

**PUBLIC UTILITIES COMMISSION**505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298**FILED**11/13/18
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November 13, 2018

Agenda ID #17022
Ratesetting

TO PARTIES OF RECORD IN APPLICATION 14-10-014:

This is the proposed decision of Administrative Law Judge Goldberg. 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 December 13, 2018 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.

The Commission may hold a Ratesetting Deliberative Meeting to consider this item in closed session in advance of the Business Meeting at which the item will be heard. In such event, notice of the Ratesetting Deliberative Meeting will appear in the Daily Calendar, which is posted on the Commission's website. If a Ratesetting Deliberative Meeting is scheduled, *ex parte* communications are prohibited pursuant to Rule 8.2(c)(4)(B).

/s/ ANNE E. SIMON

Anne E. Simon

Chief Administrative Law Judge

AES:mph

Attachment

Decision PROPOSED DECISION OF ALJ GOLDBERG (Mailed 11/13/2018)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) for Approval of its Charge Ready and Market Education Programs.

Application 14-10-014

DECISION GRANTING PETITION FOR MODIFICATION

Summary

This decision grants Southern California Edison Company's (SCE) Petition for Modification of Decision 16-01-023 regarding Southern California Edison Company's Application for Charge Ready and Market Education Programs. SCE is authorized an additional \$22 million in funding for Phase 1 of its light-duty vehicle infrastructure pilot and complementary market education programs. Given the continued customer interest in the program, the additional \$22 million is approved as bridge funding while the Commission considers SCE's recently filed Phase 2 application.

1. Factual and Procedural Background

On October 30, 2014, Southern California Edison Company (SCE) filed the instant application. Within its application and supporting testimony, SCE requested Commission approval of its Charge Ready and complementary Market Education Programs. SCE proposed a two-phase approach for its Charge Ready program: (1) a one-year pilot to deploy up to 1,500 charging stations and complementary market education and outreach in support of electric transportation (Phase 1); and (2) a four-year deployment of the remaining charging stations, up to 30,000 and broader electric vehicle (EV) education and

outreach (Phase 2).¹ SCE estimated Phase 1 of its application would cost approximately \$22 million, and Phase 2² would cost \$333 million (in \$2014).

Following the February 2, 2015 prehearing conference, and subsequent Scoping Ruling³ identifying the issues for Phase 1 of this application, a one-day evidentiary hearing was held on June 22, 2015. On July 9, 2015, SCE and other parties filed a joint motion for Commission consideration. The July 9, 2015 motion put forth a settlement agreement resolving Phase 1 of Charge Ready (Settlement).⁴ In the fall of 2015, Parties had a round of responsive pleadings and comments prior to the issuance of a Commission decision.

On January 25, 2016, the Commission issued Decision (D.) 16-01-023, adopting, with modification, the terms of the proposed Settlement. Among other things, D.16-01-023 modified the proposed Settlement to include the guiding principles proposed by SCE in its original filed application, and modified the proposed rebate amounts⁵ associated with the varying charging station locations.⁶ D.16-01-023 approved SCE's revenue requirement request of up to

¹ D.16-01-023 at 2; Application (A.)14-10-014 at 1 to 2

² On June 26, 2018, SCE filed Application 18-06-015, SCE's Application for Approval of Its Charge Ready 2 Infrastructure and Market Education Programs (Phase 2). Within its Phase 2 application, SCE requests authority to spend \$760.1 million to support the installation of up to 48,000 charge ports, a substantially larger program than initially proposed in A.14-10-014.

³ Joint Scoping Ruling (March 6, 2015).

⁴ D.16-01-023 at 3, referencing footnote 1.

⁵ D.16-01-023 at 18: *Based on the above, we modify the Proposed Settlement so that the rebate level shall be 25 percent of the base cost for all non-residential market segments, 50 percent of the base cost for multi-unit-dwellings, and 100 percent of the base cost for any charging stations within disadvantaged communities.*

⁶ D.16-01-023 at 8.

