FILED
08/09/18
02:15 PM

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) for Approval of its Charge Ready 2 Infrastructure and Market Education Programs.	A.18-06-015 (Filed June 26, 2018)

PROTEST OF THE UTILITY REFORM NETWORK TO SOUTHERN CALIFORNIA EDISON'S CHARGE READY 2 INFRASTRUCTURE AND MARKET EDUCATION PROGRAMS

TURN
THE UTILITY REFORM NETWORK
Lower bills. Livable planet.

Elise Torres, Staff Attorney
Eric Borden, Energy Analyst
Caroline Palmer, Energy Intern

THE UTILITY REFORM NETWORK

785 Market Street, Suite 1400
San Francisco, CA 94103
Phone: (415) 929-8876 ex. 308
Fax: (415) 929-1132
Email: etorres@turn.org

DATE: August 9, 2018

TABLE OF CONTENTS

PROTEST OF THE UTILITY REFORM NETWORK TO SOUTHERN CALIFORNIA EDISON'S CHARGE READY 2 INFRASTRUCTURE AND MARKET EDUCATION PROGRAMS

I. INTRODUCTION

Pursuant to Rule 2.6 of the Commission's Rules of Practice and Procedure, The Utility Reform Network (TURN) files this protest to the application by Southern California Edison (SCE) for approval of its Charge Ready 2 Infrastructure and Market Education programs. The application was filed on June 26, 2018 and noticed in the daily calendar on July 10, 2018. In its Application, SCE proposes an extensive and unprecedented program to deploy electric vehicle charging stations at workplaces, government locations, multi-unit dwellings (MuDs) and public locations including "destination centers." In addition, SCE proposes to a broad-based marketing program. The proposal has direct costs of $760 million (2018$) and a revenue requirement well over $1 billion.[1]

TURN agrees with SCE that greater EV adoption will help reduce emissions from this critical sector and result in ratepayer and societal benefits. TURN also agrees that there is a role for SCE to play in this transition. Unfortunately, the goals of maximizing program benefits and minimizing costs are not properly reflected in the utility's proposal. Instead of proposing a targeted, constructive, and cost-effective program to help increase EV adoption while protecting ratepayers from wasteful investment, SCE's proposal is clearly focused on maximizing utility capital spending and shareholder returns. SCE's monopoly does not and should not extend to the EV charging station arena. The Commission must significantly modify the utility's proposal such

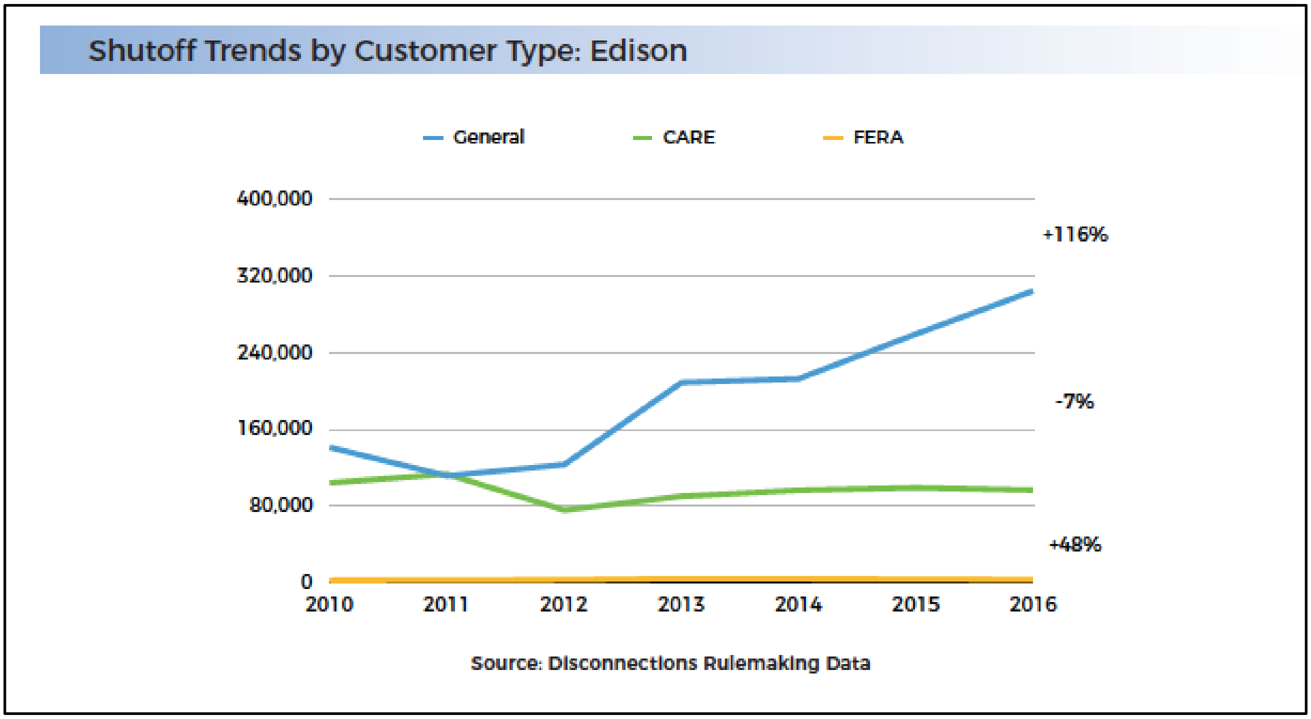
[1] Though requested in a data request, SCE has not provided the total revenue requirement of the program to TURN. TURN-SCE-01, question 1, attachment, provides ten years of revenue requirement, equal to $930 million.

