

1 **Q. Schedule F – 2021 Plan Program Descriptions**

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3 **On page 2 of 33, under Incentive Strategy, it states that the utilities will provide a**
4 **rebate for all-electric vehicles and plug-in EVs. According to footnote 1, this**
5 **assumes that the current federal incentives for EVs remains in place for the**
6 **duration of the 2021 Plan. What action will the utilities take if the federal incentives**
7 **do not remain in place?**

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9 A. Any changes in federal incentives for electric vehicles will be considered by the Utilities
10 through the annual economic evaluation of customer electrification programs.

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12 The Application proposes that customer electrification programs be required to pass a
13 Modified Total Resource Cost (the “mTRC”) test. The mTRC test is designed to ensure
14 customer programs are cost-effective from both a customer and a utility perspective.¹
15 The mTRC test considers federal incentives in determining the cost-effectiveness of
16 potential programs.²

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18 Consistent with the Utilities’ approach to delivering customer CDM programs, the mTRC
19 would be updated annually for each customer electrification program.³ The annual
20 update of the mTRC would account for changes in federal incentives and other market
21 factors.⁴ Programs that are determined to no longer be cost-effective would be modified,
22 for example by changing incentive levels, or suspended.

¹ For a description of the mTRC test, see the *2021 Electrification, Conservation and Demand Management Application*, Volume 1, Evidence, Section 3.3.2 Economic Justification.

² The mTRC test considers the incremental cost of purchasing an electric vehicle in comparison to a gasoline-powered vehicle, including changes in vehicle prices and available incentives. In the case of electric vehicles, the incremental cost is reduced by the amount of the federal incentive.

³ Customer CDM programs are evaluated using a Total Resource Cost test and a Program Administrator Cost test, as approved by the Board in Order No. P.U. 18 (2016). Test results are calculated annually to ensure CDM programs remain cost-effective.

⁴ Changes in other market factors included in the mTRC test could include changes in the price of electric vehicles, changes in the electricity consumption of electric vehicles and changes in marginal costs.