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PROPOSED DECISION

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Decision PROPOSED DECISION OF ALJ CHIV (Mailed 8/9/2019)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application for Approval of Pacific Gas and Electric Company's Empower Electric Vehicle Charger Incentive and Education Program to Support Low and Moderate Income Customers. (U39E)

Application 18-07-021

DECISION APPROVING THE APPLICATION OF PACIFIC GAS AND ELECTRIC COMPANY FOR THE EMPOWER ELECTRIC VEHICLE CHARGER INCENTIVE AND EDUCATION PROGRAM

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**DECISION APPROVING THE APPLICATION OF PACIFIC GAS AND
ELECTRIC COMPANY FOR THE EMPOWER ELECTRIC VEHICLE CHARGER
INCENTIVE AND EDUCATION PROGRAM**

Summary

This decision approves Pacific Gas and Electric Company's application for the Empower Electric Vehicle Charger Incentive and Education program.

This proceeding is closed.

1. Background

Senate Bill (SB) 350, the Clean Energy Pollution Reduction Act,¹ established clean energy, clean air, and greenhouse gas reduction goals for 2030 and beyond. SB 350 requires the California Public Utilities Commission (Commission) to direct electrical corporations to engage in transportation electrification projects consistent with Public Utilities (Pub. Util.) Code §§ 237.5 and 740.12.² Section 740.12(a)(1)(C) provides, in pertinent part, that:

Widespread transportation electrification requires increased access for disadvantaged communities, low- and moderate-income communities, and other consumers of zero-emission and near-zero-emission vehicles, and increased use of those vehicles in the communities and by other consumers to enhance air quality, lower greenhouse gases emissions, and promote overall benefits to those communities and other consumers...

On July 30, 2018, Pacific Gas and Electric Company (PG&E) filed an application requesting approval for its Empower Electric Vehicle (EV) Charger Incentive and Education (Empower) program. PG&E's proposed Empower

¹ Chapter 547, Statutes of 2015.

² Unless otherwise stated, all code section references are to the Public Utilities Code.

program would provide EV chargers for PG&E residential customers who have low-moderate incomes, as well as EV education and outreach in low-moderate income communities. The application seeks authorization for a cost recovery of \$4.13 million. On July 30, 2018, PG&E served the Prepared Testimony of David B. Almeida and Paulina Pra, and Workpapers. PG&E's Prepared Testimony is admitted into the record as Exhibit PG&E-1 and PG&E's Workpapers are admitted into the record as Exhibit PG&E-2.

On September 4, 2018, protests and responses were filed by the Public Advocates Office (Cal Advocates); Green Power Institute (GPI); ChargePoint, Inc. (ChargePoint); the National Resources Defense Council, Coalition of California Utility Employees (CUE), the Greenlining Institute, Plug In America, Sierra Club, Union of Concerned Scientists, Greenlots, Siemens, EVBox, Inc., American Honda Motor Co. Inc., the Association of Global Automakers Inc., and the Alliance of Automobile Manufacturers (collectively referred to as the Joint Parties); and Electric Motor Werks, Inc.,³ Siemens, and EVBox, Inc. (collectively, the Joint Electric Vehicle Service Equipment (EVSE) Providers). On September 14, 2018, PG&E filed a reply to protests and responses.

On October 15, 2018, a Prehearing Conference was held to determine parties, discuss the scope and schedule, and other procedural matters. On December 12, 2018, the assigned Commissioner issued a Scoping Memo and Ruling (Scoping Memo) that set forth the scope of issues and schedule for the

³ On September 3, 2019, Electric Motor Werks filed a Notice of Name Change stating that its name has changed to Enel X North America (Enel X). Since the pleadings in this case were primarily filed under the name Electric Motor Werks, we will refer to this party as such in this decision.

proceeding. On February 5, 2019, parties participated in a workshop to discuss aspects of the application.

On March 11, 2019, opening comments on the workshop were filed by Cal Advocates, the Greenlining Institute and GRID Alternatives (collectively, Greenlining/GRID), the Joint EVSE Providers, and the Joint Parties. On March 22, 2019, reply comments were filed by Cal Advocates, ChargePoint, Greenlining/GRID, the Joint Parties, and PG&E.

2. Proposed Project

PG&E's proposed Empower program will provide low- to moderate-income customers with a point-of-sale EV charger incentive and a streamlined EV charger installation process, including electrical panel upgrades for low-income customers. The program will use PG&E partnerships with Electric Vehicle Service Providers to provide residential Level 2 chargers. PG&E proposes to work with a third-party implementer to verify eligibility, provide chargers, and coordinate charger installation. PG&E will work with community-based organizations (CBO) who will provide EV education and incentive information, and gather data used for program evaluation.

The expected timeframe is approximately six months of program development, at least one year of outreach, incentive distribution and charger installation, and approximately three years of evaluation.

The program proposes to provide approximately 2,000 chargers and 800 panel upgrades, as well as marketing, outreach and education. For low- and moderate-income customers, PG&E proposes that the customer will receive and own the charger with a point-of-sale incentive of \$500 per customer, at no charge to the customer. Low-income customers will be eligible for an additional

incentive of up to \$2,000 for a panel upgrade. PG&E requests a total of \$4.13 million in cost recovery.

