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

Application of San Diego Gas & Electric  
Company for Authority, Among Other Things,  
to Increase Rates and Charges for Electric and  
Gas Service Effective on January 1, 2012

Application No. 10-12-005

Application of Southern California Gas Company  
For authority to update its gas revenue  
Requirement and base rates effective on  
January 1, 2012

Application No. 10-12-006

**MOTION OF ECOTALITY NORTH AMERICA  
FOR PARTY STATUS**

In accordance with Rule 1.4(a)(4) of the California Public Utilities Commission (“Commission”) Rules of Practice and Procedure, ECOTALITY North America (“ECOTALITY”) respectfully requests leave to intervene as a party in the above-captioned proceeding.

**I. Background**

ECOTALITY North America, based in Phoenix, Arizona, is a leading installer and provider of electric vehicle (“EV”) charging infrastructure. ECOTALITY is actively engaged in the California market, and has participated in Rulemaking 09-08-009, the proceeding in which the Commission is developing and implementing policies to support the development of infrastructure supporting the increasing deployment of electric vehicles. The United States Department of Energy has awarded ECOTALITY a grant for the Transportation Electrification Demonstration Project (“EV Project”), which will result in the installation of residential and commercial EV charging infrastructure in the San Diego area. ECOTALITY is currently working closely with San Diego Gas & Electric Company (“SDG&E”) to coordinate the rollout of EV infrastructure through the EV Project, and will continue to coordinate with SDG&E in order to

analyze and leverage information gained from this important pilot project to ensure grid security, plan for the future, and identify where and how the integration of EVs can support innovative smart grid applications.

ECotality seeks to intervene as a party in this proceeding for the limited purpose of offering rebuttal testimony and participating in hearings on the issue of SDG&E's proposed ownership of public charging infrastructure. SDG&E mentions the EV Project in its direct testimony, and the Utility Consumers' Action Network ("UCAN") has submitted direct testimony discussing at length the EV Project and ECotality's activities in San Diego. ECotality's rebuttal testimony, appended as Attachment A to this motion and served on all parties, discusses ECotality's support for the recommendation of UCAN (and also the Division of Ratepayer Advocates) that the Commission deny SDG&E's proposal to install and operate utility-owned EV charging infrastructure.

## **II. Motion for Party Status**

ECotality requests that the Commission grant its motion to intervene as a party in this proceeding. As discussed above, ECotality intervenes for the limited purpose of testifying in support of the recommendation of UCAN and DRA that the Commission reject SDG&E's proposal to install ratepayer-funded public EV charging stations. ECotality does not seek to expand the scope of issues in this proceeding, but rather to provide rebuttal testimony on an issue raised by intervenors. ECotality's rebuttal testimony is within the scope of the proceeding, and will benefit the record insofar as the questions raised by UCAN and DRA center significantly on the EV Project, ECotality's activities in San Diego, and whether there is evidence of neglect by ECotality or other market participants to identify and address potentially "underserved" areas.



Docket No: A.10-12-005

Exhibit No.: \_\_\_\_\_

Date: \_\_\_\_\_

Witness: Donald B. Karner

**REBUTTAL TESTIMONY OF DONALD B. KARNER  
ON BEHALF OF ECOTALITY NORTH AMERICA**

1 **Q: Please state your name, title, and business address**

2 A: My name is Donald B. Karner. I am the President and Chief Executive Officer of ECOTality  
3 North America. My business address is: 430 2<sup>nd</sup> Avenue. Phoenix, Arizona. ECOTality, Inc.,  
4 headquartered in San Francisco, California, is a leader in clean electric transportation and storage  
5 technologies. ECOTality North America, based in Phoenix, Arizona, is a leading installer and provider of  
6 charging infrastructure. The company is currently working with major automotive manufacturers,  
7 utilities, the U.S. Department of Energy, state and municipal governments, and international research  
8 institutes to implement and expand the presence of EV charging infrastructure. In addition to its EV  
9 charging infrastructure experience, ECOTality currently manages several million dollars in alternate fuel  
10 programs in the US and abroad. ECOTality's staff comprises some of the leading experts in EV charging,  
11 battery management, and alternate fuel vehicle applications. ECOTality's global EV charging  
12 infrastructure operations include a joint venture in China and a division in Australia. ECOTality currently  
13 manages the Transportation Electrification Demonstration Project (EV Project), the largest infrastructure  
14 deployment in the United States. ECOTality also provides retail sales of electric vehicle fueling  
15 infrastructure.

