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

Order Instituting Rulemaking to Continue the  
Development of Rates and Infrastructure for  
Vehicle Electrification.

Rulemaking 18-12-006  
(Filed Dec. 13, 2018)

**COMMENTS OF SMALL BUSINESS UTILITY ADVOCATES ON ORDER  
INSTITUTING RULEMAKING TO CONTINUE THE DEVELOPMENT OF RATES  
AND INFRASTRUCTURE FOR VEHICLE ELECTRIFICATION AND CLOSING  
RULEMAKING 13-11-007**

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February 1, 2019

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

Order Instituting Rulemaking to Continue the Development of Rates and Infrastructure for Vehicle Electrification.

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**I. INTRODUCTION**

Pursuant to Rule 6.2 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), Small Business Utility Advocates (“SBUA”) submits the following comments on the Order Instituting Rulemaking to Continue the Development of Rates and Infrastructure for Vehicle Electrification and Closing Rulemaking 13-11-007 (“OIR”). The Commission issued this OIR on December 19, 2019 and set February 4, 2019 as the deadline for comments on the OIR.<sup>1</sup>

SBUA supports the Commission’s goal of establishing a comprehensive transportation electrification (“TE”) framework (“TEF”) to guide investments in California, aligned with the goals of SB 350.<sup>2</sup> Addressing the unresolved issues from Rulemaking 13-11-007 will address concerns customers have related to TE and promote electric vehicle (“EV”) adoption. SBUA believes that both the TEF adopted by the Commission and the proposals the investor-owned

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<sup>1</sup> OIR, at 25. The OIR indicates comments are due 45 days from the date of issuance. Though the proposed schedule indicates the date of issuance was December 13, 2018, the OIR was actually issued on December 19, 2018. The 45<sup>th</sup> day lands on Saturday, February 2<sup>nd</sup>.

<sup>2</sup> OIR, at 8.

utilities (“IOUs”) will submit through this proceeding should consider and target small businesses, including hard-to-reach customers,<sup>3</sup> to ensure widespread transportation electrification across all customer classes, as mandated by Senate Bill 350.<sup>4</sup>

## **II. BACKGROUND**

### **a. About SBUA**

SBUA’s mission is to represent the utility concerns of the small business community. Small businesses are not only vital to California’s economic health and welfare but also constitute an important class of ratepayers for utility companies. The ratepayer interests of this class often diverge from residential ratepayers and larger-size commercial customers on a variety of utility matters. The needs of small businesses are critical to consider not only because they have a substantial impact on California’s economy but also because engagement from small businesses and their employees is critical to the future of California’s grid. There are approximately 3,941,201 small businesses in the state that comprise of 99.8% of all employer firms, provide 48.8% of private sector employment, account for over 280,000 net new jobs, and comprise approximately 43.2% of California’s \$152.1 billion in exports.<sup>5</sup> Due to the important role small businesses play in the state’s economy and to the legislative mandates, SBUA believes that the TEF ultimately adopted by the Commission needs to identify strategies to incorporate, consider, and meet the needs of small businesses.

### **b. SBUA’s Interests in this Proceeding**

SBUA supports the state’s greenhouse gas (“GHG”) emission reduction goals and recognizes the need to encourage electric vehicle (“EV”) ownership among all customer classes

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<sup>3</sup> The Commission should utilize the definition of “hard-to-reach customer” adopted in D.18-05-041, *Decision Addressing Energy Efficiency Business Plans* (May 31, 2018), at 42-43. Further references in these comments to “hard-to-reach customers” refers to the definition in D.18-05-041.

<sup>4</sup> Pub. Util. Code §§ 701.1(a)(1) (indicating that the IOUs should encourage widespread TE) & 740.12(b) (indicating that widespread TE is needed to achieve the state’s emission reduction goals and increasing access to EVs to disadvantaged, low, and moderate-income communities is needed to achieve widespread TE).

<sup>5</sup> California Small Business Profile, U.S. Small Business Administration Office of Advocacy. See <https://www.sba.gov/sites/default/files/advocacy/2018-Small-Business-Profiles-CA.pdf>.

through programs that support EV ownership, rates, and infrastructure. However, small commercial customers have low rates of EV ownership, indicating there is a need to address the particular barriers facing this customer base. To this end, SBUA has participated in various proceedings analyzing TE issues.

SBUA has participated and is participating in other proceedings aimed at promoting TE. SBUA participated in the TE proceeding of the smaller IOUs and is currently participating in San Diego Gas & Electric Company's ("SDG&E") application for medium-duty and heavy-duty EV charging infrastructure, and is an active party to the ongoing proceedings analyzing Pacific Gas & Electric Company's ("PG&E") application for approval of commercial electric vehicle rates and Southern California Edison's ("SCE") application for EV charging infrastructure.<sup>6</sup> In all of these proceedings, SBUA has advocated for ways to address the barriers faced by small businesses to ensure they have access to EVs and the needed infrastructure to make TE affordable. For example, in the TE proceeding for the smaller IOUs, SBUA collaborated with parties to develop a rebate program for EV chargers tailored to small businesses, which the Commission ultimately adopted.<sup>7</sup>

Likewise, SBUA will participate in this proceeding to determine what actions the Commission should take to ensure that TE programs are accessible by all customers. SBUA will engage with other stakeholders to ensure that the final TEF adopted by the Commission addresses the needs of small business customers, including affordability of EV infrastructure and of EV rates for small businesses.

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<sup>6</sup> See A.17-06-031 at al., A.18-01-012, A.18-11-003, and A.18-06-015.

