV Pilot Program. As discussed further below, we also expect AES Indiana to include in its annual reports a discussion of the data and an explanation as to how it demonstrates the success or usefulness of the Public Use EV Pilot Program.

c. Costs. Ind. Code § 8-1-43-8(e)(3) states the Commission shall consider the extent to which the estimated costs of the proposed pilot program will be borne by: (A) participating customers; (B) non-participating customers; and (C) the general public.

The record shows AES Indiana estimated \$13.5 million in costs for the Public Use EV Pilot Program, with an additional \$1.2 million allocated to costs for AES Indiana's

administration, outreach, and evaluation of its entire proposed EV Portfolio (i.e., the Public Use EV Pilot Program and ARP). Pet. Ex. 1 at 31 and Attachment ZE-1 (Revised). For purposes of calculating the anticipated rate impact of the requested accounting and ratemaking treatment for the EV Portfolio, AES Indiana assumed carrying charges for the three-year term of the pilot program and used the current allocation factors from its most recent rate case, Cause No. 45029.

While the OUCC and CAC expressed concern with the level of budgetary detail provided by AES Indiana, the record shows AES Indiana provided reasonably sufficient information on rebuttal regarding the EV Portfolio budget, including budget breakdown by program and cost category, underlying assumptions, and sources, where applicable. Pet. Ex. 2-C, Confidential Attachment ZE-1R. A review of the record shows AES Indiana's costs were based, where applicable, on AES Indiana's prior experience implementing similar programs and from experience gained from AES Ohio. Although the EV programs offered by AES Ohio were not limited to those necessary to support public use EVs, we find the experiences with those programs to provide a reasonable basis to inform Petitioner's estimated costs. In addition, the record shows AES Indiana intends to use an RFP process to gain further insight into the specific costs and budgetary details for its Public Use EV Pilot Program offerings. We find this reasonably allows AES Indiana to take advantage of best practices, obtain customer benefits through competitive bidding, and account for changes in the market. The use of a competitive RFP process is particularly helpful when a market is in the early stages of development. Moreover, this approach provides reasonable flexibility consistent with the Commission's General Administrative Order 2020-5 regarding utility pilot programs.

We further find the OUCC's comparison of cost estimates between AES Indiana's EV Portfolio and that approved for Duke Energy Indiana to be unpersuasive. The record shows the two EV portfolios were proposed at different times, for different purposes, and under different statutory frameworks. AES Indiana's Public Use EV Pilot Program is the first pilot program to be proposed under Chapter 43, which specifically addresses a utility's deployment of certain infrastructure that will allow for evaluation of its feasibility and design in supporting public use EVs. In addition, the evidence shows there are numerous differences between the service territories, including the amount of public transportation, and EV adoption rates that also render such a comparison inapt.

Finally, we note that at this juncture, the Commission is not tasked with reviewing and approving actual project costs. Ind. Code § 8-1-43-8(c) authorizes a utility to include a request for assurance of cost recovery and deferral of pilot program capital costs. Such cost recovery is limited to capital costs up to the amount of the approved cost estimate and, when the utility seeks to include the actual costs in base rates, costs determined at that time to have been reasonably incurred in compliance with the Commission's order. Additionally, any capital costs associated with AES Indiana's installation, ownership, or operation of EV charging infrastructure or make-ready infrastructure may only be approved for inclusion in base rates if the Commission finds the costs actually incurred are reasonable, just, and in the public interest. Ind. Code § 8-1-43-8(f). We find these provisions of Chapter 43 and our verification requirement above concerning the proposed rebate offerings under the Public Use EV Pilot Program adequately address the concerns raised by the OUCC and CAC.

Based on the evidence presented, we find AES Indiana adequately supported its cost estimates. With respect to the cost allocation concerns raised by the OUCC and CAC, we find such concerns are premature. The record shows the allocation factors presented by AES Indiana were illustrative only, and that the actual allocation factors to be used for the EV Portfolio costs will be determined when AES Indiana seeks cost recovery in a future base rate case.

d. Benefits. Pursuant to Ind. Code § 8-1-43-8(e)(4), the Commission must consider information as to any benefits that may inure to: (A) participating customers; (B) non-participating customers; and (C) the general public.

