



**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. 19, 2018)

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**SAN DIEGO GAS & ELECTRIC COMPANY'S (U 902-E)
OPENING COMMENTS ON THE TRANSPORTATION ELECTRIFICATION
FRAMEWORK OVERVIEW, INVESTOR-OWNED UTILITY TRANSPORTATION
ELECTRIFICATION PLAN DEVELOPMENT, IOU ROLES, AND NEAR-TERM
INVESTMENT PRIORITIES (SECTIONS 2, 3.1, 3.2, 3.3, 4, AND 5)**

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March 6, 2020

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I. INTRODUCTION

Pursuant to the February 3, 2020 Administrative Law Judge Ruling Adding Staff Proposal for a Draft Transportation Electrification Framework to the Record and Inviting Comments, and to the amended schedule Rulings on February 10, 2020 and February 14, 2020, San Diego Gas & Electric Company (“SDG&E”) provides the following comments on Sections 2, 3.1, 3.2, 3.3, 4, and 5 of the Draft Transportation Electrification Framework (“Draft TEF”). For the reasons provided in the concurrently filed “Joint Motion to Stay the Draft Transportation Electrification Framework, to Revise the Procedural Schedule, and Provide for Alternative Proposals,” the Draft TEF should be stayed, with a revised schedule adopted that provides for the development and consideration of alternative proposals.

SDG&E also provides the following comments on the Draft TEF. Although SDG&E appreciates Energy Division Staff’s extensive efforts developing the Draft TEF, at a minimum, the Draft TEF should be significantly revised in any Final TEF to remove:

- The severe limitations on the size, scope, and duration of transportation electrification (“TE”) applications that can be filed before the Commission approves utility transportation electrification plans (“TEP”) – restrictions so severe that they act as an effective five-year freeze on TE infrastructure projects; and

- The overly prescriptive nature of the Draft TEF’s TEP process that will increase litigation without facilitating additional TE infrastructure development.

These two features of the Draft TEF, when taken together, are more likely to hinder TE efforts in California than help. They are inconsistent with the purpose of the rulemaking, which was to facilitate the rapid scale-up of TE investments to reduce greenhouse gas (“GHG”) emissions and improve local air quality. California has set ambitious electric vehicle (“EV”) adoption targets in place:

- One point five million zero-emission vehicles (“ZEV”) on the road by 2025;
- 250,000 charging stations by 2025 – including 10,000 DC fast chargers; and
- Five million ZEVs by 2030.¹

The State is currently well short of these goals. The Draft TEF’s findings recognize the need for a framework that rapidly accelerates TE infrastructure deployment. As the Draft TEF recognizes, California state agencies are required to implement measures that will collectively reduce greenhouse gas (“GHG”) emissions to 80 percent below 1990 levels by 2050.² The Draft TEF further agrees that electrifying transportation is critical to meet those goals, as it is the single largest source of the State’s emissions.³ The Draft TEF acknowledges that the TE market remains in a nascent stage.⁴ And it notes that “EV adoption today is limited in large part by

¹ Executive Order (“E.O.”) B-48-18.

² Draft TEF at 9 (citing Assembly Bill 32).

³ Draft TEF at 9 (citation omitted).

⁴ *Id.* at 10.

insufficient charging infrastructure, even though the total cost of ownership of an EV is often lower than that of internal combustion vehicles.”⁵

Yet the Draft TEF’s actual proposals would unfortunately move the State farther away from meeting California’s ambitious transportation electrification mandates. Under the Draft TEF framework, parties would spend much of this decade planning and waiting for other state agencies to act without actual utility TE investment – despite the urgent need to act now to increase the charging infrastructure that is a prerequisite to the widespread EV adoption that is needed by 2025 and 2030.

As noted, of most immediate concern, the Draft TEF would effectively freeze any full-scale utility TE programs for at least five years until after the Commission approves a TEP for each utility and then a subsequent application. This freeze – which would last until, under the best-case scenario, 2025 (if not later) – would come at exactly the wrong time. California cannot afford to spend half of this decade discussing TE planning without actually implementing programs that accelerate widespread transportation electrification. This freeze would last during the entire remaining time the State has to reach the 250,000-charger goal – meaning that the State would violate its 2025 mandate – and likely result in California missing its 2030 goals as well.

