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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

In the Matter of the Application of Pacific Gas and Electric Company for Approval of its Electric Vehicle Infrastructure and Education Program (U39E).

Application 15-02-009  
(Filed February 9, 2015)

**JOINT ASSIGNED COMMISSIONER AND ADMINISTRATIVE LAW JUDGES'  
SCOPING MEMO AND RULING**

Pursuant to Pub. Util. Code § 1701.1 and Rule 7.3(a) of the Commission's Rules of Practice and Procedure (Rules), this Scoping Memo and Ruling directs Pacific Gas and Electric Company to submit a supplement to its application and addresses the category, issues, need for hearing, schedule, and other matters related to the scope of this proceeding.

**1. Background**

On February 9, 2015, Pacific Gas and Electric Company (PG&E) filed Application (A.) 15-02-009, seeking approval of its proposed Electric Vehicle Infrastructure and Education Program (EV Program). Parties filed responses and protests on March 11, 12, and 13, 2015.

On May 5, 2015, the assigned Commissioner held an all-party meeting in this and two related proceedings.<sup>1</sup> Motions filed across the proceedings and the merits of consolidating the proceedings were discussed at the all-party meeting.<sup>2</sup>

On June 12, 2015, the Administrative Law Judge (ALJ) held a prehearing conference (PHC) to determine the parties, issues, schedule, and other procedural matters. At the PHC, parties were asked to consider more formally phasing PG&E's proposed EV Program. By ruling dated June 16, 2015, the ALJ requested comments on more formally phasing PG&E's proposed EV Program. Parties filed comments on July 2 and 3, 2015 and reply comments on July 10, 2015.

## **2. The Application**

Application 15-02-009 requests that the Commission approve PG&E's EV Program and authorize PG&E to increase electric rates and charges to collect a total of \$428,759,000 in forecast revenue requirements from 2016 through 2022. PG&E claims this level of revenue requirement is necessary to support its overall request of \$653,846,000 (\$551,151,000 capital and \$102,695,000 expense) to fund the EV Program from 2016 through 2022. PG&E states that it is committed to working with the Commission to accelerate electric vehicle (EV) infrastructure

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<sup>1</sup> The consolidated Order Instituting Rulemaking to Consider Alternative-Fueled Vehicle Programs, Tariffs, and Policies (Rulemaking 13-11-007); The Application of San Diego Gas & Electric Company for Approval of its Electric Vehicle-Grid Integration Pilot Program (A.14-04-014); and the Application of Southern California Edison Company for Approval of Its Charge Ready and Market Education Programs (A.14-10-014).

<sup>2</sup> On May 28, 2015, the assigned Commissioner and assigned ALJ issued a Joint Ruling that denied two motions: (1) "Marin Clean Energy Motion To Consolidate Proceedings;" and (2) "The Office of Ratepayer Advocates' Motion To Consolidate Proceedings and Implement Its Alternative Proposal For Deployment of Investor Owned Utility Electric Vehicle Infrastructure Pilots."

deployment and customer education programs in support of the Governor's Zero Emission Vehicle (ZEV) goals for the State. Among other things, the ZEV goals call for deployment of sufficient EV infrastructure to support 1 million EVs by 2020, and deployment of over 1.5 million EVs on California roads by 2025.

PG&E claims it will need to support 400,000 EVs in central and northern California to meet its share of the Governor's objectives. PG&E proposes to directly deploy, own, and manage approximately 25 percent of the charging stations it deems necessary to support 400,000 EVs in its service territory.

Specifically, PG&E proposes to:

- Deploy, own, and maintain approximately 25,000 Level 2 EV charging stations;<sup>3</sup>
- Deploy, own, and maintain approximately 100 Direct Current Fast Chargers (DCFC);<sup>4</sup>
- Identify public facilities, workplaces, and multi-unit dwellings as potential installation sites;
- Develop and offer education and outreach materials to support EV adoption;
- Install approximately 10 percent of the proposed charging infrastructure in disadvantaged communities; and
- Use time-variant pricing.