\$22 million dollars (\$2014) in support of Phase 1's Charge Ready and complementary Market Education Programs.⁷

D.16-01-023 additionally ordered SCE to submit a more detailed report after at least 1,000 charging stations were deployed under the Phase 1 pilot.⁸ Therefore, D.16-01-023 modified the proposed Settlement to require SCE file and serve a pilot report to provide Phase 1 data, and recommend any necessary changes to Phase 2, after at least 12 months of program implementation, and at least 1,000 charging station installations, but in any event, within 24 months of program implementation.⁹

After the issuance of D.16-01-023, SCE filed quarterly reports on its approved Phase 1 programs. After submitting its fourth quarter (Q4) report for 2017, SCE filed a Petition for Modification (PFM) on March 5, 2018, requesting D.16-01-023 be modified to authorize bridge funding that would extend Phase 1 to cover the time between the exhaustion of its authorized Phase 1 budget and the potential approval of a Charge Ready Phase 2 program.¹⁰ At the time SCE filed the PFM, it had not yet submitted an application for Phase 2 of Charge Ready. On June 26, 2018, SCE filed A.18-06-015 requesting to spend up to \$760.1 million on a four-year Charge Ready Phase 2 program.¹¹

In its PFM, SCE requests the authority to record revenue requirements associated with up to an additional \$22 million (\$2014) to the Charge Ready

⁷ D.16-01-023 at 17.

⁸ D.16-01-023 at 23.

⁹ D.16-01-023 at 24.

¹⁰ PFM at 1.

¹¹ A.18-06-015 at 4.

Program Balancing Account (CRPBA) authorized in D.16-01-023.¹² SCE explains that the need for additional funding in relation to Phase 1 is due to the expectation that it will fully commit the funds authorized in D.16-01-023 by mid-2018. SCE explains that such a gap in funding, which would follow after current funds are fully committed in 2018 unless additional funding is authorized, would create uncertainty for customers and contractors, as well as implementation and staffing challenges for SCE and its participating vendors.¹³ SCE estimates the additional \$22 million can support a minimum of 1,000 charge ports during the period between approval of its PFM and the Commission's consideration of SCE's Phase 2 application.¹⁴

Although it had not yet proposed Charge Ready Phase 2 at the time, SCE's PFM notes the Phase 2 budget should be reduced by the amount of authorized bridge funding.¹⁵ SCE requests that the bridge funding begin after: (1) SCE files its Phase 1 Pilot Report on April 2, 2018;¹⁶ and (2) SCE completes installation of the first 1,000 Charge Ready ports in Q2 of 2018.¹⁷ SCE's PFM does not request any program changes to Phase 1 of its approved program beyond the requested bridge funding.¹⁸

¹² PFM at 2.

¹³ PFM at 1 to 2.

¹⁴ PFM at 2.

¹⁵ PFM at 2.

¹⁶ Although SCE filed its Phase 1 Pilot Report on April 2, 2018, SCE filed an amended version on July 13, 2018 that supersedes all prior reports submitted by SCE.

¹⁷ PFM at 2.

¹⁸ PFM at 2.

Responses to the PFM were timely filed by the Public Advocate's Office of the Public Utilities Commission¹⁹ (Cal Advocates), The Utility Reform Network (TURN), Shell Energy North America, L.P. (Shell Energy), ChargePoint, Inc. (ChargePoint), Tesla, Inc. (Tesla), The City of Lancaster, and the California Energy Storage Alliance (CESA), on April 4, 2018. The Natural Resources Defense Council filed a Joint Response along with the Coalition of Utility Employees, Plug In America, Sierra Club, Environmental Defense Fund, The Union of Concerned Scientists, The Greenlining Institute, eMeter, a Siemens Business, Greenlots, Electric Motor Werks, Inc., American Honda Motor Co., Inc., General Motors LLC, and the Alliance of Automobile Manufacturers (collectively, the Joint Parties), on April 4, 2018. With permission, SCE filed its Reply on April 16, 2018.²⁰ While many of the responses support SCE's request in recognition that the bridge funding would prevent a gap in Phase 1's deployment, a few parties disagreed.²¹ Cal Advocates recommends the Commission deny the PFM with prejudice alleging that SCE fails to provide an adequate justification for the requested bridge funding.²² Cal Advocates additionally suggests that if the Commission does not deny the PFM, SCE should only be authorized \$4 million in bridge funding. TURN also recommends the

¹⁹ Senate Bill 854 (Stats. 2018, ch. 51) amended Pub. Util. Code Section 309.5(a) so that the Office of Ratepayer Advocates is now named the Public Advocate's Office of the Public Utilities Commission. We will refer to this party as Cal Advocates.