AES Indiana provided information regarding the benefits of the EV Portfolio through its testimony and the cost-effectiveness modeling performed by Mr. Schmidt. More specifically, the record shows that there are a variety of benefits associated with supporting increased EV adoption and charging load modification, including an opportunity for future downward pressure on rates for all customers and avoided marginal system costs. In addition, the record shows that AES Indiana modeled the benefits of the EV Portfolio using four of the five standard tests used for cost-effectiveness testing, and that the EV Portfolio as a whole is projected to provide net benefits to both participating and non-participating customers. Pet. Ex. 5 at 3, Table 1.⁴

While the OUCC and CAC allege that AES Indiana failed to provide sufficient support for its cost-effectiveness modeling, the record shows AES Indiana provided the results and underlying assumptions from the model, offered to make the model available for review, and met with the OUCC to address any specific concerns. For each of the programs modeled by MCR, AES Indiana provided a description of the program planning design, including projected participation, rebate and incentive budgets, administrative budgets, and projected savings. We recognize that cost-effectiveness modeling may require the use of proprietary models and decline to reject the analysis on that basis alone, particularly where it is unclear the extent to which the parties accepted Petitioner's invitation to review the model.

Further, we find AES Indiana's use of the first steady state year of the EV Portfolio for purposes of cost-effectiveness modeling to be reasonable in this instance based on the limited and pilot nature of the programs. Additionally, given the lack of a standard cost-benefit analysis or Indiana TRM specifically designed for EV programs, we find the benefit and cost analysis completed by Witness Schmidt to be a reasonable forward-looking estimate. We also note that AES Indiana has proposed to re-evaluate cost-effectiveness for applicable programs and include such results in its proposed reporting process. We find this reasonably addresses concerns over the initial cost-effectiveness performed by AES Indiana. Accordingly, based on the evidence presented, the Commission finds that AES Indiana provided sufficient evidence regarding the benefits of the Public Use EV Pilot Program, as well as the EV Portfolio, to AES Indiana's participating customers, non-participating customers, and the general public.

⁴ We note the only program not to pass the RIM and TRC scores on an individual basis was the EVSE Rebates for Disadvantaged Communities Program. We do not find this to be a basis to reject the program given the program's focus on benefits to disadvantaged communities and because it advances public policy goals, including those set forth in Chapter 43.

e. **Scale and Duration.** Chapter 43 directs the Commission to consider the reasonableness of the scale and duration of the pilot program in relation to the estimated costs and benefits of the program, the utility’s total customer base and service area, and the stated goals of the program. Ind. Code § 8-1-43-8(e)(5).

As noted above, AES Indiana proposes the EV Portfolio be operated for a three-year term, beginning with calendar year 2024. While the OUCC noted AES Indiana’s proposal is longer and at a higher budget than that approved for Duke Energy Indiana, no party specifically objected to the scale or duration of the pilot. The record shows that Indianapolis, as the capital city in Indiana, represents a large share of EV adoption in the State. Marion County and the surrounding counties represent slightly less than half of all EVs registered in Indiana. Given this adoption rate, we find the scale and duration of the pilot program is reasonable in relation to the estimated costs and benefits of the program, AES Indiana’s total customer base and service area, and the stated goals of the program.

f. **Location of Charging Infrastructure.** Ind. Code § 8-1-43-8(e)(6) states the Commission is to consider whether the utility’s proposal includes a plan demonstrating that the charging infrastructure to be installed under the pilot program will be located in an equitable manner that ensures that all customers within the utility’s service area have convenient access to the charging infrastructure, including in areas that are economically distressed or racially or ethnically diverse.

AES Indiana addressed this element in part through its proposed EVSE Rebates for Disadvantaged Communities offering. The record shows the goals of this program are to encourage equitable investment in EV charging infrastructure, better understand customer EVSE installations in disadvantaged communities, and encourage investment in managed charging capable EVSE. AES Indiana’s use of the federal designation of “disadvantaged communities” to determine eligibility for this program is reasonable and appropriately gives consideration to whether the community is economically distressed or racially or ethnically diverse per the requirements set forth in Chapter 43.