that it is in the interest of ratepayers and consistent with the mandates of SB 350. TURN cautions the Commission and stakeholders not to "anchor" to any of SCE's forecasts, budgets, or metrics without fully vetting the facts and underlying assumptions. While the utility has a significant first-mover advantage whereby in this case any spending level less than $1 billion may be deemed "small," TURN urges the Commission and parties to be guided by facts, reason, and concern for the ratepayers increasingly squeezed by affordability pressures in this state. TURN believes that California can be a leader in an equitable transition to a clean energy future – this vision is not represented in SCE's application.

II. THE COMMISSION MUST BALANCE AFFORDABILITY CONCERNS WITH THE NEED FOR EV INFRASTRUCTURE INVESTMENTS

SCE's residential ratepayers, particularly those who are low and middle-income, face increasing difficulties to afford the basic necessities of life – food, housing, and basic utilities. On the latter, this is demonstrated by a significant increase in disconnections in SCE's territory, which have negative health, safety, and psychological consequences for these ratepayers and their families. From 2010-2016, non-CARE customers experienced a 116% rise in shutoffs, doubling from 140,717 shutoffs in 2010 to over 300,000 in 2016.[2]

[2] The Utility Reform Network, *Living Without Power – Health Impacts of Utility Shutoffs in California*, p. 21.



TURN urges the Commission to be mindful of these affordability concerns as it reviews SCE's application.

III. ISSUES IN DISPUTE

Though TURN has not yet fully analyzed or vetted SCE's testimony and underlying analyses, TURN preliminarily identifies the following key issues that should, at minimum, be considered:

- Ratepayer affordability. See Section II above.
- How the Charge Ready 2 program will actually increase EV adoption and/or provide environmental benefits. SCE states without evidence or support that "By increasing EV adoption, the program contributes to improved air quality in SCE territory and reduces GHG emissions broadly."[3] SCE implemented a two-year pilot program to investigate these types of claims and should be able to provide evidence to support this claim.

[3] SCE Testimony, p. 76.

- The reasonableness of SCE's proposed costs. Rather than using pilot program data to increase cost-effectiveness, SCE has managed to *decrease* the cost-effectiveness of its Charge Ready program. For example, SCE's make-ready expansion would cost $652 million for 32,000 charging ports, over $20,000 per port.[4]

- The proposal does not adequately leverage funds from site hosts who receive the greatest degree of the financial benefits of the program. Workplaces in particular – banks, hotels, large corporations – have ample financial resources to contribute to infrastructure costs. Pilot program data indicates that around 90% of total costs are paid by ratepayers, and this is likely to increase under SCE's proposed program structure. This degree of ratepayer subsidy is unnecessary, excessive and inconsistent with the direction in SB 350 to leverage funds.

- The reasonableness of SCE's proposal to primarily focus on capital spending. Ratepayer costs can be lowered with different ratemaking treatments and there must be a more thorough exploration of these options.

- The Charge Ready 2 program presents significant equity concerns as it primarily benefits wealthy property owners and corporations at the expense of low and middle-income ratepayers.

- The complete lack of performance accountability measures as required by SB 350. Rather than imposing more stringent standards, the utility in fact proposes to limit the reasonableness review of the Charge Ready Program Balancing Account ("CRPBA") which further reduces this accountability.[5]

- The reasonableness of SCE's failure to conduct a cost-effectiveness analysis to weigh the costs and benefits of such significant ratepayer expenditure or alternatives that could minimize costs and maximize benefits.

- The proposed program sets an unambitious requirement of 30% charger deployment in disadvantaged communities (DACs). Given that the 2016 pilot achieved 50% DAC siting, the program should strive for more inclusive and equitable EVSE siting requirements for the Charge Ready 2 program than merely 30%.

- The need for minimum budget and deployment requirements for various critical sectors (e.g. MuDs) which are necessary to guide investment. For example, data from the pilot program indicates that only three out of 70 projects were constructed at a Multi-Unit Dwelling. Given the high priority of this customer

[4] TURN-SCE-01, Question 3, attachment.
[5] SCE Application, p. 4.

segment, building chargers at MUDs must be made obligatory through a dedicated carveout.

