

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 25-1809-TF

Tariff filing of Town of Stowe Electric Department for approval of EV and EVSE Flexible Load Management Program effective on service rendered on or after October 1, 2025	
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Order entered: 04/24/2026

FINAL ORDER

I. INTRODUCTION

This case involves the Vermont Public Utility Commission’s (“Commission”) investigation into the Town of Stowe Electric Department’s (“Stowe Electric”) proposed combination of its whole-premises time-of-use tariffs¹ with its proposed electric vehicle (“EV” or “PEV”) and electric vehicle supply equipment (“EVSE”) flexible load management tariff (“Program”) (combined, “EV Rate”). Stowe Electric filed the EV Rate to satisfy Act 55.²

In this order, the Vermont Public Utility Commission (“Commission”) adopts the attached proposal for decision subject to the clarifications and additional discussion below.

II. PROCEDURAL HISTORY POST-PROPOSAL FOR DECISION

On April 7, 2026, the hearing officer in this case issued a proposal for decision recommending that the Commission find that Stowe Electric’s EV Rate fails to satisfy Act 55.

On April 17, 2026, Stowe Electric filed comments on the hearing officer’s proposal for decision. Stowe Electric argues that the Commission should not adopt the hearing officer’s recommendations and requests Commission approval of its EV Rate with proposed modifications.

Also on April 17, 2026, the Vermont Department of Public Service (“Department”) filed comments on the hearing officer’s proposal for decision. The Department supports the hearing

¹ The whole-premises time-of-use tariffs for residential and commercial customers were filed as separate tariffs. *Tariff filing of Town of Stowe Electric Department revising residential time of use rate 03 and adding small commercial time of use rate - rate 21 and commercial demand time of use rate- rate 26 effective on service rendered on or after October 1, 2025*, Case No. 25-1792-TF.

² Public Act No. 55 (2021 Vt., Bien. Sess.).

officer's findings. The Department also noted that it would like the opportunity to discuss Stowe Electric's proposed modifications with Stowe Electric before a final decision is issued, proposing an opportunity for the parties to file comments until May 8, 2026. This date would extend beyond seven months after the investigation was opened, which would require Stowe Electric to waive the seven-month requirement of 30 V.S.A. § 227.

On April 20, 2026, the hearing officer issued a request for Stowe Electric to clarify whether it had agreed to waive the seven-month requirement of 30 V.S.A. § 227 and requested that Stowe Electric waive that requirement until the Commission issued a final order in this case.

On April 22, 2026, Stowe Electric filed comments declining to waive the seven-month requirement.

Because Stowe Electric declined to waive the seven-month requirement, the Commission is unable to accommodate the Department's request for the opportunity to discuss with Stowe Electric its proposed modifications before a final decision is issued by the Commission.

III. STOWE ELECTRIC'S COMMENTS ON THE PROPOSAL FOR DECISION AND PROPOSED REVISIONS TO THE EV RATE

Stowe Electric objects to the hearing officer's conclusion that its EV Rate fails to meet the criteria of Act 55. Stowe Electric argues instead that the EV Rate, with the modifications Stowe Electric proposes, satisfies Act 55. Stowe Electric makes several arguments supporting its position. Stowe Electric argues that the hearing officer's and Department's statements are insufficient to show that Stowe Electric's EV Rate fails to meet the criteria of Act 55 and that the EV Rate's design is the least-cost option to satisfy Act 55.

Stowe Electric's initially proposed EV Rate did not allow for disenrollment except during a 30-day period before a ratepayer's anniversary of enrollment each year, even if customer costs unexpectedly increased.³ The Department and the hearing officer were concerned about that approach combined with the mandatory enrollment in whole-premises time-of-use rates, arguing that customer uncertainty about ultimate savings would discourage enrollment and lead to low customer participation.⁴ In its comments in response to the proposal for decision, Stowe Electric

³ EV and EVSE Flexible Load Management Program Tariff.

⁴ Philip Picotte, Department ("Picotte") pf. at 4-5.

proposes to allow ratepayers who enroll in the EV Rate to opt out of the EV Rate and its requisite whole-premises time-of-use rate within the first 90 days.⁵ After 90 days, ratepayers would only be able to exit the EV Rate by notifying Stowe Electric at least 30 days before the anniversary of enrollment that they want to opt-out or change their rate of service. Stowe Electric's proposed modifications also include a provision that ratepayers who disenroll within the first 90 days would not be allowed to reenroll in the program for 24 months.