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<sup>3</sup> Level 2 charging offers charging through 240 V or 208 V electrical service and typically adds about 10 to 20 miles of driving range per hour of charging time. Since most homes have 240 V service available and Level 2 chargers can charge a typical EV battery overnight, they will commonly be installed at EV owners' homes. *See* [http://www.afdc.energy.gov/fuels/electricity\\_infrastructure.html](http://www.afdc.energy.gov/fuels/electricity_infrastructure.html).

<sup>4</sup> DCFC enables rapid charging along heavy traffic corridors and at public stations. DCFC typically add about 50 to 70 miles of driving range per 20 minutes of charging time. *See* [http://www.afdc.energy.gov/fuels/electricity\\_infrastructure.html](http://www.afdc.energy.gov/fuels/electricity_infrastructure.html).

### **3. Ruling for Phasing and Supplement to Application**

PG&E predicates its application on the Governor's ZEV goals and on claims that the "Commission found that there is 'near unanimity' that the utilities should have an expanded role in EV infrastructure support and development in order to realize the potential benefits of widespread deployment of EVs in California."<sup>5</sup> However, the Commission also noted that we must consider "the requirement to protect against unfair competition" and the "demonstrated costs and benefits of any utility PEV proposal," and concluded that "[i]t may be that certain programs are not appropriate for either ratepayer funding or ratepayer funding without shareholder contribution."<sup>6</sup> We will not consider the EV Program as proposed by PG&E because it does not allow for adequate review and evaluation to determine whether its costs are just and reasonable, whether it results in ratepayer benefits, and whether potential anticompetitive impacts are adequately prevented and/or mitigated.

PG&E's request is the largest of the three investor-owned utilities and the Commission needs to be mindful of the size and implications of such a program and act to ensure thoughtful consideration of the issues (PHC transcript at 4). The parties were asked to consider the idea of a phased approach to PG&E's application with a smaller deployment upfront (PHC transcript at 7). Parties requested an opportunity for written comments. Twelve parties filed opening comments<sup>7</sup> and eight parties filed reply comments on this approach.<sup>8</sup> PG&E was

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<sup>5</sup> A.15-02-009 at 2.

<sup>6</sup> Decision (D.) 14-12-079 at 8.

<sup>7</sup> PG&E; NRG Energy, Inc. (NRG); Marin Clean Energy (MCE), Sonoma Clean Power; The Utility Reform Network (TURN) and the National Asian American Coalition, the Ecumenical Center for Black Church Studies, the Jesse Miranda Center for Hispanic Leadership, Christ our

*Footnote continued on next page*

the only party to oppose formal phasing of its application, stating the application already provides for an informal phase-in, continuous updates, and ramp-up deployment.<sup>9</sup> PG&E says no time will be saved by limiting the proceeding to an initial phase.<sup>10</sup> Ten parties support formal phasing, noting that phasing mitigates risk and allows for program evaluation and modification.<sup>11</sup> Two parties do not support or oppose phasing, but caution against unintended consequences and program delays.<sup>12</sup> Three parties do not comment on their support of phasing.<sup>13</sup>

PG&E's estimated cost of its EV Program is over \$650 million, of which approximately \$551 million represents a total capital investment for which PG&E seeks rate base treatment. PG&E's request represents a significant infrastructure investment that will result in a full blown utility program with ongoing costs beyond the initial request flowing through future general rate cases. D.14-12-079

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Redeemer AME Church, the National Hispanic Christian Leadership Conference, the Los Angeles Latino Chamber of Commerce, and Orange County Interdenominational Alliance (collectively "JMP"); Consumer Federation of California (CFC); ChargePoint, Inc., TechNet, Clean Fuel Connection, and Volta (collectively "Joint Technology Parties"); National Resources Defense Council (NRDC); Office of Ratepayer Advocates (ORA); Green Power Institute (GPI); California Energy Storage Alliance (CESA); and Greenlots.