PG&E's stated goals of the Empower program are to: (1) increase awareness of the benefits of EV adoption among low-moderate income customers; (2) identify effective outreach and education tactics to increase awareness in low-moderate income communities; (3) simplify incentive offerings and consumer enrollment process for low-moderate income residents for multiple EV and EV charger incentive programs; and (4) increase EV adoption with low-moderate income communities.⁴

3. Issues Before the Commission

The Scoping Memo identified several issues as within the scope of this proceeding, as summarized below:

1. Does the proposed program meet the requirements of Pub. Util. Code § 740.12, including supporting widespread transportation electrification and adequately addressing low-income and moderate-income communities?
2. What cost recovery mechanism should be adopted for the proposed program?
3. What data gathering, reporting, and evaluation requirements should be imposed?
4. How can the program engage most effectively with third parties, including vendors and community-based organizations?
5. Does the proposed program address rate design and load management issues including, for example, time-of-use rates?
6. Should the Commission determine an income standard for the program?

⁴ Application at 2.

4. Discussion

In determining whether to approve PG&E's application for the Empower program, the Commission considers each aspect of the application in turn.

4.1. Program Eligibility

First, the Commission considers the income eligibility threshold for low- to moderate-income (LMI) customers. In reply comments, PG&E recommends that the threshold amount to determine LMI should be based on the Federal Poverty Level (FPL). After conducting an analysis of the FPL compared to other income metrics, PG&E recommends setting the income threshold at 300 percent or less of the FPL for low-income and 400 percent or less of the FPL for moderate-income customers.⁵ Cal Advocates supports PG&E's recommendation.⁶

Greenlining/GRID offer an alternative approach that simplifies the definition of LMI customers by consolidating the two income categories to 400 percent or less of the FPL, rather than establishing two separate income definitions. Additionally, Greenlining/GRID propose that all LMI customers should be eligible for the charger rebate and the panel upgrade rebate, rather than establishing separate rebates for low versus moderate income customers.⁷ Greenlining/GRID contend that LMI customers are more likely to rent or own single-family homes that require electrical panel upgrades to accommodate residential charging. Therefore, offering a panel upgrade rebate to moderate-income customers will reduce a high cost barrier to EV adoption. Cal Advocates supports this proposal, adding that offering panel upgrades to all

⁵ PG&E Reply Comments at 13.

⁶ Cal Advocates Opening Comments at 5.

⁷ Greenlining/GRID Opening Comments at 10.

LMI participants allows for an important data collection opportunity on the necessity of panel upgrades for EV adoption.⁸

In reply comments, PG&E states that it supports this simplified approach because “[h]aving one eligibility criteria for the same incentives will make implementation more streamlined and be easier to communicate to program customers.”⁹ PG&E notes that if this simplified approach is adopted, the maximum estimated number of customers served would be reduced from 2,000 to 1,200 based on the proposed budget.

The Commission is persuaded that adopting one income threshold for both low- and moderate-income customers is an administratively efficient approach and easier for customer comprehension. Therefore, we find Greenlining/GRID’s recommendation to define low- and moderate-income customers as 400 percent or less of the FPL to be reasonable, and we adopt it here.

Further, we agree with Greenlining/GRID and Cal Advocates that both low- and moderate-income customers are likely to own or rent older homes that may require an electrical panel upgrade to accommodate residential charging. Offering the same incentives to all LMI participants will streamline customer communication and program implementation, while reducing a potential costly barrier to EV adoption. Thus, we conclude it is appropriate to offer all eligible LMI customers the \$500 charger rebate and the \$2,000 electrical panel upgrade rebate and accordingly, we adopt those here.

⁸ Cal Advocates Reply Comments at 2.

⁹ PG&E Reply Comments at 13.

Additionally, Cal Advocates comments that PG&E should specify how it will define and verify income prior to the program's implementation and use the Advice Letter process to notify the Commission of that process.¹⁰ PG&E responds that it will work with the third-party implementer to develop an income verification process and once identified, PG&E will submit a Tier 1 Advice Letter describing the verification process and how it compares to other EV programs.¹¹

We agree with Cal Advocates' proposal as reasonable. Therefore, PG&E shall submit a Tier 2 Advice Letter describing the income verification process, including a comparison of the process to other EV programs, within 90 days from the date when the third-party implementer is selected.

4.2. Community Selection Criteria

PG&E proposes to initially focus its outreach efforts in the cities of Fresno, Oakland, and San Jose. These communities were selected based on the following factors: (1) existing vehicle adoption that suggested consumer interest; (2) feasibility for on-the-ground outreach by CBOs; and (3) ability to provide incentives in areas located outside of disadvantaged communities where low-income customers may not have similar levels of incentive availability.¹²

Greenlining/GRID deem PG&E's criteria to be reasonable but offer additional factors that may "better align with equity and urban sustainability goals."¹³ They propose the following additional criteria: a community that

¹⁰ Cal Advocates Opening Comments at 6.

¹¹ PG&E Reply Comments at 14.

¹² *Id.* at 3.

¹³ Greenlining/GRID Opening Comments at 14.

(1) has a higher concentration of LMI single-family homeowners; (2) is predominantly car-dependent and not served by high-quality public transit; (3) is served by a strong, trusted CBO; and (4) is geographically eligible for the California Air Resources Board (CARB) EV equity programs and EV charging incentives.

PG&E responds that its proposed criteria are mostly consistent with Greenlining/GRID's criteria but notes that it did not design the program to focus solely on single-family homeowners but more broadly to include rental properties.¹⁴ PG&E states it is open to adjusting the targeted communities and consider communities without access to high-quality public transit; however, PG&E requests that it be allowed to "incorporate additional criteria provided by Greenlining, but recognize that it is important for PG&E and the Third-Party implementer to have the flexibility to adjust criteria and the targeted communities..."¹⁵

The Commission concludes that PG&E's criteria are relatively consistent with Greenlining/GRID's criteria, and believes that PG&E and the third-party implementer should retain flexibility to adjust their criteria and the targeted communities based on information gathered during the implementation process. Therefore, we conclude that PG&E's criteria for selecting the targeted communities are appropriate at this time, and we adopt them here.

