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

Application of SAN DIEGO GAS & ELECTRIC
COMPANY (U902E) for Approval of its Electric
Vehicle-Grid Integration Pilot Program.

Application 14-04-014
(Filed April 11, 2014)

And Related Matter.

Rulemaking 13-11-007

JOINT MOTION FOR ADOPTION OF SETTLEMENT AGREEMENT

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Form of Citations to the Record in this Proceeding

Citation to the record transcript: “[witness surname, if applicable], T. [page number(s)]: [line number(s)] (date).” *E.g.*, Mutialu, T. 1086:17-21 (May 4, 2015)

Citations to Prepared Testimony identified as exhibits in this case shall use the exhibit numbers assigned by the ALJs. For brevity, the prefix “SDG&E” is shortened to “SD.” Cite as follows:
Ex. [party abbreviation] [exhibit number] ([witness surname]) [page:line number(s) and/or footnote number]. *E.g.*, Ex. SD-4 (Schimka) 19:5-6 and n.2.

Citation to Other Record Exhibits identified as exhibits will use the exhibit number assigned by the ALJs. *E.g.*, “Ex. [party abbreviation] [exhibit number], [exhibit title, if referenced (date, if any)] [page number(s) if applicable]. *E.g.*, Ex. SD-17, “ChargePoint press release (May 16, 2014),” p. 2.

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JOINT MOTION FOR ADOPTION OF SETTLEMENT AGREEMENT

Pursuant to Article 12 and Rule 1.8 (d) of the Commission’s Rules of Practice and Procedure, San Diego Gas & Electric Company (“SDG&E”), Alliance of Automobile Manufacturers, American Honda Motor Co., Inc., CALSTART, Center for Sustainable Energy, ChargePoint, Inc. (“ChargePoint”), Environmental Defense Fund (“EDF”), Coalition of California Utility Employees (“CUE”), Green Power Institute, The Greenlining Institute (“Greenlining”), KnGrid, LLC, Natural Resources Defense Council (“NRDC”), NRG EV Services LLC, Plug In America, General Motors LLC, Sierra Club, and Smart Grid Services – Siemens AG, (collectively, the “Settling Parties”) hereby move the Commission to adopt the Settlement Agreement Regarding San Diego Gas & Electric Company’s Vehicle-Grid Integration Pilot Program Application, A.14-04-014 (“Settlement Agreement”), which is appended to this Joint Motion as Attachment 1. Settling Parties also move to suspend the current procedural schedule including the filing of briefs which would otherwise be due on June 5, 2015 (confirming Judge John S. Wong’s June 1, 2015 email ruling.).

The Settlement Agreement, if approved by the Commission, would resolve issues raised in the above application (A.14-04-014) for an electric vehicle-grid integration (“VGI”) pilot

program,¹ wherein SDG&E proposes to introduce an innovative VGI Rate reflecting the daily dynamic changes in energy prices, as well as system and circuit conditions. To implement this rate SDG&E proposes to own, install and maintain enabling electric vehicle supply equipment (“EVSE”) and associated infrastructure at up to 550 sites in SDG&E’s service territory, which will allow electric vehicle (“EV”) drivers to “fuel” their vehicles under this VGI Rate² and have the charging session billed to the driver’s SDG&E account. In broad terms, the Settlement Agreement enables adoption of the VGI Program with significant modifications to address some of Settling Parties’ concerns about the Application’s effect on customer choice and market innovation, inclusion of Disadvantaged Communities, and other issues, support the Governor’s 2020 grid-integrated infrastructure and 2025 zero-emission vehicle deployment goals, further California’s efforts to increase access to zero-emission vehicles in Disadvantaged Communities established by the Charge Ahead California Initiative, comply with federal air quality standards, and achieve the state’s climate change objectives. In general terms, the Settlement Agreement’s modifications to SDG&E’s proposal are as follows:³

- Establish Guiding Principles to inform the implementation, ongoing evaluation, and mid-course modification, as needed, of the VGI program;

¹ To emphasize the vehicle-grid integration benefits of the application, SDG&E refers to its proposed pilot in this case as its “VGI” proposal. This is consistent with the Commission’s use of the term in R.13-11-007 (pp. 14-17, 24) and as referenced in, *e.g.*, the *California Grid Integration Roadmap* (December 27, 2013) (<http://www.caiso.com/Documents/Vehicle-GridIntegrationRoadmap.pdf>) and the Energy Division Staff White Paper: *Vehicle-Grid Integration: A Vision for Zero-Emission Transportation Interconnected throughout California's Electricity System* (November 14, 2013) (<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M080/K775/80775679.pdf>).

² Terms set forth with initial capitalization, unless otherwise defined herein, are used as defined in the Settlement Agreement.

³ In the event that there are any perceived inconsistencies between this Joint Motion and the Settlement Agreement, the terms and conditions set forth in the Settlement Agreement are to prevail.

- SDG&E agrees to make the charging rate available to VGI Facility site hosts, as well as to EV drivers, providing an opportunity to compare the effect of price signals on load management, utilization, fuel savings, and other relevant metrics;
- The site host may choose among vendors of EV charging equipment and related services;
- Third party vendors may contract directly and offer additional services, and will market the VGI Program to site hosts;
- SDG&E will assess a participation payment on VGI Facility site hosts that elect to participate in the VGI Program (except for those in Disadvantaged Communities);
- At least ten percent of sites selected for VGI Facilities will be in Disadvantaged Communities as identified by CalEPA pursuant to Senate Bill 535 (de León, 2013), and a process will be established to inform increased deployment in those communities;
- SDG&E will solicit the participation of a broad and diverse stakeholder advisory group (the “VGI Program Advisory Council” or “PAC”) in planning and implementing the VGI Program, including input on any changes to the program, and monitoring empirical evidence related to achieving the Guiding Principles established by the settlement agreement; and
- SDG&E will file an interim progress report after two years that provides data on implementation and an assessment of progress, consistent with the Guiding Principles.

I. BACKGROUND – THE VGI PROPOSAL, THE SETTLEMENT AGREEMENT, AND THE STATE’S GOALS

A. Overview of Settlement Agreement

The subject VGI Application is California’s first utility pilot proposal to help develop charging infrastructure, and, through pricing that allows for customer-managed charging, to manage transportation electrification load to support the evolving needs of an electrical grid increasingly dominated by variable renewable energy.

The VGI Application proposes to deploy charging infrastructure at up to 550 VGI Facilities over a five year period (four years of Program). SDG&E would own the charging infrastructure, and EV Drivers or site hosts will be billed for the charging sessions on their

SDG&E account. The proposal specifically targets locations that offer the potential to achieve grid-integration benefits – locations with frequently-used, long-term parking opportunities – workplaces and multi-unit dwellings (“MuDs”). The settlement preserves the innovative VGI Rate, which offers customers time-variant pricing that reflects hourly changes in energy prices and grid conditions throughout the day, and accounts for load conditions on individual distribution circuits, as well as the SDG&E system. This pilot rate is designed to incent drivers and site hosts to charge during off peak periods, thus reducing the need for system upgrades and new fossil generation additions, while facilitating the cost-effective integration of variable renewable generation.

The Settling Parties have agreed that certain important modifications to SDG&E’s proposal are desirable to address issues raised by stakeholders and to support the Governor’s 2020 grid-integrated infrastructure and 2025 zero-emission vehicle deployment goals, as well as California’s equity, clean air and climate change objectives. These modifications include giving MuD and workplace site hosts a choice of rate plans and charging service providers, and bringing diverse stakeholders and Disadvantaged Communities into the VGI Program.

B. Overview of State Goals.

The Governor has set goals to build grid-integrated infrastructure to support one million zero emission vehicles by 2020, and ensure 1.5 million zero emission vehicles are on California roads by 2025,⁴ as well as the goals of Assembly Bill (“AB”) 32 and Senate Bill (“SB”) 1275,

⁴ See Executive Order B-16-2012 (March 2012) at <http://gov.ca.gov/news.php?id=17472>. SDG&E’s testimony showed the extent of charging infrastructure shortfall under different levels of infrastructure installation. Ex. SD-7 (Schimka) ST-40:10-ST-41:8; *see also*, Ex. SD-14 (*The Market for Electric Vehicles: Indirect Network Effects and Policy Impacts, February 2015*), p. 1, Ex. SD-15 (California Energy Commission Lead Commission Report: 2015-2016 Investment Plan Update for the Alternative and Renewable Fuel and Vehicle Technology Program, March 2015), pp. 40-41.

which established the “Charge Ahead California Initiative.”⁵ The legislature has specifically directed the Commission to promote the development of electric vehicle (“EV”) fueling infrastructure in P.U. Code §§ 740.3. Recently, the Governor’s new executive order (B-30-15, April, 29, 2015) set a goal of reducing greenhouse gas (“GHG”) emissions at 40% below 1990 levels by 2030 (halfway to 2050 goals), and reducing petroleum use in cars and trucks in California up to 50 percent by 2030. Governor Brown ordered agencies, including the Commission, to “... [i]mplement measures under existing agency and departmental authority to reduce greenhouse gas emissions.”

