

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



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Application of PacifiCorp (U901E) for
Approval of its 2017 Transportation
Electrification Programs.

Application 17-06-031
(Filed June 30, 2017)

**PROTEST OF THE OFFICE OF RATEPAYER ADVOCATES TO THE APPLICATION
OF PACIFICORP (U901E) FOR AUTHORITY TO IMPLEMENT AN ELECTRIC
VEHICLE INFRASTRUCTURE AND EDUCATION SENATE BILL 350
TRANSPORTATION ELECTRIFICATION PROGRAM**

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August 7, 2017

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I. INTRODUCTION

Pursuant to Rule 2.6 of the California Public Utilities Commission’s (“Commission”) Rules of Practice and Procedure, the Office of Ratepayer Advocates (“ORA”) protests PacifiCorp’s Application (“A.”) 17-06-031, which seeks Commission authorization to establish and implement two “priority review”¹ projects to accelerate transportation electrification (“TE”). PacifiCorp’s application was filed on June 30, 2017 and it appeared on the Commission’s Daily Calendar on July 7, 2017. Pursuant to Rule 2.6 of the Commission’s Practice and Procedure, ORA filed this protest timely.

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 smaller electrical corporations, Liberty, Bear Valley Electric, and PacifiCorp, to file their first TE applications by June 30, 2017.² Each utility timely submitted its TE application to the California Public Utilities Commission (“CPUC” or “Commission”).

¹ Per the September 14, 2016 Assigned Commissioner’s Ruling, priority review projects “should be non-controversial in nature, and limited to no more than \$4 million in costs per project...” R.13-11-007, Assigned Commissioner’s Ruling Regarding the Filing of the Transportation Electrification Applications Pursuant to Senate Bill 350, p. 31 (Sept. 14, 2016), *available at* <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M167/K099/167099725.PDF> (hereinafter “ACR”).

² ACR, p. 2.

The ACR outlined the minimum statutory requirements for the applications, including the TE provisions of Senate Bill (“SB”) 350³ and sections of the California Public Utilities Code defining ratepayer interest.⁴ 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.⁵ Additionally, the ACR provided guidelines for priority review projects.⁶

PacifiCorp is requesting approval of two priority review projects (“PRP”) - an Education and Outreach Program to increase public awareness of electric vehicles (“EVs”) and a Demonstration and Development Program to award grants to non-residential customers for the development of EV projects. PacifiCorp proposes to fund these two projects with a portion of the remaining funds from PacifiCorp’s California Solar Incentive (“CSI”) Program and is, therefore, not requesting Commission’s authorization for a rate increase.⁷ PacifiCorp also requests authorization to extend these programs, or request new PRPs, through a Tier 2 advice letter as long as they meet the criteria for PRPs established in the ACR.⁸

III. SUMMARY OF PROTEST

ORA identified four preliminary issues regarding PacifiCorp’s TE application. This list is not exhaustive and ORA may identify additional issues that require further discovery and analysis as the proceeding develops. At this point, ORA identified the following issues that, at a minimum, should be addressed before PacifiCorp’s application is approved:

- PacifiCorp’s proposed Education and Outreach Program does not provide specifics on how it will leverage existing online resources and, therefore, may not minimize costs to ratepayers;
- PacifiCorp’s Proposed Demonstration and Development Project lacks sufficient information regarding scope, scale, and evaluation criteria;
- PacifiCorp should evaluate whether low-income customers, and disadvantaged communities as defined by CalEnviroScreen should be targeted for its proposed programs.

³ Senate Bill 350 (De León, 2015) Chapter 547, Statutes of 2015.

⁴ Pub. Util. Code § 740.3 and § 740.8.

⁵ ACR, pp. 15-16.

⁶ ACR, pp. 31-33.

⁷ PacifiCorp Application, p. 2.

⁸ *Id.*

- PacifiCorp’s request to use a portion of remaining funds from its CSI Program to fund its proposed TE projects should be examined to determine if the request constitutes an appropriate use of ratepayer funds;
- PacifiCorp’s request for authorization to expand its proposed projects and/or to request new projects through the filing of a Tier 2 Advice Letter may be inappropriate at this time because the Commission has not yet established specific approval criteria for future priority review projects.