¹⁴ PG&E Reply Comments at 4.

¹⁵ *Id.* at 5.

Additionally, PG&E states that the program is intended to focus on rental properties with LMI tenants, as well as single family homes.¹⁶ While we agree that the program should include tenants of rental properties, PG&E has not provided guidelines for instances where a tenant receives a charger and panel upgrade rebate at a rental property and later leaves the property. For example, if a tenant receives a charger and panel upgrade for a rental property, does the charger stay with the property? If not, what are the safety considerations for removal of the equipment? To that end, we request that PG&E submit a Tier 2 Advice Letter to the Commission describing the guidelines for participation by tenants of rental properties within 90 days from the date when the third-party implementer is selected, along with the information requested in Section 4.1 above.

4.3. Rate Plan

We next consider whether program participants should be required to enroll in a time-of-use (TOU) rate plan. PG&E proposes to provide rate education for customers to determine which rate results in the highest customer savings. PG&E, however, does not recommend that customers are required to enroll in a TOU rate, “recognizing the low and moderate-income customers need the flexibility to choose a rate plan that works for them.”¹⁷ Cal Advocates and PG&E also note that most PG&E residential customers will be defaulted onto a TOU rate in October 2020, per Decision (D.) 18-05-011.

¹⁶ *Id.* at 4.

¹⁷ *Id.* at 11.

Cal Advocates proposes that Empower customers should be required to enroll in a TOU rate because doing so may encourage off-peak charging and lead to insights about EV charging.¹⁸ The Joint Parties support this proposal.¹⁹ PG&E disagrees because it does not want such customers to pay higher bills than necessary, which could potentially hinder adoption of EVs.²⁰ Expressing concern over bill impacts of TOU rates, ChargePoint states that unless sub-metering is enabled, a TOU rate requirement “could essentially mandate the whole home TOU rate for many customers...because of the prohibitive cost of a separate utility meter.”²¹

The Commission finds that it is important to offer participating customers the flexibility to select the best rate plan for their needs and therefore declines to require participants to enroll in a TOU rate. Rather, the Commission deems it reasonable that participating customers are defaulted onto a TOU rate and have the opportunity to opt out if desired. Further, per D.18-05-011, most PG&E residential customers will be defaulted onto a TOU rate in October 2020, which may align with the start of the Empower program implementation.

Additionally, it is important for customers to receive assistance in selecting the best rate based on each customer’s load profile. Therefore, we direct PG&E to submit a Tier 2 Advice Letter describing how it will offer each participating customer assistance in determining the optimal rate for their home load profile. The Tier 2 Advice Letter shall be submitted within 90 days from the date when

¹⁸ Cal Advocates Opening Comments at 11.

¹⁹ Joint Parties Reply Comments at 1.

²⁰ PG&E Reply Comments at 11.

²¹ ChargePoint Reply Comments at 3.

the third-party implementer is selected, along with the information requested in Sections 4.1 and 4.2.

We next consider what the default TOU rate should be. The Joint EVSE Providers, the Joint Parties, and ChargePoint recommend that customers be presented with an “EV-only” TOU rate and a “whole-home” TOU rate. Whole-home TOU rates generally refer to all electricity use billed based on a single meter, whereas EV-only TOU rates refer to billing based on a separate sub-meter for the EV charger. The Joint EVSE Providers recommend that PG&E offer an EV supply equipment sub-metering option to effectuate EV-only TOU rates.²² ChargePoint supports this proposal, stating that whole-home TOU rates are an obstacle to residential customer participation due to inflexible daytime usage.²³ The Joint Parties support EV-only TOU rates as offering price transparency and the potential for dynamic pricing.²⁴

PG&E agrees that all TOU rate options should be presented to customers under metering rules currently in place. PG&E objects to the proposal that it allow EVSE sub-metering to effectuate EV-only TOU rates, arguing that EVSE sub-metering policy is included in the scope of Rulemaking 18-12-006 and should be addressed in that proceeding.²⁵ Cal Advocates also opposes the use of embedded sub-metered EVSEs citing “significant unresolved issues” with

²² Joint EVSE Providers Opening Comments at 5.

²³ ChargePoint Reply Comments at 2.

²⁴ Joint Parties Opening Comments at 4.

²⁵ PG&E Reply Comments at 12.

current EVSE submetering, including lengthy enrollment processes and billing problems.²⁶

In weighing parties' comments, we find that an EV-only TOU rate is unrealistic at this time because it would require either a separate meter (that would be a significant cost to customers) or an EVSE-based sub-meter (that is not an approved technology at this time). We also agree that EVSE sub-metering policy should be appropriately addressed in Rulemaking 18-12-006.

The Commission concludes that the whole-home EV TOU rate is a reasonable default rate that offers significant savings potential and strong price signals for shifting load. While we recognize parties' concerns about the whole-home EV rate, adopting a default TOU rate still allows participants the flexibility to select a TOU rate that best suits their individual needs. Accordingly, we adopt the requirement that participants of the Empower program shall be defaulted onto the whole-home EV TOU rate and that participants may opt out if desired.

4.4. Third-Party Implementer and Community-Based Organizations

We consider the criteria for selecting a third-party implementer and CBOs.

4.4.1. Third-Party Implementer

PG&E proposes to conduct a competitive solicitation for selection of the third-party implementer and apply the following criteria: a third-party implementer that (1) has experience with incentive programs directed at low-moderate income communities; (2) has established relationships with local

²⁶ Cal Advocates Reply Comments at 5.