This proceeding is the first case in which the Commission will address a utility application that intended to address some of these challenges. The Settling Parties urge its timely adoption.

II. SUMMARY OF SETTLING PARTIES’ POSITIONS IN TESTIMONY

The following is a brief overview of Settling Parties’ principal objections to the VGI Application; the summaries do not purport to capture every item addressed in testimony.

A. Certain Parties Concerned about Effects on Customer Choice and Market Innovation.

Certain EV charging industry parties are concerned that any program involving utility investment in EV charging infrastructure must avoid undermining the competitive market and preserve incentives for innovation and private investment. Among the concerns about SDG&E’s proposed program was the impact on customer choice of charging equipment and services (*See*,

For this brief’s form of citation to the evidentiary record, *see* “Form of Record Citations”, p. iii above.

⁵ AB 32, the Global Warming Solutions Act of 2006, calls for a 30 percent reduction of GHG emissions by 2020. The OIR recognizes that transportation electrification is important to meeting this goal. According to the California Energy Commission (“CEC”), the transportation sector accounts for more than a third of the state’s GHG emissions. Ex. SD-15, p. 1.

e.g. Ex. CP-2 (Jones) 15:8-9). EDF argued that while it is appropriate for utilities to be able to own charging infrastructure, the Commission should ensure that SDG&E's ownership of infrastructure does not undermine a competitive market for EV infrastructure and associated services as the industry develops.⁶ ChargePoint testified that the Application would have anticompetitive impacts by providing EVSE at no cost and that the proposed VGI pilot failed the competitive balancing test set forth by D.14-12-079. *See, e.g.*, Ex. CP-3 (Monsen) 4:21-5:2.

B. Public Interest Groups Concerned about Customer Choice, Increased Deployment in Disadvantaged Communities, Education and Outreach, and Supplier and Workforce Diversity Goals.

Public interest organizations (NRDC, Plug In America, EDF, The Greenlining Institute, and The Green Power Institute) generally support the VGI Program concept, noting that comprehensive transportation electrification is required to meet long-term air quality targets. Plug In America argued for consumer choice amongst pre-qualified charging infrastructure from an approved list of vendors compatible with the goals and technology required by the VGI Program (Ex. PIA-1 (Friedland) 6). EDF argued that utility shareholders should share in risks and rewards, expressing support for a performance-based model that seeks to ensure the delivery of ratepayer benefits (Ex. EDF-2 (Fine) 7). EDF also asserted that the Commission should ensure that SDG&E's ownership of infrastructure does not undermine a competitive market for EV infrastructure and associated services. (Ex. EDF-1 (Fine) 21; EDF-2 (Fine) 7-9). NRDC argued SDG&E should commit to a goal of deploying at least 10 percent of charging stations in Disadvantaged Communities (Ex. NRDC-2 (Baumhefner) 8). NRDC sought program modifications to benefit Disadvantaged Communities and to increase education and outreach in partnership with Community Based Organizations (Ex. NRDC-2 (Baumhefner) 8-9). Similarly,

⁶ Ex. EDF-01 (Fine) 21.

the Green Power Institute argued that expanded education and outreach will be needed for the SDG&E service territory to meet its share of the Governor’s charging infrastructure deployment goals (Ex. GPI-2 (Morris) 20-24). NRDC also requested that SDG&E emphasize and strengthen its commitment to supplier diversity and diversity contracting goals (Ex. NRDC-2 (Baumhefner) 11).

III. SUMMARY OF THE SETTLEMENT AGREEMENT

A. The Settlement Agreement is Based on Guiding Principles

The Settlement Agreement adopted the following Guiding Principles (section III.), which will guide VGI Program implementation:

1. Must support the Governor’s and California state goals to:
 - a. Achieve installation of grid-integrated infrastructure to support 1 million zero emission vehicles by 2020;
 - b. Accelerate the adoption of 1.5 million zero emission vehicles by 2025;
 - c. Support clean air and climate change objectives.
2. Must be structured to provide net benefits to all ratepayers.
3. Must protect ratepayers by ensuring that assets continue to be used and useful.
4. Must provide EV drivers the opportunity to maximize fuel cost savings relative to conventional transportation fuels.
5. Must provide equitable deployment of services to all ratepayers, including statutory requirements and directives to serve Disadvantaged Communities and increase access to clean transportation.
6. Must provide customer choice.

7. Must support broad-based investment in electric vehicle charging equipment and services by public, private and utility entities and avoid anticompetitive impacts on the markets for EV charging equipment and related services.
8. Must incorporate learning-by-doing and make adjustments to the VGI Pilot Program as needed.
9. Must provide data to help inform State policy.
10. Must utilize rate design and load management practices to facilitate the integration of renewable energy resources, as well as deliver other grid benefits.
11. Must align with SDG&E's companywide Diversified Business Enterprise ("DBE") goal of 40% and request subcontractors to provide proposals in support of the 40% goal.

B. Summary of Settlement Agreement Provisions Modifying the Application

The Settlement Agreement supports the adoption, as modified, of SDG&E's proposal for the implementation of its VGI Program and cost recovery as described in SDG&E's Application and supporting testimony. The following is a summary of the Settlement Agreement's principal modifications to SDG&E's proposal:⁷

1. Site hosts will have two VGI Rate options, and may switch annually.

VGI Facility site hosts (*e.g.*, property manager/owner of a multi-unit dwelling ("MuD") or workplace setting, as originally proposed) will have the choice of two billing options:

- a. VGI Rate-to-EV Driver – the VGI Rate offered directly to the EV driver (as originally proposed), or

⁷ This summary of the Settlement Agreement is an overview and does not attempt to capture every item in the Settlement Agreement. In the event that there are any perceived inconsistencies between this Joint Motion and the Settlement Agreement, the terms and conditions set forth in the Settlement Agreement (Attachment A hereto) are to prevail.

b. VGI Rate-to-Host – the VGI Rate offered to the site host.

After the first year of participation in the VGI program, the VGI Facility site host will have an annual option to switch VGI Rate plans (*i.e.*, the VGI Rate-to-EV Driver pricing plan or VGI Rate-to-VGI host pricing plan).

Where the site host opts to receive the VGI Rate (*i.e.*, the VGI Rate-to-Host pricing plan), the site host or its vendor will be required to submit to SDG&E the load management tactics it will implement at its VGI Facility, including the incremental costs and equipment required to implement the load management tactics, the prices or fees that will be levied on VGI Facility users (EV drivers), and any vehicle or EVSE communication systems necessary to implement the load management tactics. Load management plans must be consistent with the Guiding Principles of the Settlement Agreement. As with VGI Facility site hosts that opt for the VGI Rate-to-EV Driver pricing plan, site usage patterns will be monitored, and in addition, site host determined prices or fees (to use the VGI Facility) will be tracked. These data will be used to inform Commission policy. SDG&E will also monitor meter data and other metrics specified in the Settlement Agreement for both the VGI Rate-to-EV Driver and VGI Rate-to-Host options and provide this data to the Program Advisory Council, along with other information as described in Appendix B.

2. Site host may chose vendors of EVSE and related services.

VGI Facility site hosts may choose electric vehicle supply equipment and related services from a list of vendors pre-qualified by SDG&E to provide such equipment and services for the VGI Program.

3. Participation payment for site hosts

Site hosts that elect to participate in the VGI Program will be required to make a participation payment. The participation payment will be waived for VGI Facilities at sites located in Disadvantaged Communities. SDG&E shall file for approval of the proposed

participation payment by way of a Tier 2 advice letter, subject to protest by any party, after consulting with the VGI Program Advisory Council (as described below).