IV. DISCUSSION

A. **PacifiCorp’s Proposed Education and Outreach Program Lacks Sufficient Detail on How it Will Leverage Existing Resources to Minimize Costs to Ratepayers.**

PacifiCorp proposes an Education and Outreach Program to raise public awareness of electric transportation options, which it hopes will encourage customers to adopt EVs and help them make informed decisions about their adoption. The program incorporates four key outreach elements: 1) direct customer communications (e.g., paid advertisements), 2) self-service resources and tools (e.g., web portals), 3) technical assistance (e.g., providing qualified consultants to perform site feasibility assessment), and 4) community events, (e.g., ride-and-drive events).² PacifiCorp proposes a budget of \$170,000 to implement the program for one year.

While an online self-service tool may be a useful resource for customers and help accelerate TE adoption, PacifiCorp does not provide specific information on how it intends to leverage existing resources to minimize costs to ratepayers. EV educational resources already are widely available online. For example, the Bay Area Air Quality Management District manages an Electric Vehicle Resource Center that provides resources for information about plug-in electric vehicles, charging stations, and organizations that support EV adoption.¹⁰ Moreover, organizations such as Plugin America and Drive Clean California have existing EV awareness and education resources for customers interested in information regarding home charging.¹¹ Indeed, PacifiCorp acknowledges that “there are many education and awareness-building tools and initiatives deployed across California.”¹² Therefore, PacifiCorp should either demonstrate

² *Id.*, pp. 3-4.

¹⁰ Bay Area Air Quality Management District’s EV Resource Center: <http://www.baaqmd.gov/plans-and-climate/bay-area-pev-program/ev-resource-center>.

¹¹ See, e.g., Plug In America, *Find Plug-In Vehicles*, <https://pluginamerica.org/vehicles/>; DriveClean, *Buying Guide*, <https://www.driveclean.ca.gov/>.

¹² PacifiCorp Testimony, p. 6.

why these existing outreach resources are insufficient for its ratepayers, or should explain how it will leverage these resources to avoid duplication and minimize costs to ratepayers.¹³

B. PacifiCorp’s Proposed Demonstration and Development Project Lacks Sufficient Information regarding Scope, Scale, and Evaluation Criteria.

PacifiCorp proposes a Demonstration and Development Project to award grants¹⁴ to non-residential customers who present innovative TE projects that they want to implement in partnership with PacifiCorp. PacifiCorp will engage a third-party grant manager to review and select projects based on set criteria, similar to its grant funding process under the Blue Sky Program.¹⁵ PacifiCorp proposes a budget of \$270,000 for a one year program.

While this program aims to encourage development of innovative TE projects, the program would allow PacifiCorp to award funds for projects that are selected through a competitive Request For Proposal process at the discretion of PacifiCorp and without Commission or party review.¹⁶ However, the proposed project does not provide specific evaluation criteria beyond that it could include “project feasibility and expected utilization, customer and Company funding commitments, and opportunities to test advanced technologies”.¹⁷ Instead, PacifiCorp will rely heavily on a third-party grant manager to evaluate project proposals. In short, PacifiCorp requests the Commission to approve funding for projects without knowing their scope or the standards upon which they will be selected.

Parties should be afforded the opportunity to recommend specific criteria or make other suggestions for the project to ensure PacifiCorp is not granted too much discretion and ratepayer funds are prudently spent on any selected third-party TE projects.

¹³ Public Utilities Code Section 740.12(b) requires TE investments to minimize overall costs and maximize overall benefits.

¹⁴ It should be noted that the “grants” are ratepayer funds because the money would come from PacifiCorp’s California Solar Initiative Program, which was funded through a surcharge by all PacifiCorp customers except CARE customers. See D.11-03-007, Conclusion of Law 4.

¹⁵ PacifiCorp’s Blue Sky Program awards funding to cover 100% of the capital costs to install qualifying, new renewable energy systems for non-residential sites in Pacific Power’s service area. PacifiCorp Application, p. 5.

¹⁶ PacifiCorp Testimony, p. 12.

¹⁷ *Id.*, p. 11.

C. PacifiCorp should evaluate whether low-income customers and disadvantaged communities as defined by CalEnviroScreen should be targeted for its proposed programs.

PacifiCorp’s proposed programs do not discuss or target low-income or disadvantaged communities (“DACs”) as defined by the California Environmental Protection Agency’s CalEnviroScreen. To ensure these customers benefit from PacifiCorp’s TE programs, the Commission should evaluate whether funds should be set aside to focus on increasing the benefits of TE to low-income customers and to DACs. For example, a selection criterion for the Demonstration and Development Program could be whether the project would increase adoption of EVs among low-income customers or customers residing in DACs.