CBOs and other community organizations working with low to moderate income customers; (3) has experience stacking incentives in clean energy technologies; and (4) will coordinate with CARB's One-Stop-Shop initiative.²⁷

Greenlining/GRID support PG&E's criteria but recommend additional criteria to ensure more equitable implementation. Greenlining/GRID recommend that the implementer also have: (1) an equity mission and track record implementing equity programs; (2) experience with and understanding of CARB's EV equity programs; (3) a plan for creating equitable and inclusive economic opportunities by using high-road practices and inclusive procurement of goods and services; and (4) experience performing program evaluation for equity programs.²⁸ The Joint Parties support this additional criteria.²⁹ PG&E does not oppose Greenlining/GRID's additional criteria but recommends that the criteria be broadly based on ensuring the implementer has the experience and mission to accomplish the program's objectives.

Additionally, Greenlining/GRID propose that the implementer adhere to "an adaptive management approach to allow the implementer to test approaches and assumptions," making adjustments to the program as needed to ensure the program meets its objectives.³⁰ PG&E agrees to require the implementer to document its experiences, including why certain approaches were successful or not.³¹

²⁷ Exhibit PG&E-1, Testimony at 14.

²⁸ Greenlining/GRID Opening Comments at 13.

²⁹ Joint Parties Reply Comments at 4.

³⁰ Greenlining/GRID Opening Comments at 19.

³¹ PG&E Reply Comments at 10.

The Commission finds that both Greenlining/GRID and PG&E's proposed criteria for the selection of the implementer are reasonable and useful considerations. Accordingly, we adopt both sets of criteria for consideration in selecting the third-party implementer. The Commission also concludes that the third-party implementer shall document its experiences, including whether certain approaches were successful or not.

4.4.2. Community-Based Organizations

In addition to selecting a third-party implementer, PG&E proposes to partner with CBOs for customer outreach to LMI communities. PG&E states it will select CBOs that have "experience with community organizing and established roots in the targeted communities."³²

Cal Advocates recommends that PG&E implement an evaluation process for CBOs in order to ensure their trustworthiness, including similar requirements as adopted for the California Teleconnect Fund program and requiring that marketing materials disclose that there is no cost to apply for the program. Cal Advocates also proposes a process for applicants and participants to raise concerns about CBO partners, namely: (1) a customer service number for applicants and participants; and (2) surveys of applicants and participants (managed by the third-party implementer) to verify components of the CBO's work, including whether information was accurate and timely.³³

PG&E objects to a prescriptive approach to vetting CBOs but supports selecting an implementer with strong relationships to CBOs that can assist in

³² Exhibit PG&E-1, Testimony at 11-12.

³³ Cal Advocates Opening Comments at 9.

establishing vetting methodology. PG&E also agrees to establish a process for participants to raise concerns about the program and to ensure that marketing materials state that participation in the program is at no cost.³⁴

The Commission finds that the third-party implementer and PG&E should have flexibility in selecting CBOs for the targeted communities and that the proposed criteria set forth by PG&E are reasonable; accordingly, we adopt PG&E's criteria. We agree with Cal Advocates that it is important to establish certain customer protection measures. To that end, we direct PG&E to implement either one of the proposals raised by Cal Advocates (either the customer service number or the surveys). We also require that the program's marketing materials clearly state that there is no cost to apply for the Empower program. Finally, we encourage PG&E and the third-party implementer to consult with the Commission's Business and Community Outreach program prior to the selection of the CBOs.

4.5. Reporting Requirements

PG&E proposes to collect data to measure the program's effectiveness in achieving EV adoption in LMI communities. PG&E proposes the following metrics for data collection purposes: (1) total amount of charger rebates issued; (2) total amount of panel upgrade rebates issued; (3) average out-of-pocket cost paid by customers for installation; (4) type of vehicle and lease versus purchase; (5) income breakdown of participating customers; (6) charger utilization; and (7) customer satisfaction with the program.³⁵ Additionally, PG&E would like to

³⁴ PG&E Reply Comments at 10.

³⁵ Exhibit PG&E-1, Testimony at 17-19.

understand if its outreach strategy is impactful for EV education and adoption, if the rebates influenced customers to acquire an EV and removed barriers for obtaining a charger, and what barriers exist for customers that did not participate in the program.

Several parties propose additional data collection metrics.

Greenlining/GRID recommend the following: (1) average total out-of-pocket cost paid by customers for charger purchase, installation, and other costs; (2) average total costs for panel upgrades; (3) average total costs for chargers; (4) number of customers that are participants of any of CARB's EV equity programs or other EV incentive program; (5) demographic information (age, race/ethnicity, gender, nationality, primary language spoken); (6) economic opportunity data regarding total jobs created and total contractors used for the program; and (7) a map of where customers are located and list of locations.³⁶

The Joint Parties support Greenlining/GRID's recommendations. PG&E agrees with the usefulness of Greenlining/GRID's additional criteria with the exception of Item 6 - economic opportunity data - which it states is "difficult to quantify in a meaningful manner and outside the scope of the Empower EV program."³⁷ Cal Advocates does not support the inclusion of Item 7 - a map/list of customer locations - as a potential issue for customer privacy but instead recommends that this metric be aggregated.³⁸

Cal Advocates proposes additional data collection criteria, as follows:

(1) baseline household energy use for each participant before charger installation

³⁶ Greenlining/GRID Opening Comments at 18.

³⁷ PG&E Reply Comments at 8.

