

Randolph Electric Membership Corporation

MANAGEMENT REPORT AND RECOMMENDATION ON
ELECTRIC VEHICLE (EV) CHARGING PROGRAMS
IN ACCORDANCE WITH THE
PUBLIC UTILITY REGULATORY POLICIES ACT (PURPA)

A. PURPA Electric Vehicle (EV) Charging Programs Standard

As part of the Infrastructure Investment and Jobs Act of 2021 (IIJA), Congress amended the Public Utility Regulatory Policies Act of 1978 (PURPA) to require qualifying utilities to consider “Electric Vehicle (EV) Charging Programs” and determine whether to adopt formal standards on promoting greater transportation electrification (§ 40431).

Specifically, under PURPA § 111(d)(21), the Cooperative is required to consider adopting standards to promote greater electrification of the transportation sector, including the establishment of rates that:

- (1) promote affordable and equitable electric vehicle charging options for residential, commercial, and public electric vehicle charging infrastructure;
- (2) improve the customer experience associated with electric vehicle charging, including by reducing charging times for light, medium, and heavy-duty vehicles;
- (3) accelerate third-party investment in electric vehicle charging for light, medium, and heavy-duty vehicles; and
- (4) appropriately recover the marginal costs of delivering electricity to electric vehicles and electric vehicle charging infrastructure.

B. Randolph Electric Membership Corporation’s Consideration of PURPA Standard

- (1) Randolph Electric Membership Corporation (Randolph EMC or REMC) is a rural electric distribution cooperative organized and existing under the North Carolina Electric Membership Corporation Act, N.C. Gen. Stat. § 117-1, *et. seq.*
- (2) REMC is headquartered in Asheboro, North Carolina, and serves more than 33,000 meters in Alamance, Chatham, Montgomery, Moore and Randolph counties.
- (3) The Cooperative has approximately 83 employees and operates and maintains more than 4,400 miles of energized lines.
- (4) Under Chapter 117, Randolph EMC operates on an entirely non-profit basis, providing electric power to its members at cost, in furtherance of its statutory mandate to promote and encourage “the fullest possible use of electric energy in the rural section of the State by making electric energy available to inhabitants of the State at the lowest cost consistent with sound economy and prudent management of the business of such corporations.” N.C. Gen. Stat. § 117-10.
- (5) Importantly, on all questions relating to rates or services, the Cooperative is strictly prohibited from making or granting any unreasonable preference or advantage to any member or class of member. N.C. Gen. Stat. § 117-16.1.
- (6) Otherwise, however, the elected Board of Directors maintains authority and discretion to oversee the business of the corporation, including the regulation of the rates, fees or charges for services rendered by the corporation.
- (7) In accordance with its statutory and regulatory requirements and obligations, REMC’s ratemaking objectives are based on the following principles:

- a. Recovery of revenue requirements,
 - b. Fair distribution of costs,
 - c. Provision of accurate price signals,
 - d. Revenue stability, and
 - e. Rate stability.
- (8) REMC is already actively engaged in offering and developing programs that promote and support the adoption of Electric Vehicles. The following, including the attached Electric Rate Schedules, highlight the Cooperative's current practices relative to EVs:
- a. REMC has seen rapid uptake of EVs in its service territory; while reporting is imperfect, the Cooperative estimates that there are more than 300 EVs regularly charging on REMC's system.
 - b. Over 93% of REMC meters are residential.
 - c. REMC offers residential Time of Use (TOU) rates that are an ideal choice for EV owners seeking to maximize affordable EV charging at home; furthermore, these rates allow members to take advantage of cost savings by shifting usage to off-peak periods.
 - d. A variety of public Level 2 and DC fast charging (DCFC) options are available to REMC members and the general public, from a variety of owner/operators including ChargePoint, Sky Shell Technology Tesla, and others.
 - e. REMC has installed five publicly available Level 2 charging stations and one DCFC station in its service territory.
 - f. REMC operates on cost-based rates and appropriately recovers costs of delivering electricity to EVs.
 - g. REMC publishes its entire rate schedule on its website and will provide its rate schedule to any member upon request by that member. The Cooperative's rates are filed with the North Carolina Utilities Commission (NCUC) and the North Carolina Rural Electrification Administration, (NCREA).

C. Recommendation

REMC already provides cost-based rates that promote equitable and affordable options for EV charging while appropriately recovering marginal costs of delivering electricity to EV charging infrastructure.

Furthermore, REMC's service territory already supports substantial third-party investment in EV charging infrastructure.

REMC will continue to evaluate other EV charging rates and programs to improve affordability and convenience of EV charging. Otherwise, however, REMC is prohibited from making or granting any unreasonable preferences or advantages to any EV rate class, as any such subsidy would adversely impact other members and have an inequitable impact on economically disadvantaged members.

Accordingly, staff does not recommend adopting further EV rate adjustments or other standards at this time.