

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

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

And Related Matters.

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

Application 17-06-033
Application 17-06-034

**REBUTTAL TESTIMONY OF LILLIAN RAFII
ON BEHALF OF SMALL BUSINESS UTILITY ADVOCATES
ON THE TRANSPORTATION ELECTRIFICATION PROPOSALS FROM
PACIFICORP, LIBERTY UTILITIES (CALPECO ELECTRIC) LLC, AND GOLDEN
STATE WATER COMPANY ON BEHALF OF ITS BEAR VALLEY ELECTRIC
SERVICE DIVISION**

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I. INTRODUCTION

In accordance with the October 25, 2017 *Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judges*, SBUA submits this rebuttal testimony regarding party positions on PacifiCorp’s, Liberty Utilities (CalPeco Electric) LLC’s (“Liberty CalPeco”), and Golden State Water Company on behalf of its Bear Valley Electric Service Division’s (“BVES”) transportation electrification (“TE”) proposals. The Office of Ratepayer Advocates (“ORA”) and SBUA filed opening testimony in this proceeding on December 11, 2017. This rebuttal testimony addresses and supports the issues presented by ORA in their opening testimony in light of their impact on the small business community.

As discussed below, ORA shares many of the concerns that animated the improvements SBUA is recommending, and SBUA supports several of the recommendations of ORA.

II. DISCUSSION

A. Liberty CalPeco Proposals

In their Opening Testimony, ORA addresses five issues from Liberty CalPeco’s

proposals. SBUA addresses two of them.

i. SBUA Supports ORA’s Recommendation to Expense the Proposed Rebates

In its Opening Testimony, ORA recommends that Liberty CalPeco “treat program rebates as expenses, the costs of which are recovered from customers in the year the expense is incurred.”¹ Currently, “Liberty proposes to capitalize the rebates provided in the Residential and Small Business Charger Installation Rebate Programs by including them in ratebase.”² ORA’s suggestion is a good one because it will help keep rates paid by small businesses reasonable. SBUA therefore supports ORA’s proposal.

ii. SBUA Shares ORA’s Concern on Anti-Competition of Utility Ownership

In its Opening Testimony, ORA opposes utility ownership of the DC Fast Chargers in the DC Fast Charger Project because of the negative effects on competition and burdens upon ratepayers.³ In describing the current numbers of fast chargers in the region, ORA calculates that, “[i]f Liberty were to deploy the maximum of 36 DCFC, then that would represent a market share of approximately 41% of DCFC in that region.”⁴ As ORA notes, this could have a “serious impact on the private DCFC market for the region due to possible exertion of market power by one company/organization, particularly since it is unclear how many vendors Liberty will select in its RFP process.”⁵

As with ORA, SBUA raised concerns on competition in our Opening Testimony that by owning and operating the charging infrastructure, the utility eliminates the ability of a small

¹ *Prepared Testimony on Liberty Utilities’ Transportation Electrification Proposals* (Dec. 11, 2017) (“ORA Op. Test. on Liberty”), p. 4.

² *Id.*

³ *Id.* at p. 5.

⁴ *Id.*

⁵ *Id.*

commercial customer to do so.⁶ SBUA also discussed concerns on the utility ownership design in the transportation electrification proceeding for the larger IOUs due to concerns of small business participation. As small businesses play a large role in the installation process and as partners of EVSE companies, SBUA shares ORA’s concern of the disadvantage faced by a vendor if not selected by the DCFC program.⁷

As part of Liberty CalPeco’s program, SBUA continues to recommend “a non-binding goal of contracting with 15% small businesses in its RFP process.”⁸ By directly focusing on contracting with small commercial customers, the program will help overcome barriers faced by this customer class by building awareness and promoting participation in this nascent sector. This in turn will promote widespread transportation electrification and its associated benefits.

B. BVES’ Proposals

In its Opening Testimony, ORA issued four recommendations regarding BVES’ TE proposals. SBUA addresses all four of them.

i. SBUA Supports ORA’s Recommendation to Modify BVES’ Destination Make-Ready Pilot From a Rebate Program to a Make-Ready Program

In its Opening Testimony, ORA recommends that BVES’ Destination Make-Ready Pilot be modified to a make-ready program instead of a rebate program.⁹

Instead of treating the rebates as “capital additions to further incentive utility programs

⁶ *Opening Testimony of Lillian Rafii on Behalf of Small Business Utility Advocates On the Transportation Electrification Proposals From PacifiCorp, Liberty Utilities (CalPeco Electric) LLC, and Golden State Water Company On Behalf of its Bear Valley Electric Service Division* (Dec. 11, 2017) (“SBUA Op. Test.”), p. 7.

⁷ *Id.*

⁸ *Id.*

⁹ *Prepared Testimony on Bear Valley Electric Service Division’s 2017 Transportation Electrification Proposal* (Dec. 11, 2017) (“ORA Op. Test. on BVES”), p. 3.

that will increase EV adoption,”¹⁰ ORA proposes that the program “be modified to be a make-ready programs.”¹¹ ORA describes that, “[s]ince BVES would own the make-ready infrastructure and the installation work would be performed or contracted out by BVES, a rebate program in this particular scenario adds administrative burden.”¹² Furthermore, issuing rebates “to customers is unnecessary because BVES can simply include the make-ready infrastructure costs in a balancing account for reimbursement at a later date.”¹³ Generally, SBUA supports eliminating administrative and other hurdles for customers to participate in utility programs and supports ORA’s proposal to change the rebate program to a make-ready program.