The Draft TEF likewise contains an overly prescriptive framework for the TEP itself. Even after the five-year delay, the Draft TEF would impose additional procedural and litigatory burdens on top of the existing regulatory process without hastening any additional charging infrastructure, further inhibiting the rapid scale-up of TE investments.

⁵ *Id.* at 10 (citation omitted).

The Draft TEF’s restrictions are contrary both to the State’s executive mandates and to Senate Bill (“SB”) 350, which directs utilities to propose – and the Commission to approve – programs that “accelerate widespread transportation electrification.”⁶ Without immediate state and utility support for TE infrastructure, a self-sustaining, competitive EV marketplace cannot develop. As the Draft TEF recognizes, the primary hinderance to EV adoption remains a lack of charging infrastructure.⁷

Any transportation framework should facilitate the State reaching its ambitious transportation sector GHG goals; not hinder it. At a minimum, the Final TEF should remove limitations on what type of applications a utility can file prior to the adoption of a utility TEP. Applications should instead be considered under existing statutory authority and Commission precedent and allowed to fill immediate state and regional needs. The Final TEF should also facilitate utilities accelerating TE infrastructure rather than simply creating a more cumbersome, top-down regulatory process – including by authorizing a simultaneous planning and program application process and a utility-side make-ready⁸ infrastructure tariff that would increase TE infrastructure as the market asks for it.

⁶ California Public Utilities Code (“Cal. Pub. Util. Code”) § 740.12(b).

⁷ Draft TEF at 10 (citing Scott Hardman, *et al.*, “A Review of Consumer Preferences of and Interactions with Electric Vehicle Charging Infrastructure,” Transportation Research Part D, pp. 508-523).

⁸ Make-ready generally refers to the infrastructure from the power source (distribution system) to the charging station / EV supply equipment (“EVSE”) but does not include the charging station / EVSE. Examples of items typically included in make-ready infrastructure include trench/refill/repair, conduit, conductor, electric panel/meter, and transformer. *See generally* D.18-05-040 at 6.

II. THE DRAFT TEF'S EFFECTIVE PRE-TEP FREEZE ON UTILITY TRANSPORTATION INFRASTRUCTURE INVESTMENT MUST BE REJECTED

The Draft TEF is inconsistent both with state law and the rulemaking's goals of streamlining the regulatory process and supporting transportation electrification at the scale required to meet the state's policy mandates. The most immediate concern is that the Draft TEF would effectively freeze full-scale utility programs until at least 2024. This fundamental defect should be immediately rectified to accelerate transportation electrification to meet the State's 2025 and 2030 obligations, comply with SB 350, and reduce GHG emissions.

A. The Draft TEF Proposes a Process That Will Effectively Freeze Utility Investments in Transportation Electrification for Five-Plus Years, Increasing the Likelihood that California Misses its ZEV Goals

The Draft TEF's extended freeze results from a combination of the process established by the Draft TEF and the Draft TEF's severe limits on utility applications until that process is complete. As to the former, the Draft TEF proposes the following framework:

- Q4 2020: The Commission adopts the final Transportation Electrification Framework ("Final TEF");
- 2021: Utilities propose TEPs;
- 2022: The Commission approves utility TEPs;
- Q1 2023: Utilities file applications under their TEPs.⁹

Even assuming that this exceedingly optimistic schedule holds, utility applications submitted in 2023 would likely not be approved and finalized until at least 2024. New infrastructure resulting from these applications would not be built until 2025 or later. As the concurrently filed Joint Stay demonstrates, a more realistic timeline, based on historical approval

⁹ Draft TEF at 26.

timelines and the amount of time likely necessary to design TEPs and applications compliant with the extensive requirements proposed in the Draft TEF, would result in applications being approved in 2025 with infrastructure being built in 2026 or later.¹⁰

Concurrent with this lengthy time-lag, the Draft TEF simultaneously attempts to severely circumscribe the scope and scale of applications that can be filed before a utility TEP is approved. The Draft TEF would prevent any full-scale utility application during this period.¹¹ It would limit any pre-TEP utility application to small-scale pilots that are:

- One to two years in duration;
- With a total cap of \$20 million per utility; and
- One of four near-term priority categories prescribed by Commission staff.¹²

It requires utilities to provide “clear justification” for those diminutive pilot programs.¹³ And it proposes a blanket ban on “new investment programs” in “single-family home residential charging stations and workplace L1 or L2 charging deployment.”¹⁴

At no point does the Draft TEF justify, or even acknowledge, the effect of this delay and these limitations on the achievement of state and local goals. The Draft TEF does not provide any support for why these limitations are warranted, how they are in conformity with state policy

¹⁰ This still-optimistic timeline assumes the historical approval timeline of 18 months, only 9 months for utilities to develop TEPs, and that the Commission relaxes the deadline for filing the first round of applications by Q1 2023 (instead of requiring the utilities to wait an additional two years if TEPs are not filed in the rigid Q1 2023 window, which would otherwise extend this timeline by another 9 months).

