NEW YORK ELECTRIC VEHICLE INFRASTRUCTURE MEDIUM- AND HEAVY-DUTY VEHICLE MAKE-READY PILOT PROGRAM

Amended Implementation Plan Submitted by:

Central Hudson Gas & Electric Corporation

Consolidated Edison Company of New York, Inc.

Niagara Mohawk Power Corporation d/b/a National Grid

New York State Electric & Gas Corporation

Rochester Gas & Electric Corporation

Orange & Rockland Utilities, Inc

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Case 18-E-0138

Pursuant to New York Public Service Commission's Order dated November 16, 2023
Order Approving Midpoint Review Whitepaper's Recommendations with Modifications

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1. BACKGROUND

The New York Public Service Commission ("PSC"), in its July 16, 2020, *Order Establishing Electric Vehicle Infrastructure Make-Ready Program and Other Programs*,[1] directed the Joint Utilities,[2] with the exception of Consolidated Edison Company Of New York ("CECONY"), to file, in consultation with Department of Public Service Staff, a Medium- and Heavy-Duty Make-Ready Pilot Program ("MHD Pilot Program") Implementation Plan no later than October 14, 2020. On November 16, 2023, the PSC issued an *Order Approving Midpoint Review Whitepaper's Recommendations with Modifications*,[3] which included several changes to the MHD Pilot Program. One provision of the 2023 Order is to include CECONY in the MHD Pilot Program. This document presents the MHD Pilot Program Implementation Plan proposed by the Joint Utilities.

1.1. MHD PILOT PROGRAM OVERVIEW

The Joint Utilities'[4] MHD Pilot Program is designed to reduce diesel emissions by encouraging the transition of medium- and heavy-duty vehicle ("MHDV") fleets to electric vehicles ("EVs") throughout New York State. The MHD Pilot Program offers incentives to mitigate the cost of developing EV charging capacity for qualifying MHD fleet vehicles. The incentives cover up to 90% of the utility-side make-ready costs and, in some cases, up to 50% of the customer-side make-ready costs for eligible customers and prioritize investments in Disadvantaged Communities ("DAC").

MHDV fleet operators and managers may apply for incentives through the website of the relevant participating utility. Each utility administrator will accept applications until available incentive funding has been fully allocated. Additional information about the MHD Pilot Program, including the application process, is available on each participating utility's website, provided in Table 1, and applicants can direct questions related to the MHD Pilot Program to each utility's EV Program email address listed in Table 1.

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[1] Case 18-E-0138, Proceeding on Motion of the Commission Regarding Electric Vehicle Supply Equipment and Infrastructure ("EVSE & I Proceeding"), Order Establishing Electric Vehicle Infrastructure Make-Ready Program and Other Programs (issued July 16, 2020) ("2020 Order").

[2] The Joint Utilities are Central Hudson Gas & Electric Corporation ("CHGE"), Consolidated Edison Company of New York, Inc. ("CECONY"), New York State Electric & Gas Corporation ("NYSEG"), Niagara Mohawk Power Corporation d/b/a National Grid ("NMPC"), Orange & Rockland Utilities, Inc. ("O&R"), and Rochester Gas & Electric Corporation ("RG&E").

[3] Case 18-E-0138, Proceeding on Motion of the Commission Regarding Electric Vehicle Supply Equipment and Infrastructure ("EVSE & I Proceeding"), Order Approving Midpoint Review Whitepaper's Recommendations with Modifications (issued November 16, 2023) ("2023 Order").

[4] For ease of reference, the text refers to Joint Utilities. The use of the term also includes actions or program design parameters that would be applicable to an individual utility's program.

Table 1: MHD Pilot Program Information Sources

Utility	Email	Program Web Address
Central Hudson	EVMakeready@cenhud.com	Electric Vehicle Make-Ready Infrastructure Program
CECONY	EVMRP@coned.com	Electric Vehicle PowerReady Program[5]
National Grid	NGFleetProgram@nationalgrid.com	Electric Vehicle Charging Station Programs
NYSEG	EVPrograms@nyseg.com	Electric Vehicle Charger Make-Ready Program
RG&E	EVPrograms@rge.com	Electric Vehicle Charger Make-Ready Program
Orange and Rockland	ev@oru.com	Electric Vehicle Make-Ready Program

2. DEFINITIONS

Disadvantaged Communities ("DAC"): Communities that bear burdens of negative public-health effects, environmental pollution, impacts of climate change, and possess certain socioeconomic criteria, or comprise high concentrations of low- and moderate-income households, ECL § 75-0101(5). The Joint Utilities will administer the MHD Pilot Program consistent with the goals of the Climate Leadership and Community Protection Act and the DAC criteria and maps adopted on March 27, 2023, by the Climate Action Council's Climate Justice Working Group. The DAC map can be accessed at: https://climate.ny.gov/Resources/Disadvantaged-Communities-Criteria.