²⁰ E-mail Ruling Granting SCE's Request for Leave to File a Reply (April 5, 2018).

²¹ See Section 5 for a detailed discussion on parties' positions.

²² See Section 5 for a detailed discussion on parties' positions.

Commission authorize SCE to spend \$4 million in bridge funding, as opposed to the requested \$22 million.²³

After reviewing the Responses to the PFM, the assigned Administrative Law Judge (ALJ) issued a ruling on June 29, 2018 directing SCE to file additional information on Phase 1's spending and customer/site host participation. Specifically, the ruling asked for a detailed timeline and budget for how the requested \$22 million would be spent, in addition to asking how many customers SCE has on its Phase 1 waitlist. SCE timely filed its response on July 9, 2018. On July 19, 2018, Cal Advocates submitted a reply to SCE's response.

On July 13, 2018, SCE filed an amended version of its Phase 1 Pilot Report. The amended Phase 1 Pilot Report highlighted the following program milestones: (a) SCE launched Phase 1 in May 2016; (b) 190 applications were received within the first month Phase 1 was launched; (c) SCE stopped accepting new applications in January 2017 as all Phase 1 program funding was reserved for approved sites at that time; (d) at the time of filing the amended Phase 1 Pilot Report, 941 charging ports had been deployed, of the minimum 1,000 charging ports target.²⁴

2. Procedural Requirements Under Rule 16.4

Rule 16.4 of the Commission's Rules of Practice and Procedure governs the process for filing and consideration of petitions for modification (PFM). Rule 16.4(b) requires that a PFM concisely state the justification for the proposed relief and to propose specific wording for all requested modifications. SCE's request

²³ SCE Reply at 2; Cal Advocates Response at 2; TURN Response at 2.

²⁴ Amended Phase 1 Pilot Report at 1.3 and 1.5.

contained a concise and thorough statement of justification for the proposed modifications related to the need for the \$22 million in bridge funding for Phase 1 of its Charge Ready and Market Education Programs. While SCE complied with the requirements of Rule 16.4, by providing specific wording changes to selected ordering paragraphs to D.16-01-023, we find that further revisions to D.16-01-023 are necessary to conform to SCE's requested modifications with the remainder of D.16-01-023. We discuss these changes in Sections 5 and 6 below.

Rule 16.4(d) states that if more than one year has elapsed since the effective date of the underlying decision, then the PFM must explain why it could not have been presented within one year of the effective date of the decision. SCE filed its PFM in March 2018, more than one year after the effective date of D.16-01-023.²⁵ However, in compliance with Rule 16.4(d), SCE fully explains the lapse in time between the effective date of D.16-01-023 and its March 2018 PFM.²⁶ SCE explains that it was not able to file the PFM within one year of the effective date of Phase 1's decision because actual program costs that would be incurred and budget needs were unknown, in addition to not having the results of the Phase 1 Pilot program.²⁷ This explanation is sufficient under Rule 16.4(d).

We conclude that SCE's PFM complies with the procedural requirements of Rule 16.4 and provides adequate justification as to why the petition could not have been filed within one year of the effective date of D.16-01-023.

²⁵ The effective date of D.16-01-023 is January 16, 2016.

²⁶ SCE submitted sworn declarations to accompany its PFM (*See* PFM at Appendices B, C and D).

²⁷ PFM at Appendix B para. 10 to 15.