4. Third party vendors may offer additional services.

Third party service providers pre-qualified by SDG&E for the VGI Program may offer the VGI Facility site host any additional or complementary services and may contract directly with site hosts, as long as these services do not interfere with the objectives of the VGI Program. The costs of these additional services will not be borne by the VGI Program, unless they are complementary services necessary to support its objectives.

5. Third parties will market the program to site hosts

Third party service providers pre-qualified by SDG&E for the VGI Program, in coordination with SDG&E customer contact personnel, will market and sign up potential VGI Facility site hosts to participate in the VGI Program in the two targeted customer segments (MuD and workplace settings), and to any other customer sub-segments identified in the Settlement (*e.g.*, Disadvantaged Communities and housing or sites that support car-sharing entities). SDG&E will develop competitively-neutral descriptions of the VGI Rate plans for use by third parties; third parties may also develop their own marketing materials at their own expense, consistent with and subject to SDG&E's Co-branding Policy and approval process.

6. Third party equipment and service providers must meet certain qualifications.

SDG&E will solicit participation from multiple third parties to provide equipment, install, maintain and operate the VGI system. Construction, installation and maintenance contractors will be required to meet certain safety and training certification standards.

7. VGI program to support DBE goals

The VGI Program will be included within SDG&E's company-wide Diversified Business Enterprise ("DBE") goal of 40%. The RFP and contract will contain a DBE subcontracting plan, which requires the bidder/contractor to list its expected annual DBE spend and list any subcontractors it plans to use to achieve its DBE goal. Bidders will be requested to provide proposals in support of SDG&E's 40% goal.

8. At least ten percent of installations in Disadvantaged Communities

At least 10% of VGI Facilities will be installed in "Disadvantaged Communities" as identified by Cal EPA's Enviroscreen tool developed pursuant to SB 535 (de León, 2013). SDG&E will work with Community Based Organizations to assist with education and outreach, as well as pre-qualifying and signing-up site hosts for participation in the VGI Program (*see* Ex. SD-2 (Schimka) RS-7:4-18) to support accelerated EV adoption in Disadvantaged Communities. The Settlement Agreement also establishes a process to scale up deployment in Disadvantaged Communities to both accelerate and keep pace with demand and to complement programs that will be implemented pursuant to SB 1275.

9. Establishment of a diverse stakeholder advisory council

SDG&E will solicit the participation of a broad and diverse stakeholder advisory group (the "VGI Program Advisory Council" or "PAC") in planning and implementing the VGI Program. The VGI PAC will include local and state level representatives of industry, labor, ratepayer and environmental advocates, and representatives of Disadvantaged Communities. A primary role of the PAC will be to provide input to SDG&E for programmatic changes as needed during the course of the VGI Program, to improve the program's performance. SDG&E will make programmatic changes as needed during the course of the VGI Program, in line with the Settlement Agreement's Guiding Principles, and recognizing that certain changes may require

filings with the Commission for approval. Programmatic changes will be made on an on-going basis, running concurrent with the VGI Program, so as not to impact its overall progress. Data will be provided to the PAC and state agencies regularly to help assess the need for programmatic changes.

10. Interim Progress Report

In order to provide an assessment of the VGI Program consistent with the Guiding Principles, SDG&E will file an Interim Progress Report two years after the VGI Program is launched. Parties may file comments and reply comments on the Report.

11. Metering and billing must meet SDG&E specifications

Metering at the EVSE level must be compatible with SDG&E billing and metering requirements, which have been moderately relaxed in this pilot to accommodate the use of, embedded sub-meters to facilitate cost-effective program implementation.

VGI bills will be sent directly to the EV driver (SDG&E customer, as originally proposed) receiving the VGI Rate, *or* to the VGI Facility site host receiving the VGI Rate under the VGI Rate-to-Host pricing plan. Data will be provided to SDG&E by the qualified third party to SDG&E's specifications in a manner acceptable to both parties to allow for this. Billing specifications are per SDG&E's proposal: to send VGI Rate on a day-ahead basis, allow customer (site host or EV Driver) to set charging needs, meet these charging needs, collect usage data, and send data to SDG&E for billing processing. For exceptional instances when a non-SDG&E customer is allowed by the VGI Facility site host to use the VGI Facility for vehicle charging temporarily, the site host will have the option to be the VGI Rate customer (*i.e.*, enrolled in the VGI Rate), and will be billed for this usage, similar to how the site host is billed under the VGI Rate-to-Host pricing plan.

12. Modification for potential VGI Facility sites planning for new construction or major tenant improvements

SDG&E's VGI Proposal is modified to allow host sites planning for new construction or major tenant improvements to complete installation of VGI Facilities beyond the 5th year of the VGI Program if the commitment is made by the end of the 4th year of the program.

13. Clarification of VGI procurement

SDG&E will contract with one or more third parties to provide operating systems and related hardware to control EVSE networks to implement the VGI system. To foster the growth in innovation, the Settlement Agreement reinforces SDG&E's aim to specify "what" is required to achieve the VGI Program objectives, and not "how" these requirements are met. Further clarification of the VGI Program procurement processes is provided in Appendix C of the Settlement Agreement.

IV. THE AGREEMENT IS REASONABLE IN LIGHT OF THE WHOLE RECORD, CONSISTENT WITH LAW, AND IN THE PUBLIC INTEREST

Commission Rule 12.1(d) states that the Commission will not approve a settlement "unless the settlement is reasonable in light of the whole record, consistent with law, and in the public interest."⁸ Factors that the Commission has considered in reviewing settlements include: (1) whether the settlement negotiations were at arms-length; (2) whether major issues were addressed; and (3) whether the parties were adequately represented.⁹ As discussed below, the Settlement Agreement meets these criteria. The Settling Parties are represented by experienced CPUC practitioners, or are otherwise well-resourced and sophisticated entities. They negotiated in good faith, bargained aggressively, and, ultimately compromised. The result is a comprehensive settlement of the major issues raised by the Settling Parties. The Settlement Agreement allows

⁸ See also D.09-10-017, 2009 WL 3374041 (Oct. 15, 2009) (applying Rule 12.1(d) criteria).

⁹ See, e.g., D.91-05-029, 40 CPUC 2d 301, 326; D.88-12-083, 30 CPUC 2d 189, 221–23.

parties to reduce the risk that litigation will produce unacceptable results.¹⁰ And, as described below, the Settlement Agreement is supported by a robust record and the law.

A. The Record in this Proceeding is Robust

The Settling Parties' testimony and briefing, together with the Settlement Agreement and this Joint Motion, contain the information necessary for the Commission to find the Settlement Agreement reasonable in light of the record. The Settlement Agreement is a product of substantial negotiation efforts and compromise on behalf of the Settling Parties. SDG&E filed A.14-04-014 on April 11, 2014, supported by over 150 pages of prepared testimony by six witnesses.¹¹ After submitting the Application, SDG&E engaged in a number of forums to help educate interested parties to understand SDG&E's VGI Proposal.¹² Ten protests and comments were filed in response to the Application.¹³

¹⁰ D.92-12-019, 46 CPUC 2d 538, 551.

¹¹ SDG&E served prepared direct testimony as follows (with subsequently-assigned record exhibit numbers): Ex. SD-1 - Policy (Lee Krevat, now adopted by James P. Avery), Ex. SD-2 - Implementation Costs and Management (Randy Schimka), Ex. SD-3 – Rates (Cynthia Fang), Ex. SD-4 – Revenue Requirement (Jonathan Atun), Ex. SD-5 – Cost Recovery (Norma Jasso), Ex. SD-6 – Cost Effectiveness (J.C. Martin). On June 3, 2014, SDG&E served revised testimony for Ex. SD-3 – Rates (Cynthia Fang). On July 29, 2014, SDG&E served revised testimony for Ex. SD-6 – Cost Effectiveness (J.C. Martin).

¹² SDG&E noticed and held informational workshops in San Diego on April 28, 2014 and San Francisco on May 5, 2014, and SDG&E made presentations to the San Diego Association of Governments (SANDAG) on May 22, 2014, the California Air Resources Board on May 27, 2014, UC Davis NextSTEPS Program on May 29, 2014, San Diego Regional Chamber of Commerce – Water and Energy Subcommittee on June 5, 2014, California Energy Commission – Integrated Energy Policy Report on June 23, 2014, and Plug-in 2014 on July 28, 2014. In addition, SDG&E held informal discovery discussions with ORA (June 18 and July 16, 2014) and TURN (July 24, 2014) regarding the cost effectiveness model and the input assumptions used for the illustrative cost effectiveness results described in J.C. Martin's testimony (Ex. SD-6).

