



PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

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May 5, 2016

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TO PARTIES OF RECORD IN RULEMAKING 13-11-007

This is the proposed decision of Commissioner Peterman. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's June 9, 2016 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

/s/ KAREN V. CLOPTON
Karen V. Clopton, Chief
Administrative Law Judge

KVC:ge1

Attachment

Decision **PROPOSED DECISION OF COMMISSIONER PETERMAN**
(Mailed 5/5/2016)**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Consider
Alternative-Fueled Vehicle Programs,
Tariffs, and Policies.

Rulemaking 13-11-007
(Filed November 14, 2013)

**DECISION AUTHORIZING FURTHER EXTENSION OF THE INTERIM POLICY
REGARDING ELECTRIC TARIFF RULES 15 AND 16****Summary**

Today's decision extends the interim policy of treating the electric vehicle charging costs that exceed the allowances in the Electric Rules 15 and 16 of the three large electric utilities as common facility costs for another three years, to June 30, 2019.¹ In addition, the annual filing requirement of the Load Research Reports is extended by another three years.

1. Background

In Decision (D.) 11-07-029, the California Public Utilities Commission (Commission) addressed the issue of residential service facility upgrade costs as a result of home-based electric vehicle charging. In that decision, the Commission adopted the interim policy of allowing the plug-in electric vehicle (PEV) charging costs that exceed the allowances in the three large electric

¹ The three large electric utilities refer to Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), and Southern California Edison Company (SCE).

utilities' Rules 15 and 16, to be treated as common facility costs.² Such treatment shifts the costs which exceed the allowances to all residential ratepayers, instead of the single customer who triggered the upgrade costs. This treatment is referred to in D.13-06-014 as the Common Treatment for Excess PEV Charging Costs. D.11-07-029 set June 30, 2013 as the expiration date for this interim policy.

In D.13-06-014, the Commission extended this interim policy to June 30, 2016. Since the extension of this interim policy is set to expire on June 30, 2016, a decision is needed on whether a further extension of this policy is needed, or if this interim policy of the Common Treatment for Excess PEV charges should be ended.

The three large electric utilities have also been required to file their Load Research Reports in compliance with D.11-07-029 and D.13-06-014. As specified in section 4.2 of D.13-06-014, the filing of those reports is to expire at the end of December of 2016.

2. Discussion

The three large electric utilities filed their latest Load Research Report on December 24, 2015 (December 2015 Report). The December 2015 Report contains updated cost data about the upgrades to service lines and distribution system. Of the approximately 19,000 residential upgrades that were monitored by the three utilities, only 29 customers had upgrades that exceeded the residential allowance. These exceedances occurred in PG&E's service territory, and amounted to a total of \$152,750. This averages to about \$5267 for each exceedance that the Common Treatment for Excess PEV Charging Costs was

² Rule 15 covers distribution line extensions, while Rule 16 covers service line extensions.

applied to. When this total exceedance of \$152,750 is spread among all of PG&E's residential electric customers, the amount borne by each customer has a de minimis impact.

Before extending this interim policy in D.13-06-014, the Commission solicited comments on, and analyzed the need for, whether the Common Treatment for Excess PEV Charging Costs should be extended or not. In extending this interim policy, the Commission expressed several concerns about why the policy should be continued and stated the following at pages 12-13 of D.13-06-014:

[T]he Commission places great weight on the impact of the policy on individual PEV customer and the promotion of PEV adoption in general. While the load research studies suggests that line upgrade costs to date are small, we shared PG&E's concern regarding the impact of the imposition of upgrade costs on household PEV adoption behavior.

...the actual cost for a PEV customer requiring a line extension upgrade could be over \$10,000. [Footnote omitted.] The potential for high costs justify a temporary solution to prevent negative impacts on the growth of PEV adoption, consistent with the intention of Pub. Util. Code § 704.2(a) and our reasoning in D.11-07-029 when initially adopting Common Treatment for Excess PEV Charging Costs....

We also share ... concern regarding the arbitrary nature of these distribution costs. Absent the Common Treatment for Excess PEV Charging Costs, utilities cannot promise that PEV adopters will not face thousands of dollars in line upgrade costs after they purchase their vehicle. We find this to be a potentially high impediment to reaching the state's PEV adoption goals.