¹¹ Draft TEF at 14.

¹² *Id.* at 43-44.

¹³ *Id.* at 44.

¹⁴ *Id.*

mandates or goals, or why only the enumerated areas are appropriate for utility support. It does not appear to be based on market, policy, or local needs. Nor does the Draft TEF provide any evidence or analysis regarding how this regulatory freeze would impact EV adoption and investments by third parties.

Indeed, the attempt to limit utility programs to circumscribed areas is inconsistent with the Draft TEF itself. As the Draft TEF notes, “IOU TE programs must play a critical role in supporting these goals by filling TE infrastructure gaps and supporting other energy policy goals.”¹⁵ The Draft TEF continues that “the ongoing barriers to widespread TE require a broad response, including *robust* utility strategies and programs to support TE infrastructure.”¹⁶

Empirical evidence also points to the need for a robust utility role.¹⁷ Without state and utility support, the EV public charging marketplace will struggle to be viable. As the Draft TEF recognizes, charging infrastructure must first be put in place before wider-scale EV adoption is possible.¹⁸ Yet without a sufficient number of EV drivers, it is not economically efficient for private actors to invest in TE infrastructure. As Greenlots noted in recent comments:

- “[T]he private market alone cannot provide and is not providing an equitable and adequate level of attention to and investment in charging infrastructure to support drivers and EV purchasing decisions;”¹⁹
- A “competitive market in the deployment of public charging infrastructure is aspirational, and is unlikely to arise prior to the adoption of a critical mass of electric vehicles” because “fundamental economics simply don’t support sufficient private investment to adequately grow the infrastructure

¹⁵ *Id.* at 12.

¹⁶ *Id.* at 13 (emphasis added).

¹⁷ *Id.* at 13

¹⁸ *Id.* at 10.

¹⁹ Greenlots Reply Comments, North Carolina Public Utilities Commission, Docket No. E-2, Sub 1197, E.7, Sub. 1195 at 4 (Filed Aug. 9, 2019) (“Greenlots Reply Comments”).

market to support current and future drivers and their adoption decisions . . . in the absence of a sufficiently large number of consumers;”²⁰ and

- “A significant amount of [the] limited private market development is likely supported by public funds, and in some cases is a product of legal settlements.”²¹

Consequently, the Draft TEF would make achieving a sustainable charging market more difficult. For example, the Draft TEF’s attempt to exclude projects involving residential or workplace charging on the contention that “the market shows signs of private sector engagement”²² is not justified by any evidence. Instead, the State supports and requires a significant expansion of workplace charging.²³ In SDG&E’s territory, workplace TE infrastructure would maximize charging while solar power is plentiful (greening the energy supply mix while optimizing use of the existing grid) and provide charging opportunities for those without access to at-home charging living in multi-unit dwellings or single-family rental homes.²⁴ Further, third-party vendors could be forced to downsize or layoff staff due to the freeze and regulatory uncertainty. Even taking the Draft TEF’s statement at face value, “showing signs” is far removed from a sustainable private market.

Worse, this freeze would remain in place for at least a half a decade by virtue of the Draft TEF’s proposed schedule. In other words, much of the time left to meet the State’s ambitious 2030 mandates (and the entire time left to ramp up to 250,000 chargers by 2025) would be spent with utilities making little to no new investments in TE infrastructure. California currently has

²⁰ Greenlots Initial Comments, , North Carolina Public Utilities Commission, Docket No. E-2, Sub 1197, E.7, Sub. 1195 at 9 (Filed July 5, 2019).

²¹ Greenlots Reply Comments at 6.

²² Draft TEF at 44.

²³ *See, e.g.*, 2018 ZEV Action Plan Priorities Update at 35, 47.

²⁴ *Id.*

approximately 700,000 EVs; meaning the state needs to expand EV adoption nearly sevenfold in less than a decade to reach five million ZEVs.²⁵ Given that sufficient TE infrastructure must first be in place before more drivers will adopt EVs (and allow a public charging market to develop) waiting until the second half of this decade before utilities build any additional infrastructure will be too late.

