

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



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Order Instituting Rulemaking on the)
Commission's own motion to consider)
alternative-fueled vehicle tariffs,) Rulemaking 09-08-009
infrastructure and policies to support)
California's greenhouse gas emissions)
reduction goals.)
_____)

**CALIFORNIANS FOR RENEWABLE ENERGY (CARE) AND NORTH COAST
RIVERS ALLIANCE'S (NCRA'S) REPLY COMMENTS ON RULEMAKING TO
CONSIDER ALTERNATIVE-FUELED VEHICLE TARIFFS, INFRASTRUCTURE AND
POLICIES TO SUPPORT CALIFORNIA'S GREENHOUSE GAS EMISSIONS
REDUCTIONS GOALS**

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November 6, 2009

INTRODUCTION

Pursuant to the Order instituting the present rulemaking and Rule 6.2 of the California Public Utility Commission's ("Commission") Rules of Practice and Procedure, CALifornians for Renewable Energy, Inc. ("CARE") and North Coast Rivers Alliance ("NCRA") respectfully submit the following reply comments. CARE and NCRA have reviewed the comments of the other parties and submit the following reply comments in response to certain issues raised therein.

REPLY COMMENTS

1. CARE and NCRA Support Environmental Coalition's 4 Principles

CARE and NCRA support the Environmental Coalition's request that the Commission adopt a set of core principles to aid in the decisionmaking processes in this proceeding. The Environmental Coalition suggests the following:

1. Reduce barriers for consumers to "fuel switch" through plug-in electric vehicles.
2. Ensure the environmental benefits of plug-in electric vehicles are maximized.
3. Minimize electricity grid impacts and maximize potential grid benefits.
4. Ensure cost-effective service for utility customers.

Comments of the Environmental Coalition on Alternative-Fueled Vehicle Policies ("EC Comments"), pp. 2-3.

In addition to these, CARE and NCRA suggest a fifth principle that (a) encourages adoption of plug-in electric vehicles ("PEVs," which include both plug-in hybrid electric vehicles and battery electric vehicles) in low-income communities and (b) ensures that the adverse impacts of new sources of electricity needed to support increased use of PEVs will not be foisted

upon low-income neighborhoods. Low-income families benefit from environmentally beneficial, technological advancements, such as PEVs, because such innovations often reduce monthly transportation costs and because they provide much needed clean energy sources in areas that often shoulder disproportionate levels of air pollution. However, because the additional demand for electricity prompted by increased use of PEVs may create the need for new fossil-fuel, energy production facilities, CARE and NCRA urge the Commission to direct that such facilities not be located in low-income areas already heavily industrialized and polluted.

2. CARE and NCRA Support Sub-Metering for PEVs, but Agree with SMUD that Early Flexibility Is Required

CARE and NCRA reiterate their view that the Commission should require investor-owned utilities (“IOUs”) and third party providers to meter electricity used for charging PEVs separately from electricity used for other purposes. Among other things, sub-metering has the benefits of (1) protecting PEV owners from the higher electricity rate bracket they would likely be placed in if their residential and vehicle electricity use were metered jointly (thereby reducing a disincentive for purchasing and using PEVs), (2) allowing the utilities, the Commission and others to calculate how much electricity use comes from PEV charging and thus how much impact PEV use has on greenhouse gas emissions, and (3) allowing time-of-use rates to be applied to PEV charging to encourage efficient load management, as noted by the Environmental Coalition. EC Comments, p. 16. Moreover, the Environmental Coalition makes the excellent point that sub-metering will be independently required for utilities to receive credits under the California Air Resources Board’s (“CARB”) Low Carbon Fuel Standard and may also be required by state and federal policy in the future for purposes of assessing excise taxes on transportation “fuel.” EC Comments, p. 16.

Nonetheless, CARE and NCRA agree with the Sacramento Municipal Utility District (“SMUD”) that the Commission should initially be flexible in its requirements for residential metering arrangements until metering technology for PEVs matures. Response and Opening Comments of the Sacramento Municipal Utility District (“SMUD Comments”), pp. 2-3. Allowing initial flexibility will help protect utilities and their consumers from the costs of removing and replacing old metering components again and again as new technologies are adopted. In deciding how much flexibility to allow and how to incorporate it into initial sub-metering requirements, the Commission should assess the current state of metering technology and ascertain the metering industry’s projected advancements and innovations.

Finally, there is the additional problem that the costs of installing sub-meters and the other requisite residential PEV charging equipment are expected to be significant, at least in the short term. As the Environmental Coalition explains, sub-metering could add an additional \$400 to \$600 to the already high infrastructure costs for Level 1 (~\$900) and Level 2 (~\$2,100) residential charging. EC Comments, p. 19. Therefore, to reduce the disincentive to purchasing PEVs that these costs create and benefit the overall interests of utility customers, CARE and NCRA agree with the Environmental Coalition that the Commission should encourage utilities to employ financing programs, such as on-bill payment and low-interest loan programs, that allow utility customers to amortize the cost of residential charging infrastructure costs over time. EC Comments, pp. 21-24. CARE and NCRA similarly agree with the Environmental Coalition that the California Solar Initiative offers another potential incentive model, whereby utility customers who install residential PEV charging infrastructure would be given some form of monetary incentive. EC Comments, p. 22. The Commission should assess the viability of such an

incentive program and facilitate its development. Finally, CARE and NCRA concur with the Environmental Coalition that the Commission should allow and promote utility rate-basing for the components of residential PEV charging infrastructure that allow effective load management, e.g. sub-meters and bi-directional communications hardware and software. *See* EC Comments, pp. 23-24.