16 **Q: Please summarize your qualifications.**

17 A: I have a B.S. degree in Electrical Engineering and an M.S. degree in Nuclear Engineering. I have  
18 over 25 years experience in the advanced transportation and energy areas, including fifteen years of  
19 electric utility industry management. As Chief Nuclear Officer for Arizona Public Service Company, I  
20 directed a large staff and testified before federal and state regulatory commissions. As President of  
21 ECOTality North America, I provide strategic direction and oversee research and development of products  
22 and services in the areas of energy, environment, and advanced transportation.

23 **Q: On whose behalf are you testifying?**

24 A: I am testifying on behalf of ECOTality North America.

1 **Q: Please summarize your testimony.**

2 A: ECOTality supports the recommendation of UCAN and DRA to reject SDG&E’s proposal to use  
3 ratepayer funding to install and operate public EV charging stations. A Department of Energy funded  
4 project to install public charging infrastructure across SDG&E’s service territory is in a very early stage  
5 of implementation. In fact, ECOTality only began installing public charging facilities in June 2011.  
6 UCAN and DRA are correct in pointing out that the Commission cannot and should not approve  
7 SDG&E’s proposal to use ratepayer money to install additional charging infrastructure in the absence of  
8 any showing that there is a need for utility-owned charging equipment or that the emerging market has  
9 failed to adequately serve the market. UCAN has also noted, and ECOTality agrees, that SDG&E has  
10 provided no explanation of how it intends to bill consumers for charging services. This concern is  
11 significant, because the introduction of ratepayer-subsidized services could send a negative signal to the  
12 market and stifle private investment that will otherwise create jobs and economic opportunity for  
13 California.

14 **Q: Have you reviewed the Prepared Direct Testimony of Dale Pennington on behalf of Utility**  
15 **Consumers’ Action Network (UCAN) regarding San Diego Gas & Electric Company’s (SDG&E’s)**  
16 **proposal to own and operate public access EV charging stations?**

17 A: Yes, I have reviewed Mr. Pennington’s testimony.

18 **Q: Could you summarize Mr. Pennington’s general recommendation regarding SDG&E’s**  
19 **proposal?**

20 A: Mr. Pennington recommends at page 64 of his testimony that: “SDG&E should not install any  
21 charging stations without first analyzing the usage of the 1,450 Level 2 and 30 Level 3 public charging  
22 stations that ECOTality is currently installing in the SDG&E service area as part of the EV Project.”<sup>1</sup>

23 **Q: Do you agree with that recommendation?**

24 A: Yes. We agree that since ECOTality only began installing public charging stations in June 2011,  
25 there hasn’t been time to evaluate their usage or to reach any other conclusions that would support

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<sup>1</sup> Prepared Direct Testimony of Dale Pennington, *Evaluation of San Diego Gas & Electric’s 2012 General Rate Case – Smart Grid Infrastructure Projects*, September 22, 2011 (Pennington Testimony), p. 64.

1 SDG&E's claim that there are underserved markets or the assumption that only SDG&E can serve such  
2 markets.

3 **Q: What is the EV Project?**

4 A: The EV Project is an initiative funded by the United States Department of Energy. ECOtality  
5 was awarded the project in 2009, and the EV Project began residential installations in San Diego in  
6 January. Currently in SDG&E's service territory there are 554 residential charging stations associated  
7 with the Nissan LEAF and 35 residential charging stations associated with General Motors' VOLT.  
8 ECOtality began installing commercial infrastructure for the Project in June, 2011. There are currently 43  
9 commercial charging stations installed in SDG&E territory, with more on the way. ECOtality will begin  
10 installing 25 fast charging (or Level 3) stations to supplement the Level 2 residential and commercial  
11 locations to support EV drivers.

12 **Q: Is the EV Project focused solely on installing new charging infrastructure?**

13 A: Definitely not. It is designed to provide experience, data and analysis that will enable us to plan  
14 for expanding EV charging infrastructure statewide as the use of EVs increases in the future. Current  
15 investment in the deployment of charging infrastructure for the EV Project includes funding from  
16 ECOtality, the Department of Energy and the California Energy Commission (CEC). The CEC provided  
17 an \$8 million grant to support expansive research on energy usage and smart grid applications associated  
18 with electric vehicles to benefit grid operations. We have worked in collaboration with other companies  
19 and utilities across the country to standardize equipment and to ensure that charging infrastructure will be  
20 universal and accessible to all current and future drivers of electric vehicles. Smart charging equipment  
21 deployed under the EV Project allows seamless interface with the grid to encourage off-peak charging  
22 and support smart energy behavior that will benefit all users of the local grid. Data gathered and lessons  
23 learned from the Project in San Diego will not only affect EV drivers, but all energy consumers as we  
24 plan for a 21<sup>st</sup> century grid system.

