

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.

Rulemaking 09-08-009  
(Filed August 20, 2009)

**OFFICE OF RATEPAYER ADVOCATES REPLY COMMENTS  
ON THE PROPOSED DECISION MODIFYING THE REQUIREMENTS  
FOR THE DEVELOPMENT OF PLUG-IN ELECTRIC VEHICLE  
SUBMETERING PROTOCOL**

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## **I. INTRODUCTION**

In accordance with Rule 14.3 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, the Office of Ratepayer Advocates (ORA) submits this reply to parties' comments on Commissioner Peterman's proposed Decision Modifying the Requirements for the Development of Plug-In Electric Vehicle Submetering Protocol (Proposed Decision or PD), issued on October 1, 2013. Opening comments were filed October 14, 2013; thus, ORA timely files this reply.

## **II. DISCUSSION**

### **A. The PD Should Provide More Flexibility In The Pilot Program Schedule.**

Both Southern California Edison Company (SCE) and San Diego Gas and Electric (SDG&E) recommend changes to the pilot program schedule.<sup>1</sup> Chargepoint states some of the timing requirements seem unrealistic and unworkable and recommends revising the timeline.<sup>2</sup> ORA agrees that extending the timeline to include flexibility is a reasonable request.

### **B. The Commission Should Not Limit Participation In The Submetering Pilot Program To New Customers Only As Recommended By SCE.**

SCE recommends the Commission consider either allowing only new customers to participate in the pilots, or direct parties to account for this issue in the development of the final evaluation.<sup>3</sup> SCE asserts that including the existing customers in the pilot program would in effect distort the results of the pilot program since existing customers have already installed and paid for the Electric Vehicle Supply Equipment (EVSE) and/or a submeter. ORA disagrees.

ORA opposes SCE's recommendation to exclude existing customers. Barring existing customers would not only reduce the potential number of customers volunteering for the pilot programs, it would also increase the costs of the pilot program. Many

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<sup>1</sup> SCE, p. 7; SDG&E, pp. 3-4.

<sup>2</sup> Chargepoint, pp. 9-10.

<sup>3</sup> SCE, p. 11.

existing customers already installed EVSE capable of submetering and calculating the usage of the plug-in electric vehicle (PEV). However, existing PEV customers with EVSE do not currently pay separate rates for charging their PEVs.

Some of the main goals of the pilot program are to determine the administrative costs of PEV implementation, as well as benefits of separately measuring the energy usage by the PEVs, and the impact of calculating separate rates/subtractive billing for PEV on the customer. The pilot program should not include the impact of the cost of installing an EVSE with imbedded submeter, since a PEV owner would likely install this equipment for charging purposes without a need for separate metering. Therefore, existing PEV/EVSE owners should be included to mitigate the cost of the pilot program implementation.

Natural Resource Defense Council (NRDC) also supports participation of existing customers in the pilot program and recommends the lowest cost solutions to encourage wider adoption of PEVs.<sup>4</sup> ORA supports NRDC's recommendation and further recommends giving priority to the existing customers to save potential pilot program implementation expenses for all customers.

### **C. ORA Supports Deferring Mobile Submetering Pilots To A Later Phase.**

PG&E and SCE recommend the exclusion of mobile submetering from Phase 2 of the pilot program. SCE asserts there are numerous technological and other constraints that make the inclusion of mobile submetering in Phase 2 of the pilot program impractical at this time. PG&E recommends that mobile submetering be deferred to an additional phase of this proceeding when the basic technology necessary to assess mobile submetering pilot is readily available.

SCE and PG&E are correct. It will be more productive if mobile submetering pilot is considered at a later phase when the level of penetration of PEVs becomes more apparent and better technologies are developed to address mobile submetering issues.

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<sup>4</sup> NRDC, p. 7.

## **D. Funding Alternatives**

### **1. The Commission Must Address Electric Procurement Investment Charge (EPIC) Issues Separately.**

SCE states, “[t]he proposed use of EPIC funds is flawed because the availability of those funds is uncertain, and EPIC may not provide an adequate level of funding for the pilots.”<sup>5</sup> SCE is correct that the availability of EPIC funds is uncertain at this time because the Commission has not yet issued a final decision on the EPIC administrators’ triennial investment plans. However, on October 15, 2013, the Commission issued a revised PD on those investment plans ordering the utilities to apply a portion of their EPIC funding “to support a collaborative Submetering pilot pursuant to the goals outlined in Rulemaking 09-08-009.”<sup>6</sup>