IV. COMMISSION DISCUSSION

In the introduction to the proposal for decision, the hearing officer broadly states that “[t]he EV Rate fails to meet two of Act 55’s criteria, increasing EV adoption and adequately compensating EV operators, primarily due to the EV Rate’s requirement that participants enroll in a whole-premises time-of-use rate.”⁶ The Commission emphasizes that our decision today does not mean that *any* whole-premises time-of-use rate, either alone or in conjunction with a separate EV incentive, would always fail to meet the criteria of Act 55. Our decision that Stowe Electric’s proposed EV Rate does not satisfy two of the Act 55 criteria is based on the particular complexity for customers who would have to consider the impacts of Stowe Electric’s whole-premises time-of-use rate, to which the ratepayer must commit in order to enroll in Stowe Electric’s proposed EV Rate.

The Commission recently approved Stowe Electric’s whole-premises time-of-use rate in a separate proceeding.⁷ In general, the Commission would not oppose a *voluntary* whole-premises time-of-use rate that is complex and potentially punitive if a customer could not effectively manage a whole-premises load. Such tariffs may be advantageous for sophisticated or risk-tolerant customers but are not likely to be widely adopted. In contrast, EV rates proposed pursuant to Act 55 must support greater adoption of EVs.⁸ Stowe’s EV Rate makes participation in its whole-premises time-of-use tariff *mandatory* and, therefore, raises concerns because of the “complex, demanding, and potentially punitive” design elements in its whole-premises time-of-use rate.⁹ As discussed further below, the Commission finds that the specific design elements in

⁵ Stowe Electric’s 4/17/26 Comments at 6.

⁶ Proposal for Decision at 1.

⁷ *Stowe Electric*, Case No. 25-1792-TF, Order of 4/23/26.

⁸ Act 55 § 33(c)(1)(A).

⁹ Picotte pf. at 3.

Stowe Electric's whole-premises time-of-use rate are not likely to support greater adoption of EVs because customers would not be able to readily determine the financial impact of enrolling in the EV Rate and would not be able to exit the EV Rate easily following the first 90 days of enrollment. Therefore, if a utility proposes an EV tariff tied to a whole-premises time-of-use rate, the design of the whole-premises time-of-use rate must support greater adoption of EVs in addition to meeting the other criteria required by Act 55.

With this context in mind, we turn to Stowe Electric's first argument that the hearing officer's and Department's statements are conclusory and insufficient to show that the proposed EV Rate fails to meet the Act 55 criteria. According to Stowe Electric, none of the Act 55 criteria contemplates "complexity or punitive rate design" as factors for assessing compliance. However, we agree with the hearing officer and with the Department that Stowe Electric's EV Rate is "complex, demanding, and potentially punitive."¹⁰ This assessment of the EV Rate is supported by the design of the EV Rate and the underlying whole-premises time-of-use rate, which we believe would generate uncertainty about ultimate savings and thus discourage enrollment and lead to lower customer participation.

For example, the whole-premises time-of-use rate has the potential to increase a customer's cost if the enrolled customer could not effectively manage loads other than that of the EV(s) or EVSE.¹¹ Many customers will have difficulty evaluating the effect of the tariff on their total electricity costs.¹² The EV Rate as initially proposed would have been difficult to exit because customers could only disenroll once a year.¹³ Even under Stowe Electric's proposed modifications to the EV Rate, customers would be locked in to the EV Rate, including its requisite whole-premises time-of-use rate, after the proposed 90-day exit period.¹⁴ The proposed modification to disallow customer enrollment for a period of 24 months if they choose to disenroll during that 90-day period is unnecessarily punitive as well. A ratepayer's electric load

¹⁰ Picotte pf. at 3.

¹¹ *See Id.* at 4 (describing higher prices during on-peak hours).

¹² *Id.* (Describing "uncertainty over the magnitude of total electric load on premises and which loads can and cannot be shifted in time to off-peak hours, which in turn means greater mental calculation compared to shifting only a single load (EV charging)" as a "disadvantageous component" of the EV Rate.)

¹³ *Id.* at 5.

¹⁴ Stowe Electric Comments on Proposal for Decision at 6.

may change significantly over the 24-month period, and that could allow a ratepayer to benefit from the EV Rate and wish to reenroll in it.

