

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Application of SAN DIEGO GAS &
ELECTRIC COMPANY (U902E) for
Approval of SB 350 Transportation
Electrification Proposals.

Application 17-01-020
(Filed January 20, 2017)

**PROTEST OF THE OFFICE OF RATEPAYER ADVOCATES
TO THE APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY
(U902E) FOR AUTHORITY TO IMPLEMENT PRIORITY REVIEW AND
STANDARD REVIEW PROPOSALS TO ACCELERATE WIDESPREAD
TRANSPORTATION ELECTRIFICATION**

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I. INTRODUCTION

Pursuant to Rule 2.6 of the California Public Utilities Commission’s Rules of Practice and Procedure, the Office of Ratepayer Advocates (ORA) protests San Diego Gas & Electric Company’s (SDG&E) Application (A.) 17-01-020, which seeks Commission authorization to establish and implement six “priority review” projects to accelerate transportation electrification (TE) and one “standard review”¹ TE program to own, install, maintain, and operate Level 2 electric vehicle supply equipment at SDG&E residences. SDG&E seeks a total of \$226 million.

SDG&E’s Application was filed on January 20, 2017 and it appeared on the Commission’s Daily Calendar on January 27, 2017. The original protest deadline of February 27, 2017 was extended to March 6, 2017 pursuant to the February 7, 2017 Chief Administrative Law Judge’s (ALJ) Ruling Regarding Preliminary Determination of

¹ The Assigned Commission’s Ruling (ACR) in R.13-11-007 set forth guidelines for priority review projects, including that the projects be non-controversial in nature, limited to no more than \$4 million, and be less than one year in duration. ACR, pp. 31-32 (Sept. 14, 2016). All other proposed projects that do not meet these criteria will be reviewed using the normal timelines for application review. *Id.* at 32.

Category and Assignment, Setting of Protest and Response Deadlines, and Noticing of a Prehearing Conference for All Three Applications. This protest is timely filed pursuant to that ruling.

II. BACKGROUND

On September 14, 2016, the Assigned Commissioner’s Ruling Regarding the Filing of the Transportation Electrification Applications Pursuant to Senate Bill 350 (ACR) required each of the three investor-owned utilities (IOUs) to submit their first TE applications by January 20, 2017. Each IOU timely submitted its TE application to the California Public Utilities Commission (CPUC or Commission).

The ACR outlined the minimum statutory requirements for the applications, including the TE provisions of Senate Bill (SB) 350² and sections of the California Public Utilities Code defining ratepayer interest.³ The ACR also listed regulatory requirements such as addressing the multiple goals of widespread TE, seeking to leverage non-utility funding, and providing anonymous and aggregated data for evaluation, among others.⁴ Additionally, the ACR provided guidelines for priority review projects.⁵ ORA evaluated SDG&E’s Application within this framework and, more broadly, for the reasonableness of SDG&E’s requests.

III. SUMMARY OF ORA’S PROTEST

ORA identified the following issues regarding SDG&E’s TE proposals and rate design:

- SDG&E does not demonstrate the need for its proposed ownership of electrification infrastructure beyond a “make-ready model;”
- SDG&E does not demonstrate that the scale of its proposed standard review project is needed;

² Senate Bill 350 (De León, 2015) Chapter 547, Statutes of 2015.

³ Pub. Util. Code § 740.3 and § 740.8.

⁴ ACR, pp. 15-16.

⁵ ACR, pp. 31-33.

- The Application does not provide quantitative analysis to support single-family or low-unit residential siting;
- Insufficient information exists to determine the demand for residential Level 2 (L2) charging stations and the impact that this program will have on electric vehicle adoption;
- Implementation of Grid Integrated Rates will require further investigation to determine the potential impacts to the grid and California ratepayers.

IV. DISCUSSION

A. SDG&E Does Not Demonstrate How its Proposed Exclusive Ownership of Electrification Infrastructure Is Superior to That Which Would be Provided by Third-Party Suppliers.

SDG&E proposes to own, install, maintain and operate approximately 90,000 L2 electric vehicle supply equipment (EVSE) at SDG&E customers' residences as part of its Residential Charging Program.⁶ SDG&E asserts its ownership of EVSE will bring multiple benefits that would help expand the Zero Emission Vehicle (ZEV) market. It believes a complete ownership model will 1) enhance the customer experience by streamlining installation and procurement processes, 2) ensure adherence to the highest safety standard for EVSE installations, 3) enhance grid management, and 4) ensure availability and reliability of EVSE, and thereby, mitigate stranded assets.

