



California Public Utilities Commission

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PRESS RELEASE

Docket #: A.14-04-014

CPUC SUPPORTS TRANSPORTATION ELECTRIFICATION WITH APPROVAL OF SDG&E PILOT PROGRAM

SAN FRANCISCO, January 28, 2016 - The California Public Utilities Commission (CPUC), in an effort to further support market transformation in the electric transportation sector, today authorized a San Diego Gas & Electric (SDG&E) pilot program to install and own 3,500 electric vehicle charging stations at 350 workplaces and multi-unit dwellings. The four-year pilot authorization includes \$45 million in charging infrastructure, plus limited, reasonable operations and maintenance expenses to be considered in future General Rate Cases.

The CPUC rejected a \$65 million proposal and a joint-party proposed settlement for SDG&E's Electric Vehicle-Grid Integration (VGI) Pilot Program and instead approved a pilot program more consistent with goals to ensure ratepayer protection and competition, including increased reporting, a shorter pilot period, a smaller budget, and improved coordination with related clean energy programs. The CPUC's Decision also implements a vehicle grid integration rate, which will feature dynamic pricing that reflects locational constraints, time of day, and the availability of renewable energy. This puts the proposed pilot at the leading edge of rate design, integration of distributed energy resources, and renewables integration.

"Today's Decision furthers the leadership of California and SDG&E in the clean transportation sector and is an important milestone in achieving the Governor's goal of 1.5 million electric vehicles on the road by 2025. It also moves us along the path to widespread transportation electrification,



which is a key component of the Senate Bill 350 mandate to reduce greenhouse gas emissions in California,” said Commissioner Carla J. Peterman, the Commissioner assigned to the proceeding.

The CPUC’s Decision fully funds charging infrastructure installed in disadvantaged communities, and requires that 10 percent of installations be located in such communities. It also exempts low income customers from funding the pilot. The Decision further protects ratepayer interests by requiring a phased approach, a participation payment from site hosts outside of disadvantaged communities, leveraging of existing pilots, greater coordination with regional and national transportation-related initiatives, and increased reporting and oversight.

“Electrification of transportation fuels is a key strategy for the state’s greenhouse gas reduction goals; this pilot represents an innovative approach that has a large potential to transform the EV market in San Diego,” said Commissioner Catherine J.K. Sandoval. “This electric vehicles pilot connects technology, communications, and rates in an integrated package that benefits the grid and society.”

Preservation of market competition is also an important consideration in the CPUC’s Decision, which is addressed via a smaller pilot and increased oversight, as well as relevant elements from the proposed settlement, including the ability for customers to choose their own charging station and to choose from two billing options.

If SDG&E accepts the CPUC’s alternative VGI program terms, it is estimated that a typical residential customer of SDG&E using 500 kilowatt-hours per month in the inland and coastal zones would experience an increase of about 18 cents over the first year, or about a 0.02 percent increase. With the full rollout of 350 site installations and 3,500 charging stations at the end of three years, the increase relative to current rates would be about \$2.75 on an annual basis. Implementation will begin immediately, with the first pilot program filings to occur within 30 days.

The proposal voted on is available at:

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M158/K055/158055671.PDF>.

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