3. Provisioning of Public Charging Stations Must Not Be Left Solely to the Private Sector and Battery Swapping Should Be Considered

CARE and NCRA wish to emphasize that the provisioning of publicly available PEV charging stations cannot be left solely to the private market. While the Commission must be careful in developing its policies so as to not to prematurely pick technology winners, it must also be very mindful of the impacts that the use of certain technologies will have on the ability of utilities to effectively manage loads. For example, DC charging facilities might increase the attractiveness of PEVs to consumers and reduce inconvenience to them (as direct DC charging is much quicker). However, for that reason it might stimulate more peak-period demand than either slower AC charging facilities or battery swap stations. This is so because PHEV and BEV owners are less likely to plan ahead and charge their vehicles during off-peak hours when they know they have a quick charging option available to them whenever they need it. And, that need would most likely peak during the traditional commute hours and other hours of higher electricity use. As a result, the Commission should be wary about favoring DC charging facilities.

Nevertheless, CARE and NCRA recognize that PEV users - particularly BEV users - will need rapid charging options for longer trips. As such, battery swapping stations become a very attractive option. The Commission should assess how a system of battery swapping stations could best be created and organized. In addition, whatever rapid charging technologies are

eventually deployed, the Commission should consider proposing to the Caltrans and the Governor that they install public charging stations at rest areas along California's interstate and major freeway systems to encourage the use of PEVs on long trips. This could be done by the state government, in partnership with local governments, or in partnership with the private sector, as Virginia is currently doing as part of Governor Timothy M. Kaine's Renew Virginia Initiative.¹

4. CARE and NCRA Ask the Commission to Emphasize the Need for Distributed Generation for All Peak Hour Charging Facilities, Including Parking Garages and Work Place Charging Stations

To make it easier for PEV users to charge their vehicles and thus incentivize their use, the Commission should analyze and advocate the passage of state legislation requiring that charging stations be incorporated into all new public and commercial parking garages to give PEV owners more charging options. And furthermore, to help minimize the negative impacts of PEV charging during hours of peak electrical use, the Commission should also advocate the deployment of solar panels and other distributed generation facilities at the parking lots.

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¹ See Office of Governor Tim Kaine. 9/22/2009. "Governor Kaine Announces Partnership with Dominion Virginia Power to Promote Clean Fuel Vehicles: Hybrid Electric Vehicle Charging Stations Installed at Select State Rest Areas." Press Release. *Available at* <http://www.governor.virginia.gov/MediaRelations/NewsReleases/viewRelease.cfm?id=1082>.

CONCLUSION

As the Commission moves forward with the present rulemaking, we respectfully request its consideration of the suggestions we have made in these reply comments.

Dated: November 6, 2009

Respectfully submitted,

/s/ Stephan C. Volker
STEPHAN C. VOLKER
Attorney for CALifornians for Renewable
Energy, Inc. (CARE) and North Coast
Rivers Alliance (NCRA)

VERIFICATION

I am the attorney for the commenting parties herein, CALifornians for Renewable Energy, Inc. (CARE) and North Coast Rivers Alliance (NCRA), and am authorized to make this verification on their behalf. The statements in the foregoing document are true to the best of my knowledge, except matters that are therein stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 6th day of November 2009 at Oakland, California.

/s/ Stephan C. Volker
STEPHAN C. VOLKER
Attorney for CALifornians for Renewable
Energy, Inc. (CARE) and North Coast
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CERTIFICATE OF SERVICE

I hereby certify that I have on this 12th day of November, 2009, served a copy of the

CALIFORNIANS FOR RENEWABLE ENERGY (CARE) AND NORTH COAST RIVERS ALLIANCE'S (NCRA'S) REPLY COMMENTS ON RULEMAKING TO CONSIDER ALTERNATIVE-FUELED VEHICLE TARIFFS, INFRASTRUCTURE AND POLICIES TO SUPPORT CALIFORNIA'S GREENHOUSE GAS EMISSIONS REDUCTIONS GOALS

on each party named in the official service list for Rulemaking 09-08-009 by electronic service, and by U.S. mail for those parties who have not provided an electronic mail address.

Copies were also sent via United States Postal Service to Commissioner Rachelle B. Chong and Administrative Law Judge Regina DeAngelis.

Executed this 12th day of November, 2009 at Oakland, California.

/s/ Teddy Ann Fuss
Teddy Ann Fuss

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