

MASSACHUSETTS ELECTRIC COMPANY  
NANTUCKET ELECTRIC COMPANY  
ELECTRIC VEHICLE PROGRAM PROVISION

The provisions of this tariff will govern the recovery of costs associated with the Company's (1) Electric Vehicle Market Development Program approved in D.P.U. 17-13 ("Phase I EV Program") and (2) Phase II Electric Vehicle Program approved in D.P.U. 18-150 ("Phase II EV Program") (together, "EV Programs"). The EV Programs collectively include Company facilitation of electric vehicle service equipment ("EVSE," also referred to as EV charging station) installations; a Marketing and Communications ("M&C") Plan, an Evaluation Plan, and a Research and Development ("R&D") Plan associated with the Phase I EV Program; and a residential Off-Peak Charging Rebate Program, a Fleet Advisory Services Plan, and an R&D Plan associated with the Phase II EV Program.

The Company's rates for Retail Delivery Service are subject to EV Program Factors ("EVPFs") designed to recover incremental costs associated with the implementation and operation of the EV Programs. Incremental capital costs shall include those costs approved by the Department whose primary purpose is to accelerate progress in achieving the objectives of the EV Programs. Incremental Operation & Maintenance ("O&M") costs shall include those costs approved by the Department that are demonstrated to be: (1) incremental to the representative level of O&M expenses recovered through base distribution rates and (2) solely attributable to preauthorized EV Programs' expenses.

1.0 Phase I EV Program

The Company shall recover the first three categories of incremental costs identified below as long as Commercial and Industrial customers ("Site Hosts") commit to participate in the Phase I EV Program by the end of the first three years of the Phase I EV Program.

1.01 Costs Eligible for Recovery

Incremental costs to be recovered pursuant to Section 1.0 include:

- (1) costs incurred by the Company to install Company-owned electric distribution infrastructure necessary to provide service to an EVSE, and may include transformer upgrades/additions, service drops, labor and contractor costs, materials, hardware, and a new meter;
- (2) the Company's reimbursement of all qualifying costs incurred by the customer on the customer's side of the meter for the sole purpose of providing electrical energy to the charging station, including electrical panel installation, materials, labor, trenching, conduit, wiring, and associated site work, EVSE cement pads, and EVSE installation and activation;
- (3) EVSE Rebates paid by the Company to Site Hosts associated with Level 2 EVSE;
- (4) O&M costs incurred by the Company associated with (1) the M&C Plan during the first three years of the Phase I EV Program; (2) the R&D Plan during the first four years of the Phase I EV Program; (3) Program Management during the term of the Phase I EV Program, as approved by the Department; and (4) the Phase I EV Program Evaluation Plan during the first four years of the Phase I EV Program. O&M costs are defined as the actual monthly incremental O&M costs incurred through the prior 12-month period to

MASSACHUSETTS ELECTRIC COMPANY  
NANTUCKET ELECTRIC COMPANY  
ELECTRIC VEHICLE PROGRAM PROVISION

support the Phase I EV Program, subject to the demonstration of incremental defined in Section 4.0 below, including such costs as:

- (a) Payroll and associated employee costs;
  - (b) Contractor costs;
  - (c) Amounts paid to advertising agencies, research firms, web services companies, EVSE equipment vendors and service providers, program evaluation consultants, and other vendors that provide services specifically associated with the Phase I EV Program;
  - (d) Costs associated with marketing, advertising and press coverage, including local print, broadcast, and digital media outlets;
  - (e) Materials and supplies;
  - (f) Information Systems and software costs; and
  - (g) Demand response communications systems.
- (5) A Performance Incentive (“PI”) in an amount not to exceed \$1.25 million, with the Company only eligible to receive such PI after demonstrating actual performance against a specific target as approved by the Department.

The level of PI awarded shall be based on the number of charging stations developed and activated by Site Hosts in the Phase I EV Program. Specifically, the Phase I EV Program’s EVSE charging station target and associated level of PI as compared to that target are as follows:

<u>EVSE Charging Stations Activated</u>	<u>PI Earned</u>
510 (Minimum)	\$750,000
680 (Target)	\$1,000,000
850 (Exemplary)	\$1,250,000

The PI shall be calculated as follows:

$$\text{PI} = \text{Number of EVSE Charging Station Activations} \div \text{Target} \times \$1,000,000$$

No PI is earned if EVSE charging station activations are below the Minimum quantity above. The PI shall be measured after the charging station activations committed to by Site Hosts within the first three years have been complete. Additional PI may be earned for charging stations that are activated in years four and five for which Site Hosts have made a commitment to proceed by the end of year three.