³⁸ Cal Advocates Reply Comments at 6.

and energy use post-installation; (2) number of participants that are renters vs. homeowners; and (3) a voluntary Driver Behavior Survey – on a monthly or weekly basis - to track past versus current driving behavior, including miles driven before recharging and use of EV for work commute.³⁹ Cal Advocates also proposes to require PG&E to submit a Tier 2 Advice Letter outlining how it will include the information in its report. The Joint Parties support these additional metrics. In comments to the proposed decision, Cal Advocates clarifies that its first proposed criteria should be “hourly household energy use a year before and after charger installation.”⁴⁰

PG&E supports documenting renter versus homeowner information, and conducting a Driver Behavior Survey once throughout the program, but opposes weekly or monthly surveys as too costly. PG&E also opposes collecting information on pre- and post-EV energy usage as that information does not further the objectives of the pilot.⁴¹ PG&E contends that the Tier 2 Advice Letter is unnecessary and states it will determine how to include information in the final report once it has evaluated the data.

The Joint Parties also recommend that PG&E include customer charging load profiles as part of its data collection.⁴² Cal Advocates supports this proposal. PG&E opposes this, stating that charging load profiles are irrelevant to

³⁹ Cal Advocates Opening Comments at 10.

⁴⁰ Cal Advocates Reply Comments on Proposed Decision at 2.

⁴¹ PG&E Reply Comments at 8.

⁴² Joint Parties Opening Comments at 4.

the program and this collection would steer resources away from the program objectives.⁴³

4.5.1. Discussion

The Commission finds PG&E's data collection proposal to be a reasonable start. We also find Greenlining/GRID's proposed metrics to be additional beneficial metrics, with the exception of the economic opportunity information and the map/list of customer locations. We agree with PG&E and Cal Advocates that economic opportunity data is difficult to effectively quantify, and that customer location-specific data may raise privacy concerns. Therefore, we adopt PG&E's data collection metrics and add the following categories, as proposed by Greenlining/GRID: (1) average total out-of-pocket cost paid by customers for charger purchase, installation, and other costs; (2) average total costs for panel upgrades; (3) average total costs for chargers; (4) number of customers that are participants of any of CARB's EV equity programs or other EV incentive program; (5) demographic information (age, race/ethnicity, gender, nationality, primary language spoken); and (6) a map of charger locations aggregated by census tract.

The Commission is also persuaded by Cal Advocates' proposal to collect data on hourly household energy use one year before and after charger installation, as this is readily-available data that is likely to yield valuable information. We also agree that data on the number of homeowner and renter participants and the Driver Behavior Survey will serve as useful insights for the program. However, a weekly or monthly survey is unduly burdensome and

⁴³ PG&E Reply Comments at 8.

instead, we conclude that a pre-program and post-program Driver Behavior Survey is appropriate. Accordingly, the following additional data shall be collected: (1) hourly baseline household energy use one year before and after charger installation; (2) number of participants that are renters versus homeowners; and (3) a pre-program and post-program Driver Behavior Survey.

We find that PG&E has provided only limited details about Empower's program evaluation, such as a data collection plan and a final program report. We are persuaded that an Advice Letter process would be helpful to outline the program evaluation details. Accordingly, we direct PG&E to file a Tier 2 Advice Letter within 90 days from the date when the third-party implementer is selected describing the program evaluation process, including a data collection plan and a preliminary format of the final program report. The Tier 2 Advice Letter shall be submitted in addition to the information requested in Sections 4.1, 4.2, and 4.3.

The Commission deems it important to consider the Empower program's impact on communities participating in CARB's Community Air Protection Program (CAPP), which includes ten disadvantaged communities experiencing some of the state's highest air pollution levels.⁴⁴ Should PG&E select a CAPP community as one of its targeted communities, the Commission requests that PG&E describe, through an Advice Letter, how the adopted data metrics may be reported separately for the CAPP community.

⁴⁴ The CAPP communities are Richmond; West Oakland; Calexico, El Centro, and Heber; South Sacramento - Florin; Portside Environmental Justice Neighborhoods (West National City, Barrio Logan, Logan Heights, and Sherman Heights); Shafter; South Central Fresno; East Los Angeles, Boyle Heights, and West Commerce; Muscoy and San Bernardino; and Wilmington, West Long Beach, and Carson.

4.6. Cost Recovery

PG&E proposes that the cost recovery mechanism should be a new “Empower EV” sub-account in the Transportation Electrification Balancing Account that is recovered through the distribution rate.⁴⁵ PG&E states that this is consistent with the cost recovery mechanism approved for the Priority Review Projects in D.18-01-024 and implemented by PG&E in Advice Letter 5222-E.⁴⁶

Cal Advocates recommends that PG&E recover costs through the Public Purpose Program (PPP) charge because that rate component “is meant to include the costs of policy-driven programs that help meet social equity goals or provide other broad societal benefits...”⁴⁷ Cal Advocates also recommends allocating costs using the equal cents per kilowatt-hour (kWh) allocation. PG&E opposes this proposal, stating that the Commission should treat the Empower program similarly to other EV infrastructure programs and “should not modify its approved cost recovery and rate design on piecemeal basis in this proceeding or for EVs only...”⁴⁸

The Commission finds that a cost recovery mechanism through distribution rates is appropriate and consistent with our decision in D.18-05-040, approving SB 350’s Transportation Electrification Standard Review Projects. In that decision, the Commission rejected arguments that customer-sited infrastructure, rebates and programs to support EV deployment and managed

⁴⁵ Exhibit PG&E-1, Testimony at 19.

⁴⁶ PG&E Reply Comments at 5.

⁴⁷ Cal Advocates Opening Comments at 6.