3. Requested Modifications

SCE requests Ordering Paragraphs (OPs) 1, 6, and 8 of D.16-01-023 be modified to reflect the requested bridge funding monies.²⁸ The specific language changes are identified below with strikeout and underlined text:

- **OP 1:** The Southern California Edison Company is authorized to recover the revenue requirements associated with up to ~~\$22~~ \$44 million (2014\$) of capital and operations and maintenance expenditures for implementation of Phase 1 of its Charge Ready and Market Education Programs.
- **OP 6:** The terms in the Settlement filed July 9, 2015, are modified such that SCE shall file and serve a pilot report to provide Phase 1 data, and recommend any necessary changes to Phase 2, after at least 12 months of program implementation and at least 1,000 charging stations installations, but in any event, within 24 months of program implementation. The terms in the Settlement filed July 9, 2015, regarding cost management and program suspension are modified such that SCE is authorized to establish a Charge Ready Balancing Account, using the standard commercial paper rate, to record the authorized revenue requirements associated with up to ~~\$22~~ \$44 million (2014\$) for capital and operations and maintenance expenditures for its Charge Ready and Market Education Programs. Costs shall be reviewed in SCE's annual Energy Resources Recovery Account application.
- **OP 8:** The Southern California Edison Company shall file a Tier 1 advice letter to ~~establish~~ update the Charge Ready Program Balancing Account within ~~60-30~~ days of this decision to reflect approval to recover the revenue requirements associated with up to \$22 \$44 million (2014\$) of capital and operations and maintenance expenditures for implementation of Phase 1 of its Charge Ready and Market Education Programs.

²⁸ PFM at Appendix A.

4. Discussion

Our decision to approve SCE's PFM for the full \$22 million in additional funds is based primarily on the results of the Phase 1 Pilot Report and the Responses filed in response to SCE's request.

4.1 Phase 1 Pilot Report Results

As of August 31, 2018, SCE had approved the deployment of 1,266 charging ports, primarily Level 2²⁹ but with some Level 1,³⁰ at 79 sites throughout its territory since Charge Ready Phase 1 launched in 2016.³¹ 47 percent of these approved sites are in DACs, and 1,003 of these ports at 65 sites had completed construction as of August 2018. Out of the 1,266 approved charging ports, 64 percent are at workplaces, 3 percent are at multi-unit dwellings (MUDs), 9 percent are for fleets, and 24 percent are at destination centers. Phase 1 exceeded the requirement for a minimum of 10 percent deployment in disadvantaged communities (DACs), as required by D.16-01-023. Charge Ready has now fully subscribed its program, including the leftover contingency funds that it released on March 9, 2018.³² It has begun a waitlist of projects. SCE notes the average cost per charging port in the Charge Ready program is \$13,374 (\$12,629 in 2014\$).

²⁹ Level 2 charging is defined as alternating current Level 2 provides 10 to 20 miles of ranger per 1 hour of charging using 240-volt or 208-volt electrical service (See D.18-05-040 at 6).

³⁰ Level 1 charging is defined as alternating current Level 1 provides 1 to 5 miles of ranger per 1 hour of charging using a 120-volt alternating current plug (See D.18-05-040 at 6).

³¹ Phase 1 Pilot Report (August 31, 2018).

³² PFM at 1, footnote 1.

Within its Phase 1 Pilot Report, SCE highlights several program challenges, including: (1) the ability to reach MUD customers; (2) the high port minimum for projects (minimum 10 ports for non-DAC sites and minimum 5 ports for DAC sites); (3) issues communicating the rebate model to customers effectively; (4) and longer than expected timelines for customer approvals.

4.2 Responses to Petition for Modification

CESA is supportive of SCE's request because the bridge funding aims to ensure steadier market transformation, rather than start-and-stop deployment between Phase 1 and Phase 2 of the Charge Ready programs.³³ CESA believes the bridge funding will continue Phase 1 deployment so that Phase 2 is built upon the pilot-phase learnings for a full-scale program implementation.³⁴ CESA views the PFM as a non-controversial request, reasonable in the light of the goals of Charge Ready and the state's overall transportation electrification goals.³⁵

The Joint Parties Response also echoed support for the PFM to ensure those vendors, contractors, and workers who are already employed under Phase 1, maintain employment and contracts until the Commission reaches a decision on SCE's Phase 2 application.³⁶

ChargePoint and Tesla touch upon the importance of ensuring a smooth transition between Phase 1 and Phase 2, in lending their support for the PFM.³⁷

³³ CESA Response at 3.