EPA Clean School Bus Program ("EPA CSB"): With funding from the Bipartisan Infrastructure Law, the EPA's Clean School Bus Program provides $5 billion through Fiscal Year 2026 to replace existing school buses with zero-emission and low-emission models.

Fleet: One or more commercially or institutionally owned or leased vehicle(s) used for commercial, industrial, or institutional purposes.

Fleet Assessment Services: The Utility Fleet Assessment Service helps fleet operators evaluate certain costs and benefits associated with fleet electrification, including site feasibility analysis regarding the local grid conditions and rate analyses.

Heavy-duty Vehicles: Any Class 7 – 8 vehicles with a gross vehicle weight rating (GVWR) over 26,000 lbs.

Medium-duty Vehicles: Mid-sized vehicles including passenger and cargo vehicles, school buses, trucks, and equipment in Class 3 through Class 6 (vehicles with a GVWR of 10,001 lbs. to 26,000 lbs.).

[5] The official CECONY MHD Pilot website (https://coned.com/MediumHeavyDutyVehicle) will be active in late Q1 2024.

Medium- and Heavy-Duty Pilot Program ("MHD Pilot Program"): The MHD Pilot Program provides incentives for the purchase and installation of make-ready infrastructure associated with bringing power to EV chargers in support of MHDV fleets in each participating utility's service territory. The MHD Pilot Program provides support for up to 90% of utility-side costs and in some cases up to 50% of customer-side costs depending on project characteristics.

New York City Clean Trucks Program ("NYCCTP"): A program administered by the New York City Department of Transportation that offers financial incentives to help cover the cost of converting diesel vehicles to zero-emission vehicles that includes funding from $12,000 to $185,000 per eligible truck replacement.

New York Truck Voucher Incentive Program ("NYTVIP"): A program administered by New York State Energy Research and Development Authority ("NYSERDA") that offers financial incentives to help cover the cost of converting diesel vehicles to electric power, with funding for 80% to 100% of the incremental cost between a new diesel-powered truck and a new battery-powered vehicle of the same type and class.

New York School Bus Incentive Program ("NYSBIP"): A program established to help school districts meet the zero-emission bus transition timeline.[6] Schools can be eligible for vouchers of more than $100,000 per bus, with additional funding for priority districts and other bonuses (subject to eligibility).

Participant: An entity, including its subsidiary or affiliate, that applies for and/or receives the incentives available through the MHD Pilot Program. This includes:

- Developer: An entity responsible for designing, constructing, and commissioning an EV charger site. This entity may also be responsible for owning, managing, and operating the chargers.
- Equipment Owner: The entity that purchases and owns the EV charging equipment once it is installed.
- Operator: The business entity responsible for the operation and maintenance of the EV charging equipment.
- Site Host: The owner or operator of the site on which the EV charging equipment is installed. The Site Host may or may not be the Equipment Owner or Operator.
- Customer: An entity taking service from a participating utility.

Publicly Accessible: An EV charging station that is accessible to public EV drivers without an access fee for charging.

3. ELIGIBLE INFRASTRUCTURE AND EQUIPMENT

The MHD Pilot Program provides incentives to cover two categories of eligible make-ready infrastructure and equipment:

Customer-side Make-Ready Infrastructure: EV equipment or infrastructure necessary to make a site ready to accept an EV charger that is owned by the charging station Developer, Equipment Owner, or Site Host. This electric infrastructure may include conductors, trenching, panels, and advanced

[6] New York State Budget for FY '23 mandates all new school bus purchases by 2027 must be zero-emissions and all school buses on the road be zero-emissions by 2035. https://www.budget.ny.gov/pubs/press/2022/fy23-budget-clean-energy.html

technologies including energy storage and Automated Load Management Systems needed for the EV charging station.

Utility-side Make-Ready Infrastructure: Utility electric infrastructure needed to connect and serve a new EV charger. This may include traditional distribution infrastructure such as step-down transformers, overhead service lines, and utility meters that will continue to be owned and operated by the utility.

Note that the EV chargers themselves (including bidirectional chargers) and associated equipment such as power blocks, modules, mounting hardware, co-located distributed generation, or networking fees, are ineligible for incentives under the MHD Pilot Program.

