



BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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Order Instituting Rulemaking on
the Commission's own motion to
consider alternative-fueled vehicle
tariffs, infrastructure and policies to
support California's greenhouse gas
emissions reduction goals.

R.09-08-009
(Filed June 15, 2010)

**REPLY COMMENTS OF THE DIVISION
OF RATEPAYER ADVOCATES**

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I. INTRODUCTION

The Division of Ratepayer Advocates (DRA) hereby submits these reply comments in response to the May 21, 2010 *Proposed Decision of Commissioner Ryan* (PD). DRA replies to some of the parties' comments regarding Commission jurisdiction issue and why Electric Vehicle Service Providers (EVSPs) should be regulated. Complete exemption of EVSPs from regulation may create many undesirable outcomes. Preserving jurisdiction on a "light" regulation basis would be the optimum choice, since it will protect the ratepayers and at the same time not impede development of plug-in electric vehicles (PEVs).

II. DISCUSSION

**A. Policy Considerations Favor Regulating Third-Party
Electric Vehicle Service Providers**

DRA agrees with Southern California Edison Company's (SCE) comments, in part, that the Commission errs in disclaiming jurisdiction over EVSPs, which would prevent the Commission from achieving the mandates of Senate Bill (SB) 626. SB 626 authorizes the Commission to ensure that interoperability and responsible charging

behavior are adhered to by the EVSPs. Disclaiming jurisdiction would undermine this authority and appears inconsistent with the legislation.

The PD assumes EVSPs will take service from either the IOUs or Energy Service Providers (ESPs). However, EVSPs can also procure their energy needs from the wholesale market, and in turn, sell the electricity to the retail customers. EVSP energy sales could circumvent the State's procurement requirements that apply to IOUs and ESPs. For example, the PD would prevent the Commission and electric utilities from imposing California's energy conservation programs such as load management, resource conservation and related rate design and dynamic pricing policies on EVSPs retail electricity. The PD, as written, also would not require that the EVSPs to comply with other requirements, such as RPS, or other similar programs.

The dilemma is that if the EVSPs are fully regulated and all these requirements are applied to them, such "heavy" regulation could impede the development of the Plug-in Electric Vehicle (PEV) market. Conversely, if EVSPs are allowed to operate without Commission oversight, it may result in many unintended consequences, as discussed by some parties' opening comments.¹ The answer appears to be somewhere in-between, where "light" regulation is applied to EVSPs, to protect ratepayers from higher costs and the adverse grid impacts due to operation of public charging (non-residential) stations, while requirements such as RPS should not be applicable to certain small EVSP entities providing charging service. This would require the Commission to determine whether there should be a minimum size limit from exemption. Also, the Commission should define with certainty those EVSPs that should be regulated by the Commission. For example, when PEV charging is available at a regular 110 or 240 Volt outlet (non-EV Service Equipment) at an office garage facility, should the office building be regulated? It appears that details of specific requirements for EVSPs should be developed in a workshop setting, where more time would be made available to discuss these issues.

¹ Opening Comments: CARE/NCRA, NRDC/FOE, PG&E, TURN, SCE.

DRA supports comments from The Utility Reform Network (TURN), SCE, and Pacific Gas and Electric Company (PG&E) that the PD erred in exempting electricity sales for EV charging from Commission regulation.² This exemption would result in the Commission losing jurisdiction to FERC to regulate the sale for resale of electricity by utilities to EV retail electricity sellers. The Commission in the Resource Adequacy proceeding (R.05-12-023) concluded that it did not want to give up its jurisdiction to FERC over resource procurement by approving centralized capacity markets.³ Consistent with the Commission's position on centralized capacity markets, it is not desirable to cede the Commission regulation of EVSPs to the FERC. Furthermore, the ceding of jurisdiction to the FERC could result in impeding the development of PEVs, which no party is in favor of.

B. Separate Metering Should Be Required

DRA disagrees with SCE on the optional separate metering requirements.⁴ While DRA does not support separate metering in the beginning, it recommends requiring it beginning in 2015.⁵ There are two main reasons for this. First, separate PEV metering, in conjunction with time-of-use rates (TOU), could discourage on-peak charging. Second, separate metering (or sub-metering) would allow for accounting of the amount of electricity use by the PEVs and would allow any special fees (such as road taxes) to be charged in an equitable manner to the PEVs based on the actual usage by these vehicles.

C. The PD Makes It Difficult to Monitor, Manage, and Mitigate Localized Impacts of PEVs.

DRA supports PG&E's opening comments on potential difficulties of monitoring, managing and mitigating localized impacts of PEV charging on utility transmission and

² Opening Comments: SCE, Opening Comments pp 2&3; PG&E pp 3&4; and , TURN p 2.

³ D.10-06-018, F.O.F. # 13, p. 78

⁴ Opening Comments, SCE p3.

distribution facilities and capacity.⁵ As recommended by DRA in its opening comments, the Commission should assert “light” regulation over EV charging including monitoring, managing and mitigating the impact of PEV charging on the utility grid. Therefore, the Commission Energy Division should be required to provide an annual report on the impact of PEV charging on the utility grid at aid the Commission in deciding the level of regulation of EVSPs, according to the results of the monitoring.

DRA supports PG&E’s comments that the PD would make it difficult to regulate retail electricity sales by third parties, for purposes other than EV charging. This is due to the fact that if the Commission disclaims jurisdiction, it will not have the tools to obtain metering information and resources to ensure that on-premise sales of electricity are exclusively for electric vehicle use.

III. CONCLUSION

The Commission should adopt DRA’s recommendations consistent with the discussion in its Opening Comments filed on June 10, 2010 and Reply Comments filed herein.

Respectfully submitted,

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⁵ Opening Comments PG&E p 3& 4.

CERTIFICATE OF SERVICE

I hereby certify that I have this day *served* a copy of **REPLY
COMMENTS OF THE DIVISION OF RATEPAYER ADVOCATES** to the
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Executed on **June 15, 2010** at San Francisco, California.

/s/ JAIME VADO

Jaime Vado

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