B. The Draft TEF's Freeze Is Inconsistent with State Law

In addition to the Draft TEF's freeze running contrary to the aforementioned state mandates contained in E.O. B-48-18, the Draft TEF's attempted limitations on applications filed prior to the adoption of a utility TEP is also inconsistent with statutory requirements; principally SB 350 and Assembly Bill ("AB") 32. As the Draft TEF recognizes, AB 32 requires state agencies to introduce measures to collectively reduce GHG emissions.²⁶

California Public Utilities Code § 740.12(b) directs utilities to "accelerate widespread transportation electrification to reduce dependence on petroleum, meet air quality standards, achieve the goals set forth in the Charge Ahead California Initiative . . . and reduce emissions of greenhouse gases to 40 percent below 1990 levels by 2030 and to 80 percent below 1990 levels by 2050."²⁷ To support this goal, the provision directs that the Commission "*shall* approve, or modify and approve, programs and investments in transportation electrification, including those that deploy charging infrastructure . . . if they are consistent with this section, do not unfairly

²⁵ See Veloz Sales dashboard, available at <https://www.veloz.org/sales-dashboard/> (as of February 24, 2020).

²⁶ Draft TEF at 9 (citing AB 32).

²⁷ Cal. Pub. Util. Code § 740.12(b).

compete with nonutility enterprises as required under Section 740.3, include performance accountability measures, and are in the interests of ratepayers as defined in Section 740.8.”²⁸

Section 740.8 defines benefits to ratepayers broadly, providing that they are any of the following: (1) improvements in energy efficiency of travel; (2) reduction of health and environmental impacts from air pollution; (3) reduction of greenhouse gas emissions; (4) increased use of alternative fuels; or (5) creating high quality jobs or other benefits, including in disadvantaged communities.²⁹

Nowhere does this statutory mandate provide the authority to artificially circumscribe the size, duration, or areas for utility TE applications. Instead, as the Draft TEF itself recognizes, SB 350 “directs the CPUC to require IOU investment in TE programs.”³⁰ Utilities are given broad discretion to propose programs that facilitate the legislation’s goals and “minimize overall costs and maximize overall benefits.”³¹ The Commission is directed to approve applications that meet these metrics.³² It would be inconsistent with the statutory mandates to reduce GHG emissions and accelerate TE for the Commission to effectively implement a five-year freeze on applications.

The Draft TEF likewise lacks any authority to apply its proposed, “clear justification” standard to judge pre-TEP utility applications.³³ The Commission has long held that

²⁸ *Id.* (emphasis added).

²⁹ *Id.* at § 740.8(b).

³⁰ Draft TEF at 11.

³¹ Cal. Pub. Util. Code at § 740.12(b).

³² *Id.*

³³ Draft TEP at 44.

“preponderance of the evidence” is the applicable standard in a ratesetting proceeding.³⁴ The Draft TEF provides no reason why this longstanding precedent should not apply here.

Nor does the Draft TEF have any authority to limit the filing of applications while the Draft TEF is in place. The Draft has not been adopted by the Commission. It cannot override existing statutory authority and Commission rules and precedent prior to the Commission adopting a final framework. Indeed, the controlling Scoping Memo itself provides that “[a]ll IOU TE-related applications filed before the Commission approves a TEF in this proceeding shall be governed by existing Commission directives and policies regarding TE.”³⁵

The Draft TEF thus cannot be used to limit applications. Party applications filed prior to the Commission’s adoption of a final framework should instead be encouraged and considered, consistent with the Scoping Memo, under existing statutory authority and Commission precedent. The review process provided for in the Scoping Memo for applications filed before the adoption of a Final TEF – which allows for full-scale applications – is consistent with the immediate need to encourage near-term TE investments – as even applications that are filed this year are unlikely to be approved and implemented until 2021 (at the earliest).

In sum, the Final TEF should remove the Draft TEF’s extreme restrictions on pre-TEP applications. Any final framework should instead permit the filing of applications that are consistent with existing statutory and regulatory authority, help accelerate widespread transportation electrification, and maximize benefits and minimize costs. Such a change would be consistent with the adjudicatory standard provided by the Scoping Memo.