- The potential anti-competitive impacts of SCE's program. Under SCE's proposal, ratepayers will become the number one funders of workplace and public charging station infrastructure in the utility's territory. The Charge Ready 2 proposal does not account for activity by the CEC, Volkswagen settlement, and private companies. Given that there are currently less than 6,500 total charging ports[6] within SCE's territory, adding 48,000 more over the next four years will allow SCE to dominate the infrastructure market at ratepayers' expense, rather than leverage other public and private activity in the space.
- The reasonableness of SCE's use of a higher EV planning goal than the established state goal. SCE's program is based on a projection for 3.5 million EVs in 2025[7] when the governor's goal is 1.5 million.

IV. EFFECT OF THE APPLICATION ON THE PROTESTANT

TURN is a non-profit consumer advocacy organization and has a long history of representing the interests of residential and small commercial customers of California's utility companies before this Commission. TURN's articles of incorporation specifically authorize our representation of the interests of residential customers. The instant application harms the interests of SCE's residential and small commercial ratepayers, whose interests TURN represents, by seeking authorization to implement an unnecessarily risky, large and expensive EV infrastructure program that has not been shown to produce direct ratepayer benefits.

V. PROCEDURAL MATTERS

A. Proceeding Categorization and Need for Hearings

TURN agrees with SCE that this proceeding should be categorized as Ratesetting. Given

[6] Data from DOE Alternative Fuels Data Center, downloaded July 9, 2018, https://www.afdc.energy.gov/fuels/electricity_locations.html#/analyze?fuel=ELEC.
[7] SCE Testimony, Appendix I, p. I-1.

the significant cost and scope of the application TURN believes that evidentiary hearings will be required.

B. Proposed Procedural Schedule

SCE proposes that intervenor testimony be due in mid-September of 2018. This does not provide parties with adequate time to review the application. In addition, SDG&E's Medium and Heavy Duty EV Infrastructure application (A.18-01-012) has a busy procedural schedule the rest of this year with testimony due August 17, 2018, rebuttal testimony due September 14, 2018, and evidentiary hearings scheduled October 22-26. As a small organization with limited resources, TURN will be using the same staff and expert witnesses for SDG&E's MD-HD application as this proceeding and respectfully requests that testimony in this proceeding be due at least two weeks after the end of evidentiary hearings in the SDG&E proceeding. TURN also asks that the Commission consider the briefing schedule for A.18-01-012 and not set due dates for pleadings in this proceeding that fall on the same dates. SCE is requesting over $760 million in direct ratepayer funds to support the proposed program and it is essential that parties have adequate time to properly evaluate SCE's request. Accordingly TURN proposes the following schedule:

Intervenor Testimony Due	November 9, 2018
Concurrent Rebuttal Testimony Due	December 14, 2018
Evidentiary Hearings	January 21-25, 2019
Concurrent Opening Briefs	February 22, 2019
Concurrent Reply Briefs	March 15, 2019
Proposed Decision	May 2019
Comments on Proposed Decision	20 days from the date the Commission issues Proposed Decision
Replies to Comments on Proposed Decision	5 days from the deadline for filing comments on Proposed Decision
Final Decision	End of June 2019

VI. CONCLUSION

TURN generally supports well-reasoned activities designed to accelerate the adoption of electric vehicles. However, SCE is significantly overreaching in proposing ratepayer funding to deploy charging infrastructure for over 48,000 charging stations at a cost of over $760 million. The Commission and stakeholders must closely examine whether SCE's proposal complies with the statutory mandates of SB 350 and whether it is reasonable for utility ratepayers to pay for charging stations that will primarily benefit private employers, multi-family housing building owners, and SCE shareholders. SCE's proposal creates a great deal of risk for ratepayers who, if the EV market does not grow as forecasted, or technology changes make SCE's system obsolete, will be left to pay the entire program cost of over a billion dollars.[8]

The Commission cannot approve such an expensive and ambitious program without greater analysis. The Commission should ensure that parties have adequate time to thoroughly review and analyze SCE's application and testimony in light of the existing schedule for SDG&E's MD-HD TE infrastructure program.

Date: August 9, 2018

Respectfully submitted,

By: __________/s/______________
Elise Torres

Elise Torres, Staff Attorney

THE UTILITY REFORM NETWORK
785 Market Street, Suite 1400
San Francisco, CA 94103
Phone: (415) 929-8876 ex. 308
Fax: (415) 929-1132
Email: etorres@turn.org

---

[8] SCE has not provided the total revenue requirement for the program but just ten years of revenue requirement is equal to $930 million. TURN-SCE-01, question 1, attachment.