<sup>8</sup> PG&E; Plug In America (PIA); Vote Solar; ORA; GPI; Joint Technology Parties; Coalition of California Utility Employees, General Motors LLC, American Honda Motor Company Inc., The Greenlining Institute, the NRDC, and PIA (collectively "Public Interest, Automaker, and Labor Groups"); TURN/JMP.

<sup>9</sup> Pacific Gas and Electric Company's Opening Comments on Potential Phasing of Electric Vehicle Infrastructure Program, July 3, 2015, at 2.

<sup>10</sup> Pacific Gas and Electric Company's Opening Comments on Potential Phasing of Electric Vehicle Infrastructure Program, July 3, 2015, at 3.

<sup>11</sup> NRG, MCE, Sonoma Clean Power, CFC, GPI, TURN/JMP, ORA, Joint Technology Parties, CESA, and Vote Solar.

<sup>12</sup> NRDC and Public Interest, Automaker, and Labor Groups.

<sup>13</sup> Consumer Watchdog, Greenlots, and PIA.

requires that we consider “the demonstrated costs and benefits of any utility PEV proposal...in the context of providing electric service to customers, including PEV drivers, at just and reasonable rates as required by Pub. Util. Code § 451.”<sup>14</sup>

PG&E proposes to deploy and own approximately 25,100 EV charging stations in northern California – estimated by PG&E as the number necessary to support 25% of its service territory’s share of the governor’s ZEV goal of 1 million EVs on the roads by 2020. This represents a significant part of the EV infrastructure market in PG&E’s service territory. As noted in D.14-12-079, under these circumstances we must “take a more detailed, tailored approach to assessing any proposed utility program based upon the facts of specific requests, the likely competitive impact on the market segment targeted, and whether any anticompetitive impacts can be prevented or adequately mitigated through the exercise of existing rules and conditions.”<sup>15</sup> At a minimum, PG&E’s application requires an examination of the following four criteria, established in D.11-07-029 and described in D.14-12-079:

- The nature of the proposed utility program and its elements; for example, whether the utility proposes to own or provide charging infrastructure, billing services, metering, or customer information and education.
- Examination of the degree to which the market into which the utility program would enter is competitive, and in what level of concentration.
- Identification of potential unfair utility advantages, if any.
- If the potential for the utility to unfairly compete is identified, the commission will determine if rules, conditions or regulatory

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<sup>14</sup> D.14-12-079 at 8.

<sup>15</sup> D.14-2-079 at 8.

protections are needed to effectively mitigate the anticompetitive impacts or unfair advantages held by the utility.<sup>16</sup>

PG&E's application does not include the information necessary to determine whether the four criteria above have been met. Nor does PG&E's proposed program provide an opportunity for the Commission to collect and evaluate data along the way to determine program effectiveness and allow for any modifications. These elements are necessary when considering a program of such magnitude, especially when combined with the need to evaluate ratepayer costs and benefits, and to protect against unfair competition. We find that a more measured approach to utility ownership in PG&E's service territory is warranted. Thus, we will consider PG&E's application after it is supplemented to present a more phased deployment approach. If approved, the Commission may consider increased deployment at a later date depending on the results from the initial authorized program years.

The mid-course assessment originally proposed by PG&E, which occurs approximately 24 months after start-up, with an estimated 10% deployment level,<sup>17</sup> creates a natural break-point for more explicit phasing. Therefore, no later than October 12, 2015, PG&E shall file and serve a supplement to its application. The supplement must set forth an initial phase of EV charging station deployment, limited to a maximum of 10% of the total originally-proposed number of charging stations, to be deployed over no more than 24 months. The supplement must include a transition plan that provides at least

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<sup>16</sup> D.14-12-079 at 9.