¹³ The following parties submitted protests and responses: Utility Consumers' Action Network ("UCAN"); San Diego Consumer Action Network; California Center for Sustainable Energy; Joint Minority Parties; ORA; TURN; Natural Resources Defense Council ("NRDC");

On December 18, 2014, the Commission voted out D.14-12-079 (“Decision”).¹⁴ This Decision sets aside the requirement in D.11-07-029 that the utilities demonstrate a “market failure” or “underserved market” as part of any application to own plug-in electric vehicle (“PEV”)¹⁵ charging infrastructure. The Decision allows the Commission to consider utility requests on a case-specific basis, and it clarifies (p. 2) the elements the Commission will examine “in determining whether utility entrance into a competitive market with non-utility participants should be allowed.”

On January 14, 2015, SDG&E served supplemental testimony to address the competitive items identified in D.14-12-079, progress toward the State’s electric transportation goals, the proposed architecture of VGI facilities, and concern expressed regarding the size of the proposal.

On February 2, 2015, Judge Irene K. Moosen issued an email ruling setting forth a procedural schedule. Pursuant to that schedule, ORA and intervenor testimony was served March 16, 2015,¹⁶ and concurrent rebuttal testimony was served April 13, 2015.¹⁷ Between the filing of the Application and evidentiary hearings, in addition to workshops and informal discovery described above, SDG&E responded in writing to over 358 discovery request questions.

California Energy Storage Alliance (“CESA”); ChargePoint, Inc. (“ChargePoint”); and NRG EV Services LLC.

¹⁴ *Phase I Decision Establishing Policy to Expand the Utilities’ Role in Development of Electric Vehicle Infrastructure* (issued December 22, 2014).

¹⁵ “Plug-in electric vehicles.” This term is used to distinguish standard hybrid vehicles that do not require battery charging from an external source.

¹⁶ In addition to ORA, intervenor testimony was served by TURN, CCUE, NRDC, EDF, Joint Minority Parties, ChargePoint, CESA, The Federal Executive Agencies (“FEA”), The Green Power Institute (“GPI”), KnGrid, and UCAN.

¹⁷ Concurrent rebuttal testimony was served by ORA, TURN, EDF, FEA, GPI, NRDC, UCAN, and Plug In America.

Evidentiary hearings were held on April 27 - May 4, 2015 in the Commission hearing rooms in San Francisco with Judges Moosen and Wong presiding. The evidentiary record amassed includes 1186 transcript pages and 83 exhibits.

On May 22, 2015, SDG&E served on all parties a notice of a settlement conference pursuant to Rule 12.1(b), setting the conference at 1:00 pm on June 1, 2015 in San Francisco. This conference was held as noticed.

In sum, the Application has been thoroughly vetted in prepared testimony, evidentiary hearings, and other procedures, with the active participation of stakeholders representing diverse facets of interest in EV development, including consumer groups, labor, environmentalists, the automobile industry, Disadvantaged Communities and EV charging providers. Upon conclusion of the comment period provided by Rule 12.2, the VGI Application as modified by the attached Settlement Agreement will be ripe for Commission decision.

B. The Settlement Agreement is Reasonable and in the Public Interest.

The Settlement Agreement, as described in detail above, is reasonable and should be adopted. The Settlement Agreement establishes a set of reasonable Guiding Principles to guide VGI Program implementation (Settlement section III). The Settlement Agreement will enable implementation of the VGI Rate, as proposed, but with a VGI Rate-to-Host option that includes conditions to encourage load management.

This VGI rate design provides EV drivers and, per the settlement, site hosts with price signals to minimize EV charging impacts to SDG&E's system and local distribution capacity. The VGI Rate is designed for consistency with the California policy objectives outlined in section I.

SDG&E's VGI Rate is intended to encourage EV charging in a way that would manage peak capacity concerns at the system and local level, as well as address and manage surplus energy supply situations, both in an hourly pricing structure. The VGI Rate will facilitate

charging at the workplace and at MuD sites when economically efficient and during least-cost hours. The VGI Rate could provide EV drivers the opportunity to fuel their vehicles at rates that are substantially lower than the cost to fuel with gasoline, thus encouraging widespread penetration of electric vehicles.

The Settlement Agreement constitutes a reasonable compromise of the Settling Parties on other issues including but not limited to the process for choice of EV charging equipment and services, a participation payment, vendor services and contracting and interaction with site hosts, incorporation of Diversified Business Enterprise goals, contractor hiring goals to support opportunities to increase hiring from Disadvantaged Communities, installation of at least 10% of VGI Facilities in Disadvantaged Communities, and a process to inform increased deployment goals in those communities. The VGI PAC will provide have the flexibility to determine if additional VGI Program-related measurement and evaluation objectives are of interest and will help to inform Commission policy. The Interim Progress Report and comments will provide an assessment of program implementation consistent with the Guiding Principles.

The Settling Parties find reasonable, as modified, SDG&E's proposal for the implementation of its VGI Program and cost recovery as described in SDG&E's Application and supporting testimony. The Settling Parties believe that adoption of the Settlement Proposal will be in the public interest.

V. THE SETTLEMENT AGREEMENT SHOULD BE ADOPTED WITHOUT MODIFICATION

The Settling Parties view the Settlement Agreement as a cohesive bargain, which reflects compromises on issues addressed in testimony and hearings. The Settlement Agreement (section C) recites that it "is indivisible and each part interdependent on each and all other parts. Any party may withdraw from this Settlement Agreement if the Commission modifies, deletes from, or adds

to the disposition of the matters settled herein.” Adoption of a portion of the Settlement Agreement would necessarily upset the balance of interests that led to the settlement’s execution, and it would free parties from their settlement obligations. Accordingly, in evaluating the Settlement Agreement, the Settling Parties all agreed that the Commission should consider the entire Settlement Agreement, and not just its individual parts, consistent with Commission precedent:

In assessing settlements we consider individual settlement provisions but, in light of strong public policy favoring settlements, we do not base our conclusion on whether any single provision is the optimal result. Rather, we determine whether the settlement as a whole produces a just and reasonable outcome.¹⁸

VI. THE SETTLING PARTIES HAVE COMPLIED WITH THE REQUIREMENTS OF RULE 12.1(b)

Commission Rule 12.1(b) requires parties to provide a notice of a settlement conference at least seven days before a settlement is signed. On May 22, 2015, counsel for SDG&E notified all of the parties on the service list in these proceedings of a settlement conference to be held June 1, 2015 at Opera Plaza next to the Commission’s San Francisco offices. A call-in number was provided for parties who could not attend. The settlement conference was held as scheduled, to describe and discuss the terms of the proposed settlement agreement. Representatives of each of the Settling Parties participated in the settlement conference. After the settlement conference was concluded, the Settlement Agreement was finalized and executed. Settling Parties move to suspend the current procedural schedule including briefs on SDG&E’s application which would otherwise be due on June 5, 2015.

¹⁸ D.11-05-018, p. 16.

VII. HEARINGS ARE NOT REQUIRED

The Settling Parties respectfully request that the Commission approve the Settlement Agreement without additional evidentiary hearings as the Settlement Agreement may be adequately and fairly evaluated on its face and based on the existing record, without the need for further proceedings, except for the round of comments provided by Rule 12.2. All of the issues in with respect to the Application have already been addressed in prepared testimony and received extensive evidentiary hearings. Additional hearings would impede the expeditious approval of the Agreement—and, by extension, would delay implementation of the VGI Program and progress towards the state’s important electric transportation and GHG goals. But should evidentiary hearings be deemed necessary, the Settling Parties request that such hearings be held at the earliest opportunity, and concluded in a speedy and efficient manner.

VIII. REQUESTED FINDINGS

Based on this Joint Motion, the Settlement Agreement attached hereto, and the record in this proceeding, the Commission should make the following findings:

- The procedural schedule set per Judge Irene Moosen’s February 2, 2015 ruling is suspended and Rule 12.2 comment procedures on this Joint Motion should be implemented.
- The Settlement Agreement is reasonable in light of the whole record, consistent with the law, and in the public interest.
- The Settlement Agreement should be adopted in its entirety with no modifications, and the SDG&E VGI Program, as modified, should be approved.