Based on the Department's testimony and based on the design the of EV Rate, the hearing officer further found not only that Stowe Electric's EV Rate is complex, but that its complexity would "undermine the EV Rate's ability to increase EV adoption."¹⁵ We agree with this assessment. Accordingly, we adopt the hearing officer's conclusion that the EV Rate does not satisfy the requirements of Section 33(c)(1)(A) of Act 55.

The second Act 55 criterion the hearing officer addressed is Section 33(c)(1)(B), which requires that proposed EV tariffs must adequately compensate EV operators and owners of EVSE available to the public for the value of grid-related services, including costs avoided through peak management. Stowe Electric argued in its prefiled rebuttal testimony that its EV Rate satisfies this criterion because it provides compensation to EV and EVSE owners. However, the hearing officer found that the compensation is unlikely to be adequate because the full financial impact of the EV Rate's compensation is difficult to determine with any certainty.¹⁶ The Commission agrees with this assessment. The Department's witness testified that there is "uncertainty over the magnitude of total electric load on premises and which loads can and cannot be shifted in time to off-peak hours, which in turn means greater mental calculation compared to shifting only a single load (EV charging)."¹⁷ Accordingly, there are potentially significant financial downsides to a customer under the EV Rate due to the requirement to enroll in the whole-premises time-of-use rate. Because of the financial risks that result from the interaction of the whole-premises time-of-use rate and non-EV or non-EVSE loads at the customer's premises, the Commission finds that Stowe Electric has not demonstrated that the incentives associated with its EV Rate result in adequate compensation of EV operators and owners of EVSE for the value of grid-related services.

Stowe Electric contends that the Commission "has approved rates presented by other utilities under [Act 55] that offer as many as three different tariffs [sic] choices." Stowe Electric also notes that other utilities, within and without Vermont, have successfully implemented such

¹⁵ Proposal for Decision at 9.

¹⁶ Proposal for Decision at 9.

¹⁷ Picotte pf. at 4.

rates. However, Stowe Electric here compares dissimilar rates and situations. The specific case cited, Case No. 23-3611-PET, involves an EV tariff with multiple options, but none of them requires participation in a whole-premises time-of-use rate like Stowe Electric's EV Rate.¹⁸ Additionally, the options presented in that proceeding have the effect of increasing, not decreasing, ratepayer flexibility and choice in ways to achieve a financial benefit from the rate. Each option on its own is also significantly less complex than Stowe Electric's proposed EV Rate. In order to benefit from Stowe Electric's EV Rate, ratepayers would need to have significant knowledge and understanding of their future electric load and its flexibility over the next 12 months. Ratepayers would need such understanding of not only their EV-caused electric load but also their load caused by non-EV appliances and items.

Stowe Electric asserts that some utilities outside Vermont have had success with rates that combine flexible load management and time-of-use rates. However, Stowe Electric has not presented any information demonstrating that those programs have similar designs to Stowe Electric's proposed EV Rate. The fact that there are 500 enrolled EVs and 200 enrolled EVSE across 18 utilities in New England does not necessarily mean that those programs would meet the criteria of Act 55.

Stowe Electric also asserts that the proposal for decision "confuses a key point about implementing time of use rates."¹⁹ Stowe Electric argues that a time-of-use rate is necessary to incentivize customers to shift discretionary loads, such as clothes dryers, to off-peak times. This argument is unpersuasive because Act 55 is focused on EV loads, not other loads. While Act 55 recognizes that a whole-premises time-of-use rate can be proposed as an EV rate, those rates must still support greater adoption of EVs. As discussed above, we find that Stowe Electric's proposed EV Rate does not.

Finally, Stowe Electric argues that the EV Rate is the least-cost option to satisfy Section 33(c)(1) given Stowe Electric's software and billing capabilities. Our decision today does not foreclose Stowe Electric from using Connected Homes as the platform for its EV rate. However,

¹⁸ *Burlington Electric Department's request for exemption from Section 33(d) of Act 55*, Case No. 23-3611-PET, Order of 6/28/24 at 2-3.

¹⁹ Stowe Electric Comments on Proposal for Decision at 4.

Stowe Electric will have to address the issues discussed above associated with mandating customer participation in Stowe Electric's whole-premises time-of-use rate.

V. CONCLUSION

In conclusion, the Commission adopts the hearing officer's proposal for decision and proposed order subject to the discussion and clarifications above. We note that the proposal for decision describes a potential path for Stowe Electric's satisfaction of Act 55 – separating the flexible load management incentive program from the whole-premises time-of-use rate. We agree that Stowe Electric should consider such a rate.

