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BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U 338-E) For Approval of Its Charge Ready 2 Infrastructure and Market Education Programs	Application 18-06-015 (Filed June 26, 2018)

PROTEST OF SMALL BUSINESS UTILITY ADVOCATES TO SOUTHERN CALIFORNIA EDISON'S CHARGE READY 2 INFRASTRUCTURE AND MARKET EDUCATION PROGRAMS

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July 27, 2018

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Pursuant to Rule 2.6 of the Commission's Rules of Practice and Procedure, Small Business Utility Advocates (SBUA) hereby submits this protest to Southern California Edison's ("SCE") above-referenced application for approval of its Charge Ready 2 Program. In this application, SCE seeks authority to proceed with Charge Ready 2 programs over a four-year period, at an estimated cost of $760.1 million.[1]

I. INTRODUCTION

A. The Mission of SBUA

SBUA is a 501(c)(3) non-profit organization whose mission is to represent, protect, and promote the interests of small business utility customers. Promoting renewable resources and energy efficiency in a manner that facilitates the success of small commercial customers with cost effective utilities is central to SBUA's mission. See SBUA website at www.utilityadvocates.org. SBUA advances the energy-related concerns of small businesses in California and other states nationwide.

[1] *Application of Southern California Edison Company (U 338-E) For Approval of its Charge Ready 2 Infrastructure and Market Education Programs* (June 26, 2018) ("SCE Application"), p. 4.

Thriving small businesses drive economic growth, create jobs and higher levels of employment, and ensure community stability. According to 2016 U.S. Census data, there are 901,473 businesses with less than 100 employees in California that, collectively, hire 7.79 million Californians and pay approximately $377 billion in annual payroll to employees California.[2] According to the Small Business Administration, there are approximately 3.8 million small businesses in the state, comprising 99.8% of all California businesses, 49.2% of all California employees and 6.8 million total workers.[3]

Small businesses are also more likely to bring innovation and draw new industries to California. By some estimates, small businesses on average earn only a 10% net profit margin, with the remaining 90% being absorbed by expenses and cost structures. Utilities are one of the most significant expenses for small businesses and thus an issue of major concern. The use of revenues by major utilities and the related utility costs have significant impacts on small businesses.

B. SBUA's Interest in the Proceeding

The Charge Ready 2 proposal includes the deployment of EV infrastructure, rebates to support 48,000 EV charging stations, and broad ME&O activities.[4] SBUA actively participated in the both the Transportation Electrification cases for the larger California investor owned utilities ("IOUs") (A. 17-02-020 *et al*.) and the smaller California IOUs (A. 17-06-031 *et al*.). SBUA strongly supports the TE programs and the goals of transportation electrification. Small business owners consistently support policies that address climate change and other clean energy needs; however, to date, no TE program from the larger IOUs contains a single program directed

[2] U.S. Census Bureau, American Fact Finder, data of businesses under 100 employees in California (2016), available at www. factfinder.census.gov.
[3] California Small Business Profile, 2017, Small Business Association Office of Advocacy. *See* www.sba.gov/sites/default/files/advocacy/California_1.pdf.
[4] SCE Application, p. 4.

solely at small businesses.[5] Several rounds of TE pilot programs have been launched by California utilities that appropriately target beachhead sectors, introducing the public to electric vehicles ("EVs"), and promoting EV adoption in disadvantaged communities ("DACs"). This should continue. At this point in the TE program design, however, previously neglected customer segments such as the small business community who show extremely low adoption rates of clean energy should be included in deployment efforts.[6]

The Charge Ready 2 key elements include:

- Supporting and accelerating adoption of EVs on a trajectory to reach at least five million, and consistent with reaching seven million, new light-duty EVs by 2030;
- Installing, operating and maintaining the "make-ready" infrastructure to support 32,000 charge ports, providing rebates to offset a portion of the charging station cost, and including direct current fast charging ("DCFC") ports;
- Creating new options that provide a range of unique solutions for charging needs in the multi-unit dwelling ("MUD") segment, including new construction rebates that will support 16,000 additional charge ports;
- Addressing needs in low-income and disadvantaged communities, including a commitment to deploy a minimum of 30 percent of Charge Ready 2's charging infrastructure in disadvantaged communities;

[5] In the Transportation Electrification proceeding of the smaller IOUs (A. 17-06-031 *et al*.), Liberty CalPeco proposed the Small Business Charger Installation Rebate Program, the *only* TE program overall in California aimed solely at small business customers. SBUA activity worked with the smaller utilities in the Transportation Electrification process and the current settlements from that case are pending review from the Commission.

[6] *See., e.g.,* Sempra Data Responses to SBUA's Data Request in A. 17-11-007/008, set two, Questions 1 and 8 (1.14% of small commercial customers in SDG&E's territory use DG and less than 1% use energy storage) (Appendix A).