⁴⁸ PG&E Reply Comments at 5.

charging should be collected via the PPP.⁴⁹ Further, the Empower program shares similarities with the approved transportation electrification Priority Review Projects in D.18-01-024, which also established cost recovery through distribution rates. Accordingly, we adopt the requirement that PG&E establish a new “Empower EV” sub-account in the Transportation Electrification Balancing Account that is recovered through distribution rates.

4.7. Safety Considerations

We next consider the safety considerations pursuant to Pub. Util. Code § 740.8. PG&E states that the program “will result in safer service through promoting use of licensed electricians with EV Infrastructure Training Program (EVITP) certification, and provide less costly, more reliable service by encouraging the use of TOU rates.”⁵⁰ PG&E also states that it will adhere to the Commission’s Safety Requirements Checklist once finalized “to the extent feasible.”⁵¹

The Joint Parties object, stating that PG&E’s recommendation is inconsistent with § 740.8 and is “insufficient to ensure the safe installation and operation of EV infrastructure and charging stations.” Rather, the Joint Parties argue that to be consistent with § 740.8, the Commission should require “all EV infrastructure and charging station installation work be performed by EVITP certified electricians and IBEW [International Brotherhood of Electrical Workers] signatory contractors.”⁵²

⁴⁹ D.18-05-040 at 123.

⁵⁰ PG&E Reply Comments at 6.

⁵¹ Exhibit PG&E-1, Testimony at 23.

⁵² Joint Parties Opening Comments at 5.

PG&E disagrees that § 740.8 requires the use of EVITP-certified electricians to provide safer or less costly electrical service and states that “[t]here is no evidence to suggest that utilizing a licensed electrician will not result in the safe construction, installation, or maintenance of EV infrastructure.”⁵³ ChargePoint and PG&E oppose the Joint Parties’ position as also inconsistent with the Commission’s Safety Requirements Checklist.⁵⁴ However, PG&E agrees to use licensed electricians for the Empower program but cannot guarantee they will be EVITP-certified.⁵⁵

Cal Advocates notes that in D.18-05-040, which established the Safety Requirement Checklist, the Checklist was limited to the specific projects approved in that decision.⁵⁶ Cal Advocates adds that it is unclear how the Safety Requirement Checklist would apply to Empower EV installations and recommends a workshop to consider this issue.

4.7.1. Discussion

In comments to the proposed decision, CUE contends that several Commission decisions required charging stations and other supporting equipment to be installed and constructed by EVITP-certified electricians.⁵⁷ We find the decisions cited by CUE to be distinguishable from the Empower program. Several cited decisions involved the approval of negotiated settlement

⁵³ PG&E Reply Comments at 6.

⁵⁴ ChargePoint Reply Comments at 3, PG&E Reply Comments at 7.

⁵⁵ PG&E Reply Comments at 6.

⁵⁶ Cal Advocates Reply Comments at 8.

⁵⁷ CUE Comments on Proposed Decision at 2.

terms, which included EVITP-certification requirements.⁵⁸ Additionally, many of the cited decisions involved EV infrastructure programs at commercial or multi-unit dwelling sites.⁵⁹ ChargePoint responds that “[c]ommercial sites generally involve significant construction and multiple Level 2 and/or DCFC chargers,” while home installations generally require a 240 volt outlet and electrical work similar to the requirements for installing a clothes dryer.⁶⁰

The Commission finds it unnecessary to require the use of EVITP-certified electricians for purposes of this residential program and declines to adopt such a requirement. Given the scope of the technical requirements for the program, the Commission finds that a requirement to use licensed electricians as sufficient and consistent with Pub. Util. Code § 740.8.⁶¹

Further, the Commission believes that the Safety Requirements Checklist, adopted in D.18-05-040, serves as useful guidance for the Empower program with the exception of Item Number 6 under the “Pre-construction” heading, which states: “For utility infrastructure work on the customer side of the meter, contractors must provide proof of EVITP Certification prior to construction.”⁶² As discussed, the Commission does not find it necessary to require EVITP-certified electricians for the Empower program. The Commission

⁵⁸ See, e.g., D.16-01-023, D.16-01-045, D.16-12-065.

⁵⁹ See, e.g., D.18-01-024, D.18-05-040, D.19-08-026.

⁶⁰ ChargePoint Reply Comments on Proposed Decision at 2.

⁶¹ The Commission adopts the term “licensed electrician” as the term used by PG&E in its application, as well as the term used in the Safety Requirements Checklist adopted by the Commission.

⁶² The Safety Requirement Checklist, adopted in D.18-05-040, can be found here: <https://www.cpuc.ca.gov/WorkArea/DownloadAsset.aspx?id=6442458882>.

emphasizes that the Safety Requirements Checklist includes the following Item Number 7 under “Pre-construction:”

Contractors must provide the utility proof of a full site assessment, including the appropriate load calculations to ensure existing infrastructure can accommodate additional EV load, or that appropriate infrastructure upgrades will be completed.

Accordingly, PG&E and the third-party implementer are directed to adhere to the Safety Requirements Checklist adopted in D.18-05-040, with the exception of the requirement for proof of EVITP certification prior to construction.

4.8. Conclusion

The Commission concludes that PG&E’s Empower program satisfies Pub. Util. Code § 740.12 by supporting widespread transportation electrification in California and aligning with the state’s zero emission vehicles initiatives. The program also supports transportation electrification access in low- and moderate-income communities. We additionally conclude that PG&E’s program is reasonable and in the interest of ratepayers. Accordingly, the Commission approves the application of PG&E’s Empower EV Charger Incentive and Education Program.