D. PacifiCorp’s Request to Use Remaining CSI Program funds for its TE Projects Warrants Examination to Ensure it is an Appropriate Use of Ratepayer Funds and Funds Initially Designated for CSI Can be Used for TE.

PacifiCorp does not request a rate increase to fund its TE projects; instead, PacifiCorp proposes to use a portion of remaining funds from its CSI Program, which ended in March 2016 in PacifiCorp’s service territory.¹⁸ PacifiCorp estimates based on current projections, that remaining CSI funds will exceed \$1 million once installations are complete and all incentives are paid.¹⁹ In D.11-03-007, the Commission determined that any unspent CSI funds shall roll over for the first four years of the program “until further order of the Commission either directing use of the funds or return of the money to PacifiCorp’s ratepayers.”²⁰

PacifiCorp’s request to use remaining funds from its CSI Program requires Commission approval and should be evaluated to ensure that investing in the proposed TE projects represents an appropriate use of these ratepayer funds.

E. PacifiCorp’s Request to use a Tier 2 Advice Letter to either Expand its Proposed Projects or to Request New May not Be Appropriate Until the Commission Has Established Criteria for PRPs.

The September 14, 2016 Assigned Commissioner’s Ruling in Rulemaking 13-11-007 stipulates that “if future Commission orders establish specific criteria for PRPs and investments,

¹⁸ D.11-03-007 authorized PacifiCorp’s California Solar Initiative Program, which ended on March 10, 2016.

¹⁹ PacifiCorp Application, p. 2, fn. 1.

²⁰ D.11-03-007, Ordering Paragraph 3.

subsequent TE projects and investments could conceivably be authorized through an Advice Letter filing until the total priority review funding (up to \$20 million per utility) limit is reached.”²¹ Although the Commission has not yet established specific approval criteria for future PRPs, PacifiCorp requests Commission approval to expand its currently proposed TE projects or to request new PRPs through a Tier 2 Advice Letter.

PacifiCorp’s request is premature unless the Commission establishes specific approval criteria in this proceeding or concurrently in Rulemaking 13-11-007. If the Commission chooses to do so, parties should have the opportunity to recommend specific approval criteria.

V. PROCEDURAL ISSUES

A. CATEGORY

ORA agrees with PacifiCorp that this proceeding should be categorized as ratesetting.

B. NEED FOR HEARINGS

ORA agrees with PacifiCorp that the need for hearings will be in part based on parties’ protests. However, ORA recommends reserving dates for hearings in the event that material issues of facts are raised in testimony.

ORA also recommends that this proceeding be consolidated with the TE applications of Liberty Utilities (A.17-06-033) and Bear Valley Electric (A.17-06-034). ORA’s proposed deadlines for prepared and rebuttal testimony, and opening and reply briefs for each application are slightly staggered in consideration that some parties may have only one attorney and analyst assigned to the applications. Also, in consideration for those organizations that are parties to all three proceedings and may have to travel to participate in hearings, ORA proposes that the same time period, the week of January 8th and/or the week of January 15th, be reserved for evidentiary hearings for all three applications.

C. ORA’S PROPOSED SCHEDULE

PacifiCorp provided a proposed schedule in its Application with significant dates including a Proposed Decision issued by November 2017. Due to the small scope and costs associated with both of PacifiCorp’s proposed priority review projects, ORA recommends addressing all the proposals concurrently in applicable filings. ORA, therefore, proposes the following schedule.

²¹ Assigned Commissioner’s Ruling of September 14, 2016, p. 32.

Table 1 – ORA’s Proposed Schedule

Event	Date
Application Filed	June 30, 2017
Protests	August 7, 2017
Applicant Reply to Protests	August 17, 2017
PHC	September 7, 2017
Scoping Memo and Ruling	September 21, 2017
Prepared Testimony	October 20, 2017
Rebuttal Testimony	November 10, 2017
Evidentiary Hearings if Necessary	January 8 to 19, 2018 as needed
Opening Briefs	February 12, 2018
Reply Briefs	March 5, 2018
Proposed Decision; Opening and Reply Comments on Proposed Decision; Final Decision	3rd Quarter 2018

VI. CONCLUSION

ORA recommends 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 similar to ORA’s recommended schedule; and
3. This proceeding be categorized as ratesetting.

Respectfully submitted,

/s/ TOVAH TRIMMING

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