³⁴ CESA Response at 3.

³⁵ CESA Response at 3.

³⁶ Joint Parties Response at 3.

³⁷ ChargePoint Response at 1; Tesla Response at 1.

The City of Lancaster is generally supportive of SCE's PFM but its Response recommends certain Community Choice Aggregation (CCA) carve-outs specific to Phase 1.³⁸ At the time the Commission issued D.16-01-023, Lancaster Choice Energy (LCE) was the only CCA program in SCE's service territory.³⁹ Because of the changes related to both CCA programs as well as statewide transportation electrification goals since the approval of D.16-01-023, the City of Lancaster recommends the Commission expressly acknowledge CCAs as key stakeholders and implementers of Phase 1.⁴⁰ Effectively, it recommends SCE be required to share its bridge funding with LCE and other CCAs accordingly.⁴¹ SCE states that its PFM is not the proper forum to address these broader collaboration issues.⁴² However, SCE invites Lancaster to join SCE's Transportation Electrification advisory panel, in hopes to coordinate better on the implementation of TE programs in SCE's service territory.⁴³

Shell Energy tied its support of SCE's PFM to adoption of a condition that SCE reopen the Quarterly Technical Evaluation window for consideration of new electric vehicle supply equipment (EVSE) proposed by Phase 1 vendors.⁴⁴ Shell Energy explains this condition should motivate SCE to review, qualify, and

³⁸ City of Lancaster Response at 1 to 4.

³⁹ City of Lancaster Response at 3; Since January 25, 2016, Pico Rivera Municipal Energy and Apple Valley Choice Energy also operate as CCA programs in SCE's service territory.

⁴⁰ City of Lancaster Response at 4 to 5.

⁴¹ City of Lancaster Response at 5.

⁴² SCE Reply at 8.

⁴³ SCE Reply at 8.

⁴⁴ Shell Energy Response at 3.

offer program participants the latest EVSE on the market.⁴⁵ SCE addressed this condition in its Reply, stating “While SCE appreciates Shell’s support of continuing the [Phase 1] Pilot, any programmatic or operational changes are not appropriate during the bridge period.”⁴⁶ SCE notes that the utility will support evaluation processes in its Phase 2 application.⁴⁷

While the City of Lancaster and Shell Energy conditioned their support for SCE’s PFM on the addition of a CCA carve-out and the Quarterly Technical Evaluation window, respectively, Cal Advocates and TURN were the only parties to file Responses in opposition to SCE’s request. Cal Advocates recommends the Commission deny SCE’s PFM with prejudice on the premise that SCE fails to provide adequate justification for the requested \$22 million.⁴⁸ Cal Advocates contends the objectives for Phase 1, a pilot program, will be achieved without the \$22 million in bridge funding.⁴⁹ Cal Advocates additionally took issue with SCE’s timing of the PFM prior to the release of its Phase 1 Pilot Report, contending that the Commission should order SCE to refile its PFM after the Commission and stakeholders have the opportunity to review the Phase 1 Pilot Report.⁵⁰ TURN opposes SCE’s \$22 million request, explaining that the utility’s request is necessary in large part because SCE underestimated

⁴⁵ Shell Energy Response at 3.

⁴⁶ SCE Reply at 8.

⁴⁷ SCE Reply at 8.

⁴⁸ Cal Advocates Response at 2.

⁴⁹ Cal Advocates Response 2 to 6.