IX. CONCLUSION

As shown herein, the Settlement Agreement is reasonable in light of the whole record, is consistent with law, promotes the public interest, and should be approved by the Commission. Thus, the Settling Parties respectfully request that the Commission expeditiously approve the

Settlement Agreement without modification, and make the findings set forth in Part VIII. of this motion.

Respectfully submitted,

/s/ E. Gregory Barnes

E. Gregory Barnes

Attorney for

**SAN DIEGO GAS & ELECTRIC COMPANY,
SUBMITTED ON BEHALF OF SETTLING PARTIES
PURSUANT TO RULE 1.8 (d)**

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June 3, 2015

ATTACHMENT A

**SETTLEMENT AGREEMENT REGARDING SAN DIEGO GAS & ELECTRIC
COMPANY'S VEHICLE-GRID INTEGRATION PILOT PROGRAM
APPLICATION, A.14-04-014**

Pursuant to California Public Utilities Commission's Rules of Practice and Procedure, Article 12, Rule 12.1, San Diego Gas & Electric Company ("SDG&E"), Natural Resources Defense Council, Environmental Defense Fund, California Coalition of Utility Employees, The Greenlining Institute, Plug In America, General Motors LLC, ChargePoint, Inc., Smart Grid Services Siemens AG, NRG EV Services LLC, American Honda Motor Co., Inc., Sierra Club and other parties signatory hereto (collectively, together with SDG&E, the "Settling Parties") enter into this settlement agreement ("Settlement Agreement") regarding SDG&E's Vehicle-Grid Integration Pilot Program ("VGI Program") proposal, submitted for Commission consideration in Application A.14-04-014 (the "Application"). Except as otherwise identified, citation references in this Settlement Agreement are to the materials filed with or issued by the Commission in connection with the Application.

The Settling Parties believe that the Settlement Agreement is reasonable in light of the whole record, consistent with law, and in the public interest.

I. Introduction and Background

The Settling Parties believe that the record is sufficient to establish that this Settlement Agreement is reasonable and to allow the Commission to make a reasoned decision to approve the Settlement Agreement as in the public interest. The VGI Program Application has been the subject of a robust evidentiary process.

SDG&E filed A.14-04-014 April 11, 2014, supported by more than 150 pages of prepared testimony by six witnesses.

On January 14, 2015, SDG&E served supplemental testimony. On February 2, 2015, Judge Irene K. Moosen issued an email ruling setting forth a procedural schedule. Pursuant to that schedule, prepared testimony by twelve intervenors and parties was served March 16, 2015, and concurrent rebuttal testimony was served by eight parties on April 13, 2015. Between the filing of the application and evidentiary hearings, SDG&E responded in writing to more than 358 discovery request items from other parties.

The evidentiary hearings were held on April 27 - May 4, 2015 in the Commission hearing rooms in San Francisco with Judges Irene K. Moosen and John S. Wong presiding. The evidentiary record amassed includes 1186 transcript pages and 83 exhibits.

In sum, Settling Parties acknowledge that SDG&E's Application has been thoroughly vetted in prepared testimony, evidentiary hearings, and other procedures, with the active participation of stakeholders representing all facets of interest in EV development, including consumer groups, environmentalists, the automobile industry, labor, representatives of disadvantaged communities, and EV charging providers. The Settling

Parties have agreed that certain important modifications to SDG&E's proposal are desirable to incorporate the views of stakeholders and to support the Governor's 2020 grid-integrated infrastructure and 2025 vehicle deployment goals, as well as California's clean air and climate change objectives.

II. Definitions

"Air Resources Board" means the California Air Resources Board of the California Environmental Protection Agency.

"Application" means SDG&E's Application A.14-04-014 filed with the Commission April 11, 2014.

"Commission" means the California Public Utilities Commission.

"DBE" means a disadvantaged business enterprise certified by The Supplier Clearinghouse pursuant to Commission General Order 156.

"DC Fast Charging" means a method of quickly charging certain electric vehicles with a high power direct current (DC) charging source.

"Disadvantaged Communities" means disadvantaged communities as identified by the California Environmental Protection Agency's Enviroscreen tool developed pursuant to SB 535 (de León, 2013).

"Energy Division" means the Energy Division of the California Public Utilities Commission.

"EV Driver" means a person using VGI Facilities to charge an EV.

"EV" means an electric vehicle that is capable of being charged using EVSE.

"EVSE" means electric vehicle supply equipment used for charging EVs (SDG&E Rebuttal Testimony Ex. SDG&E 8, p. JPA-4, footnote 6).¹

"Guiding Principles" means those guiding principles agreed by the Settling Parties to guide VGI Program implementation, as set forth in Section III below.

"MuD" means multi-unit dwelling.

"PAC" means the VGI Program Advisory Council.

"SDG&E" means San Diego Gas & Electric Company, a California regulated public utility.

"Settlement Agreement" means this Settlement Agreement dated as of June 1, 2015 by and among the Settling Parties.

"Settling Parties" means the parties signatory to this Settlement Agreement.

"VGI Facility" means a group of EVSE or charging stations installed with a separate

¹ Citations to testimony herein are to the evidentiary record for the Application before the Commission.

electric service per SDG&E's VGI Program.

"VGI Program Advisory Council" means the stakeholder advisory council formed pursuant to Section III.L of this Settlement Agreement.

"VGI Program" means the SDG&E's Vehicle-Grid Integration Pilot Program set forth in the Application, as modified by this Settlement Agreement.

"VGI Rate" means the dynamic hourly EV charging rate described in SDG&E's direct testimony, Ex. SDG&E-3 (Fang).

"VGI Rate-to-EV Driver" means the VGI Rate billing plan option where the VGI Rate is offered directly to the EV driver as originally proposed in SDG&E's Application.

"VGI Rate-to-Host" means the VGI Rate billing option where the VGI Rate is billed to the VGI Facility site host as outlined in this Settlement Agreement.

III. Settlement Agreement Provisions

The Settling Parties find reasonable, as modified, SDG&E's proposal for the implementation of its VGI Program and cost recovery as described in SDG&E's Application and supporting testimony. The Settling Parties have developed the following Guiding Principles, which informed the proposed modifications and should guide VGI Program implementation:

1. Must support the Governor's and California state goals to:²
 - a. Achieve installation of grid-integrated infrastructure to support 1 million zero emission vehicles by 2020;
 - b. Accelerate the adoption of 1.5 million zero emission vehicles by 2025;
 - c. Support clean air and climate change objectives.
2. Must be structured to provide net benefits to all ratepayers.
3. Must protect ratepayers by ensuring that assets continue to be used and useful.
4. Must provide EV drivers the opportunity to maximize fuel cost savings relative to conventional transportation fuels.
5. Must provide equitable deployment of services to all ratepayers, including statutory requirements and directives to serve disadvantaged communities and increase access to clean transportation.³
6. Must provide customer choice.
7. Must support broad-based investment in electric vehicle charging equipment and services by public, private and utility entities and avoid anticompetitive impacts on the markets for EV charging equipment and related services.
8. Must incorporate learning-by-doing and make adjustments to the VGI Pilot Program as needed.
9. Must provide data to help inform State policy.

² Please see links [HTTP://GOV.CA.GOV/NEWS.PHP?ID=17472](http://gov.ca.gov/news.php?id=17472), third ordering paragraph, first bullet, and the sixth bullet that orders that "electric vehicle charging will be integrated into the electricity grid."; and, [http://opr.ca.gov/docs/Governor's_Office_ZEV_Action_Plan_\(02-13\).pdf](http://opr.ca.gov/docs/Governor's_Office_ZEV_Action_Plan_(02-13).pdf)

³ See, SB 535 (De León, 2013), SB 1275 (De León, 2014).

10. Must utilize rate design and load management practices to facilitate the integration of renewable energy resources, as well as deliver other grid benefits.
11. Must align with SDG&E's companywide Diversified Business Enterprise ("DBE") goal of 40% and request subcontractors to provide proposals in support of the 40% goal.