While the Company may incur costs associated with electric distribution infrastructure required to provide service to EVSE pursuant to Section 1.0(1) above, the Phase I EV Program will provide a contribution in aid of construction for the entire capital cost of any investment on behalf of a customer installing an EVSE, and that capital contribution shall be recovered in the following year similar to O&M costs incurred through the Phase I EV Program.

MASSACHUSETTS ELECTRIC COMPANY  
NANTUCKET ELECTRIC COMPANY  
ELECTRIC VEHICLE PROGRAM PROVISION

2.0 Phase II EV Program

The Company shall recover the first two categories of incremental costs identified below as long as eligible residential customers and commercial and industrial customers commit to participate in the Phase II EV Program by the end of the first five years of the Phase II EV Program.

2.01 Costs Eligible for Recovery

Incremental costs to be recovered pursuant to Section 2.0 include:

- (1) O&M costs incurred by the Company and rebates through the residential Off-Peak Charging Rebate program during the first five years of the Phase II EV Program as set forth in Section 2.02;
- (2) O&M costs incurred by the Company during the first five years of the Phase II EV Program associated with the Fleet Advisory Services Plan available to public transit and government fleets, including school buses; and
- (3) O&M costs incurred by the Company during the first five years of the Phase II EV Program associated with DCFC R&D to research innovative solutions to mitigate the impact of DCFC charging to the electric distribution system by combining DCFC charging stations with energy storage and solar facilities.

O&M costs are defined as the actual monthly incremental O&M costs incurred through the prior 12-month period to support the Phase II EV Program, subject to the demonstration of incremental defined in Section 4.0 below, including such costs as:

- (a) Payroll and associated employee costs;
- (b) Contractor costs;
- (c) Amounts paid to service providers to assist with administering and implementing the Phase II EV Program, web services companies, and other vendors that provide services specifically associated with the Phase II EV Program;
- (d) Materials and supplies; and
- (e) Information Systems and software costs.

2.02 Residential Off-Peak Charging Rebate

The Residential Off-Peak Charging Rebate (“Off-Peak Rebate”) is available to a maximum of 11,000 residential customers on a first-come, first-served basis.

To participate, eligible residential customers receiving retail delivery service on the Company’s retail delivery service tariffs Regular Residential Rate R-1 or Residential Low Income Rate R-2 must have access to a dedicated parking space within the Company’s service territory, either in a single-family residence or dwellings of four units or less having EVSE or, alternatively, must have an eligible monitoring technology installed in their EV, subject to the Company identifying any such eligible technologies; and allow the Company to access data from the networked charging stations or monitoring

MASSACHUSETTS ELECTRIC COMPANY  
 NANTUCKET ELECTRIC COMPANY  
 ELECTRIC VEHICLE PROGRAM PROVISION

technology.

Residential customers who are participating in the electric vehicle active demand reduction program through the Company's 2019-2021 Energy Efficiency Plan are not eligible to participate in the Off-Peak Rebate program.

The Off-Peak Rebate shall pay customers a fixed per-kWh rate for charging their EV during the hours of 9 p.m. to 1 p.m. Monday through Friday, excluding the National holidays of: New Year's Day, Washington's Birthday, Memorial Day, Independence Day, Columbus Day, Labor Day, Veteran's Day, Thanksgiving Day and Christmas Day. All holidays will be the nationally observed day.

3.0 EVPF Formula

For purposes of calculating proposed EVPFs, the annual incremental Phase I and Phase II EV Program costs requested for recovery pursuant to Sections 1.0 and 2.0 shall be allocated to the Company's rate classes by applying a Distribution Revenue Allocator shown below. The EVPFs shall be calculated as the allocated cost for each rate class divided by the estimated kilowatt-hours to be delivered by the Company to each rate class during the recovery period.