4. ELIGIBILITY CRITERIA

Each utility will evaluate applications for the MHD Pilot Program on three key criteria—public accessibility, participation in a Voucher Incentive Program (as defined below) and serving DACs. A site must be either publicly accessible or participating in a Voucher Incentive Program described below to be eligible to participate in the MHD Pilot Program. The 2023 Order provides utilities with discretion when accepting applications and deciding final incentives based on the specific characteristics of the project. The participating utilities will also prioritize projects within a DAC or that support fleets that operate in DACs. The utilities will have full discretion for accepting applications and awarding the final incentives based on the specific characteristics of the project.

Public Accessibility: Publicly accessible charging stations for MHDVs are eligible for incentives covering both customer-side and utility-side costs. Publicly accessible stations do not need to participate in a Voucher Incentive Program or be in a DAC to be eligible for the MHD Pilot Program.

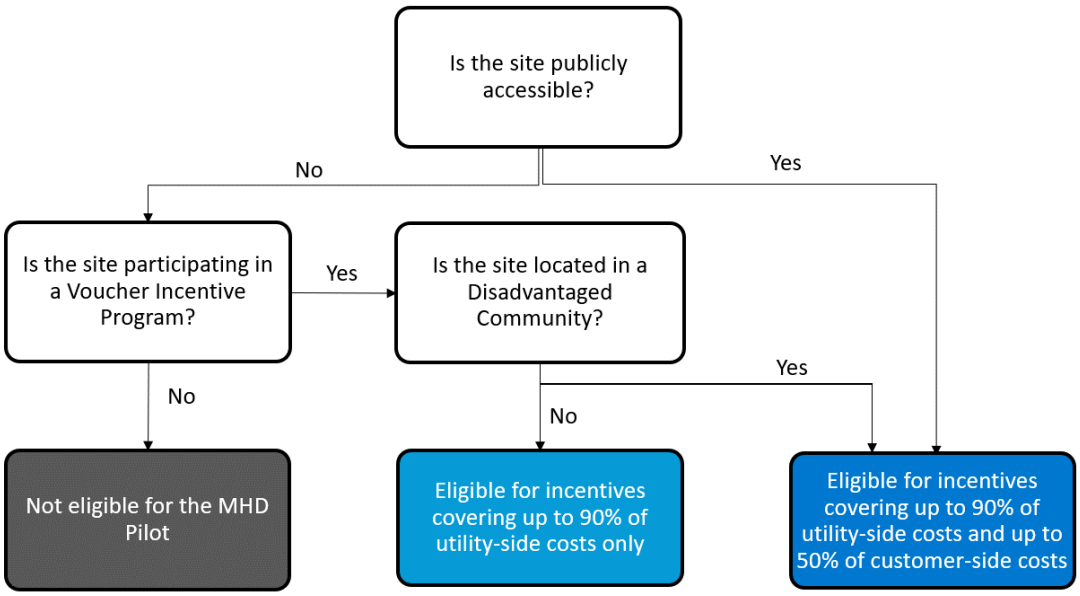
Voucher Incentive Program Participation: For non-publicly accessible stations, MHD Pilot Program applicants must participate in at least one of four New York State or Federal Voucher Incentive Programs. Eligible Voucher Incentive Programs include the New York Truck Voucher Incentive Program ("NYTVIP"), the New York City Clean Trucks Program ("NYCCTP"), the New York School Bus Incentive Program ("NYSBIP"), or Environmental Protection Agency ("EPA") vehicle incentives with a DAC requirement (such as the Clean School Bus Program).[7] All sites participating in a Voucher Incentive Program are eligible for utility-side make-ready infrastructure incentives but only sites located in a DAC can qualify for customer-side make-ready infrastructure incentives.

5. INCENTIVE LEVELS

Utilities will provide incentives for eligible sites of up to 50% of costs for customer-side infrastructure and up to 90% of costs for utility-side infrastructure for all sites, based on the utility evaluation of project characteristics of the three criteria described above. Figure 1 presents a flowchart summarizing the MHD Pilot Program eligibility criteria. Projects that are not located in a DAC are only eligible for incentives covering up to 90% of utility-side costs, but the utilities will prioritize projects that support fleets that operate in DACs.

[7] Additional eligible Voucher Incentive Programs may be added as authorized by the Commission.

Figure 1: MHD Pilot Program Eligibility Flowchart



Customer-side incentives are subject to dollar per kW caps, which vary by utility territory and are presented in Table 2 below. Projects that are eligible for customer-side make ready incentives are eligible to receive up to 50% of these caps.