⁵⁰ Cal Advocates Response at 7.

the expense of implementing Phase 1.⁵¹ While TURN does not fault SCE for these overruns, TURN is reluctant to provide support for the full amount of bridge funding because of the additional expense to ratepayers.⁵² TURN suggests that any amount adopted for bridge funding be subtracted from the pending Phase 2 proposal.⁵³

4.3 Analysis

Since the time of filing its PFM, SCE has filed its Phase 1 Pilot Report and provided additional program information via its Response to the July 29, 2018 ALJ Ruling. Both the Commission and stakeholders have had ample time to review the Phase 1 Pilot Report in addition to the responsive pleadings to SCE's PFM. We find the \$22 million in bridge funding is warranted to meet continued need for charging infrastructure in SCE's service territory. However, we adopt conditions upon which the \$22 million should be dispersed in order to build upon the lessons learned from the Phase 1 Pilot thus far.

Turning first to SCE's MUD target, we acknowledge Cal Advocates' comments that Phase 1 has experienced very limited success at reaching MUDs even with SCE performing additional targeted outreach. We find merit in Cal Advocates' assertion that SCE should not be authorized additional funding for a pilot that is not achieving its intended goal. However, we also find merit in CESA's and the Joint Parties' assertion that the bridge funding aims to ensure steadier market transformation, rather than stopping Charge Ready implementation until the Commission reviews the Phase 2 application. Our

⁵¹ TURN Response at 2.

⁵² TURN Response at 2.

⁵³ TURN Response at 2.

decision to award SCE with the requested \$22 million strikes a balance by tying it to a 20 percent target for MUD installations.⁵⁴ This target is specific to the number of port installations completed under the \$22 million in bridge funding. This target is consistent with PG&E's MUD target⁵⁵ and significantly less than the 50 percent MUD target for SDG&E's Power Your Drive.⁵⁶ In support of this effort, we encourage SCE to reduce the port minimum in MUD sites to be consistent with the DAC sites.⁵⁷ As the Phase 1 Pilot Report noted, reducing the number of ports required at a site from ten to five, has successfully encouraged participation by sites in DACs, in part by reducing overall upfront costs.⁵⁸ We understand that the MUD sector is challenging, but are optimistic that by reducing the port minimum for MUD sites it will enable MUD site hosts to better participate in Charge Ready Phase 1.

This is not the proper forum in which to address funding to CCAs. CCA customers remain eligible to participate in Charge Ready Phase 1. We do not adopt Lancaster's suggestion to require SCE to specifically carve out bridge funding to share with LCE and other CCAs at this time, but we look forward to seeing more collaboration efforts amongst SCE and CCAs in the pending Phase 2 application.

Turning next to Shell Energy's proposed condition, it is appropriate for SCE to open the Quarterly Technical Evaluation window for consideration of

⁵⁴ Installations refer to the number of charging ports installed. The 20 percent MUD target applies to the number of charging ports.

⁵⁵ D.16-12-065 at 11 and 33.

⁵⁶ D.16-01-045 at 134.

⁵⁷ D.16-01-023 at 44, footnote 95.

⁵⁸ Charge Ready Phase 1 Program Pilot Report at 16.

new EVSE during the bridge funding period because of the rapid changes in technology in the TE space. It is appropriate for SCE to support the latest EVSE technology and we adopt Shell Energy's recommendation. Moreover, opening the Quarterly Technical Evaluation window will inform programmatic and/or operational changes needed in Phase 2.

It is critical to understand the costs and results from Phase 1 in considering the Phase 2 application. As such, we adopt TURN's recommendation that the \$22 million in bridge funding be subtracted from any approved Phase 2 budget. Granting SCE's request continue the pilot's deployment of needed charging infrastructure in SCE's territory, as the state implements SB 350 and works towards achieving the state's goal of 5 million ZEVs on the road by 2030 and 250,000 charging stations installed by 2025. The authorized bridge period funding and activity will provide the Commission and stakeholders with more information throughout the pendency of A.18-06-015.

Lastly, we find it reasonable for SCE to reach a minimum of 1,000 additional charge ports with the grant of the \$22 million in bridge funding. As SCE noted in its PFM, the utility estimates that the additional \$22 million in bridge funding can support a minimum of 1,000 charge ports during the period between approval of its PFM and the Commission's decision on SCE's Phase 2 application.⁵⁹ Because we grant SCE's PFM in full, we adopt this port installation minimum.