Stowe Electric could also implement the EV Rate in its current form as an innovative rate or service under 30 V.S.A. § 218d(o). That would not satisfy the requirements of Act 55, but it would allow Stowe Electric to implement the EV Rate and gather data based on actual participation and performance with ratepayers.

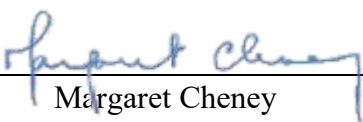
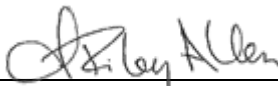
As a result of this decision, Stowe Electric must file with the Commission a petition for an extension of time to file and implement an EV rate in accordance with Act 55 no later than 30 days after the issuance of this order.

VI. ORDER

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED by the Vermont Public Utility Commission ("Commission") that:

1. The findings, conclusions, and recommendations of the hearing officer are adopted as clarified above. All findings proposed by parties, to the extent that they are inconsistent with this order, were considered and not adopted.
2. The Town of Stowe Electric Department's ("Stowe Electric") request for approval of a tariff establishing a flexible load management program for electric vehicles and electric vehicle supply equipment ("EV Rate") pursuant to Public Act No. 55 (2021 Vt., Bien. Sess.) ("Act 55") is denied.
3. Stowe Electric must file a request for an extension under Act 55 no later than 30 days after the issuance of this order.

Dated at Montpelier, Vermont, this 24th day of April, 2026.

	)	
_____	)	PUBLIC UTILITY
Margaret Cheney	)	
	)	COMMISSION
	)	
_____	)	OF VERMONT
J. Riley Allen	)	

OFFICE OF THE CLERK

Filed: April 24, 2026

Attest:  _____
Clerk of the Commission

Notice to Parties: Appeal of this decision to the Supreme Court of Vermont must be filed with the Commission within 30 days. Appeal will not stay the effect of this order, absent further order by this Commission or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Commission within 28 days of the date of this order.

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 25-1809-TF

Tariff filing of Town of Stowe Electric Department for approval of EV and EVSE Flexible Load Management Program effective on service rendered on or after October 1, 2025	
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Order entered:

PROPOSAL FOR DECISION

I. INTRODUCTION

This case involves the Vermont Public Utility Commission’s (“Commission”) investigation into the Town of Stowe Electric Department’s (“Stowe Electric”) proposed time-of-use tariffs¹ in combination with its electric vehicle (“EV” or “PEV”) and electric vehicle supply equipment (“EVSE”) flexible load management tariff (“Program”) (combined, “EV Rate”). Stowe Electric filed the EV Rate to satisfy Act 55.²

As discussed below, I recommend that the Commission find that Stowe Electric’s EV Rate fails to satisfy the criteria of Act 55. The EV Rate fails to meet two of Act 55’s criteria, increasing EV adoption and adequately compensating EV operators, primarily due to the EV Rate’s requirement that participants enroll in a whole-premises time of use rate. Therefore, I recommend that the Commission deny approval of the tariff filing.³

II. PROCEDURAL HISTORY

On August 18, 2025, Stowe Electric filed tariff documents with the Commission reflecting a flexible load management program for EVs and EVSE. The tariff changes were proposed to take effect on a service-rendered basis commencing October 1, 2025. Stowe

¹ The time-of-use tariffs for residential and commercial customers were filed as separate tariffs. *Tariff filing of Town of Stowe Electric Department revising residential time of use rate 03 and adding small commercial time of use rate - rate 21 and commercial demand time of use rate- rate 26 effective on service rendered on or after October 1, 2025*, Case No. 25-1792-TF.

² Public Act No. 55 (2021 Vt., Bien. Sess.).

³ My recommendation of denial is based on the tariff’s non-compliance with the criteria of Act 55. If Stowe Electric would like the Commission to approve the tariff under Sections 225 and 226 of Title 30 it should request such relief from the Commission in its comments on this proposal for decision.

Electric's filing was accompanied by the prefiled testimony of Michael Lazorchak and exhibits SED-ML-1 through SED-ML-2.

Also on August 18, 2025, Stowe Electric filed revised and new tariff documents with the Commission for whole-premises time-of-use rates to be available to residential, small commercial, and commercial demand. The tariff changes were proposed to take effect on a service-rendered basis commencing October 1, 2025.

On September 17, 2025, the Vermont Department of Public Service ("Department") recommended that the Commission open an investigation into Stowe Electric's tariff filing.