$$EVPF_{s_x} = [(EVPR-I_{x-1} + EVPR-II_{x-1} + PPRA_{x-2} + i) \times DRAs] \div FkWh_{s_x}$$

where

- x = the 12 month recovery period during which the EVPF will be in effect.
- s = Designates a separate factor for the following rate classes: R-1/R-2, G-1, G-2, G-3, and Streetlighting.
- EVPF<sub>s<sub>x</sub></sub> = Rate class-specific Electric Vehicle Program Factor for year x.
- EVPR-I<sub>x-1</sub> = Actual Phase I EV Program Recovery for costs incurred as identified in Section 1.01.
- EVPR-II<sub>x-1</sub> = Actual Phase II EV Program Recovery for costs incurred during year x-1, consisting of O&M expense incurred in implementing, operating, maintaining, and administering the Phase II EV Program, as identified in Section 2.01, plus annual amounts paid to customers under the Off-Peak Rebate.
- DRA = Distribution Revenue Allocator as derived from the Company's most recent base distribution rate case as approved by the Department and shall be as follows by rate class:

Rate R-1/R-2	57.7%
Rate G-1	12.9%
Rate G-2	11.9%

MASSACHUSETTS ELECTRIC COMPANY  
NANTUCKET ELECTRIC COMPANY  
ELECTRIC VEHICLE PROGRAM PROVISION

Rate G-3	16.9%
Streetlighting	0.6%

- PPRA<sub>x-2</sub> = Past Period Reconciliation Amount defined as the ending balance of the difference between (a) the sum of EVPE-I and EVPE-II for year x-2 and (b) the revenue billed through the EVPFs as approved by the Department for year x-1, including interest during the recovery period.
- i = interest at the customer deposit rate.
- FkWh<sub>sx</sub> = Forecasted kWh deliveries for year x for each rate class, defined as the forecast of electricity to be delivered to the Company's retail delivery service customers.

For billing purposes, the EVPF will be shown on a separate line on customer's bills.

The Company shall also include in its annual filing a reconciliation of the annual EV Program costs approved for recovery by the Department in the prior year to the actual amount of revenue billed to customers through the EVPFs, and the excess or deficiency, including interest at the interest rate paid on customer deposits, shall be used to adjust the subsequent year's EVPFs.

Each adjustment of the prices under the Company's applicable rates shall be in accordance with a notice filed with the Department setting forth the amount of the increase or decrease and the EVPF amount. The notice shall further specify the effective date of such adjustment, which shall not be earlier than forty-five (45) days after the filing of the notice, or such other date as the Department may authorize. The EVPFs shall be effective July 1 each year or on a date otherwise determined by the Department.

4.0 Determination of Incremental Administrative Cost

To be eligible for inclusion as an incremental administrative cost recoverable through the EVPF, the Company shall demonstrate that all operation and maintenance (O&M) expenses incurred in the performance of EV Program activities and proposed for recovery through the EVPF are:

- i. incremental to the representative level of O&M expenses recovered through all other rates billed by the Company to its customers; and
- ii. directly related to EV Program activities.

The Company shall apply these thresholds to all O&M expenses for which it seeks recovery, including third-party/contractors, as described below.

(1) Third-Party/Contractor Costs

The Company may contract with third-parties and/or contractors to perform EV Program activities for the purpose of implementing elements of the EV Program. As part of the Annual EVPF filing, the Company will include appropriate documentation that any third-party and/or contractor costs

MASSACHUSETTS ELECTRIC COMPANY  
NANTUCKET ELECTRIC COMPANY  
ELECTRIC VEHICLE PROGRAM PROVISION

are directly related to EV Program activities and are therefore not recovered in base distribution rates or through another cost recovery mechanism.

(2) Cost Tracking

The Company shall separately account for the cost of activities performed to implement its EV Program. The Company shall establish separate, unique accounting codes in its accounting system and/or plant asset system to identify all O&M expense incurred as a result of EV Program activities and to categorize the expenses into type of expenses, such as labor and categories of non-labor expenses. The Company shall also establish separate, unique accounting codes in its accounting system and/or plant asset system to identify all capital costs incurred to implement its EV Program for the purpose of documenting the cost requested for recovery pursuant to Sections 1.01 and 2.01 above. The Company shall retain all supporting documentation to demonstrate that such costs were incurred as a direct result of EV Program activities.

5.0 EV Program Filing

The Company shall file annually with the Department on May 15 all incremental EV Program costs incurred to operate and administer the EV Programs during the prior 12-month period. As part of this annual filing, the Company shall also provide a report to the Department of the EV Programs' costs incurred and for which it is seeking recovery.

This provision is applicable to all Retail Delivery Service tariffs of the Company. The operation of this Electric Vehicle Program Provision is subject to Chapter 164 of the General Laws.