³⁴ Decision (“D.”)19-03-025 at 18; *see also* D.17-05-020 at 8; D.09-07-024 at 3 (“we decline to adopt the clear and convincing standard for SDG&E’s application, adopting the more common preponderance standard”).

³⁵ R.18-12-006, Assigned Commission Scoping Memo and Ruling (May 2, 2019) at 7.

III. THE DRAFT TEF PROPOSAL WOULD CREATE AN OVERLY PRESCRIPTIVE AND CUMBERSOME POST-TEP PROCESS

What is more, even after the five-year delay, the TEP process envisioned by the Draft TEF would simply impose additional procedural and litigation burdens on top of the existing application process – rather than streamlining the process to facilitate TE investment. Because this burdensome process would only further inhibit the rapid scale-up of TE investments even after the effective five-year freeze, it would move California even further away from its EV goals.

Specifically, the Draft TEF would require extended litigation of the TEF, TEF updates, TEPs, and TEP updates *in addition to* utility applications.³⁶ That is, rather than working with stakeholders to develop and implement projects, utilities and all interested parties would spend extensive time litigating TEPs, as the TEP must:

- Include a “total five-year budget” in its TEP before an actual proposal and application for funding is submitted;
- Address an extensive, 14-point checklist;
- Undertake an extensively prescribed, sequential four-step evaluation process dependent in large part on work outside the Commission’s control to identify market barriers; and
- Preview each program the utility intends to propose in a subsequent application for the next five years.³⁷

Moreover, the Draft TEF seeks to limit utility application filings to the first quarter of odd years, requiring utilities to then wait two-years to seek authorization for another large-scale application

³⁶ Draft TEF at page 7. *See also* Rulemaking (“R.”)18-12-006, Order Instituting Rulemaking To Continue the Development of Rates and Infrastructure for Vehicle Electrification and Closing Rulemaking 13-11-007 at 7.

³⁷ Draft TEF at 24, 33-42.

– again delaying California’s ability to actually expand charging infrastructure in the State and limiting the ability to respond to policy and market conditions.³⁸

Equally troublesome, the Draft TEF seeks to direct how utilities should invest in TE-related infrastructure.³⁹ Unfortunately, this call and response mandate-style planning is based upon assuming a functioning private market for TE that does not exist. Instead, as noted, the EV market remains underdeveloped and unable to sustain itself without state and utility support. The presumption should be that the TE market is immature and that certain types of data are limited.

Nor should utility TE applications be made wholly dependent on other state agency proceedings, such as the CECs’ Infrastructure Deployment Strategy or CARB’s Mobile Source Strategy.⁴⁰ Again, there is an urgent need to expand TE infrastructure right now. While such regulatory proceedings can provide valuable information, there could be delays. Or these planning processes’ state-wide focus could not fully capture local needs.

San Diego currently lacks a robust public charging program. SDG&E has already been collaborating with local partners – including the regional planning authority, the local air pollution control district, and the County of San Diego – to develop a public program to assist local needs, local air quality and local climate action plans (“CAPs”). To have any hope of meeting the State’s ambitious EV goals, utilities in collaboration with stakeholders should have the ability to quickly respond to identified needs and submit a new application without being

³⁸ Draft TEF at 26.

³⁹ *See, e.g., id.* at 4 (“The TEF also intends to provide clearer guidance to the IOUS about their role in deploying TE infrastructure and strategies to support the development of third-party TE business opportunities.”).

⁴⁰ *See id.* at 19-20.

boxed in by an overly cumbersome planning process. New barriers or market failures may emerge during the five-year period that a TEP is in effect that may have been unforeseen. This would be akin to using information from 2015 to inform decisions today.

As such, consistent with Senate Bill 350's broad mandate, utilities should have the ability to file applications when appropriate to facilitate transportation electrification. Utilities should be allowed to accelerate TE infrastructure by being able to adapt to changing conditions, rather than locked into a top-down process. A TEP should not limit a utility's TE program for that five-year period or prevent a utility from changing course or adapting based on changing state, regional or market needs. Nor should it result in more time spent litigating plans rather than the actual development of TE infrastructure. Utilities should have the ability to collaborate with state or local stakeholders to identify where targeted support can help stand up a functioning EV market and file applications when they are warranted – particularly when new applications still must be litigated regardless of what is contained within the TEP.