⁵⁹ PFM at 2.

SCE has provided the requisite information to show there is a need for the additional \$22 million in order to maintain momentum and participation in Phase 1. The additional funds will support Phase 1 program continuity as well as substantial operational benefits. The bridge funding will enable SCE to provide greater certainty in the charging infrastructure market for its customers and vendors, facilitating a smoother transition to a potential Phase 2. The 20 percent target for MUDs will ensure SCE is adequately serving a market that will benefit from increased access to charging. Subtracting the \$22 million in approved bridge funding from potential Phase 2 budget provides some form of ratepayer protection. Our decision to award SCE bridge funding at this time is reached in consideration of the additional cost to ratepayers and the fast-evolving transportation electrification space. That said, nothing in this decision precludes the Commission from authorizing additional extensions or future phases of SCE's Charge Ready program. As we gather and more fully assess the results of this and other utility transportation electrification programs, we will be able to better evaluate results, costs, and ratepayer benefits among other determining factors.

5. Adopted Modifications to D.16-01-023

We identify the specific modifications to D.16-01-023 in this section.

Strikethrough identifies deleted text, and underline identifies new text:

- Ordering Paragraph 1 of Decision 16-01-023 is modified to read as follows: The Southern California Edison Company is authorized to recover the revenue requirements associated with up to ~~\$22~~ \$44 million (2014\$) of capital and operations and maintenance expenditures for implementation of Phase 1 of its Charge Ready and Market Education Programs.
- Ordering Paragraph 6 of Decision 16-01-023 is modified to read as follows: The terms in the Settlement filed July 9, 2015, are modified such that Southern California Edison Company

(SCE) shall file and serve a pilot report to provide Phase 1 data, and recommend any necessary changes to Phase 2, after at least 12 months of program implementation and at least 1,000 charging stations installations, but in any event, within 24 months of program implementation. The terms in the Settlement filed July 9, 2015, regarding cost management and program suspension are modified such that SCE is authorized to establish a Charge Ready Balancing Account, using the standard commercial paper rate, to record the authorized revenue requirements associated with up to ~~\$22~~ \$44 million (2014\$) for capital and operations and maintenance expenditures for its Charge Ready and Market Education Programs. Costs shall be reviewed in SCE's annual Energy Resources Recovery Account application.

- Ordering Paragraph 8 of D.16-01-023 is modified to read as follows: Southern California Edison Company shall file a Tier 1 advice letter to update its Charge Ready Program Balancing Account within 30 days of the date of issuance of this decision to reflect approval to recover the revenue requirements associated with up to \$44 million (2014\$) of capital and operations and maintenance expenditures for implementation of Phase 1 of its Charge Ready and Market Education Programs.

In addition to specific language changes to D.16-01-023, we adopt the following specific conditions:

- Southern California Edison Company (SCE) shall target twenty percent of charge port installations under the bridge funding to serve multi-unit dwellings.
- Southern California Edison Company (SCE) shall install a minimum of 1,000 charge ports under the \$22 million bridge funding.
- Southern California Edison Company shall open the Quarterly Technical Evaluation window for consideration of new electric vehicle supply equipment during the bridge funding period.

- Southern California Edison Company (SCE) shall subtract the \$22 million in bridge funding from any budget authorized in SCE's pending Charge Ready 2 A. 18-06-015.

6. Comments on Proposed Decision

The proposed decision in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3. Opening Comments were filed on _____. Reply Comments were filed on _____.

7. Assignment of Proceeding

Carla Peterman is the assigned Commissioner and Sasha Goldberg is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. The modifications to D.16-01-023 requested in the PFM do not change the underlying basis for the Commission's determination that the Settlement was reasonable.
2. SCE's PFM does not seek to modify any of Phase 1's program elements other than the increased funding.
3. Authorizing bridge funding to allow Phase 1 activities to continue as the Commission considers Phase 2 will facilitate a smooth transition to a potential Phase 2 Charge Ready Program, if one is ultimately adopted.
4. \$22 million of bridge funding will allow continuation of Phase 1 activities pending a decision in A.18-06-015.
5. The addition of a target of 20 percent of charging ports installed in MUDs is consistent with the MUD target adopted for PG&E's EV Charge Network program, and well below the 50 percent target adopted for SDG&E's Power Your Drive program.