CAC witness Inskeep expressed concern that AES Indiana’s EV Portfolio did not satisfy this element because AES Indiana did not specifically identify where the charging infrastructure will be located, who will be primarily served by this infrastructure, or what AES Indiana’s outreach process and strategy will be to ensure it will be located in an equitable manner. We find this concern is misplaced because the Public Use EV Pilot Program is not yet in service and thus it would not be expected for AES Indiana to know the specific customers or service addresses where infrastructure will be located. AES Indiana will rely on the federal disadvantaged communities to identify potential customers and service addresses for this program, which should be reflected in the RFP and we find to be reasonable.

Based on the evidence presented, we find AES Indiana has sufficiently presented a plan demonstrating that the charging infrastructure to be installed as part of the Public Use EV Pilot Program will be located in an equitable manner.

g. **Other Factors.** Finally, Chapter 43 provides that the Commission shall consider other factors the Commission considers relevant in determining

whether the proposed pilot program is reasonable, just, and in the public interest. Ind. Code § 8-1-43-8(e)(7).

First, in approving an electric transportation program for Duke Energy Indiana, the Commission observed that:

As the electric vehicle market continues to mature in Indiana, electric vehicles and their interactions with the electric grid present the potential to reach a point where proactive utility action will be necessary to ensure core system reliability objectives are maintained. The efficiency at which a utility grid manager can manage this potential future interaction will be enhanced by early and ongoing efforts to discover information that may assist a utility in designing effective programs and practices to meet these objectives. Understanding the impacts to the electric system, in particular those impacts which flow from customer use and charging behavior, is important for the successful integration of electric vehicles in Indiana.

Duke Energy Indiana, LLC, Cause No. 45616 at 13 (IURC June 1, 2022). These factors remain relevant and support our conclusion that AES Indiana’s Public Use EV Pilot Program is reasonable, just, and in the public interest. Our conclusion that AES Indiana’s proposal is in the public interest is further supported by the recent enactment of HEA 1221, providing specific legislative guidance related to public use EVs.

Second, we note the record shows AES Indiana is monitoring potential access to grant funding or other federal and state incentives on an ongoing basis and that the entire EV Portfolio is designed to complement, not duplicate, federal and state administered programs. In addition, AES Indiana is using funds from the Volkswagen emissions mitigation trust to offset capital costs for AES Indiana DCFC locations operated as part of a statewide DCFC network. We recognize that the public policy landscape is dynamic and encourage AES Indiana to continue to look for opportunities to offset or supplement spending for EVSE infrastructure in its service territory, whether utility or customer owned.

Third, we note AES Indiana agreed to certain modifications to its original EV Portfolio proposal to address concerns raised by the other parties. For example, Mr. Elliot’s rebuttal testimony identified specific recommendations made by ChargePoint that AES Indiana accepted and plans to implement. Pet. Ex. 20-21. To the extent AES Indiana’s rebuttal accepted or clarified how these recommendations could be assimilated into the EV Portfolio, we accept these modifications and encourage the further collaborative efforts also agreed to by AES Indiana.

Finally, we do not find our pending investigation regarding the Public Utility Regulatory Policies Act (“PURPA”) Section 111(d)(21) standard warrants rejection of AES Indiana’s proposed Public Use EV Pilot Program. In our Order establishing that investigation, the Commission found it reasonable to consider measures to promote greater electrification of the transportation sector, including the establishment of rates that (1) promote affordable and equitable EV charging options; (2) improve the customer experience associated with EV charging; (3) accelerate third-party investment in EV charging; and (4) appropriately recover the

marginal costs of delivering electricity to EVs and EV charging infrastructure.⁵ As the Presiding Officers explained in an April 4, 2023 docket entry, the ultimate decision in that investigation is to determine whether the Commission should implement any measures regarding the standard. Thus, such a determination will be, and is, independent of the Commission's decision in this case. To the extent the OUCC and intervenors have raised issues in this docket that are also being addressed in our pending investigation, we find such issues are appropriately addressed in that docket. In addition, given the limited, pilot nature of AES Indiana's EV Portfolio and the consistency between the desire underlying the PURPA standard and the purpose of Chapter 43 to encourage progress on transportation electrification, we decline to delay the EV Portfolio's implementation pending the outcome of the Commission investigation.