ORA questions whether SDG&E's proposal to fully own and operate charging stations is reasonable. While SDG&E proposes to have a "fair and competitive solicitation process for qualifying third-party EVSPs,"⁷ a complete ownership model can still adversely impact the EVSE market if, as in the case here, the utility is planning to own and operate a large number of EVSEs and the targeted market segment is already active and competitive.⁸ Second, SDG&E does not explain how complete ownership will enhance safety of EVSE installations or how this ownership model will benefit

⁶ SDG&E Testimony, Ch. 4, Prepared Testimony of Randy Schimka, RS-7 (hereinafter "RS").

⁷ RS-24.

⁸ RS-19; *see* D.16-12-065, p. 35.

Californians. For example, SDG&E proposes to partner with skilled labor and to require trained installers to follow strict safety standards; however, SDG&E does not explain why the same safety objectives cannot be achieved by applying these identical safety standards to third-party suppliers. In addition, SDG&E has not explained how utility ownership is beneficial in ensuring availability and reliability of EVSE, and thereby, mitigates stranded assets. For example, SDG&E does not explain why a qualified third-party would be inferior to SDG&E in maintaining an EVSE asset and prevent it from being stranded, especially given that “ZEV Customers are less likely to leave an asset stranded in their home.”²

In sum, SDG&E’s testimony does not demonstrate its reasons for a complete utility ownership model for its proposed projects.

B. SDG&E has Not Demonstrated that the Scale and Expenses Related for the Proposed Residential Charging Program is Needed.

SDG&E sized its Residential Charging Program based on the State’s goal of 1.5 million ZEVs by 2025.¹⁰ It assumes a 10% share for its service territory, which would result in an increase of 150,000 ZEVs. SDG&E’s testimony cites an internal estimate based on historic growth forecasting to predict that SDG&E will have 30,000 ZEVs in its service area by 2020.¹¹ To address the gap between the forecasted 30,000 ZEVs by 2020 and the 150,000 ZEVs estimated to meet SDG&E’s share of the State’s 1.5 million ZEVs goal by 2025, SDG&E proposes to provide additional infrastructure to charge 120,000 (150,000 minus 30,000) ZEVs by 2025. SDG&E proposes to provide private charging stations for 75% of the remaining target of 120,000 EVs. To accomplish this, SDG&E estimates it needs to install 90,000 (75% of 120,000) EVSEs for its Residential Charging Program.

² See RS-19.

¹⁰ RS-6.

¹¹ RS-7.

It is not clear how SDG&E calculated its 2020 ZEV demand estimates and the associated assumptions. In addition, further analysis may be needed to determine whether SDG&E's estimate of 10% of the state's total EV goal could be more granular. ORA and other parties need the opportunity to better understand SDG&E's ZEV demand forecasts and assumptions.

C. The Application Does Not Provide Quantitative Analysis to Support Single Family or Low-Unit Residential Siting.

The assumptions used to support SDG&E's request to provide EVSEs to private residents need to be further reviewed and analyzed, such as what motivates someone to purchase an EV and better understand the current residential EV market. Although SDG&E's testimony cites a survey that found 60% of EV drivers "were 'very influenced' by the [Clean Vehicle Rebate Project] subsidy to move to a L2 EVSE,"¹² this does not explain whether people needed the L2 EVSE or whether the availability of a L2 EVSE would persuade customers to purchase an EV. In other words, L2 chargers may be a convenience for people who either already own or are planning to purchase an EV, but may not necessarily persuade customers with a gasoline-fueled cars to purchase or lease EVs. Other barriers could exist that prevent customers from purchasing or leasing EVs. To address this issue and establish whether sufficient evidentiary support exists to authorize the residential charging program, SDG&E could conduct surveys to demonstrate how many customers would be persuaded to buy or lease an EV if offered a utility-owned L2 EVSE.

SDG&E has not provided sufficient evidence to demonstrate the need for its residential charging proposal. Therefore, it should provide addition support and parties need the opportunity to further vet this project.

¹² RS-9.

D. The Taxi/Transportation Network Companies Proposal Has Several Readily Apparent Implementation Issues That Should Be Resolved Prior To Commission Approval.