6. It is necessary to modify OPs 1, 6, and 8 of D.16-01-023 to provide SCE with the authority to record \$44 million (2014\$) in the Charge Ready Balancing Account.

7. It is reasonable to order SCE to file a Tier 1 Advice Letter within 30 days of the date of today's decision to reflect the changes to the Charge Ready Balancing Account.

8. It is reasonable to order SCE to open the Quarterly Technical Evaluation window for EVSE during the bridge funding period.

9. Reopening the Quarterly Technical Evaluation window will inform programmatic and operational changes in Phase 2.

Conclusions of Law

1. SCE's PFM complies with the procedural requirements of Rule 16.4 of the Commission's Rules of Practice and Procedure and provides adequate justification as to why the PFM could not have been presented within one year of the effective date of D.16-01-023.

2. It is reasonable and in the public interest to continue Phase 1 activities while the Commission considers A.18-06-015.

3. The adoption of a target of 20 percent of charging ports installed in MUDs is consistent with Commission policy of promotion of broad adoption of TE charging infrastructure throughout the state.

4. Reopening the Quarterly Technical Evaluation window is consistent with Commission policy of promotion of broad adoption of TE charging infrastructure throughout the state.

5. The modifications to Ordering Paragraphs 1, 6 and 8 contained in Section 6 should be adopted.

6. A.14-10-014 should be closed.

O R D E R

IT IS ORDERED that:

1. Southern California Edison Company's Petition for Modification of Decision (D.) 16-01-023 Regarding Southern California Edison Company's Application for Charge Ready and Market Education Programs is granted. Other than the modifications specified in this Decision, all other provisions of D.16-01-023 remain unchanged.

2. Ordering Paragraph 1 of Decision 16-01-023 is modified to read as follows: The Southern California Edison Company is authorized to recover the revenue requirements associated with up to \$44 million (2014\$) of capital and operations and maintenance expenditures for implementation of Phase 1 of its Charge Ready and Market Education Programs.

3. Ordering Paragraph 6 of Decision 16-01-023 is modified to read as follows: The terms in the Settlement filed July 9, 2015, are modified such that Southern California Edison Company (SCE) shall file and serve a pilot report to provide Phase 1 data, and recommend any necessary changes to Phase 2, after at least 12 months of program implementation and at least 1,000 charging stations installations, but in any event, within 24 months of program implementation. The terms in the Settlement filed July 9, 2015, regarding cost management and program suspension are modified such that SCE is authorized to establish a Charge Ready Balancing Account, using the standard commercial paper rate, to record the authorized revenue requirements associated with up to \$44 million (2014\$) for capital and operations and maintenance expenditures for its Charge Ready and Market Education Programs. Costs shall be reviewed in SCE's annual Energy Resources Recovery Account application.

4. Southern California Edison Company shall file a Tier 1 advice letter to update its Charge Ready Program Balancing Account within 30 days of the date of issuance of this decision to reflect approval to recover the revenue requirements associated with up to \$44 million (2014\$) of capital and operations and maintenance expenditures for implementation of Phase 1 of its Charge Ready and Market Education Programs.

5. Southern California Edison Company shall target twenty percent of charge port installations under the bridge funding to serve multi-unit dwellings.

6. Southern California Edison Company shall install a minimum of 1,000 charge ports under the \$22 million bridge funding.

7. Southern California Edison Company shall open the Quarterly Technical Evaluation window for consideration of new electric vehicle supply equipment during the bridge funding period.

8. Southern California Edison Company shall subtract the \$22 million in bridge funding from any budget authorized in SCE's pending Charge Ready 2 Application 18-06-015.

9. Application 14-10-014 is closed.

This order is effective today.

Dated _____, at San Francisco, California.