On September 18, 2025, Stowe Electric responded to the Department's recommendation and requested that the Commission approve the tariff without investigation.

On September 25, 2025, the Commission opened an investigation and suspended implementation of the tariff.

The parties requested that the two proceedings be conducted concurrently, and I adopted a schedule doing so.⁴

On February 17, 2026, the Department filed the prefiled testimony of Philip Picotte. The Department recommended that the EV Rate be rejected because it does not meet the requirements of Act 55.

On February 27, 2026, Stowe Electric filed the prefiled rebuttal testimony of Michael Lazorchak.

No party requested an evidentiary hearing in this proceeding.

After reviewing the record, I have determined that an evidentiary hearing is not needed to render a proposal for decision in this proceeding. Accordingly, the following prefiled testimony and exhibits are admitted as if presented at a hearing: the prefiled direct testimony of Michael Lazorchak and exhibits SED-ML-1 through SED-ML-2; EV and EVSE Flexible Load Management Program Tariff; the prefiled direct testimony of Philip Picotte; and the prefiled rebuttal testimony of Michael Lazorchak..⁵

⁴ The schedule was jointly proposed by Stowe Electric and the Department.

⁵ If any party has an objection to any of these documents being entered into evidence, the party must submit its objection with their comments on this proposal for decision.

III. LEGAL STANDARD

Section 33(b) of Act 55 requires Vermont distribution utilities to implement rates related to plug-in electric vehicles and electric vehicle supply equipment by June 30, 2024. The rates must encourage:

- (1) efficient use of PEV loads consistent with objectives of least-cost integrated planning, set out in 30 V.S.A. § 218c, and 30 V.S.A. § 202(b) and (c);
- (2) participation in the PEV rates;
- (3) travel by PEV relative to available alternatives; and
- (4) greater adoption of PEVs.

Section 33(c)(1) also specifies the minimum findings that the Commission must make before approving an EV rate proposed by a utility, including finding that the rate:

- (A) supports greater adoption of PEVs;
- (B) adequately compensates PEV operators and owners of EVSE available to the public for the value of grid-related services, including costs avoided through peak management;
- (C) adequately compensates the electric distribution utility and its customers for the additional costs that are directly attributable to the delivery of electricity through a PEV rate;
- (D) includes a reasonable contribution to historic or embedded costs required to meet the overall cost of service;
- (E) does not discourage EVSE available to the public; and
- (F) does not have an adverse impact to ratepayers not utilizing the PEV rate.

The specific PEV rate criteria provided by Act 55 are in addition to the Commission's general responsibility under 30 V.S.A. §§ 218, 225, and 226 to ensure that the proposed rates are just and reasonable.

IV. FINDINGS

Pursuant to 30 V.S.A. § 8(c), and based on the record and evidence before me, I present the following proposed findings of fact to the Commission.

Stowe Electric's Flexible Load Management Program for EVs and EVSE

1. Stowe Electric proposes a flexible load management program (the "Program") for EVs and EVSE that will become part of its Renewable Energy Standard ("RES") Tier III

program. The Program is managed by the Massachusetts Municipal Wholesale Electric Company's ("MMWEC") Connected Homes Platform. Michael Lazorchak, Stowe Electric ("Lazorchak") pf. at 2-3.

2. The Connected Homes Platform has been operational since April 2020 and has 16 participating utilities. It streamlines Stowe Electric's participation in the Virtual Peaker ("VP") distributed energy resource management system platform. Lazorchak pf. at 7.

3. MMWEC verifies device enrollment into the Connected Homes Platform, makes peak curtailment calls, and verifies device participation in each curtailment call. MMWEC also provides customer service and technical assistance support. Lazorchak pf. at 3.

4. The EV Rate is opt-in and available to residential and commercial customers that: (1) enroll at least one eligible device in the Program's communications platform and (2) receive service under the class-appropriate time-of-use rate. Customers who opt in to the EV Rate receive an incentive to participate in system peak curtailment calls. Lazorchak pf. at 2.

5. When a customer enrolls in the EV Rate, they must remain on the rate for at least 12 months. To end service under the EV Rate, a customer must notify Stowe Electric in writing at least 30 days prior to the anniversary of their enrollment that they wish to end service under this rate. Otherwise, the customer will automatically remain enrolled in this rate for another 12-month period. EV and EVSE Flexible Load Management Program Tariff.