Further complicating the cost assignment issue is the fact that clustering may result in the entire cost of an upgrade being assigned to one PEV driver, despite the fact that several drivers contributed to the load growth that triggered the upgrade. Absent a solution that can reasonably assign upgrade costs among the contributors; we think it is premature to discontinue the common treatment of PEV Charging Costs in excess of the allowances permitted in Rules 15 and 16.

These same concerns still exist today. In addition, Pub. Util. Code § 740.12(a)(1)(H), as added by Senate Bill 350 (Statutes of 2015, Chapter 547, § 32), states in part that “Deploying electric vehicle charging infrastructure should facilitate increased sales of electric vehicles by making charging easily accessible and should provide the opportunity to access electricity as a fuel that is cleaner and less costly than gasoline or other fossil fuels in public and private locations.” If we discontinue the Common Treatment for Excess PEV Charging Costs in this decision, the additional costs that a utility customer could incur from exceeding the allowances in Rule 15 or Rule 16 would instead discourage the sales of PEVs, and would make the electricity more costly to a potential PEV customer. This would be contrary to Pub. Util. Code § 740.12(a)(1)(H).

For the reasons stated in D.13-06-014, and the concern expressed above, the interim policy of Common Treatment for Excess PEV Charging Costs, as set forth in D.13-06-014, should be extended for an additional three years, to June 30, 2019.

In addition, since D.13-06-014 stated that the filing of the Load Research Report would end in December 2016, the filing of such reports should also be extended by an additional three years, to December 2019.

3. Comments on Proposed Decision

The proposed decision of Commissioner Carla J. Peterman in this matter was mailed to the parties in accordance with Pub. Util. Code § 311, and comments are allowed pursuant to Rule 14.3. Opening comments were filed on _____, and reply comments were filed on _____.

4. Assignment of Proceeding

Carla J. Peterman is the assigned Commissioner, and John S. Wong is the assigned Administrative Law Judge in this proceeding.

5. Findings of Fact

1. In D.13-06-014, the Commission extended the interim policy known as the Common Treatment for Excess PEV Charging to June 30, 2016.

2. In D.11-07-029, the Commission adopted the interim policy of allowing the PEV charging costs that exceed the allowances in the three large electric utilities' Rules 15 and 16, to be treated as common facility costs.

3. The three large electric utilities have been required to file their Load Research Reports in compliance with D.11-07-029 and D.13-06-014, and such reporting is scheduled to end in December 2016.

4. The December 2015 Report shows that of the approximately 19,000 residential upgrades that were monitored, only 29 customers in PG&E's service territory had upgrades that exceeded the residential allowance, and the total exceedance cost was \$152,750, which averages to about \$5267 per exceedance.

5. When this total exceedance of \$152,750 is spread among all of PG&E's residential electric customers, the amount borne by each customer has a de minimis impact.

6. In D.13-06-014, the Commission solicited comments on, and analyzed the need for, whether the Common Treatment for Excess PEV Charging Costs should be extended or not.

7. In extending the interim policy, the Commission in D.13-06-014 expressed several concerns about why the policy should be continued.

6. Conclusions of Law

1. The same concerns expressed in D.13-06-014 for extending the interim policy still exist today.

2. If we discontinue the Common Treatment for Excess PEV Charging Costs in this decision, the additional costs that a utility customer could incur from exceeding the allowances in Rule 15 or Rule 16 would discourage the sales of PEVs, and would make the electricity more costly to a potential PEV customer, which is contrary to the intent of Pub. Util. Code § 740.12(a)(1)(H).

3. The interim policy of Common Treatment for Excess PEV Charging Costs, as set forth in D.13-06-014, should be extended for an additional three years, to June 30, 2019.

4. The filing of the Load Research Reports should be extended by an additional three years, to December 2019.

ORDER

IT IS ORDERED that:

1. Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) shall continue the interim policy adopted in Decision (D.) 11-07-029, and extended in D.13-06-014, to allow plug-in electric vehicle charging costs in excess of these three utilities' Electric Rules 15 and 16 allowances to be treated as common facility costs, until June 30, 2019.

2. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall continue to file on an annual basis the Load Research Reports ordered in D.11-07-029 and extended in D.13-06-014, through the end of December 2019.

3. Rulemaking 13-11-007 remains open.

This order is effective today.

Dated _____, at San Francisco, California.