Each of the modifications is set forth below:

- A. VGI Facility site hosts (e.g., property manager/owner of a multi-unit dwelling ("MuD") or workplace setting, as originally proposed) will have the choice of two billing options⁴:
 - a. VGI Rate-to-EV Driver – the VGI Rate offered directly to the EV driver (as originally proposed), or
 - b. VGI Rate-to-Host – the VGI Rate offered to the site host.
- B. Where the VGI Facility site host opts to receive the VGI Rate (i.e., the VGI Rate-to-Host pricing plan), the site host, or its selected vendor, will be required to submit to SDG&E the load management tactics it will implement at its VGI Facility, including the incremental costs and equipment required to implement the load management tactics, the prices or fees that it intends to levy on VGI Facility users (EV drivers)⁵, and any vehicle or EVSE communication systems necessary to implement the load management tactics. Site hosts that do not submit load management plans consistent with the Guiding Principles will be asked by SDG&E to revise accordingly and will be ineligible to participate in the Program until SDG&E determines that the load management plan is consistent with the Guiding Principles. Participation in the VGI Rate-to-Host option will not be unreasonably withheld. As with VGI Facility site hosts that opt for the VGI Rate-to-EV Driver pricing plan, site usage patterns will be monitored, and in addition, site host determined prices or fees (to use the VGI Facility) will be tracked for those site hosts that opt for the VGI Rate-to-Host pricing plan. These data will be used to inform Commission policy.
- C. VGI Facility site hosts will choose electric vehicle supply equipment ("EVSE") and related services from a list of vendors pre-qualified by SDG&E to provide such services for the VGI Program. SDG&E's VGI Program does not include the installation of DC Fast Charging equipment.
- D. SDG&E will assess a VGI Program participation payment on VGI Facility Site Hosts that elect to participate in the VGI Program. The participation payment will

⁴ VGI Facility site host refers to any MuD or workplace site host entity or person that has decision making authority at such site, such as, but not limited to a third party, property manager, or property owner of a MuD or a workplace setting or similar site (i.e., with frequently used, long duration parking). For purposes of clarification, this VGI Program is not available to single family residential customers, and public parking locations that do not serve and support MuD or workplace settings.

⁵ SDG&E recognizes that site hosts on the VGI Rate-to-Host pricing plan may want the flexibility to change prices or fees over time, as appropriate.

be waived for VGI Facilities at sites located in Disadvantaged Communities. SDG&E shall file for approval of the proposed participation payment by way of a Tier 2 advice letter, subject to protest by any party, after consulting with the VGI Program Advisory Council (as described below). In developing the proposed participation payment, factors that will be considered include, but are not limited, to the following: customer commitment, avoiding adverse impacts to deployment, total VGI Facility cost and customer segment.

- E. After the first year of participation in the VGI Program, the VGI Facility site host shall have an annual option to switch VGI Rate plans (i.e., the VGI Rate-to-EV drivers pricing plan or VGI Rate-to-VGI host pricing plan). In the event that ownership or control of a VGI Facility site changes, the new site host shall have the option to select a VGI Rate plan, consistent with current utility tariff and billing practices.
- F. Third party vendors of EV supply equipment and services pre-qualified by SDG&E for the VGI Program may offer and contract with the VGI Facility site host to provide any additional or complementary services, as long as these services do not interfere with the objectives of the VGI Program. Specifically, such services may not include activities, agreements, arrangements, policies or procedures that inhibit the ability of the EV driver or VGI Facility site host to respond to the pricing signal of the VGI Rate. The costs of these additional services will not be borne by the VGI Program, unless they are complementary services necessary to support the VGI Program objectives. As such, as noted in Appendix C, SDG&E will encourage discussions during the RFI process that allow vendors to explore with SDG&E the funding of innovative opportunities that may exceed the minimum implementation requirements of the VGI Program, and have the potential to enhance and improve the grid-integration outcomes of the VGI Program overall.
- G. Third party vendors pre-qualified by SDG&E for the VGI Program, in coordination with SDG&E customer contact personnel, will market and sign up potential VGI Facility site hosts to participate in the VGI Program in the two targeted customer segments (MuD and workplace settings), and in any other customer sub-segments identified in the Settlement Agreement (e.g., Disadvantaged Communities and housing or sites that support car-sharing entities). Responses to the RFP should reflect this requirement (see SDG&E's prepared direct testimony, Ex. SDG&E-2 (Schimka) p. 18 lines 7-20). Competitively neutral descriptions of the VGI Rate plans will be prepared by SDG&E and shall be used by third parties; third parties shall be permitted to develop and utilize their own marketing materials at their own expense, consistent with and subject to SDG&E's Co-branding Policy and approval process. In order to create and maintain a positive customer experience with the VGI Program, the third parties will be required to describe how they will share the initial and ongoing customer relationships with SDG&E and the VGI Facility host and EV driver. Vendors will be permitted to contract directly with site hosts for services as long as these services do not interfere with the objectives of the VGI Program (as stated above).

- a. SDG&E will solicit participation from multiple third parties to provide equipment, install, maintain and operate the VGI System in a manner consistent with SDG&E's Supply Management policy and procedures.⁶ Construction, installation and maintenance contractors will have Electric Vehicle Infrastructure Training Program (EVITP) certification, and SDG&E will require that all construction, installation and maintenance of VGI Facilities that is not performed by employees of SDG&E shall be performed by contractors signatory to the IBEW who hold a valid C-10 contractor's license, as defined in the governing labor agreement between SDG&E and the IBEW.
- H. The VGI Program will be included within SDG&E's companywide Diversified Business Enterprise goal of 40%. (See SDG&E prepared testimony, Ex. SDG&E-2, pages RS-8, 9 and RS-19). The RFP and contract will contain a DBE subcontracting plan, which requires the bidder/contractor to list its expected annual DBE spend and list any subcontractors it plans to use to achieve its DBE goal. Bidders will be requested to provide proposals in support of SDG&E's 40% goal.
- I. At least 10% of VGI Facilities will be installed in Disadvantaged Communities as identified by Cal EPA's Enviroscreen tool developed pursuant to SB 535 (de León, 2013). SDG&E will work with community based organizations to assist with education and outreach, as well as pre-qualifying and signing-up site hosts for participation in the VGI Program. In addition, SDG&E will:
 - a. Scale up deployment of VGI Facilities at qualified locations above the 10% target (in line with screening criteria identified in SDG&E's prepared direct testimony, Ex. SDG&E-2 (Schimka) p. RS 7 lines 4-18) to support accelerated EV adoption in Disadvantaged Communities.
 - b. SDG&E will complement and coordinate with federal, state and locally funded programs, such as those being developed by the Air Resources Board pursuant to SB 1275, that are expected to grow the demand for EVs in Disadvantaged Communities (e.g., EV car-sharing services).
- J. All contractors shall have hiring goals to support opportunities to increase hiring from Disadvantaged Communities, including first-source hiring and targeted-hiring goals for projects in Disadvantaged Communities. The PAC will also monitor and provide recommendations, including specific numerical targets for meeting hiring targets, to contractors or subcontractors associated with the increase of hiring from Disadvantaged Communities, including best practices for hiring in Disadvantaged Communities.
- K. SDG&E will solicit the participation of a broad and diverse stakeholder advisory group (the "VGI Program Advisory Council" or "PAC") in planning and implementing the VGI Program following its approval by the Commission. The

⁶ See references to SDG&E's Supply Management policy and procedures as outlined in SDG&E's prepared direct testimony Ex. SDG&E-2 (Schimka) p. 8 line 1 – p. 9 line 20.

VGI PAC will include representatives from local and state government (including representation from the Energy Division), industry, labor and other stakeholder participants, ratepayer and environmental advocates, and representatives of Disadvantaged Communities. Details regarding the roles, responsibilities and frequency of meetings are described in Appendix A to this Settlement Agreement.

- L. With guidance from the VGI Program Advisory Council, SDG&E will make programmatic changes as needed during the course of the VGI Program in line with the Guiding Principles noted above. The Settling Parties recognize that certain changes may require filings with the Commission for approval. Programmatic changes will be made on an on-going basis, running concurrent with the VGI Program, so as not to impact its overall progress. Data collection and program assessment criteria used to determine the need for any programmatic change are identified in SDG&E's prepared direct testimony, Ex. SDG&E-6 (Martin) p. 35 line 9 – p. 37 line 13, and will be supplemented pursuant to the Settlement Agreement as further described in Appendix B. Information will be provided to the PAC in a manner similar to SDG&E's Procurement Review Group. Data will be provided to the PAC and Commission to assess the need for programmatic changes.
- M. Metering at the EVSE level must be compatible with SDG&E billing and metering requirements (i.e., tolerances, accessibility, testability, and re-calibration, as needed), and/or submetering protocol if and as approved by the Energy Division. SDG&E reserves the right to make exceptions as conditions of the VGI Program warrant. Minimum acceptable metering tolerance is anticipated to be 1% and if needed to meet meter testing and re-calibration requirements, removal (and replacement) of the entire EVSE will be acceptable.