6. The Program provides up to three incentives for participating customers: (a) Stowe Electric's Tier III rebates for qualifying EVs and EVSE; (b) a one-time \$100 enrollment incentive to encourage participation; and (c) a \$10/month incentive per qualifying device to participate in peak usage curtailment events. Lazorchak pf. at 4-5.

7. The one-time \$100 enrollment incentive is available for each EV or EVSE enrolled in the Program and registered to a Stowe Electric meter holder. The \$10-per-device monthly incentive is available per household for up to 3 EVs or for EVSE that meets the Program's enrollment requirements and participates in the monthly curtailment events. Lazorchak pf. at 4.

8. A customer can enroll up to 3 EVs or 1 EVSE into the Program; however, the same customer cannot enroll both EVs and an EVSE into the Program. Lazorchak pf. at 5.

9. The Program allows a customer to opt out of any curtailment event. However, if the customer opts out of more than two events in a month, the customer will not receive the device incentive for that month. Lazorchak pf. at 5.

10. If an EV is not within Stowe Electric's service territory (or reachable through telematics) during a curtailment call or if an EVSE is not reachable during a curtailment call, then the customer is not eligible to receive the monthly incentive. Lazorchak pf. at 5.

11. The Program design does not allow a customer to receive a monthly incentive for a device that is unable to curtail electric usage because the curtailments are designed to reduce Stowe Electric's peak usage. Lazorchak pf. at 5.

12. The incentive allows Stowe Electric to share the anticipated cost savings from curtailing system load with the Program participants that curtail EV or EVSE loads that would otherwise use grid services during peak events. Lazorchak pf. at 5.

13. MMWEC staff will predict the monthly Independent System Operator – New England ("ISO-NE") and Regional Network Service ("RNS") peak usage periods and send a curtailment signal through VP's demand management program to each device owned by a Stowe Electric ratepayer to curtail electric usage. Lazorchak pf. at 8.

14. Stowe Electric expects approximately 1-5 event calls each month, and each event is expected to last 3-4 hours. MMWEC's experience with ISO-NE markets and load forecasting to make accurate curtailment calls allows Stowe Electric to offer this demand management program without the need for Stowe Electric to hire staff to forecast peaks and make curtailment calls. Lazorchak pf. at 8.

15. The fixed costs for Stowe Electric's enrollment into the Connected Homes Platform are a one-time onboarding fee of \$2,655 and annual payments of \$11,000 for device enrollment and program management costs. Variable costs to Stowe Electric are the monthly incentives paid to customers for participating in curtailment calls and the cost of the RES Tier III rebates provided to EVs and EVSE owners. Lazorchak pf. at 6.

16. The Program is estimated to save Stowe Electric \$32,356 in its first year with program costs of \$14,744. This results in a net benefit to Stowe Electric of \$17,612 in Year 1. This estimate is based on 60 devices enrolling in the program in the first year. Years 2-5 have

been modeled and estimate increasing net benefits to Stowe Electric, reaching \$75,626 in Year 5 with an estimated 124 enrolled devices. Lazorchak pf. at 6-7.

17. Stowe Electric will not curtail charging at its public charging stations. Lazorchak pf. at 11.

Department Analysis

18. The EV Rate contains incentives for customer participation, including a potential \$10-per-month bill credit and a reduction in off-peak rates from \$0.2072 to \$0.141 per kWh for residential customers, a savings of approximately six cents per kWh. Philip Picotte, Department (“Picotte”) pf. at 4.

19. The EV Rate requires participation in the whole-premises time-of-use rate and therefore includes the following components:

- a. higher prices during on-peak periods consisting of shoulder season, winter, and summer charges of \$0.353, \$0.410, and \$0.565 per kWh, respectively, or an increase of approximately 14, 20, and 36 cents above what a customer would have been charged had that customer not participated in the EV Rate;
- b. uncertainty over the magnitude of total electric load on premises and which loads can and cannot be shifted in time to off-peak hours, which in turn means greater mental calculation compared to shifting only a single load, such as EV charging; and
- c. the prohibition to leave the EV rate for 12 months if customer costs dramatically increase. Picotte pf. at 4-5.

20. The combined elements of Stowe Electric’s EV Rate, including the relative upside and downside of time-of-use rates, are further complicated by the inability to exit the EV Rate except for a 30-day window each year. Picotte pf. at 6.