Table 2: MHD Pilot Program Customer-Side Incentive Caps

Utility	Customer-Side Incentive Cap
Central Hudson	$658.36 / kW
CECONY	$980.76 / kW
National Grid	$440.96 / kW
NYSEG	$409.07 / kW
Orange and Rockland	$592.77 / kW
RG&E	$712.08 / kW

6. IMPLEMENTATION

The MHD Pilot Program administrators will engage with current and prospective program Participants, including fleet owners and managers, site hosts, and station developers, to increase the installation of make-ready equipment for fleet EV charging infrastructure. The MHD Pilot Program relies on targeted outreach and solicitation of applications through the participating utility's website and other channels to

develop a program pipeline. Each participating utility will conduct application review, verification, and approval in close coordination with Participants.

Each participating utility is responsible for managing all utility-owned equipment installations required for each project. The Participant is responsible for the installation of all other equipment at the site. The utilities will pay MHD Pilot Program funds based on costs associated with each project upon verifying the completion of the installation.

6.1. PROGRAM PARTICIPANT JOURNEY

Participants generally begin the journey through the MHD Pilot Program with either targeted outreach by each utility or through customer-initiated contact. The utilities will make program applicants aware of the Fleet Assessment Service during their journey through the program. Participants can apply to the Fleet Assessment Service through the Joint Utilities' website or an individual utility's website. The journey continues through application, review, and program agreement phases before moving on to equipment installation and inspection and payment of the incentive. These are the steps in the customer journey:

- ***Education and outreach*.** Each utility may conduct targeted outreach to potential Participants based on their participation in the Voucher Incentive Programs, size of fleet, electrification activity in other areas across the country, proximity to DACs, public accessibility, and other eligibility considerations. Initial outreach may involve marketing collateral explaining EV charging infrastructure and the benefits of operating EV fleets. (See Section 7 for further education and outreach details.)
- ***Application submission.*** Interested parties can apply for the MHD Pilot Program on each participating utility's website, or interested parties may also initiate the application process through the Joint Utilities' website via an application for the Fleet Assessment Service. The application requests name and contact information, a brief project description, description of the fleet and the vehicles to be electrified, if applicable, and location of charging sites. The application also requires proof of participation in one of the Voucher Incentive Programs or a statement of public accessibility of the EV charging ports.
- ***Application review.*** After receiving a completed application, the respective utility will review the application and notify the applicant affirming eligibility or not based on the MHD Pilot Program rules and project characteristics. A utility representative may arrange a consultation and schedule a site visit to assess the grid impact of EV charging infrastructure at the site based on site capacity and planned utility work.
- ***Application incentive agreement*.** The utility will provide the Participant with an initial incentive determination based on: (i) the finalized utility-side costs, if any, and (ii) for projects eligible for customer-side make-ready incentives, the Participant-provided estimates of customer-side make-ready costs. The utility will provide a project agreement detailing any utility-side work and customer-side work to be covered by the incentives, the associated incentives, and timeline for the project.
- ***Equipment installation.*** Once the program agreement has been signed, the Participant will secure the necessary permits and complete the customer-side construction. If utility-side upgrades are also required, the utility is responsible for completing the utility-side work for the site. This involves installing all necessary equipment up to and including appropriate meters for

data collection. The installation of make-ready infrastructure and EV charging plugs may occur simultaneously.

- ***Final documentation.*** Once the project is complete, the Participant will submit the required project documentation, provide supporting documentation for any 3rd party inspections, if available, and participate in a utility inspection, if required, before incentive payments are approved and dispersed.
- ***Final incentive determination and payment.*** After verifying that a project is complete, Participants receiving customer-side make-ready incentives will submit invoices supporting the actual cost incurred for the customer-side make-ready infrastructure for review and approval by the utility. The authorized incentive amount will be recalculated if the approved actual incurred costs are lower than the estimated costs established during the Application Incentive Agreement phase. The utility will then distribute the final incentive payment to the Participants and contractors as lump sums as defined in the project agreement.
- ***Survey.*** After the final inspection and a sufficient operating window, Participants will receive a satisfaction survey from the respective utility. The survey captures Participants' impressions of MHD Pilot Program outcomes, their plans to expand fleet electrification, any ongoing barriers, and their interest in other utility services that may be useful to support their electrification.