iii. Conclusion. As discussed above, the Commission finds AES Indiana has satisfied the required elements of a public use EV pilot program under Chapter 43. The evidence demonstrates that the Public Use EV Pilot Program will provide valuable information to better inform AES Indiana's understanding of the energy and demand impacts on its transmission and distribution system associated with public use EVs in a reasonably cost-effective manner. Thus, with the requirement that the EVSE Rebates and EVSE Rebates for Disadvantaged Communities are to be limited to customers for the encouragement of their investment in public use electric vehicles and the associated EVSE to qualify for incentive treatment, our consideration of the factors listed in Ind. Code § 8-1-43-8(e)(1) through (7) supports our conclusion that the Public Use EV Pilot Program, is reasonable, just, and in the public interest. Accordingly, the Commission approves AES Indiana's proposed Public Use EV Pilot Program as set forth herein.

B. ARP. Pursuant to Ind. Code § 8-1-2.5-6(a)(3), as amended by HEA 1221, the Commission is authorized to approve: (1) time-varying price structures and tariffs; or (2) other alternative pricing structures and tariffs for retail energy service. An energy utility electing to become subject to Ind. Code § 8-1-2.5-6 shall file with the Commission an alternative regulatory plan proposing how the Commission will approve retail energy services or just and reasonable rates and charges for the energy utility's retail energy service. As such, we assess the alternative rates, tariffs, and pricing structures component of the proposed EV Portfolio as an ARP under Ind. Code § 8-1-2.5-6.

The legislative policy set forth in Ind. Code § 8-1-2.5-1 anticipates the implementation of flexible alternatives to traditional regulatory practices and structures, and recognizes that amidst a changing energy environment, such flexibility is "essential to the wellbeing of the state, its economy, and its citizens." Moreover, pursuant to Ind. Code § 8-1-2.5-1(6), we are specifically authorized to implement such flexible alternatives.

We may approve, reject, or modify a proposed ARP; however we may not make material modifications without AES Indiana's consent. Ind. Code § 8-1-2.5-6(e). In evaluating an ARP, we are directed by Ind. Code § 8-1-2.5-6(a)(1)(A) to make a public interest finding "as determined by consideration of the factors described in section 5 [IC 8-1-2.5-5] of this chapter." Therefore, in determining whether the public interest will be served by the Commission's limited

⁵ *Ind. Util. Reg. Comm'n*, Cause No. 45816 (IURC Dec. 7, 2022).

declination of traditional regulation through approval of Petitioner's proposed ARP, Ind. Code § 8-1-2.5-5(b) requires that we consider the following:

1. Whether technological or operating conditions, competitive forces, or the extent of regulation by other state or federal regulatory bodies render the exercise, in whole or in part, of jurisdiction by the commission unnecessary or wasteful;
2. Whether the commission's declining to exercise, in whole or in part, its jurisdiction will be beneficial for the energy utility, the energy utility's customers, or the state;
3. Whether the commission's declining to exercise, in whole or in part, its jurisdiction will promote energy utility efficiency; and
4. Whether the exercise of commission jurisdiction inhibits an energy utility from competing with other providers of functionally similar energy services or equipment.

It is against these statutory criteria that we evaluate AES Indiana's request to approve its ARP seeking to establish the proposed alternative pricing structures and tariffs.

With regard to the first factor, we find that changes in technology, operational conditions, and competitive forces support approval of the requested alternative pricing structures and tariffs. EV adoption continues to grow, and customers and the general public have an increased interest in being able to charge EVs, whether at home, the workplace, or out in public. The record further reflect that traditional demand-based utility tariffs pose issues for providers of EV charging services. As technology continues to evolve, it is necessary that utilities be able to provide customers alternative offerings that allow them to best take advantage of new features and options.

Regarding the second factor, the evidence supports the conclusion that approval of the ARP will benefit the energy utility, its customers, and the state. The evidence presented indicates the transition away from internal combustion engine vehicles in AES Indiana's service territory will provide improvements to overall air quality, resulting in environmental and health benefits for customers and the state. Further, the record shows AES Indiana's ARP is not a one-size-fits-all solution; rather, it recognizes that EV charging load shapes will vary depending on the customer type and that different load management strategies may be necessary to mitigate the impact of this significant new load. AES Indiana's ARP provides multiple tariff options, allowing customers to select the option that works best for them. In addition, the ARP is designed to reduce EV charging's contribution to peak load without the need for, and associated customer-side cost of, a separate AES Indiana owned meter, benefitting both participating and non-participating customers.