V. DISCUSSION

A. The Department's Recommendation

The Department argues that the EV Rate's complexity and limited opportunity to exit will discourage customer participation.⁶

Therefore, the Department concludes that the EV Rate does not meet the requirements of Act 55.

The Department recommends that the Commission require Stowe Electric to revise the proposed rate to allow customers to exit the program at any time with 30 days' notice (or other reasonable exit from the program) and to not require enrollment in a whole-home time-of-use rate to take advantage of the EV Rate program.

B. Act 55 Criteria

Section 33(c)(1) of Act 55 specifies criteria that the Commission must apply when reviewing proposed EV rates and states that the Commission "shall approve PEV rates that it finds, at a minimum" satisfy the specified criteria, which I have applied below. Based on the application of the Act 55 criteria, I recommend that the Commission find that Stowe Electric's EV Rate does not satisfy the requirements of Section 33(c) of Act 55.

Section 33(c)(1)(A): Supports greater adoption of EVs.

The Department argues that Stowe Electric's EV Rate is "complex, demanding, and potentially punitive"⁷ and is likely to have low participation. With low participation, the EV Rate will likely not incentivize greater adoption of EVs. I agree with the Department and recommend that the Commission find that Stowe Electric's EV Rate does not support greater adoption of EVs.

Stowe Electric argues that its EV Rate encourages adoption of EVs by offering: (1) time-of-use rates that provide reduced rates for off-peak charging, (2) an enrollment incentive, (3) a monthly incentive for participation in curtailment calls, and (4) a RES Tier III rebate for purchasing or leasing an EV.⁸ As I explain below, the time-of-use rate and its effects represent

⁶ Picotte pf. at 6.

⁷ Picotte pf. at 3.

⁸ Lazorchak pf. at 10-11.

both potential benefits and costs for participating customers and as a result undermine the EV Rate's ability to increase EV adoption.

While Act 55 states that the EV rates it requires "may include rates for electricity sales to an entire customer premises....," such a rate may still fail to satisfy the other requirements of Act 55. The combination of a whole-premises time-of-use rate and an event-based flexible load management program is inherently more complex than either alone. This complexity would probably make it difficult for customers to evaluate whether they would financially benefit from the rate or be harmed by it. This is fundamentally different from the monthly incentive-based flexible load management system Stowe Electric proposes alone, which would be either neutral or beneficial in terms of customer financial impact. It is possible for customers to face a net financial cost from the combination of the two: the whole-premises time-of-use rate could result in a negative financial impact from increased on-peak rates for both EV and non-EV usage, and the monthly incentive-based flexible load management system could result in a positive financial impact from its incentives.

This construction of the EV Rate not only makes a net financial cost possible; it also makes customers' determination of the net financial impact difficult. Customer evaluation of the EV Rate is made more difficult by "uncertainty over the magnitude of total electric load on premises and which loads can and cannot be shifted in time to off-peak hours."⁹ Such uncertainty leads to "greater mental calculation compared to shifting only a single load"¹⁰ such as EV charging.

Customers are also prohibited from leaving the EV Rate except during a 30-day window each year. Any net financial cost incurred by a customer is likely to continue, potentially for many months, until they can leave the rate.

Even weighed against the EV Rate's incentives, primarily a \$100 incentive at enrollment and a \$10 incentive per month, these drawbacks are not overcome. A month of running an electric clothes dryer at on-peak times and accruing the larger usage costs could easily outweigh the \$10-per-month incentive. The 36-cent potential differential for on-peak usage¹¹ would

⁹ Finding 19(b).

¹⁰ Finding 19(b).

¹¹ Finding 19(a).

generate \$10 of additional costs after only 28 kWh¹² of usage, neutralizing the monthly incentive.

Taken together, the potential for net financial cost, the difficulty of customer evaluation of those expected costs, and the locked-in nature of the rate combine to undermine the EV Rate's ability to increase EV adoption, even after considering the EV Rate's incentives.

Section 33(c)(1)(B): Adequately compensates EV operators and owners of EVSE available to the public for the value of grid-related services, including costs avoided through peak management.

Stowe Electric's EV Rate compensates enrolled customers with a \$10 credit if they avoid charging during peak electrical grid events. It also requires a time-of-use rate that could benefit the customer by reducing the cost of off-peak charging relative to the standard non-time-of-use rate but could also penalize the customer if the customer is unable to shift non-EV loads to off-peak times.