5. Comments on Proposed Decision

The proposed decision of Administrative Law Judge Chiv was mailed to the parties in accordance with § 311 of the Public Utilities Code, and comments were allowed under Rule 14.3 of the Commission’s Rules of Practice and Procedure. Comments were filed on August 29, 2019 by Cal Advocates, ChargePoint, CUE, GPI, the Joint EVSE Providers, the Joint Parties, and PG&E.

Reply comments were filed by on September 3, 2019 by Cal Advocates, ChargePoint, GPI, and PG&E.

All comments have been carefully considered. Significant aspects of the proposed decision that have been revised in light of comments are mentioned specifically in this section. However, additional changes have been made to the proposed decision in response to comments that may not be discussed here. We do not summarize every comment but focus on major arguments made in which the Commission did or did not make revisions in response to party input.

CUE comments that the proposed decision should require EVITP-certified electricians, stating generally that previous Commission decisions relating to EV charger installations required EVITP-certified contractors and that § 740.8 requires the use of EVITP electricians. Cal Advocates supports CUE's position. ChargePoint responds that the previous decisions cited by CUE are distinguishable from this proceeding. The Commission agrees with ChargePoint and declines to modify the licensed electrician requirement. However, based on comments, we have modified the decision to clarify our rationale.

Cal Advocates recommends that the decision adopt a cost recovery mechanism using an equal cents per kWh allocation, even if cost recovery is through distribution rates. Cal Advocates also requests that the decision clarify its proposal. The Commission declines to modify the cost recovery mechanism for the reasons stated in the proposed decision but modifies the decision to clarify Cal Advocates' proposal.

As part of the data collection metrics, Cal Advocates comments that PG&E should be required to develop a map with aggregated data by census tract that displays general locations of chargers. In reply comments, PG&E agrees to this modification, as well as to include the map in the final program report. The

Commission agrees with Cal Advocates and modifies the decision to add this requirement.

Additionally, PG&E comments that the requirement to collect baseline household energy use before and after charger installation is unclear, does not further the objectives of the program, and that PG&E did not include the functionality or analysis for reporting this in its funding request or timeline. In reply comments, Cal Advocates clarifies its recommendation, stating that it intended for PG&E to “collect and report two years of participants’ hourly household energy consumption data..., and participants’ associated rates, in order for other entities to perform comparisons of participants’ total and hourly energy usage before and after EVSE installation.” The Commission finds the clarification to be reasonable and has modified the decision to reflect this.

ChargePoint comments that the decision should require PG&E “to offer every participating customer assistance in determining the optimal rate for their load profile.”⁶³ PG&E supports this recommendation but with the modification that PG&E will include in an Advice Letter a description of how it will offer customer assistance to determine the optimal rate for each customer’s load profile.⁶⁴ The Commission agrees with this modification, which has been added to the decision.

PG&E comments that the proposed decision requests information to be submitted via Tier 2 Advice Letters within 90 days of the effective date of the decision. PG&E recommends that the information submitted via Advice Letter

⁶³ ChargePoint Comments to Proposed Decision at 2.

⁶⁴ PG&E Reply Comments to Proposed Decision at 2.

should be consolidated and submitted 90 days after the third-party implementer is selected. The Commission agrees with this modification and the decision reflects this modification.

GPI provides comments criticizing, among other things, the size and budget of the program. PG&E responds that GPI's comments do not provide any factual, legal or technical errors pursuant to Rule 14.3(c). The Commission agrees with PG&E and further notes that GPI did not file post-workshop comments during the proceeding, which would have afforded parties an opportunity to respond to GPI's concerns.

6. Assignment of Proceeding

Clifford Rechtschaffen is the assigned Commissioner and Debbie Chiv is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. An income eligibility definition of 400 percent or less of the Federal Poverty Level for low- and moderate-income customers is an appropriate, administratively efficient threshold.

2. Offering the same rebate incentives to both low- and moderate-income participants is reasonable and effective for customer communication.

3. PG&E and the third-party implementer should have flexibility to adjust the selection criteria for the targeted communities. PG&E's proposed selection criteria are appropriate.

4. It is important to offer participating customers flexibility to select a rate plan that best suits their needs.

5. Per D.18-05-011, most PG&E residential customers will be defaulted onto a TOU rate in October 2020.

6. The whole-home EV TOU rate offers significant savings potential and strong price signals for shifting load.

7. Both PG&E and Greenlining/GRID's set of proposed criteria for selecting a third-party implementer are appropriate and beneficial.

8. PG&E and the third-party implementer should have flexibility in selecting CBO partners. PG&E's proposed criteria are reasonable.

9. It is necessary to establish customer protection measures that offer participants an opportunity to raise concerns about CBO partners.

10. Data collection metrics offer a critical source of information about electric vehicle adoption generally, as well as the Empower program.

11. PG&E has provided limited information about the Empower program's evaluation process.

12. A requirement to use licensed electricians is sufficient and consistent with Pub. Util. Code § 740.8.

13. The Safety Requirements Checklist, adopted in D.18-05-040, serves as useful guidance for the Empower program, with the exception of the requirement that contractors show proof of EVITP certification.

14. PG&E's Empower program supports transportation electrification access for low- and moderate-income communities and aligns with California's zero emission vehicles initiatives.

15. PG&E's Empower program is reasonable and in the interest of ratepayers.

Conclusions of Law

1. An income threshold of 400 percent or less of the FPL for both middle- and low-income customers should be adopted.

2. Low-income and moderate-income participants should be eligible for both the charger rebate and the electrical panel upgrade rebate.