VGI bills will be sent directly to the SDG&E EV driver (SDG&E customer, as originally proposed) receiving the VGI Rate or to the VGI Facility site host receiving the VGI Rate under the VGI Rate-to-Host pricing plan. Data will be provided to SDG&E by the qualified third party to SDG&E's specifications in a manner acceptable to both parties to allow for this billing (see SDG&E's prepared direct testimony, Ex. SDG&E-2 (Schimka) p. 20 lines 1-19). Billing specifications per SDG&E's prepared testimony, Ex. SDG&E-7 (Schimka, Martin) p. ST-42 lines 8-13 are to send VGI rate on a day-ahead basis, allow customer (site host or EV driver) to set charging needs, meet these charging needs, collect usage data and send data to SDG&E for billing processing. For exceptional instances when a non-SDG&E customer is allowed by the VGI Facility site host at a site that is on the VGI Rate-to-EV Driver pricing plan to use the VGI Facility for vehicle charging temporarily, the site host will have the option to be the VGI Rate customer (i.e., enrolled in the VGI Rate), and will be billed for this usage, similar to how the site host is billed under the VGI Rate-to-Host pricing plan.

- N. Unless directed otherwise by the Commission, as originally proposed SDG&E will cease marketing the VGI Program and will not sign up any additional sites as of the end of the 4th year of VGI Program implementation, except for the limited exception described in this paragraph. The original proposal is modified for

potential VGI Facilities sites with documented plans for new construction or major tenant improvements. For such sites the VGI Facility installation period may extend beyond the 5th year of the VGI Program proposed installation period if the site host commitment is made by the end of the 4th year of VGI Program implementation. SDG&E will allow for flexibility in the design of the VGI Facility configuration to meet the needs of a host site. The costs of any incremental configuration needs will not be funded within the VGI Program (see SDG&E's prepared direct testimony, Ex. SDG&E-2 (Schimka) p. RS-7 lines 4-18). Implementation and site screening process will accommodate host site construction, tenant improvement timelines and situational needs. The Settling Parties acknowledge that some sites may be rejected due to physical limitations, unusually large construction costs and/or level of difficulty.

- O. As stated throughout SDG&E's VGI Program proposal, SDG&E will contract with one or more third parties to provide operating systems and related hardware to control EVSE networks to implement the VGI system. It is SDG&E's aim to specify "what" is required to be achieved per the objectives of the VGI Program, and not "how" these requirements are met. This is intended to foster innovation and enhancement to the customer's experience. Although described in SDG&E's prepared direct testimony, Ex. SDG&E-2 (Schimka) p. RS-8 line 1 to p. RS-9, lines 1-20, further clarification of the RFI and RFP processes, in light of the Settlement Agreement's provisions and modifications to SDG&E's VGI Program proposal, are further described in Appendix C.
- P. In order to provide an assessment of the VGI Program consistent with the Guiding Principles, two years after the VGI Program is launched SDG&E will provide an interim progress report to the Commission and serve it on all parties to A.14-04-014 and R.13-11-007. The interim progress report will include data as described in Appendix B and a description of any programmatic changes implemented by SDG&E prior to the date of the report. Parties will be permitted to file comments and reply comments on the report.

IV. Additional Terms and Conditions

A. Performance

The Settling Parties agree to support and defend this Settlement Agreement, and shall perform diligently, and in good faith, all actions required or implied hereunder, including, but not necessarily limited to, the execution of any other documents required to effectuate the terms of this Settlement Agreement, and the preparation of exhibits for, and presentation of witnesses at, any required hearings to obtain the approval and adoption of this Settlement Agreement by the Commission. No Settling Party will contest in this proceeding, or in any other forum, or in any manner before this Commission, the recommendations contained in this Settlement Agreement. It is understood by the Settling Parties that time is of the essence in obtaining the Commission's approval of this Settlement Agreement and that all will extend their best efforts to ensure its adoption. In this regard, Settling Parties agree that they will not seek or support any measure that would

delay immediate Commission consideration and disposition of the motion filed submitting this Settlement Agreement for the Commission's approval.

B. Non-Precedential Effect

This Settlement Agreement is not intended by the Settling Parties to be precedent for any other proceeding, whether pending or instituted in the future. The Settling Parties have assented to the terms of this Settlement Agreement only for the purpose of arriving at the settlement embodied in this Settlement Agreement. Each Settling Party expressly reserves its right to advocate, in other current and future proceedings, or in the event that the Settlement Agreement is rejected by the Commission, positions, principles, assumptions, arguments and methodologies which may be different than those underlying this Settlement Agreement, and the Settling Parties expressly declare that, as provided in Rule 12.5 of the Commission's Rules of Practice and Procedure, this Settlement Agreement should not be considered as a precedent for or against them.

C. Indivisibility, General Provisions

This Settlement Agreement embodies compromises of the Settling Parties' positions in this proceeding. No individual term of this Settlement Agreement is assented to by any Settling Party, except in consideration of the other Settling Parties' assents to

all other terms. Thus, the Settlement Agreement is indivisible and each part interdependent on each and all other parts. Any party may withdraw from this Settlement Agreement if the Commission modifies, deletes from, or adds to the disposition of the matters settled herein. The Settling Parties agree, however, to negotiate in good faith with regard to any Commission-ordered changes in order to restore the balance of benefits and burdens, and to exercise the right to withdraw only if such negotiations are unsuccessful.

The Settling Parties acknowledge that the positions expressed in the Settlement Agreement were reached after consideration of all positions advanced in all the testimony sponsored in the proceeding by all parties and declare and mutually agree that the terms and conditions herein are reasonable, consistent with the law, and in the public interest. This document sets forth the entire agreement of Settling Parties on all of the subject matters addressed herein and may only be modified in writing subscribed by all Settling Parties.

No Settling Party has relied, or presently relies, upon any statement, promise, or representation by any other Settling Party, whether oral or written, except as specifically set forth in this Agreement.

This Settlement Agreement may be executed in counterparts by the Settling Parties with the same effect as if all Settling Parties had signed one and the same document. All such counterparts shall be deemed to be an original and shall together constitute one and the same Settlement Agreement.

Execution Document

IN WITNESS WHEREOF, the Settling Parties have duly executed this Settlement Agreement by their authorized representatives as of this 1st day of June, 2015.

SAN DIEGO GAS & ELECTRIC COMPANY

By: 

Name: Laura J. McDonald

Title: Director Clean Transportation

NATURAL RESOURCES DEFENSE COUNCIL

By: 

Name: Max Baumhefner

Title: Attorney

ENVIRONMENTAL DEFENSE FUND

By: 

Name: Larissa Koehler

Title: Attorney

CALIFORNIA COALITION OF UTILITY EMPLOYEES

By: 

Name: Marc D. Joseph/Jamie L. Mauldin

Title: Attorney

THE GREENLINING INSTITUTE

By: _____

Name: Vien Truong

Title: Environmental Equity Director

PLUG IN AMERICA

By: _____

Name: Jay Friedland

Title: Legislative Director

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By: _____

Name: Colleen C. Quinn

Title: VP - Gov't. Relations and Public Policy

SMART GRID SERVICES, SIEMENS AG

By: _____

Name: Chris King

Title: Global Chief Regulatory Officer

NRG EV SERVICES LLC

By: _____

Name: Terry O'Day

Title: Vice President

AMERICAN HONDA MOTOR CO., INC.