6.2. FLEET ASSESSMENT

Along with the support provided by MHD Pilot Program funding, a free Fleet Assessment Service is available to all light, medium, and heavy-duty vehicle fleet operators in each utility's territory. Following an initial consultation, a utility representative will conduct a site analysis with potential program Participants to assess site feasibility regarding the local grid condition. The utility will then conduct a rate analysis to inform fleet managers' decisions related to charging costs. Additional details regarding the Fleet Assessment Service are available on each utility's website and the application will be available on the Joint Utilities' website. Fleet Assessment Service customers are encouraged but not required to apply to the MHD Pilot Program.

7. EDUCATION AND OUTREACH PLAN

Outreach and education are critical to successfully engaging fleet managers and owners in the MHD Pilot Program. Four key criteria—participation in a Voucher Incentive Program, proximity to and activity within DACs, public accessibility, and local system capacity—will inform each utility's education and outreach efforts and identify sites and fleet owners well-positioned for electrification.

- ***Voucher Incentive Program*.** Each utility reviews recent applicants to the Voucher Incentive Programs to identify potential Participants. Fleet managers and owners who are seeking support through any of the Voucher Incentive Programs are demonstrating their intention to convert their fleet to EVs and meet the criteria for the MHD Pilot Program.
- ***Disadvantaged Community Fleet Manager Outreach*.** The utilities conduct outreach to fleets that are located in DACs and consider site load capacity.
- ***Public Station Outreach*.** Utilities will work with local Developers to educate them about the expanded MHD Pilot Program to drive program participation. This may include Developers already installing charging stations for light-duty vehicles and/or companies offering public charging hubs and charging-as-a-service solutions.

- ***Local System Capacity*.** The utilities will use publicly accessible Electrification Load-Serving Capacity Maps, which detail distribution system capacity across their service territories. The maps may also overlay DACs, as defined by the Climate Justice Working Group.

The utilities evolve their respective outreach criteria and methods as they learn more about the market through administering the pilot.

The Joint Utilities will regularly send their customers information about EVs through various channels including social media, conferences, industry events, press releases, websites, direct mail, and advertisements. These various channels will direct potential Participants to utility websites for more information on the Voucher Incentive Programs and the MHD Pilot Program.

8. PROGRAM COSTS AND GOALS

For the 2020 Order, the Joint Utilities, excluding CECONY, used MHD Vehicle-in-Operation ("VIO") data provided by Atlas Public Policy ("Atlas")[8] to apportion the MHD Pilot Program budget. For the 2023 Order, the Joint Utilities received updated VIO data from Atlas, current as of November 2, 2023. The 2023 Order authorized a total budget of $67 million, $58 million of which was apportioned using the updated VIO data, and a minimum budget of $5 million for each utility. CECONY's budget is inclusive of the $9 million authorized in the 2019 CECONY rate case.[9] Table 3 shows the updated budget amounts for the MHD Pilot Program.

At this time, using VIO data is the best approach for allocated budgets for the MHD Pilot Program considering the available information. Other influencing factors, such as potential variation in development costs for MHDV charging by region, site design, or real estate constraints, remain unknown. One objective of the MHD Pilot Program is to learn about real-world costs and influencing factors and apply the learnings to future program design and budgets.

Table 3: MHD Pilot Program Budget Allocation

Utility	Fixed Operating Budget
Central Hudson	$5.00M
CECONY[10]	$21.31M
National Grid	$19.14M
NYSEG	$11.54M
Orange and Rockland	$5.00M
RG&E	$5.00M
Total	**$67.00M**

[8] Atlas tracks the number of vehicles on the road in New York State and publishes a dashboard, EValuateNY, with visualizations of this data (https://atlaspolicy.com/evaluateny/).
[9] Case 19-E-0065, Con Edison – Rates, Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plan (issued January 16, 2020) ("2019 CECONY rate case").
[10] Inclusive of $9 million in funding authorized in the 2019 CECONY rate case.

8.1. COST RECOVERY

Summarizing the cost recovery mechanisms outlined in the 2020 Order,[11] utility-side make-ready infrastructure costs will be treated as capitalized plant in service with cost allocation and recovery accomplished via traditional ratemaking methodologies. Other costs including customer-side make-ready infrastructure costs will be deferred as a regulatory asset and, at the end of each program year, be recovered via surcharges over a period of 15 years, with the net-of-tax balances accruing carrying charges at each utility's pretax overall cost of capital. Implementation costs inclusive of the Fleet Assessment Service will be deferred until the end of each program year. At the end of each program year, the deferred costs will be collected over a five-year amortization period, with the net-of-tax balances accruing carrying charges at each utility's pretax overall cost of capital.

[11] 2020 Order, pp. 78-81.