



CITY OF
ST. CHARLES
ILLINOIS • 1834

AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item Number: 5.E

Title:

Recommendation to Approve a Resolution Authorizing Consideration of Public Utility Regulatory Policies Act 2021 IIJA Act - Item 21, EV Charging Programs

Presenter:

Paul Hopkins, Public Works Electric Services Manager

Meeting: Government Services Committee

Date: October 24, 2022

Proposed Cost: \$N/A

Budgeted Amount: \$N/A

Not Budgeted:

Executive Summary *(if not budgeted please explain):*

The Federal Public Utility Regulatory Policies Act (PURPA) of 1978 is in regard to energy efficiency, production, capacity, and application uses. The items that PURPA legislation applies to are sequentially listed in the attached summary. All states and non-regulated electric utilities that meet a minimum size of 500,000 MWh of sale are required to give “consideration” to each item listed in the summary.

The latest act, the 2021 Infrastructure Investment and Jobs Act (IIJA), sets “due dates” for consideration of its items. The “due dates” are November 15, 2022 to begin “consideration” and November 15, 2023 to complete “consideration”.

Attachments *(please list):*

*Federal Public Utility Regulatory Policies Act of 1978 (PURPA) Consideration Summary

Recommendation/Suggested Action *(briefly explain):*

Recommendation to approve a Resolution Authorizing Consideration of PURPA 2021 IIJA Act Item 21 EV Charging Programs.

Federal Public Utility Regulatory Policies Act of 1978 (PURPA) requires utilities to “consider” methods to promote “Conversation, Efficiency and Equitable Rates for Customers”:

- PURPA applies to state regulatory commissions and nonregulated electric utilities with annual retail sales in excess of 500,000 megawatt hours (MWh).
- The City of St. Charles is a nonregulated electric utility and has exceeded 500,000 MWh well before 2006, with the singular exception of 2020 when our sales were 499, 221 MWh, and as such, PURPA applies.
- Until the 2021 IJJA listed below, there were no imposed deadlines related to “considering” the various items listed below.
- **The Original “Shall Consider” Standards from Section 111 subpart (d) include:**

Cost of Service (1)

Declining Block Rates (2)

Time-of-Day Rates (3)

Seasonal Rates (4)

Interruptible Rates (5)

Load Management Techniques (6)

St. Charles has had rates established by the cost of electricity and the cost of services decades before the initial 1978 Act, including declining block rates based on increased consumption, and then seasonal rates for residential consumption were introduced in 1983 under Ordinance 1983 M-48. The other items could not be supported by the metering infrastructure and the Utility Billing system.

- **The 1992 Energy Policy added:**

Integrated Resource Planning (7)

Investments in Conservation and Demand Management (8)

Energy Efficiency Investment in Power Generation and Supply (9)

Effects of Wholesale Power Purchases on the Costs of Capital and Effects of Leveraged Capital Structures on Reliability/Adequate Fuel Supplies (10)

In 1984 Illinois joined other municipalities in forming the Illinois Municipal Electric Agency, which holds our long term power purchase contract along with specific terms and conditions. All of these items under this Policy could only be addressed by IMEA and have not applied to our Utility since we do not generate the electricity we utilize.

- **The Energy Policy Act of 2005 added:**

Net Metering (11)

Fuel Sources (12)

Fossil Fuel Generation Efficiency (13)

Time-Based Metering and Communications (14)

Interconnection, including to Distributed Resources (15)

The City added to its Code 13.08 Electricity to include both net metering and interconnections to our distribution grid through City Ordinance 2009 M69, but fuel sources and generation efficiency are all handled by IMEA, and time based metering cannot be supported by our metering infrastructure and Utility Billing software.

- **The Energy Independence and Security Act of 2007 (“EISA”) added:**

Integrated Resource Planning (16)

Rate Design Modifications to Promote Energy Efficiency Investments (17)

Consideration of Smart Grid Investments (18)

Smart Grid Information (19)

St. Charles considered information and initial costs for smart grid technology as presented in a 2011 document but nothing was approved at that time, and a complete customer rate study was performed in 2011 by R.W. Beck consultants which was presented and adopted.

- **2021 Infrastructure Investment and Jobs (“IIJA”) Act added:**

“Shall Consider” language, and as previously, not mandatory language; however, this act imposed deadlines for the required considerations.

Demand Response and Demand Flexibility (20) (A)- demand response and flexibility

Demand Response and Demand Flexibility (20) (B)- rate mechanisms for timely recovery of the costs of promoting demand-response and demand flexibility

Electric Vehicle Charging Programs (21)- each State “shall consider mechanisms to promote greater electrification of the transportation sector, including the establishment of rates that - -

(A) Promote affordable and equitable electric vehicle charging options for residential, commercial, and public electric vehicle charging infrastructure;

- (B) Improve the customer experience associated with electric vehicle charging, including by reducing charging times for light-, medium-, and heavy-duty vehicles;
- (C) Accelerate third-party investment in electric vehicle charging for light-, medium-, and heavy-duty vehicles; and
- (D) Appropriately recover the marginal costs of delivering electricity to electric vehicles and electric vehicle charging infrastructure.

Under City Ordinances 2009 M11 and 2011 M7, the City addressed Demand Response and Flexibility by adopting the IMEA Demand Response program. Demand response applies to a utility's ability to generate electricity, as well as the potential ability of individual customers of a utility to generate electricity. The only generation facilities the City owns are generators that serve our water and wastewater facilities, our Police station, our City Hall, and our Fire Stations- none of which could be made available to supply power other than our own loss of power needs. The State of Illinois enacted the Climate and Equitable Jobs Act in September 2021 (CEJA), which addresses State rules and goals for Electric Vehicles and the City has been engaged with permits for third party super-chargers as well as residential Level 2 chargers for residences.