The Commission finds the proposed alternative pricing structures and tariffs also meet the third factor by promoting utility efficiency. In particular, approval of AES Indiana's ARP will allow Petitioner to curtail participant EV charging during high-demand periods, allowing for more efficient use of Petitioner's electric system. The alternative pricing structures and tariffs should also enable more efficient investment by AES Indiana in its system.

Finally, regarding the fourth factor, a review of the evidence shows that AES Indiana has proposed a “market-based” (i.e., the average within its service territory), rather than cost-based, rate to avoid claims of anti-competitiveness with alternative providers of EVSE and EV charging. We find AES Indiana’s proposal to periodically update Rates EVP and DCFC based on updated market price assessments within its service territory to be reasonable and in the public interest. However, to ensure rates remain current, we find that AES Indiana shall review Rate EVP and Rate DCFC monthly and update the rate if it is outside 10% of market rates. These updates will be made via the Commission’s Thirty-Day Administrative Filing Procedures and Guidelines rule at 170 IAC 1-6.

With respect to Walmart’s recommendation that AES Indiana be ordered to initiate a stakeholder process to develop an EV charger tariff for third-party owned public EV chargers, we decline to establish such a requirement at this time. We find this recommendation to be premature since one of the goals of the EV Portfolio is to gather AES Indiana-specific information that would help guide development of future rates and charges.

After consideration of the factors under Ind. Code § 8-1-2.5-5(b), we find the evidence supports approval of AES Indiana’s proposed ARP. The ARP is an important component of the proposed EV Portfolio. The application of these alternative rates will enable AES Indiana to learn better how to provide more cost-effective and reliable service for both customers with EVs and other customers by helping to reduce the impact of EV charging on the transmission and distribution system. The provision of these alternative rates will also help AES Indiana better understand how customers respond under these rates and the corresponding benefits for the transmission and distribution system. Accordingly, AES Indiana’s ARP is approved as proposed by AES Indiana, with the additional requirements related to updating Rates EVP and DCFC.

C. Ratemaking. Chapter 43 provides that an electric utility’s request for approval of a public use EV pilot program may include a request for assurance of cost recovery for pilot program capital costs, up to the amount of an approved cost estimate; and deferral of pilot program capital costs. Ind. Code § 8-1-43-8(c). Additionally, Ind. Code § 8-1-2.5-6 authorizes the Commission to approve cost recovery associated with an approved ARP.

The OUCC proposed limiting AES Indiana’s EV Portfolio spending to the \$16.2 million budget presented in AES Indiana’s case-in-chief. We find this proposal to be reasonable and consistent with the ratemaking authority approved for other utility pilot programs and provided under Ind. Code § 8-1-43-8(c). Accordingly, we approve AES Indiana’s cost estimate of \$16.2 million and authorize cost recovery up to this approved cost estimate.⁶ With respect to carrying costs, we note AES Indiana’s EV Portfolio is comprised of both capital and O&M expenditures. The CAC’s suggestion that AES Indiana treat EV Portfolio costs as O&M rather than capital expenditures (and therefore earn recovery “of” but not “on” such expenses) is contrary to the nature of the expenses incurred and inconsistent with the deferral accounting authority granted to other utilities, such as Duke Energy Indiana for its electric transportation program in Cause No. 45616. We therefore decline to adopt the CAC’s recommendation.

⁶ We note that AES Indiana estimated an additional \$10.6 million for Tariff EVSE, to be funded solely through voluntary participation in Tariff EVSE. AES Indiana did not request deferral authority for Tariff EVSE expenses.

The Commission likewise declines to adopt the OUCC's recommendation to limit carrying charges to \$1.2 million. The record shows this was an illustrative estimate presented as a proxy in this filing to estimate rate impacts. The record further shows that AES Indiana is required to file a base rate case at least every seven years as a result of its transmission, distribution, and storage system improvement plan in accordance with Ind. Code § 8-1-39-9(e), which should serve to limit the amount of carrying charges that may be accumulated.