Stowe Electric argues that its EV Rate provides compensation to EV and EVSE owners through the whole premises time-of-use rate, shifting discretionary charging to off-peak hours, and provides cost sharing to the EVSE owners for participating in peak curtailment events through a monthly bill credit.¹³ Based on Stowe Electric's analysis, this compensation accounts for costs avoided through peak management.

Stowe Electric's EV Rate certainly provides some compensation to EV and EVSE owners, but whether it is adequate is more difficult to determine. The Commission has previously used participation rates to evaluate compensation adequacy in its analysis of Act 55's requirements.¹⁴ If the level of compensation encourages participation in the EV rate offered, then it is likely that it is adequate. Without actual customer enrollment data, it is not possible to know how many customers will participate, but Stowe Electric's requirement that customers also enroll in its whole-premises time-of-use rate makes evaluating the true incentive observed by any individual customer quite difficult to determine with any certainty. I recommend that the

¹² \$10 / \$0.36 per kWh = 27.78 kWh.

¹³ Lazorchak pf. at 11-12.

¹⁴ See *Tariff filing of Vermont Electric Cooperative Inc. for Flexible Load Home Charging Program for residential members to be effective June 30, 2024*, Case No. 23-4175-TF, Order of 5/31/2024.

Commission find that Stowe Electric's EV Rate fails to adequately compensate EV operators and EVSE owners as a result.

Sections 33(c)(1)(C)-(F):

I do not evaluate Stowe Electric's EV Rate against the remaining Act 55 requirements because it fails to satisfy the two requirements above.

C. Potential Path for Stowe Electric's EV Rate

I recommend that the Commission find that Stowe Electric's EV Rate does not meet the criteria of Act 55. Of the six criteria, Stowe Electric fails to meet at least two. The reason Stowe Electric fails to meet the two criteria discussed above, increasing EV adoption and adequately compensating EV operators, is primarily due to its requirement that participants enroll in the whole-premises time-of-use rate.

As the Department notes, an EV rate similar to Stowe Electric's EV Rate that was constructed as a standalone flexible load management incentive program and did not require enrollment in a whole-premises time-of-use rate may satisfy the requirements of Act 55. Without the whole-premises time-of-use rate requirement, Stowe Electric's EV Rate would be similar to Vermont Electric Cooperative, Inc.'s EV Tariff approved by the Commission.¹⁵ Stowe Electric should consider such a rate.

Stowe Electric was previously granted an extension of time until July 1, 2024, to file EV rates with the Commission for approval. The Commission also granted Stowe Electric an extension of time to implement its EV rates until "January 31, 2025, or such time that the Commission completes its review of and approves Stowe Electric's EV-rate filings."¹⁶

After the conclusion of this proceeding, Stowe Electric must file with the Commission a petition for an extension of time to file and implement EV rates in accordance with Act 55.

¹⁵ See *Tariff filing of Vermont Electric Cooperative Inc. for Flexible Load Home Charging Program for residential members to be effective June 30, 2024*, Case No. 23-4175-TF, Order of 5/31/2024.

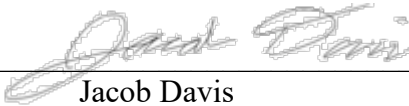
¹⁶ See *Petition of Town of Stowe Electric Department for extension of PEV filing and implementation deadlines pursuant to Section 33(e) of Act 55*, Case No. 23-2615-PET, Order of 5/2/2024.

VI. CONCLUSION

Based on the findings and discussion above, I recommend that the Commission find that Stowe Electric's EV Rate fails to satisfy the criteria of Act 55. Therefore, I recommend that Stowe Electric's request for approval of the tariff pursuant to Act 55 be denied. .

This Proposal for Decision has been served on all parties to this proceeding in accordance with 3 V.S.A. § 811.

Date: April 7, 2026

A handwritten signature in cursive script, appearing to read "Jacob Davis", is written over a horizontal line.

Jacob Davis
Hearing Officer

VII. PROPOSED ORDER

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED by the Public Utility Commission (“Commission”) of the State of Vermont that:

1. The findings, conclusions, and recommendations of the hearing officer are adopted. All findings proposed by parties, to the extent that they are inconsistent with this order, were considered and not adopted.

2. The Town of Stowe Electric Department’s (“Stowe Electric”) request for approval of a tariff establishing a flexible load management program for electric vehicles and electric vehicle supply equipment (“EV Rate”) pursuant to Public Act No. 55 (2021 Vt., Bien. Sess.) is denied.

PUC Case No. 25-1809-TF - SERVICE LIST

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