SBUA continues to support the Destination Make-Ready Rebate Pilot in its potential to benefit small businesses by expanding EV infrastructure in the BVES region.

ii. SBUA Supports ORA’s Recommendation to Require BVES to Establish a One-Way Balancing Account

In its Opening Testimony, ORA “opposes the use of a two-way balancing account for similar reasons that BVSE cited in its Application: BVES cites the uncertainty of TE adoption in its territory, as well as uncertainty about program costs.”¹⁴

As ORA describes:

A one-way balancing is more appropriate than a two-way balancing account. A one-way capped balancing account, defined in this context, would prohibit BVES from collecting costs from ratepayers that exceed the allotted program cost and any remaining budget unused in the program would be returned to ratepayers. This would ensure prudent investment of ratepayer funds on the

¹⁰ ORA Op. Test. on BVES, p. 3 (quoting the *Application of Golden State Water Company on Behalf of its Bear Valley Electric Service Division (U 913-E) for Approval of its 2017 Transportation Electrification Proposals* (June 30, 2017), p. 36).

¹¹ *Id.* at p. 3.

¹² *Id.* at pp. 3-4.

¹³ *Id.* at p. 4.

¹⁴ ORA Op. Test. on BVES, p. 5.

proposed TE projects.¹⁵

SBUA supports this measure as it protects small business customers by ensuring ratepayers recover any unused budgets from investments.

iii. SBUA Supports ORA’s Consideration of Minimizing Stranded Assets for the Destination Make-Ready Program

In selecting site hosts for the Destination Make-Ready Program, ORA recommends that the criterion of maintaining the EVSE be extended from 24 months to 10 years to reflect the useful life of the EVSE.¹⁶ SBUA supports the goal of maintaining infrastructure and avoiding stranded assets. Historically, challenges faced by small businesses in renewable energy adoption are influenced by their status as renters. Given that some well-suited and capable small commercial site hosts may have a lease agreement that is subject to external forces, SBUA emphasizes the importance of designing a program that remains open to such realities faced by potential site hosts in the region while balancing the utility investment.

iv. The Commission Should Adopt the Rate Design Recommendations Made in the BVES, ORA, and SBUA Stipulation

SBUA and ORA both requested that the Commission adopt the stipulation between BVES, ORA, and SBUA. According to ORA, the “stipulated terms reflect reasonable modifications to BVES’ EV TOU pilot program” and should be used as the basis for determining the EV TOU rate.¹⁷ The stipulation will allow greater participation in the EV-TOU-2 rate and make the TOU rate friendlier for small businesses. It is fair, reasonable in light of the whole record, in the public interest, and promotes widespread transportation electrification.

C. PacifiCorp’s Proposals

In its Opening Testimony, ORA issued two recommendations regarding PacifiCorp’s TE proposals. SBUA addresses both of them.

¹⁵ ORA Op. Test. on BVES, p. 5.

¹⁶ *Id.* at p. 6.

¹⁷ *Id.*

i. SBUA Supports ORA’s Recommendation and PacifiCorp’s Plan to Use CSI Funds for its PRP Projects

In its Opening Brief, ORA recommends and supports “PacifiCorp’s request to use CSI funds for its pilot program because it would minimize the impact of the TE program on PacifiCorp’s ratepayers by avoiding the issuance of a refund of the unused CSI funds followed by a rate increase for any TE project approved in this proceeding.”¹⁸ SBUA supports this recommendation and its benefit to ratepayers.

ii. SBUA Supports ORA’s Modification On Continuing Only the Currently Proposed PRPs With a Tier 2 Advice Letter

In its Opening Brief, ORA recommends that the Commission require PacifiCorp to submit a new application for new PRPs not approved in this proceeding and only allow using a Tier 2 Advice Letter to extend the two PRPs proposed in their Application, if approved by the Commission.¹⁹ SBUA shares ORA’s concern that allowing a separate PRP to be approved without additional scrutiny is inconsistent with Commission guidelines²⁰ and will also prevent external oversight on the impacts of the program to small businesses and other ratepayer classes. SBUA supports only having the approved PRP continue via a Tier 2 Advice Letter.

III. CONCLUSION

SBUA continues to support the spirit and the forward-thinking nature of the TE proposals in this proceeding. For the reasons stated herein, and those detailed in our Opening Testimony, we also urge the Commission to adopt SBUA’s recommended improvements to the projects along with several of the above-mentioned ORA recommendations.

¹⁸ *Prepared Testimony on PacifiCorp’s 2017 Transportation Electrification Proposal* (Dec. 11, 2017) (“ORA Op. Test. on PacifiCorp”), p. 3.

¹⁹ ORA Op. Test. on PacifiCorp, pp. 3-4.

²⁰ *Id.* at p. 4 (referring to R.13-11-007, *Assigned Commissioner’s Ruling* (Sept. 14, 2016), p. 13 and arguing that given PacifiCorp’s stated uncertainty around current EV program design, the request to present new proposals via Tier 2 Advice Letter is premature).