Accordingly, we find approval of AES Indiana's requested accounting and ratemaking treatment for its EV Portfolio is reasonable and consistent with approvals we have given to electric vehicle pilots from other investor-owned utilities. *See Duke Energy Indiana, LLC*, Cause No. 45616 at 15 (IURC June 1, 2022); *Ind. Mich. Power Co.*, Cause No. 45235 at 57-58 (IURC March 11, 2020). Therefore, the Commission approves AES Indiana's proposed accounting and ratemaking treatment for its EV Portfolio. More specifically, AES Indiana is authorized to defer and seek recovery of capital and O&M costs associated with the EV Portfolio, including carrying charges, as proposed by AES Indiana and discussed in this Order.

8. Reporting. AES Indiana proposed to file an annual report to keep the Commission and other stakeholders informed of the status of the EV Portfolio. Mr. Elliot identified the specific metrics that would be reported for both the Public Use EV Pilot Programs and the ARP. In addition to the specific metrics and identified objective criteria, AES Indiana should also include a discussion regarding how that data demonstrates the success or usefulness of the program offerings. The OUCC recommended AES Indiana's reporting also include a yearly and cumulative budget to actual spending comparison using Mr. Elliot's Attachment ZE-1 as a baseline. AES Indiana did not object to this requirement, and we find it appropriate to include along with the other metrics identified by AES Indiana. Accordingly, AES Indiana is directed to file its compliance report under this docket within 90 days after the conclusion of each EV Portfolio program year.

In addition, to keep the parties and Commission informed of EV market developments, Petitioner shall report its monthly comparison of the Rates EVP and DCFC to market rates in a quarterly filing under this Cause.

9. Confidential Information. On June 9, 2023, AES Indiana filed a motion seeking a determination that designated confidential information involved in this proceeding be exempt from public disclosure under Ind. Code § 8-1-2-29 and Ind. Code ch. 5-14-3. The request was supported by an affidavit showing the documents to be offered into evidence contained trade secret information within the scope of Ind. Code § 5-14-3-4(a)(4) and Ind. Code § 24-2-3-2. In a June 16, 2023 docket entry, the Presiding Officers determined such information should be held confidential on a preliminary basis. On June 16, 2023, AES Indiana submitted its designated confidential information.

After reviewing the designated confidential information, we find all such information to be trade secret information as defined in Ind. Code § 24-2-3-2. This information has independent economic value from not being generally known or readily ascertainable by proper means. AES Indiana takes reasonable steps to maintain the secrecy of the information, and disclosure of such information would cause harm to AES Indiana. Therefore, we find that this information should

be exempted from the public access requirements contained in Ind. Code ch. 5-14-3 and Ind. Code § 8-1-2-29 and held confidential and protected from public disclosure by the Commission.

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. AES Indiana’s EV Portfolio, as amended in its rebuttal testimony and which consists of a Public Use EV Pilot Program and an ARP, is approved for a period of three years beginning in 2024.

2. AES Indiana is authorized to defer and seek recovery of capital and O&M costs associated with the EV Portfolio, with carrying costs, for recovery in a future retail base rate proceeding(s) as set forth in this Order.

3. AES Indiana’s ARP is approved as proposed by AES Indiana with the additional requirements related to updating Rates EVP and DCFC discussed in Finding Paragraph 7.B.

4. AES Indiana is authorized to implement its alternative pricing structures and tariffs. AES Indiana shall file its tariffs under this Cause for approval by the Commission’s Energy Division.

5. AES Indiana shall file under this Cause reports for the duration of the EV Portfolio as set forth in Finding Paragraph 8.

6. The information filed in this Cause pursuant to the motion for protection and nondisclosure of confidential and proprietary information is deemed confidential pursuant to Ind. Code §§ 5-14-3-4 and 8-1-2-29, is exempt from public access and disclosure by Indiana law, and shall be held confidential and protected from public access and disclosure by the Commission.

7. This Order shall be effective on and after the date of its approval.

HUSTON, BENNETT, FREEMAN, VELETA, AND ZIEGNER CONCUR:

APPROVED: NOV 22 2023

I hereby certify that the above is a true and correct copy of the Order as approved.

Dana Kosco
Secretary of the Commission