- Providing a comprehensive marketing, education and outreach ("ME&O") program for all customers; and
- Incorporating lessons learned from the Phase 1 Pilot.[7]

SCE's application will significantly affect small business utility consumers. In addition to the self-evident reason that small commercial customers are impacted financially as ratepayers, SCE's initiatives will affect small businesses that use electric vehicle fleets for delivery services (e.g., restaurants, bars, food delivery partners, moving companies) or otherwise plug-in electric vehicles, and the Charge Ready 2 programs have the potential to create small-business contracting opportunities to provide TE-related services to SCE. For this reason, SBUA believes there is a vital need for the small business community to have a voice in this proceeding.

II. PROTEST

Given the program cost size of $760.1 million to ratepayers, SBUA believes the Charge Ready 2 pilot should include specific deployment measures that involve the small business community. As described above, no single TE program among the larger utilities have focused on the small business sector exclusively. California's three larger utilities already have programs in place that direct their efforts towards EV deployment within certain customer segments, for example, SCE's Port of Long Beach priority review programs,[8] Pacific Gas and Electric Company's ("PG&E") Electric School Bus Renewables Integration program,[9] and San Diego Gas & Electric's ("SDG&E") Residential Charging Program.[10] More attention needs to be directed toward the small commercial sector, however.

[7] SCE Application, pp. 3-4.
[8] D. 18-01-024, *Decision on the Transportation Electrification Priority Review Projects* (Jan. 11, 2018), pp. 60-65.
[9] *Id.,* p. 70
[10] D. 18-05-040, *Decision on the Transportation Electrification Standard Review Projects* (May 31, 2018), p.12.

A. Charge Ready Make-Ready Expansion

Small business customers face several barriers to EV adoption. A noteworthy barrier of widespread EV adoption remains charging availability.[11] Siting decisions will be critical overall to allowing small business customers to deploy fleets. SBUA appreciates that SCE noted lessons learned in their from their Phase 1 pilot in their application and testimony, including that "the ten-charge-port minimum requirement coupled with the maximum percentage of parking lot that could be converted was a significant barrier to program participation."[12] A small business such as a bar, restaurant, delivery service, or real estate agent that would drive many miles on their company car, may not have the space for multiple chargers at their site. This means considerations for a lower number of charging stations at a site would increase the likelihood that a small business would be able to participate.

SBUA encourages the consideration of small business barriers on the DCFC rebate as well, which will be provided as a flat rebate and capped at 205 DCFC ports.[13] A DCFC charger offers the opportunity for fast charging, which makes sense for some drivers and fleets. If a DCFC is available, it may provide the appropriate solution and benefit for a newly electrified small business fleet.

The site host of the Charge Ready Make-Ready Expansion will be required to take service on one of SCE's time-differentiated rates.[14] In the larger IOU TE proceeding (A.17-01-020, *et al.*), SBUA advocated for clear and predictable EV rates, and this will be especially important here for small business customers who are wary of adopting a financially

[11] *Prepared Testimony in Support of Southern California Edison Company's Application for Approval of its Charge Ready 2 Infrastructure and Market Education Programs* (June 26, 2018) ("SCE Testimony"), p. 25.
[12] *Id.*, 39.
[13] *Id.*, 40.
[14] *Id.*, 39.

unpredictable electric rate.

On the issue of data collection, SCE proposes to continue to provide annual status reports to the Commission and other interested stakeholders. At this point, SCE proposes current criteria that involve: (i) customer enrollment and participation data, (ii) program process information, (iii) program installation costs, and (iv) customer usage data.[15] SBUA would be interested in working with SCE on developing helpful data to track small business engagement. Much of the small business sector's move toward EV adoption will depend on capturing the areas where there have been successes and what the data collection tells us.

B. Charge Ready Own and Operate

While the Charge Ready Own and Operate program is primarily geared towards residents in MUDs and governmental agencies,[16] SBUA believes that lessons learned in this program will be directly applicable to small business adoption for those who work in business centers. For example, small businesses renting from a business park have a similar situation in which the may not own the land or coordination with the property manager may be necessary. The Charge Ready Own and Operate program is designed to "address communities that face barriers of the installation of TE infrastructure."[17]

SBUA is still in the process of analyzing the SCE's proposal and its potential issues of competition and vendor diversity. SCE plans to "select, procure, install, and maintain charging stations for operation on participating customer sites."[18] It is important for SBUA that SCE prioritizes a diverse supply chain in their vendor selection.

[15] *Id.*, 46.
[16] *Id.*, 52.
[17] SCE Application, p. 8.
[18] SCE Testimony, p. 3.

