

Illinois Commerce Commission



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> Victoria Crawford Office: (217) 557-5819 Victoria.Crawford@Illinois.gov

ICC Examines Nexus between Electric Vehicles and Grid Stabilization

Chicago, IL....On Wednesday, April 4, the Illinois Commerce Commission (ICC) held a policy session to examine the nexus between electric vehicles (EVs) and grid stabilization.

Led by Acting Commissioner Anastasia Palivos, the session featured expert panelists who offered their perspectives on how increased electric vehicle deployment could impact Illinois' economy and electric grid.

"Electric vehicles are no longer the cars of the future. They are our present, and have become a reasonable and acceptable alternative to traditional fossil fueled vehicles. At the same time, there are significant barriers EVs must overcome before becoming household norms, such as a lack of charging stations, battery storage capacity and electric grid load issues. The time is ripe for Illinois to engage in strategic conversations about policies that may encourage EV deployment, and what impact EVs may have on the grid," said Palivos.

According to a recent analysis from Bloomberg New Energy Finance, electric vehicles could account for half of all new cars sold by 2040. To-date, Illinois ranks 6th in the number of plug-in electric vehicles nationwide. Widespread electric vehicle adoption in Illinois could bring the state up to \$43 billion in cumulative benefits by 2050 stemming from reduced utility bills, carbon pollution, and fuel and vehicle expenses.

During the Session's first panel, "Benefits and Impacts of Electric Vehicles on Grid Stabilization: How Electric Vehicles Help the Power Grid Become More Efficient and Less Expensive," Mike Water, Director of Utility Solutions for Chargepoint, an electric vehicle charging network, discussed the utility benefits of smart EV load growth. Such benefits, he suggested, include increased system utilization, support of renewable integration, and downward pressure on rates for consumers. Dan Bowermaster, Program Manager for Electric Power Research Institute reported EV sales are on the rise in the U.S.,

exceeding 787,000 cars at the end of February 2018. Bowermaster expects this trend to continue as EV battery range, customer choice models, and charging efficiency increase.

Katie Bell, Energy Policy and Business Development for Tesla, said that EV customers want the ability to charge their vehicles where they park, whether at work or within their communities. She advocated the need for a stakeholder process to address the questions to identify optimal locations for EV charging. Kate Tomford, Senior Analyst for the Chicago Transit Authority (CTA) said the organization currently has two e-buses in operation, and will expand the fleet by at least 20 e-buses in the near future. CTA currently slow-charges buses overnight, but plans to test two en-route chargers to optimize efficiency. CTA requests that "utility of the future" studies explore the potential for fast-demand-responsive charging, map grid capacity for charging infrastructure at CTA's garages and bus terminals, and special rate structures or classifications for EV fleets.

The second panel, "Policy and Regulation: How Are We Governing Electric Vehicle Growth in Illinois? How does Illinois Stack Up to Other States?" featured Elizabeth McErlean, Energy Attorney with McGuire Woods; Susan Satter from the Public Utilities Policy Counsel with the Office of the Illinois Attorney General; Jane Park, Vice President of Regulatory Policy and Strategy for ComEd and Christie Hicks, Manager, Clean Energy Regulatory Implementation for Environmental Defense Fund. Presenters spoke about current laws and regulations in Illinois related to EVs, and what options policymakers should consider for moving forward to meet new electric demand dynamics and issues related to social and demographic equity. Presenters also discussed actions that have been taken by leading EV states like California, Georgia and Hawaii to encourage widespread EV adoption.

"The future is electric, and an enormous number of EVs will hit the road in the U.S. over the next few years. Now is an important time to craft policy that supports smart adoption of EVs and ensures all communities have access to the benefits of electrification, especially low-income and environmental justice communities," said Hicks.

During the Session's third panel, "Best Practices and Trends: Rate Structuring for Accessibility and Promoting Efficiency," Erica Bowman, Director of Environmental Strategy & Analytics for Southern California Edison provided an update on the ongoing barriers that persist to expand EV adoption in California. Ryan Schonhoff, Rates and Analysis Supervisor for Ameren Illinois, in his presentation suggested that Illinois' could promote efficient deployment of EVs by leveraging Advanced Meter Infrastructure (AMI) technology for rate design and considering alternative delivery service rate structures like time of use rates to encourage consumers to use real-time pricing options to save money.

Erika Myers, Director of Research for the Smart Electric Power Alliance, said that while Illinois utilities are primarily in the early stages of EV activity, utilities will play a key role in EV market growth. "With careful planning and thoughtful strategy, Illinois could be an EV leader," Myers said.

David Kolata, Executive Director of the Citizens Utility Board (CUB) spoke about the need for proactive policies and customer-focused principles. "Electric vehicles have great potential to help Illinois achieve a cleaner and more affordable energy future—but with this great opportunity comes great challenge. We need to get ahead of the game and develop smart policy."

In her closing remarks, Acting Commissioner Palivos noted the importance of Policy Sessions as a tool for education. "The Commission is an ideal forum for discourse and education. This dialogue enables our state to prepare for emerging issues like electric vehicles while challenging the status quo in an industry that can be reluctant to respond to innovation in a timely manner. We must be proactive rather than reactive," concluded Palivos.

Presentations from the session are available at the ICC website by clicking here.

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About the Illinois Commerce Commission

The Illinois Commerce Commission (ICC) is a quasi-judicial body made up of five Commissioners. Through its Public Utility Program, the Commission oversees the provision of adequate, reliable, efficient and safe utility services at the least possible cost to Illinois citizens served by electric, natural gas, telecommunications, water and sewer public utility companies. Through its Transportation Regulatory Program, the Commission oversees public safety and consumer protection programs with regard to intrastate commercial motor carriers of general freight, household goods movers, relocation towers, safety towers, personal property warehouses and repossession agencies. The Commission's Rail Safety Program also inspects and regulates the general safety of railroad tracks, facilities and equipment in the state.

To learn more about the Commission, its offices and bureaus, click <u>here</u>. If you are a consumer who needs help resolving a utility dispute call 800-524-0795 or file an online complaint <u>here</u>. For a complaint related to transportation, call 217-782-6448.

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