SCE’s argument that EPIC may not provide the necessary funding levels is unfounded. The EPIC budgets are large enough to support the submetering pilots. The fundamental problem is that the utilities may not have the funds to subsidize their existing EPIC project proposals *and* the submetering pilots because their EPIC budgets are capped and cannot be increased to accommodate additional spending requests. As a result, the IOUs may need to revise the scope<sup>7</sup> or eliminate<sup>8</sup> some of their existing EPIC proposals. SDG&E acknowledges its “small EPIC budget will be insufficient to fund its submeter pilots as well as the five smart grid-related programs proposed in its EPIC Application (A.)12-11-002, which are pending Commission approval.”<sup>9</sup>

If the Commission ultimately concludes that EPIC be used to fund the submetering pilots, it will first need to address the issues raised in ORA’s opening comments. ORA

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<sup>5</sup> SCE, p. 4.

<sup>6</sup> EPIC Proposed Decision, dated October 15, 2013 [A.12-11-001, et al.], OP 39, p. 134.

<sup>7</sup> PG&E, p. 3; SCE, p. 5.

<sup>8</sup> SDG&E, p. 2.

<sup>9</sup> SDG&E, p. 2.

recommends any programmatic or policy modifications to EPIC should be resolved in R.11-10-003<sup>10</sup> or A.12-11-001, et al.,<sup>11</sup> and not in this proceeding.

## 2. Alternative Funding Sources

SDG&E requests the Commission grant authority “to establish a Memorandum Account so that SDG&E can track costs incurred.”<sup>12</sup> ORA opposes SDG&E’s proposal.

It is premature to allow the IOUs to spend ratepayer funds on the submetering pilots absent a reasonableness review of the IOUs’ implementation plans and a secured funding source. As stated in ORA’s opening comments, this Rulemaking is not an appropriate mechanism to review submetering pilots based on the utilities general estimates of costs. ORA recommends the Commission either conduct a review of the IOUs’ pilot proposals in EPIC<sup>13</sup> or through separately filed applications. Either way, the Commission should institute firm spending caps and issue a decision on the merits of each IOUs’ pilot proposal and cost estimates prior to approving the IOUs spending funds.

SCE recommends the PD allow the IOUs “to file Tier 2 advice letters proposing mechanisms to recover their costs to implement the pilots.”<sup>14</sup> ORA also opposes SCE’s proposal. Tier 2 Advice Letters are not appropriate procedural vehicles to review cost estimates and recovery of such costs at this scale. Tier 2 Advice Letters do not allow for a proper reasonableness review of the proposals and funding requests, since advice letters are informal proceedings that do not allow for adequate discovery as provided in formal applications. The IOUs should file separate applications outlining the IOUs’

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<sup>10</sup> *Order Instituting Rulemaking on the Commission’s own motion to determine the impact on public benefits associated with the expiration of ratepayer charges pursuant to Public Utilities Code Section 399.8.*

<sup>11</sup> *Application of the California Energy Commission for Approval of Electric Program Investment Charge Proposed 2012 through 2014 Triennial Investment Plan [A.12-11-001, et al.].*

<sup>12</sup> SDG&E, p. 3.

<sup>13</sup> Even if the Commission were to direct the utilities to use EPIC funds without first securing a final decision in that consolidated proceeding, the EPIC program already institutes spending ceilings. Each administrator is bound to a set annual budget and may not exceed that predetermined amount.

<sup>14</sup> SCE, p. 5.

implementation plans for their submetering pilots.<sup>15</sup> SCE states if the Commission does not adopt the Tier 2 Advice Letter recommendation, then:

IOUs will need to file applications proposing implementation plans, budgets, schedules, and cost recovery mechanisms for the pilots, which must be approved before the Commission can mandate pilot implementation.<sup>16</sup>

ORA supports this approach and urges the Commission to require the IOUs to submit detailed implementation plans via applications if the EPIC program is not a viable option to fund the submetering pilots.

### III. CONCLUSION

The Commission should adopt the following ORA's recommendations:

- The PD should provide more flexibility in the pilot program schedule.
- The Commission should not limit participation to the submetering pilot programs to new customers only as recommended by SCE.
- ORA Supports deferring mobile submetering pilots to a later phase.
- Any programmatic or policy modifications should be resolved in the EPIC proceeding(s) and not in this proceeding.

Respectfully submitted,

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<sup>15</sup> ORA, p. 4.

<sup>16</sup> SCE, p. 5.