ORA is generally concerned with implementation issues associated with SDG&E's proposed ownership of EVSE and other issues related to EVSE access. For example, it is unclear if Taxi/Transportation Network Companies (TNC) driver participation in SDG&E's proposed program includes drivers who already own an EV and/or drivers who buy an EV after being informed about this program.

Additionally, it is unclear if the charging facilities proposed for TNCs, taxis and shuttles in SDG&E's project will also be available to the public; if so, this could essentially duplicate SDG&E's Power Your Drive program.¹³ If not, this raises implementation issues to ensure that the TNC or taxi drivers are program participants. Lastly, SDG&E proposes to install L2 EVSE at the residences of Taxi and TNC drivers, but it is unclear what would happen if a participating driver were to end their employment with the Taxi/TNC company. Would SDG&E be able to monitor that change? If so, would SDG&E remove the EVSE from the Taxi and TNC drivers' residences? Parties should have the opportunity to address the above issues and questions.

E. There Should be a Consistent Communications Standard between the EVs and the Charging Stations.

As the ACR notes, there is currently no consensus on whether the Commission needs to adopt one or more vehicle-grid integration (VGI) standards.¹⁴ To further develop the record on this issue, the ACR requires the IOUs to state in their applications "how their programs will comply with the ISO/IEC [International Organization for Standardization and International Electrotechnical Commission's] 15118 Standard or

¹³ See generally D.16-01-045.

¹⁴ ACR, p. 28.

must provide justification on why alternative approaches sufficiently meet code requirements and policy objectives” provided in the ACR.¹⁵

SDG&E’s Application expressed concerns of prematurely setting VGI standards and instead recommended that the Commission form a technical working group to further evaluate the ISO/IEC 15188.¹⁶ In compliance with the ACR, ORA believes VGI Communication Standards should be addressed concurrently with this proceeding and in conjunction with the other TE applications filed January 20, 2017; for example, the Commission could convene a working group as SDG&E recommends or hold a workshop to allow parties to further explore the appropriate communications standard.

F. PROCEDURAL ISSUES

a. Category

ORA agrees with SDG&E that this proceeding be categorized as rate setting.

b. Need For Hearings

ORA anticipates that hearings will be needed for both the priority review and standard review projects because there are significant controversial issues of facts, for example cost, size, and ownership. ORA, therefore, recommends evidentiary hearings be held for both the priority review projects and the standard review projects.

c. Proposed Schedule

SDG&E provided a proposed schedule in its Application, with significant dates including a Proposed Decision as early as third quarter of 2017. Because all three IOUs submitted TE applications, ORA recommends staggering the schedules to allow for effective and efficient review of each application. ORA therefore proposes an alternative schedule as set forth below. For the Commission’s convenience, ORA has included its proposed schedule for each of the three IOUs to better demonstrate its staggered schedule.

¹⁵ ACR, p. 29.

¹⁶ SDG&E Testimony, Prepared Testimony of Linda Brown, LB-37 to 38.