C. Charge Ready 2 Marketing, Education, and Outreach Programs

The marketing, education, and outreach ("ME&O") programs for this program are comprised of the: (1) EV Awareness Campaign, (2) Customer Education Program, and (3) TE Advisory Services.

SBUA has long advocated for ME&O efforts that are specifically targeted to small businesses. At the current point in the EV market progression, it is important to continue to advance ME&O programs beyond awareness campaigns. Instead, ME&O efforts that are directed toward small businesses must be directed to help customers integrate an EV or EV fleet into their business. This will need to include a clear understanding costs that include: upfront costs, financing options, and long-term budget impacts. It should also include operational education such as the best vehicle type, networking options for installing a charging station, and available energy rates.

The TE Advisory Services provides a robust ME&O plan for commercial customers that includes "new services for more business customers" that include "initial awareness to training, hands-on experiences and TE-related assessments performed by SCE or its vendors."[19] In addition, SBUA finds the Grant Writing Services/Support program creative and well thought out in addressing the barriers of funding a fleet and would be interested in participating in its design.[20]

Ultimately, although SCE notes that they will connect with "hard-to-reach audiences,"[21] SCE does not specifically provide details on any ME&O directed toward the unique needs of small commercial businesses in deploying an EV fleet. SBUA will address these issues in

[19] *Id.*, p. 68.
[20] *Id.*, pp. 69-70 (Some customers do not have available budget to participate in EV deployments, so the Grant Writing Services/Support program will offer grant writing services for participating customers).
[21] *Id.*, p. 64.

testimony and provide further recommendations through its testimony and briefing.

III. CONCLUSION

SBUA overall supports the continuation of the successful Charge Ready program and believes it will provide benefits to ratepayers and help achieve the transportation electrification goals of SB 350. However, several elements of the program should be revised and improved upon as they relate to small business engagement. SBUA appreciates the Commission's consideration of this Protest and intends to work with SCE, other stakeholders, and the Commission to develop the Charge Ready 2 programs to boost small business EV deployment.

Dated: July 27, 2018

Respectfully Submitted,

__/s/ Lillian Rafii_____

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APPENDIX A

Sempra Data Responses to SBUA's Data Request in A. 17-11-007/008, set two,
Questions 1 and 8

SMALL BUSINESS UTILITY ADVOCATES DATA REQUEST
SBUA-SEU-DR-002
SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8
SDG&E_SOCALGAS RESPONSE
DATE RECEIVED: APRIL 20, 2018
DATE RESPONDED: MAY 11, 2018

1. Please provide any studies, reports or other data that detail small businesses in SDG&E's territory that engage in distributed generation (DG). For those small businesses that do engage in DG, please provide:

a. the dates they began generating energy;

b. the form of DG being employed (solar or otherwise);

c. the percentage of small commercial customers using DG;

d. the total excess capacity each business generated in 2016 and 2017, respectively; and
e. the amount of revenue allocated to SDG&E's planned efforts to assist small businesses engage in DG.

Utility Response 1:

Please see the accompanying file "SBUA-SEU-DR-002 Q1-3_8 Reports.xlsx" for data on small businesses in SDG&E's service territory that engage in distributed generation on the tabs marked "Small Comm" and "Excess Gen".

a. August 17, 2000
b. Solar, Wind, Solar/Wind
c. 1.14% (1,482 of 130,087).
d. Excess generation in 2016 and 2017 respectively was 1,222 MWh and 1,928 MWh.
e. No revenue is allocated to assist small businesses to engage in DG. A department budget has been established to assist all customers interconnect to the electric distribution grid safely and reliably.

SMALL BUSINESS UTILITY ADVOCATES DATA REQUEST
SBUA-SEU-DR-002
SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8
SDG&E_SOCALGAS RESPONSE
DATE RECEIVED: APRIL 20, 2018
DATE RESPONDED: MAY 11, 2018

8. Please provide any studies, reports or other data which detail small businesses in SDG&E's territory that engage in energy storage. For those small businesses that do engage in energy storage, please provide:

a. the dates they began using energy storage;

b. the percentage of small commercial customers using energy storage;

c. the total capacity of each such business for energy storage in 2016 and 2017, respectively; and

d. the amount of revenue allocated to SDG&E's planned efforts to assist small businesses engage in energy storage.

Utility Response 8:

Please see the accompanying file "SBUA-SEU-DR-002 Q1-3_8 Reports.xlsx" for data on small businesses in SDG&E's service territory that engage in energy storage, on the tab marked "AES_Small Comm".

a. 11/13/2013
b. Less than 1%
c. 2016 – 81.50 kW, 2017 – 369.88 kW
d. No revenue is allocated to SDG&E's planned efforts to assist small businesses engage in energy storage.