3. PG&E's proposed criteria for selection of the targeted communities should be adopted.
4. PG&E should submit an Advice Letter describing the guidelines for participation by tenants of rental properties.
5. Participants of the Empower program should be defaulted onto a TOU rate and should have the opportunity to opt out if desired. The whole-home EV TOU rate should be the default rate for Empower participants.
6. PG&E should submit an Advice Letter describing how it will offer customer assistance in determining the optimal rate for each customer's home load profile.
7. PG&E and Greenlining/GRID's respective set of proposed criteria for selecting a third-party implementer should be adopted.
8. PG&E's proposed criteria for selection of CBO partners should be adopted.
9. PG&E should implement at least one of Cal Advocates' proposed customer protection measures.
10. PG&E's data collection metrics, in addition to aspects of Cal Advocates and Greenlining/GRID's data collection metrics, should be adopted.
11. PG&E should submit an Advice Letter describing the program evaluation process, including a data collection plan and a preliminary format of the final program report.
12. Should PG&E select a CAPP community as one of its targeted communities, PG&E should submit an Advice Letter describing how the data collection metrics may be reported separately for the CAPP community.
13. A requirement to use licensed electricians should be adopted.

14. PG&E and the third-party implementer should adhere to the Safety Requirements Checklist adopted in D.18-05-040, with the exception of the requirement for proof of EVITP certification prior to construction.

15. PG&E's application for the Empower program should be approved with the minor modifications identified in this decision.

O R D E R

IT IS ORDERED that:

1. The definition of low-income and moderate-income participants for the purposes of the Empower program is 400 percent or less of the Federal Poverty Level.

2. Pacific Gas and Electric Company shall submit a Tier 2 Advice Letter describing the following:

- (1) The income verification process, including a comparison of the process to other electric vehicle programs;
- (2) The guidelines for participation by tenants of rental properties for the Empower program;
- (3) The program evaluation process, including a data collection plan and a preliminary format of the final program report;
- (4) How it will offer each participating customer assistance in determining the optimal rate for their home load profile; and
- (5) How the data collection metrics, adopted in Ordering Paragraph 10, may be reported separately for a California Air Resources Board's Community Air Protection Program community, if such a community is selected.

The Advice Letter shall be submitted within 90 days from the date when the third-party implementer is selected.

3. Both low-income and moderate-income participants shall be eligible for the point-of-sale charger rebate and the electrical panel upgrade rebate.

4. The criteria for selecting targeted communities shall be based on the following factors: (1) existing vehicle adoption suggesting consumer interest; (2) feasibility for on-the-ground outreach by community-based organizations; and (3) ability to provide incentives in areas located outside of disadvantaged communities where low-income customers may not have similar levels of incentive availability.

5. Participants of the Empower program shall be defaulted onto a time-of-use rate, which shall be the whole-home electric vehicle time-of-use rate.

Participants may opt out of the time-of-use rate if desired.

6. Pacific Gas and Electric Company shall use the following selection criteria for selecting a third-party implementer:

- (1) Has experience with incentive programs directed at low-moderate income communities;
- (2) Has established relationships with local community-based organizations working with low- to moderate-income customers;
- (3) Has experience stacking incentives in clean energy technologies;
- (4) Will coordinate with the California Air Resources Board's (CARB) One-Stop-Shop initiative;
- (5) Has an equity mission and track record implementing equity programs;

- (6) Has experience with and understanding of CARB's electric vehicle equity programs;
- (7) Has a plan for creating equitable and inclusive economic opportunities; and
- (8) Has experience performing program evaluation for equity programs.

7. Community-based organizations shall be selected for the Empower program based on experience with community organizing and established roots in the targeted communities.

8. Pacific Gas and Electric shall establish at least one of the following customer protection measures for participants to raise concerns about community-based organization partners: (1) a customer service number for applicants and participants; or (2) a survey of applicants and participants (managed by the third-party implementer) to verify components of the community-based organizations' work.

9. Marketing materials shall clearly state that there is no cost to apply for the Empower program.

10. The following data metrics shall be collected through the Empower program:

- (1) Total amount of charger rebates issued;
- (2) Total amount of panel upgrade rebates issued;
- (3) Average total out-of-pocket cost paid by customers for installation, charger purchase, and other costs;
- (4) Average total costs for panel upgrades;
- (5) Average total costs for chargers;
- (6) Type of vehicle and lease versus purchase;
- (7) Income breakdown of participating customers;
- (8) Charger utilization;
- (9) Customer satisfaction with the program;

- (10) Number of customers that are participants of any of California Air Resources Board's electric vehicle (EV) equity programs or other EV incentives programs;
 - (11) Demographic information (age, race/ethnicity, gender, nationality, primarily language spoken);
 - (12) Hourly household energy use one year before and after charger installation;
 - (13) Number of participants that are renters versus homeowners; and
 - (14) Map of charger locations aggregated by census tract.
11. A pre-program and post-program voluntary Driver Behavior Survey shall be offered to participants of the Empower program.
12. A requirement to use licensed electricians for the Empower program is adopted.
13. Pacific Gas and Electric Company and the third-party implementer shall adhere to the Safety Requirements Checklist, adopted in Decision 18-05-040, with the exception of the requirement that contractors show proof of Electric Vehicle Infrastructure Training Program certification.
14. Pacific Gas and Electric Company's (PG&E) Prepared Testimony is admitted into the record as Exhibit PG&E-1 and PG&E's Workpapers are admitted into the record as Exhibit PG&E-2.
15. Pacific Gas and Electric Company's application for the Empower Electric Vehicle Charger Incentive and Education Program is approved with the minor modifications described in this decision.
16. Application 18-07-021 is closed.

This order is effective today.

Dated _____, at San Francisco, California.