IV. THE TEF SHOULD FACILITATE BUILDING TRANSPORTATION ELECTRIFICATION INFRASTRUCTURE

A final framework should encourage more time spent implementing TE infrastructure programs and less time litigating over planning and processes. Consistent with the rulemaking's goal of streamlining and facilitating TE infrastructure, a Final TEF should authorize the following:

- A single application filing that provides both a five-year TE plan and a request to fund that program – while allowing for one-off interim applications to fill market gaps;
- A utility-side make-ready tariff for non-residential customers; and
- Customer-side utility programs where appropriate to accelerate widespread TE.

Again, rather than litigating planning – followed by litigating applications – utilities should file a single application that provides both a five-year plan and a request for program funding for that plan. This process should not preclude the flexibility to file individual applications to adapt to changing market needs or new developments. But it could provide the overarching planning and program design the Draft TEF seeks while allowing TE infrastructure investment to move forward consistent with state law and prioritize critical projects.

SDG&E also supports a framework that allows utilities to establish a tariff that permits utilities to design, construct, own, and maintain the utility-side “make-ready” for all non-residential EV charging deployments.⁴¹ SDG&E agrees with the Draft TEF that the utility’s core role in TE infrastructure should become more defined as the EV market evolves. A tariff can leverage a core utility competency in providing electric distribution infrastructure.

To date, the Commission and stakeholders have largely agreed that the utility has a critical role to play in utility-side of the meter investments.⁴² The Commission has consistently authorized utilities’ make-ready TE programs, permitting utilities to design, construct, own, and maintain the make-ready infrastructure on the utility-side of the meter.⁴³ The approval of utility make-ready infrastructure through incremental Commission-approved programs can incentivize private investment in EV charging by reducing infrastructure cost.

⁴¹ The make-ready, inclusive of both the utility and customer-side make-ready, is defined as the “service connection and supply infrastructure to support EV charging comprised of the electrical infrastructure from the distribution circuit to the stub of the Electric Vehicle Supply Equipment.” *See* D.18-05-040 at 6.

⁴² *See* D.18-05-040 at 6.

⁴³ *See* D. 16-01-023, D.16-01-045, D.16-12-065, D.18-01-024, D.18-05-040, D.19-08-026, D.19-11-017.

Yet authorizing utility-side make-ready in incremental program applications has not provided policy certainty to private capital, leaving substantial gaps in the market not covered by approved utility programs. For example, with the close of its Power Your Drive Program SDG&E cannot currently provide the full make-ready infrastructure, even on the utility-side of the meter, to support charging in multi-unit dwellings, at least until SDG&E's limited Power Your Drive Extension Program application is approved.

Authorizing a make-ready tariff that provides utility-side infrastructure to non-residential customers will provide private investment and market certainty in an area that all stakeholders support the utility's role – without the continual need to litigate and approve that distribution infrastructure. This will lower upfront capital costs for businesses installing EV infrastructure and encourage long-term cost sharing between ratepayers and private investments, providing a level playing field to market participants and strong economic incentives to customers.

Utility investments under a utility-side EV infrastructure tariff should be recorded in a new regulatory account and recovered through future General Rate Cases. Because make-ready infrastructure would only be deployed at the request of customers, construction activity under the tariff will be driven by market demand. This meets the rulemaking's purpose of streamlining the process to expand TE infrastructure, helping quickly put the infrastructure in place that the Draft TEF recognizes is a prerequisite to meeting the State's 2025 and 2030 ZEV goals.

SDG&E does *not* propose that the tariff address the customer-side make-ready or EVSE at sites constructed under the tariff, unless authorized by an additional incremental utility program. A utility-side EV infrastructure tariff likely would not eliminate the need for future utility TE programs on the customer-side of the meter, particularly in underserved sectors. An amended final framework should provide the option for customer-side utility programs where the

private market is not interested in or capable of filling that role or to meet state goals. Consistent with SB 350, such an option would accelerate TE infrastructure development without inhibiting the development of the private EV charging marketplace.

V. CONCLUSION

SDG&E respectfully requests that the Joint Parties' Motion to Stay be granted. At a minimum, to ensure that a Final TEF does not hinder TE infrastructure development – resulting in the State falling well short of its transportation electrification goals – the Draft TEF should be amended consistent with the comments above. Filing of full-scale applications prior to the adoption of a final TEF should be supported, consistent with the Scoping Memo. The Draft TEF's limitations on utility applications prior to the adoption of a utility TEP should be removed, permitting utilities to file applications that are consistent with statutory authority and Commission guidance. The Draft TEF should also correct the proposed TEP process that would only increase litigation and strain Commission and stakeholder resources without facilitating more TE investment. Instead, a Final TEF should fulfill the rulemaking's purpose of accelerating TE investment, such as authorizing simultaneous program planning and funding applications, and a utility-side make-ready tariff.