<sup>7</sup> D.18-09-034, at 48-49. The Commission in D.18-09-034 approved three settlement agreements with SBUA as a party that also include small business incentives, education, and outreach to ensure TE programs penetrate into and incorporate this customer class.

### III. DISCUSSION

#### a. Senate Bill 100

As the OIR indicates, Senate Bill 1000 (Lara) directs the Commission to consider EV-specific tariffs, submetering, and other grid integration technologies.<sup>8</sup> SBUA agrees that these technologies may promote TE and believes they have the potential to address the needs of small businesses. Submetering, for example, can promote EV adoption among small businesses because the business owner can easily identify what portion of the utility bill should be attributed to the charging station and can pass these charges directly to the driver. SBUA will work with other parties to address rate design issues in a manner that promotes widespread TE.

#### b. Assembly Bill 2127

Assembly Bill 2127 (Ting) directs the Commission to collaborate with the Energy Commission to develop a statewide assessment on the EV charging infrastructure needed to meet GHG emission reduction goals.<sup>9</sup> According to the bill, the “assessment shall examine existing and future infrastructure needs throughout California, including in low-income communities.”<sup>10</sup> SBUA is interested in collaborating with other stakeholders and Commission staff to identify the scope of issues within the assessment to ensure that the needs of small business customers are analyzed in the assessment. Ensuring small businesses have access to EV charging infrastructure will benefit disadvantaged and low-income communities. Customers residing in multi-family units or in leased single-home properties can benefit from deployment of EV infrastructure in nonresidential areas. Tenants usually do not have the authority to make physical changes to the property they lease and have no incentive to invest in a property that they do not own, so

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<sup>8</sup> OIR, at 6.

<sup>9</sup> OIR, at 6.

<sup>10</sup> Cal. Pub. Util. Code § 25229(b).

deployment of EV infrastructure in nonresidential areas will make EV chargers accessible to customers who would otherwise not have access.

c. Transportation Electrification Framework, Equity, and Costs

SBUA supports the objectives for the TEF identified in the OIR. In particular, SBUA supports the objective of ensuring accountability. SBUA agrees that the IOUs should have to demonstrate how their programs are additive and spend ratepayer funds prudently.<sup>11</sup> To demonstrate that funds are spent prudently, the IOUs should also be required to demonstrate how their programs have resulted in adequate participation levels from all customer classes, particularly hard-to-reach customers, and to show that the costs and benefits of the TEF will be equitable to all customer classes.

d. IOUs Joint Proposal

The OIR directs the IOUs to submit a joint proposal addressing various issues including EV rate design and identifying and addressing common barriers for EV adoption.<sup>12</sup> SBUA's participation in PG&E's application for approval of commercial EV rates stemmed out of the concern to ensure that any Commission-approved TE programs adequately meet the needs of small businesses. In particular, SBUA has advocated for programs that meet the financial barriers impacting EV adoption among small businesses, as well as their marketing, education, and outreach ("ME&O) needs. Similarly, SBUA will engage with all of the IOUs, other parties, and Commission staff in this proceeding to ensure that EV rates meet the needs of small businesses. SBUA will collaborate with the IOUs to ensure that the joint proposal analyzes the barriers to TE faced by small businesses and proposes strategies that promote EV adoption for small businesses and ensure EV rates for small businesses are reasonable and affordable.

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<sup>11</sup> OIR, at 10.

<sup>12</sup> OIR, at 17-18.

e. Rate Design

According to the OIR, R.13-11-007 did not resolve the issue of whether there is a need to mitigate current demand charges, and additional input from parties on this issue.<sup>13</sup> SBUA agrees that the Commission needs to further analyze the impact demand charges have on customer bills, determine whether these charges serve as a barrier to EV adoption, and mitigate the negative impacts demand charges are having, if any, on the achievement of TE goals.<sup>14</sup> Along with the instant case, SBUA is active in the proceeding analyzing PG&E's proposed commercial EV rates, in part due to concerns about demand charges discouraging EV adoption among small businesses.<sup>15</sup> Though that proceeding we are analyzing the issue of demand charges for PG&E customers, and we believe a statewide analysis of demand charges' impact on EV adoption is also merited.

f. Other Issues for Consideration

In addition to the preliminary scope of issues identified, SBUA suggests adding the following issues to the scoping memo the Commission adopts.

- First, the Commission should determine appropriate minimum deployment goals for hard-to-reach customers, including an enrollment target for small businesses. Statewide minimum enrollment targets are needed to ensure that customers who have historically had low participation rates in Commission-approved programs have access to TE programs.
- Second, the Commission should consider whether a minimum rebate amount for customers with limited financial resources should be set and, if so, the level of the

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<sup>13</sup> OIR, at 13 & 16-17.

<sup>14</sup> OIR, at 13 & 16-17.

<sup>15</sup> See A.18-11-003, SBUA Response to PG&E's Application.

rebate. Setting a specific rebate amount may be difficult given that each IOU may propose TE programs that vary in cost and benefits. However, a minimum percentage set aside based on total program costs may be feasible for the Commission to determine.

- Third, the Commission should set general requirements for IOU marketing, education, and outreach (“ME&O”) plans, including requiring the IOUs to devise ME&O strategies that specifically target customer sectors with low participation rates.

g. Proposed Schedule

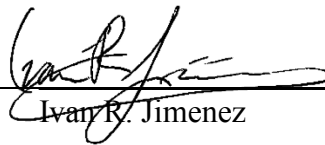
SBUA supports the proposed schedule and agrees that hearings are most likely not needed for this proceeding.

**IV. CONCLUSION**

SBUA looks forward to continuing to engage with the Commission on strategies to encourage widespread TE.

Dated: February 1, 2019

Respectfully Submitted,

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