<sup>17</sup> See Pacific Gas and Electric Company Electric Vehicle Infrastructure and Education Program Prepared Testimony at 2-5, lines 20-33.

18 months of data for evaluation of Phase 1 by the Commission. The transition plan must identify steps that will be taken to minimize market uncertainty and discontinuity during the regulatory review period.<sup>18</sup> PG&E's supplement shall respond to the following questions:

- Does the proposed EV Program meet the balancing test established in D.11-07-029 and described in D.14-12-079? If so, how? If not, why not? Specifically address:
  - The nature of the proposed utility program and its elements; for example, whether the utility proposes to own or provide charging infrastructure, billing services, metering, or customer information and education.
  - Examination of the degree to which the market into which the utility program would enter is competitive, and in what level of concentration.
  - Identification of potential unfair utility advantages, if any.
  - If the potential for the utility to unfairly compete is identified, what rules, conditions or regulatory protections are needed to effectively mitigate the anticompetitive impacts or unfair advantages held by the utility?<sup>19</sup>
- What benefits, if any, does PG&E's installation of DCFC offer that are not already being offered by other market participants throughout their service territory? Do those benefits merit the incremental cost of DCFC within the program? What is the current state of competition and concentration in the DCFC market?

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<sup>18</sup> For example, (while we are not endorsing any of these options at this time) in comments and reply comments filed on July 2, 3, and 10, 2015, respectively, parties proposed overlapping phases and continued deployment or bridge funding during Phase 2 consideration.

<sup>19</sup> D.14-12-079 at 9.



- What information and data should PG&E collect during the initial phase of its program? What analysis should be conducted to determine the merit of a second phase, and who should conduct that analysis?
- What transition mechanisms should be established between an initial phase and a potential second phase to allow adequate time for regulatory review of the initial phase while also minimizing market uncertainty and discontinuity during the review period?

Due to the differences in technology, competitive issues, and costs of Level 2 chargers versus DCFC, parties are directed to specifically identify the type of charging they are referring to in their testimony.

#### **4. Scope of Issues**

At the PHC, the assigned ALJ proposed a potential scope of issues to be resolved in this proceeding. That list has been adjusted based on discussion and comments from the parties, and on the assigned Commissioner and ALJs' decision to consider the application in a phased format. This proceeding will consider Phase 1 of PG&E's EV Program as proposed in PG&E's supplement, resulting in a decision on Phase 1 issues.

Phase 2 will examine the results from Phase 1 and determine whether increased deployment is merited based on the results, and if so, what that deployment should look like. The scope of Phase 2 will be fully determined at the end of Phase 1, depending on the approval and outcome of Phase 1, and will take place in a separate proceeding.

The scope of Phase 1 issues includes:

- Reasonableness of the PG&E A.15-02-009, as updated in the required supplement, including:
  - Compliance with Pub. Util. Code §§ 451, 454, 740.3, and 740.8;
  - Scope and scale of the proposed project;

- Cost and ratemaking issues, including cost and capital estimates and recovery, risk sharing, cost reduction incentives, funding sources, and reasonableness of ratepayer funding;
- Costs and benefits of the proposed EV Program, including whether the cost estimates and purported benefits are reasonable,;
- Marketing, education, and outreach;
- Competitive issues, including how the proposed program will impact the EV service equipment and charging infrastructure markets, whether the proposed program passes the balancing test in D.11-07-029 and D.14-12-079, and whether it will stimulate or stifle competition and market investment; and
- Any safety concerns raised by the project.
- Program design issues for both Level 2 and DCFC:
  - Program eligibility and participation requirements, including site selection methodology, site owner role and responsibilities, target markets, and disadvantaged community participation;
  - Program targets and evaluation metrics;
  - Technology, including charging station design and operation, choice of hardware and features, vehicle interoperability standards, network service provider, communication protocols, risk of obsolete equipment, metering, and any additional energy resource capability requirements;
  - Vehicle-grid integration, including the use of price signals and communication protocols to manage the charge or discharge of EV loads in order to maximize grid benefits;
  - Site owner participation and the extent of host participation;
  - Role of third parties including affiliated companies;

- Energy purchases and sales, including any related charges between PG&E, its affiliates, and end use customers;
- Metering and billing;
- Interconnection requirements and costs;
- Oversight and reporting requirements; and
- Transition between phases.