1 **Q: Is SDG&E involved in the EV Project?**

2 A: Yes. SDG&E is very involved. ECotality and SDG&E are working together to coordinate the  
3 rollout of EV charging infrastructure. We have a good working relationship, and a mutual interest in  
4 making the Project a success in the San Diego region. ECotality and SDG&E are working together to  
5 identify where and how the integration of electric vehicles could support innovative smart grid  
6 applications.

7 **Q: Can the Commission make a determination at this point whether there are underserved**  
8 **markets, what those markets may be, or where they are located?**

9 A: No. It is too early to make an assessment regarding underserved markets. This assessment can  
10 only be undertaken after the initial rollout of charging infrastructure and after analysis of EV use and  
11 charging behavior, location of customers and use of public charging.

12 **Q: Should the Commission assume that ratepayer funding of public charging infrastructure**  
13 **will be necessary in order to reach underserved areas?**

14 A: At this point, the Commission should not make that assumption. As UCAN points out, SG&E  
15 has not provided adequate justification supporting its assertions regarding the need for ratepayer  
16 investment in charging stations for underserved areas.<sup>2</sup> ECotality is prepared to respond to the need of  
17 any underserved market. As a part of the EV Project, the company has begun discussing expanding the  
18 presence of charging infrastructure in areas populated by under-represented groups within the San Diego  
19 region. We expect to partner with the non-profit community and initiate discussion with leaders of  
20 various community-based organizations to analyze community needs and expectations, and to expose  
21 under-represented communities to the opportunities associated with this technology. ECotality and  
22 SDG&E are currently discussing how best to identify underserved areas, and ECotality expects to work  
23 collaboratively with SDG&E to identify underserved areas and ensure that EV charging infrastructure is  
24 deployed successfully throughout SDG&E's service area.

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<sup>2</sup> Pennington Testimony at 65.

1 **Q: Is ECOTality likely to be the only market participant performing these functions in the San**  
2 **Diego region?**

3 A: No. There is a very strong and expanding market for EV charging equipment. As a business that  
4 has made a significant investment of private capital in California, ECOTality supports the growth of a  
5 competitive market to serve the demand for residential and public charging services. If there are  
6 underserved markets for EV charging, it is reasonable to expect that market participants will step in to  
7 take advantage of that opportunity. The Commission can contribute to creating a positive environment  
8 for private investment by supporting the market. The Commission sent a good signal to the market in  
9 Decision 11-07-029, the Phase 2 decision in Rulemaking 09-08-009, by concluding that: "...we do not  
10 find that the benefits of utility ownership of electric vehicle service equipment outweigh the potential for  
11 competitive limitations resulting from utility ownership."<sup>3</sup> The Commission should stand by its decision  
12 to allow market forces a chance to work.

13 **Q: Do you have any additional comments to make in response to Mr. Pennington's testimony?**

14 A: Yes. I agree with Mr. Pennington's observation on page 65 that SDG&E "has not provided any  
15 defined processes for payment transactions, branding and maintenance plans."<sup>4</sup> UCAN cites this as  
16 evidence that SDG&E is not "ready" to introduce public charging stations. I am much more concerned  
17 that the lack of any detail regarding how SDG&E intends to operate its public charging stations and  
18 recover costs makes it impossible for the Commission to ensure that SDG&E does not undermine the  
19 nascent market for charging services. The Commission would risk driving private investment out of the  
20 California market if investor-owned utilities were allowed to directly or indirectly subsidize EV charging  
21 services.

22 **Q: Have you reviewed the testimony of the Division of Ratepayer Advocates (DRA) on the**  
23 **subject of SDG&E's proposal to install utility-owned public charging stations?**

24 A: Yes. I agree with the recommendation of Ms. Krannawitter at page 15 of Exhibit DRA-14 that  
25 the Commission reject SDG&E's request for \$5.23 million in capital expenditures on public charging

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<sup>3</sup> D.11-07-029 at 49.

<sup>4</sup> Pennington Testimony at 65.

1 stations. DRA's objections to SDG&E's proposal seem focused primarily on the fact that the proposal is  
2 premature. As I have discussed above, we agree with that conclusion.

3 **Q: Does that conclude your testimony at this time?**

4 A: Yes.