Procedural Event	PG&E Proposed Date	SCE Proposed Date	SDG&E Proposed Date	ORA Proposed Date (PG&E)	ORA Proposed Date (SCE)	ORA Proposed Date (SDG&E)			
Application Filed	1/20/2017	1/20/2017	1/20/2017	1/20/2017	1/20/2017	1/20/2017			
Protests Due	2/20/2017	30 days from notice of filing	2/20/2017	3/6/2017	3/6/2017	3/6/2017			
Reply to Protests	3/2/2017	10 days from filing of protest	3/2/2017	3/13/2017	3/13/2017	3/13/2017			
Prehearing Conference	3/9/2017	3/10/2017	3/10/2017	3/16/2017	3/16/2017	3/16/2017			
Public Participation Hearing	N/A*	N/A*	N/A*	(April 2017)	(April 2017)	(April 2017)			
Scoping Memo	3/23/2017		3/24/2017	(April 2017)	(April 2017)	(April 2017)			
Intervenor Testimony	5/5/2017	4/21/2017		see below	see below	see below			
Rebuttal Testimony	6/5/2017	6/2/2017							
Evidentiary Hearings	June 19-22, 2017								
Concurrent Opening Briefs	6/29/2017								
Concurrent Reply Briefs	7/20/2017								
Proposed Decision	9/8/2017								
Final Decision	Oct. 2017								
Phase 1 - Intervenor Testimony							(June 1, 2017)	(May 3, 2017)	(June 13, 2017)
Phase 1 - Rebuttal Testimony							(June 15, 2017)	(May 18, 2017)	(June 27, 2017)
Phase 1 - Evidentiary Hearings							Beginning June 27, 2017	Beginning June 7, 2017	Beginning July 13, 2017
Phase 1 - Concurrent Opening Briefs				(July 12, 2017)	(June 21, 2017)	(Aug. 2, 2017)			
Phase 1 - Concurrent Reply Briefs				(July 28, 2017)	(July 7, 2017)	(Aug. 16, 2017)			
Phase 1 - Proposed Decision		Q3 2017	Q3 2017	Q3 2017	Q3 2017	Q3 2017			
Phase 1 - Comments on PD		20 days from PD		20 days from PD	20 days from PD	20 days from PD			
Phase 1 - Reply Comments on Proposed Decision		5 days from filing of comments		5 days from filing of comments	5 days from filing of comments	5 days from filing of comments			
Phase 1 - Final Decision		Aug. 2017		Q4 2017	Q4 2017	Q4 2017			
Phase 2 - Intervenor Testimony			Q4 2017	(Sept. 27, 2017)	(Sept. 1, 2017)	(Oct. 6, 2017)			
Phase 2 - Rebuttal Testimony			Q4 2017	(Oct. 18, 2017)	(Sept. 19, 2017)	(Oct. 24, 2017)			
Phase 2 - Evidentiary Hearings		June 26-30, 2017	Q1 2018	Beginning Nov. 1, 2017	Beginning Oct. 10, 2017	Beginning Nov. 29, 2017			
Phase 2 - Concurrent Opening Briefs		7/21/2017	Q1 2018	(Nov. 22, 2017)	(Nov. 3, 2017)	(Dec. 7, 2017)			
Phase 2 - Concurrent Reply Briefs		8/11/2017	Q1 2018	(Dec. 13, 2017)	(Nov. 21, 2017)	(Dec. 21, 2017)			
Phase 2 - Proposed Decision		Oct. 2017	Q2 2018	Q1 2018	Q1 2018	Q2 2018			
Phase 2 - Comments on PD		20 days from PD		20 days from PD	20 days from PD	20 days from PD			
Phase 2 - Reply Comments on PD		5 days from filing of comments		5 days from filing of comments	5 days from filing of comments	5 days from filing of comments			
Phase 2 - Final Decision		Nov. 2017		Q1 2018	Q1 2018	Q2 2018			

d. Public Participation Hearings

SDG&E's Application includes several proposed projects that target residential and commercial customers, and diverse transportation sectors, such as MD/HD vehicles, airports, and TNCs. SDG&E proposes to fund all projects with ratepayer funds. The

breadth of proposals included in SDG&E's Application and its proposed use of ratepayer funds will have potential impacts on significant numbers of ratepayers.

Recently enacted SB 512, Ch. 808, Stats. 2016, adopted a new Section 1711 to the California Public Utilities Code, which states:

Where feasible and appropriate, except for adjudication cases, before determining the scope of the proceeding, the commission shall seek the participation of those who are likely to be affected, including those who are likely to benefit from, and those who are potentially subject to, a decision in that proceeding. The commission shall demonstrate its efforts to comply with this section in the text of the initial scoping memo of the proceeding.¹⁷

Accordingly, affected ratepayers, "particularly those who might or might not participate in these programs," should be provided adequate opportunity to participate in this proceeding and to comment on SDG&E's proposed projects that may impact them directly in terms of eligibility and/or in terms of their rates. ORA, therefore, requests that PPHs be held in SDG&E's service territory prior to the issuance of the scoping memo. ORA suggests that the details of how to comply with § 1711(a) be discussed at the PHC. Additional PPHs may also be useful after the scoping memo but prior to submission of intervenor testimony and any applicant rebuttal testimony. These PPHs, if held, should be scheduled sufficiently before testimony is due to allow parties adequate time to incorporate any public comment into their testimony.

V. CONCLUSION

ORA respectfully requests that:

1. The scope of this proceeding includes, but not be limited to, the issues identified in this protest;
2. The Commission establish a reasonable schedule for this proceeding that includes adequate time for discovery, testimony preparation, and evidentiary hearings on the reasonableness and cost of proposed projects; and
3. This proceeding should be categorized as ratesetting.

¹⁷ SB 512 (Hill, 2016), Ch. 808, Stats. 2016; Pub. Util. Code § 1711(a).

Respectfully submitted,

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