## 5. Hearing Preparation

The Commission preliminarily determined that this matter will require hearing. This ruling finds that hearings are necessary. It is anticipated that the record will be composed of all documents filed and served on parties. The record will also include testimony and exhibits received at hearing.

## 6. Schedule

The table below provides a schedule for the management of this proceeding. If so required, the ALJ may alter this schedule as required to promote the efficient and fair resolution of the proceeding. Consistent with Pub. Util. Code § 1701.5, the Commission anticipates that this proceeding will be completed within 18 months of the date of this Scoping Memo.

EVENT	DATES
PG&E Supplement served	October 12, 2015
Intervenor Testimony served	November 16, 2015
Concurrent Rebuttal Testimony served	December 7, 2015
Case Management Statement Due	February 1, 2016
Evidentiary Hearings	February 8 - 12, 2016
Opening Briefs filed	March 4, 2016
Reply Briefs filed	March 18, 2016
Proposed Decision	June 2016

If there are any workshops in this proceeding, notices of such workshops will be posted on the Commission's Daily Calendar to inform the public that a decisionmaker or an advisor may be present at those meetings or workshops. Parties shall check the Daily Calendar regularly for such notices.

**7. Case Management Statement**

Before the start of evidentiary hearings, the Applicant is responsible for filing and serving a Case Management Statement. This filing will be due on February 1, 2016. Any party that served written testimony or intends to cross examine witnesses at the evidentiary hearing shall provide the Applicant the information set forth below by January 25, 2016 so that it can prepare the Case Management Statement. The Case Management Statement shall identify the following: 1) any issue parties have settled, including relevant citations to the parties' prepared testimony, 2) all remaining contested issues, 3) an estimate for cross-examination time and proposed order of witnesses, and 4) any other relevant matters.

**8. Proceeding Category**

The Commission preliminarily categorized this matter as ratesetting. No party objects. This ruling affirms the preliminary categorization of SCE's application as ratesetting. This ruling may be appealed. Appeals must be filed and served within 10 days pursuant to Rule 7.6.

**9. Ex Parte Rules**

The *ex parte* restrictions applicable to ratesetting proceedings set forth in Rules 8.3(c) and 8.4 will apply to this proceeding.

**10. Presiding Officer**

Pursuant to Pub. Util. Code § 1701.3, ALJ Darwin E. Farrar and ALJ Pro Tem Karin Hieta are designated as the presiding officers in this proceeding.

**11. Discovery/Law and Motion Matters**

Discovery will be conducted pursuant to the provisions in Article 10 of the Rules and Rule 11.3. Rule 11.3 requires parties to meet and confer before bringing a formal motion. Parties are expected to engage in timely discovery well before deadlines and are expected to raise discovery issues in a timely fashion to avoid adverse impacts on the schedule.

**12. Party Status, Filing, Service, and Service List**

In this proceeding, there are several different types of documents participants may prepare. Each type of document carries with it different obligations with respect to filing and service.

Parties must file certain documents as required by the Rules or in response to rulings by either the assigned Commissioner or the ALJ. All formally filed documents must be filed with the Commission's Docket Office and served on the service list for the proceeding. Article 1 of the Rules contains the Commission's filing requirements. Resolution ALJ-188 sets forth the interim rules for electronic filing, which replaces only the filing requirements, not the service requirements.

Other documents, including prepared testimony, are served on the service list but not filed with the Docket Office. Parties must follow the electronic service protocols in Rule 1.10 for all documents, whether formally filed or just served. This Rule provides for electronic service of documents, in a searchable format, unless the appearance or state service list member did not provide an

e-mail address. If no e-mail address was provided, service should be made by United States mail.

