

Hamre, John G.

From: Thereza Cevidanes <tcevidanes@natso.com>
Sent: Monday, November 14, 2022 5:27 PM
To: -Info-Public Service Commission
Subject: Comment Submission: Case PU-22-147
Attachments: Coffee Cup Comments Case PU-22-147.pdf

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Good Afternoon,

Attached, please find comments from Coffee Cup Fuel Stops and Convenience Stores submitted to PU-22-147.

Thank you,
Thereza

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November 14, 2022

Steven M. Kahl
Executive Director
North Dakota Public Service Commission
600 East Boulevard Avenue #408
Bismarck, ND 58505-0480

RE: Case PU-22-147

Executive Director Kahl:

Coffee Cup Fuel Stops and Convenience Stores (“Coffee Cup”)¹ respectfully submits the following comments to the North Dakota Public Service Commission (the “Commission”) in reference to Case PU-22-147 regarding the electrification of the transportation sector. Coffee Cup is specifically providing comment on special tariffs or rates for electric vehicle (“EV”) charging and electric utility ownership of EV charging stations.

Coffee Cup is agnostic to the type of fuel it sells and is eager to make investments in alternative transportation energy, including direct current fast charging (“DCFC”) stations. To do so, however, will require modifications to the current electricity market. Specifically, DCFC stations have unique power needs that require high power capacity for charging but consume relatively low amounts of energy per charge.² This high demand over short periods of time subjects EV fast chargers to costly “demand charges,” which are fees based on the highest level of electricity used during a billing period.

Demand charges are incompatible with the realities of owning and operating a DCFC station. The single use of a DCFC station can incur a demand charge that doubles or triples the electric bill of the operator. In the early stages of EV adoption, there are not enough EV drivers to offset these demand charges, making the cost to charge prohibitively expensive.

Coffee Cup encourages the Commission to implement rate structures that mitigate the impact of demand charges on the private sector’s ability to generate a return on EV charging investments. This may include volumetric structures, based on the amount of electricity being provided to the EV. Ultimately, the Commission must establish a rate structure for DCFC stations that mitigates demand charges and sets forth the terms and conditions for the sale of electricity to

¹ Coffee Cup has been proudly serving travelers since 1981 with the first location in Summit, SD, followed by additional stores in South Dakota, North Dakota, and Wyoming. Coffee Cup owns and operates a travel plaza in Steele, North Dakota.

² NASEO, *Demand Charges & Electric Vehicle Fast-Charging*, October 2021. Available at <https://www.naseo.org/data/sites/1/documents/publications/Demand%20Charges%20and%20EV%20Charging%20-%20Final.pdf>.

DCFC station providers. To promote private investment and fair competition in EV charging, it is imperative that the rates, terms and conditions for DCFC stations are properly applied to all DCFC providers, including electric utilities that choose to provide EV charging services.

Another major barrier to private businesses investing in DCFC stations is the threat of electric utilities investing ratepayer funds in EV charging stations without market or competitive forces at play. If electric utilities are permitted to provide DCFC services directly to the public, it would undoubtedly undercut the development of a competitive EV charging market in North Dakota. Private, unregulated businesses cannot compete with a regulated monopoly that can pass on the costs of their investments in DCFC stations to all their ratepayers. Additionally, it is not prudent for vertically integrated utilities to utilize ratepayer funding to expand their monopolies to EV charging services when there are private companies eager to invest their own capital.

EV charging services and the ownership and operation of charging stations should be left to private companies that compete on price and quality of services. This approach will ensure that the current fuel transition does not unnecessarily burden utility ratepayers. Private investment will be essential to create a more positive customer experience for EV drivers, which will support the growth of North Dakota's EV fast charging network.

Coffee Cup urges the Commission to implement regulatory policy and rate structures that will support private investment in transportation electrification. Thank you for your consideration of our comments. We welcome all future opportunities to participate in this process, and look forward to working with the Commission on this important issue.

Sincerely,

Coffee Cup Fuel Stops and Convenience Stores