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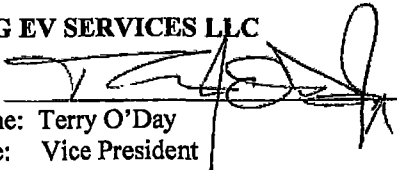
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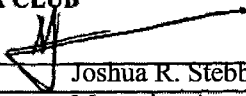
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By:  _____
Name: Joshua R. Stebbins
Title: Managing Attorney

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ALLIANCE OF AUTOMOBILE MANUFACTURERS

By: Steven P. Douglas
Name: Steven Douglas
Title: Senior Director, Environmental Affairs

CENTER FOR SUSTAINABLE ENERGY

By: _____
Name: Sachu Constantine
Title: Director of Policy

CALSTART

By: _____
Name: Jamie Hall
Title: Policy Director

KnGRID, LLC

By: _____
Name: Stephen Davis
Title: Chief Executive Officer

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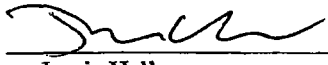
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GREEN POWER INSTITUTE

By:  _____

Name: Tam Hunt

Title. Consulting Attorney

Appendix A

Roles, Responsibilities of the VGI Program Advisory Council

SDG&E will solicit the participation of a broad and diverse stakeholder VGI Program Advisory Group (“VGI Program Advisory Council” or “PAC”) in the planning and implementing the VGI Program, once it has been approved by the Commission. This independent advisory council will include representatives from local and state government (including representation from the Energy Division), industry and other stakeholders, ratepayer and environmental advocates, and representation from Disadvantaged Communities. Participation in the PAC will not be funded by the VGI Program. The PAC does not have formal decision-making authority. The PAC will make recommendations and/or provide key information and materials to the VGI Program Managers at SDG&E, who will organize and chair PAC meetings. Information will be provided to the PAC in a manner similar to SDG&E’s Procurement Review Group.

Overall, the key role and purpose of the PAC will be to provide input to SDG&E for programmatic changes as needed during the course of the VGI Program (e.g., VGI Rate - as originally proposed, or with VGI host site prioritization for an equitable deployment of VGI Facilities), to improve the performance of the VGI Program, in line with the Guiding Principles and consistent with any applicable Commission orders, tariff rules, regulations, etc. SDG&E will give careful consideration to all programmatic modifications recommended by the PAC at their meetings and implement such changes deemed feasible and necessary. Programmatic changes will be made on an on-going basis, running concurrent with the VGI Program, so as not to impact its overall progress.

The VGI PAC will employ a process for examining the data described in Appendix B to determine if a program modification should be implemented to improve the performance of the VGI Program.

In line with input from the VGI PAC, SDG&E will make programmatic changes as needed during the course of the VGI Program (e.g., VGI Rate - as originally proposed, or with VGI host site prioritization for an equitable deployment of VGI Facilities). Programmatic changes will be made on an on-going basis, running concurrent with the VGI Program, so as not to impact its overall progress. The VGI PAC and SDG&E will consider before the conclusion of the VGI Program, and when there is sufficient data, a shareholder reward/risk mechanism that is contingent on delivery of proposed benefits.

To fulfill this role, the VGI Program Advisory Council and its members will have the following responsibilities:

1. Attend all VGI Program Advisory Council meetings, planned to take place at least twice per year over the four-year VGI Program period (however, year one will include additional organizational and planning meetings to launch the PAC, as appropriate). Members’ individual representatives will be authorized by the sponsoring member organization to accurately represent the member’s position or perspectives. There will be only one representative per member organization. Participation in the PAC will not affect a member’s right to speak individually.

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2. Examine the VGI Program data and findings presented by SDG&E and PAC members in order to make informed recommendations.
3. Timely vet recommendations for VGI Program modifications.
4. Actively participate in PAC meetings, and related assignments; contribute resources (e.g., data, expertise, and related) to the PAC where applicable.
5. VGI PAC meeting locations will alternate between San Diego and San Francisco, as determined by the VGI PAC.

Appendix B

Supplemental Data Collection Objectives, Requirements and VGI Program Assessment Criteria

Data collection and VGI Program assessment criteria used by the VGI Program Advisory Council to determine the need for any programmatic change are identified in the Research Plan (Data Collection and Analysis) described in SDG&E's prepared direct testimony Ex. SDG&E-6 (Martin) p. JCM-35 line 9 – p. 37 line 13, and will be supplemented as described below pursuant to the Settlement Agreement's modifications to SDG&E's VGI Program proposal. Data collection identified in this testimony specifically relate to measuring VGI Program performance and cost-effectiveness. With the addition of the VGI Rate-to-Host option, there is a need for additional data collection in order to compare and contrast the performance of the two VGI options (i.e., VGI Rate-to-EV driver and VGI Rate-to-Host). To accomplish this, the data collection in the Research Plan will include, but will not be limited to:

- Customer (EV drivers and site Hosts) enrollment by site and VGI pricing plan (i.e., VGI Rate-to-EV driver and VGI Rate-to-Host)
- Under the VGI Rate-to-Host, load management plans and pricing or fees, including those measures taken that encourage the facilitation of the integration of renewable energy
- Estimates of fuel cost savings through the use of the VGI Facility, under both the VGI Rate-to-EV Driver and VGI Rate-to-Host pricing plans
- VGI Facility utilization rates
- Deployment of VGI Facilities within or adjacent to a Disadvantaged Community, including EV car-sharing deployment

There is also a need for data collection adequate to provide a description of the VGI Program's status and activities, and an assessment of the VGI Program's progress consistent with the Guiding Principles in the Interim Progress Report. To accomplish this, additional data collection will include, without limitation, data related to:

- Status of program implementation to date
- Rate of achievement of supplier diversity and workforce objectives

The VGI PAC will have the flexibility to determine if additional VGI Program related measurement and evaluation objectives are of interest and will help to inform Commission policy. The VGI PAC will then articulate the purpose behind these objectives, specify these additional data collection requirements, and determine how they will be funded and resourced.

Appendix C

RFI and RFP Process Clarification

In light of the Settlement Agreement's provisions and modifications to SDG&E VGI Program proposal, the following are clarifications of the RFI and RFP processes.

With respect to the selection process and selection criteria for pre-qualifying vendors who will be authorized to provide VGI operating systems and related hardware to control EVSE networks to implement the VGI system, SDG&E prefers generally functional requirements per the objectives of the VGI Program, and not "how" these requirements are met. This is intended to foster innovation and enhance the customer's experience and ensure customer choice of vendor, equipment and services. Vendors will be permitted to contract directly with site hosts for services, as necessary, as long as these services do not interfere with the objectives of the VGI Program. SDG&E will use a multi-faceted approach to evaluating RFI responses and RFP bid proposals. All responses will be evaluated based on, but not limited to, the following criteria (not listed in order of importance):

- Total cost of ownership over the lifecycle of the EVSE and its operating system, including all indirect and direct costs
- Responsiveness to the RFI and RFP (including response to SDG&E's Terms and Conditions included in the RFP)
- Overall product and service offering including cost, quality, warranty and capability
- Ability to meet safety, reliability, operational and VGI Program requirements
- Demonstrated ability to provide innovative functionality to enhance the VGI Program experience for the customer while meeting program objectives
- Minimum requirements met for EVSE and operating systems
- VGI Program value-added features
- Performance history
- Proposed schedule/time required to complete the required deliverables
- Prior experience in providing EVSE services as described in the RFI/RFP
- Financial strength of the service provider
- Sustainability ("green")
- DBE proposals and plans to achieve stated targets

SDG&E reserves the right to investigate the references and past performance of any bidders/vendors with respect to, among other factors, compliance with specifications, safety, completion or delivery on schedule, and lawful payment of suppliers, sub-suppliers, and workers prior to any contract award. It is anticipated that vendors meeting all the selection criteria will be qualified to participate in providing equipment and services under the VGI Program. Except as otherwise set forth in Appendix C, it is anticipated and preferred that multiple vendors will be selected as an outcome of this bidding event however SDG&E reserves the right to accept or reject any or all proposals on the basis of any reason, and although SDG&E is under no obligation to disclose the reason for rejection, SDG&E will provide feedback to any vendor whose proposal was rejected, if requested.

With respect to the installation and maintenance of the VGI Facilities, SDG&E plans to

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seek the most effective form of VGI Facility development, installation and maintenance, consistent with utility standards and practices. Construction, installation and maintenance contractors will have Electric Vehicle Infrastructure Training Program (EVITP) certification, and SDG&E will require that all construction, installation and maintenance of VGI Facilities that is not performed by employees of SDG&E shall be performed by contractors signatory to the IBEW who hold a valid C-10 contractor's license, as defined in the governing labor agreement between SDG&E and the IBEW.

Finally, the RFI and RFP process and vendor qualification process will remain open throughout the duration of the VGI Program to allow for and encourage participation from qualified third parties over time. SDG&E will encourage discussions during the RFI process that allow vendors to explore with SDG&E the funding of innovative opportunities that may exceed the minimum implementation requirements of the VGI Program, and have the potential to enhance and improve the grid-integration outcomes of the VGI Program overall.