In this proceeding, concurrent e-mail service to all persons on the service list for whom an e-mail address is available is required, including those listed under "Information Only." Parties are expected to provide paper copies of served documents upon request. However, paper copies, in addition to electronic copies, must be served on the ALJ.

E-mail communications about this case should include, at minimum, the following information on the subject line of the e-mail: *A.15-02-009 - PG&E EV Program Application*. In addition, the party sending the e-mail should briefly describe the attached communication; for example, *Brief*.

The official service list for this proceeding is available on the Commission's website. Parties should confirm that their information on the service list is correct, and serve notice of any errors on the Commission's Process Office, the service list, and the ALJ. Prior to serving any document, each party must ensure that it is using the most up-to-date service list. The list on the Commission's website meets that definition. Parties must e-mail courtesy copies of all served and filed documents on the entire service list, including those appearing on the list as "State Service" and "Information Only."

### **13. Alternative Dispute Resolution**

Our ALJ Division administers the Alternative Dispute Resolution (ADR) program and trained, experienced ALJs serve as neutrals in the program.

Because ADR focuses on the parties' basic interests, a dispute may be settled on terms more favorable to each of the parties. Since the process is voluntary, free, and normally confidential, parties have little "down-side" risk in trying ADR. If it results in a full settlement, ADR may save time and litigation

expenses. Even if a complete settlement is not possible, agreement may be reached on some important points and this, also, may save time.

ADR can occur at any time during a formal proceeding. We encourage the early use of ADR to save the parties' time and money and to avoid unnecessary escalation of a dispute. On occasion, ADR may be available to help resolve disputes that are still informal and have yet to be filed as formal complaints. Most ADR sessions are completed in 1 to 2 days. Some ADR sessions continue over several weeks, with the parties meeting for a day or two at a time.

For additional information visit [www.cpuc.ca.gov/PUC/ADR/](http://www.cpuc.ca.gov/PUC/ADR/).

#### **14. Intervenor Compensation**

Any party intending to seek an award of compensation must have filed and served notice of intent to claim compensation no later than 30 days after the June 12, 2015 PHC, pursuant to Pub. Util. Code § 1804(a)(1) and Rule 17.1(a).

**IT IS RULED** that:

1. Pacific Gas and Electric Company shall file and serve a supplement to its application no later than October 12, 2015 that includes: 1) an initial phase of electric charging station deployment, limited to a maximum of 2,510 charging stations, to be deployed over no more than 24 months; 2) a transition plan that provides at least 18 months of data for evaluation by the Commission, and that identifies steps to minimize market uncertainty and discontinuity during the regulatory review period; and 3) responses to the questions described in Section 3 above.

2. In all documents, parties shall file testimony and specifically identify the type of charging they are referring to in their testimony, as specified in Section 3.

3. The scope of this proceeding is as set forth in Section 4.

4. Evidentiary hearings are needed.

5. The schedule is as set forth in Section 6.
6. The category of this proceeding is ratesetting.
7. Administrative Law Judge Darwin E. Farrar and Administrative Law Judge Pro Tem Karin Hieta are the presiding officers in this proceeding.
8. The parties may proceed with discovery as set forth in Section 11 and parties must follow the filing, service and service list rules as set forth in Section 12.
9. Any party intending to seek an award of compensation must have filed and served notice of intent to claim compensation no later than 30 days after the June 12, 2015 prehearing conference.

Dated September 4, 2015, at San Francisco, California.

/s/ CARLA J. PETERMAN

Carla J. Peterman  
Assigned Commissioner

/s/ DARWIN E. FARRAR

Darwin E. Farrar  
Administrative Law Judge

/s/ KARIN M. HIETA

Karin M. Hieta  
Administrative Law Judge Pro Tem