Respectfully Submitted

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Appendix A: Response to Draft TEF Questions

The ALJ Ruling directs stakeholders to comment on sections of the Draft TEF guidance documents on a rolling basis. SDG&E addresses the specific questions raised in the relevant Draft TEF sections in sequential order as follows.

Section 2: Transportation Electrification Framework Overview

1. Identify any additional topics that should be addressed in the Transportation Electrification Framework (TEF), and why the TEF is the appropriate venue to address these topic(s).

Response: The Final TEF should facilitate the development of TE infrastructure, consistent with the requirements of state law. The Final TEF should not artificially limit applications prior to the adoption of a TEP. It should instead articulate how it will streamline utility applications, decrease regulatory lag time and meet the requirements of SB 350 and other state directives. It should allow for filings that are consistent with statutory and regulatory authorities and contain both a plan and request for funding to fulfill that plan. It should also provide authorization for Utility-Side EV Infrastructure Tariffs. Consistent with the Joint Motion to Stay being filed simultaneously, SDG&E will support an alternative framework that addresses these topics.

2. Recommend whether a full California Public Utilities Commission vote is necessary to approve each TEF update, or whether Energy Division staff guidance is appropriate for each five-year update going forward.

Response: SDG&E recommends that each TEF update be approved by a full Commission vote and should not be subject to a delegation of Commission authority.

Section 3.1: Investor Owned Utility (IOU) Transportation Electrification Plan (TEP) Development

1. Should the same requirements be adopted for the Transportation Electrification Plans (TEPs) of large and small investor-owned utilities (IOU)? If not, please provide proposed differences in detail.

Response: No, while SDG&E agrees that requirements should be standardized to the extent possible, the Commission should recognize that utility service territories are different and may have different requirements to promote widespread adoption of EVs. It is also important to recognize that the zero-emission vehicle market is still nascent. Certain aspects may not be mature enough for statewide standardization. Nor should a TEP limit utilities from subsequently adapting to changing elements in the EV market.

2. What additional guidance is needed to inform how existing planning processes for IOUs and regulatory development efforts at other State agencies should be leveraged to develop TEPs?

Response: SDG&E generally supports interagency coordination, with the understanding that it should not lead to longer approval times or implementation delays. Any reliance on other Commission rulemakings or other agency proceedings should have off-ramps for delays or parallel efforts. SDG&E believes the rigid sequential four-step process articulated in Section 4 increases the likelihood of additional delays due to dependencies on the work of other agencies.

3. What additional resources could be used if the outputs of the planning efforts described in the Transportation Electrification Framework are not available or useful for TEP development?

Response: Although this question is ambiguous, SDG&E interprets the question to be asking, “if the CEC or CARB studies referenced on page 19-20 of the Draft TEF are not available, what additional resources could be used to inform TEP development?”

SDG&E will work with local planning agencies and groups to inform the infrastructure need that should be supported by a TEP and/or any application. SDG&E will also perform its own analysis of what requirements may be unique to its service territory. It is imperative that the TEF avoid creating a rigid, top-down process that will result in delays and inefficiencies.

4. What resources should the IOUs draw from to develop budgets for their TEPs?

Response: The IOUs should draw on as many resources as possible to develop accurate budgets for their TEPs. SDG&E generally relies on budgetary data collected from previously approved and installed utility TE programs (such as Power Your Drive and SB 350 projects) and has also gathered additional information available as “lessons learned” from those projects that can be factored into developing new project cost estimates. The TEF and TEP should avoid becoming a limitation on information that could be incorporated into future efforts. Any budget developed for a TEP should serve as a simultaneous request for funding for that budget.

5. Should TEP budgets be established as a cap on an IOU’s investments or a forecast of the programmatic costs?

Response: TEP budgets should be established as a forecast of the programmatic costs – with the understanding that clean transportation is a nascent market and that utilities should have the flexibility to alter budgets and/or project designs to meet market needs. Most importantly, utilities should have a reasonable expectation of recovery for prudently spent funds.

6. Please identify any market, regulatory, or operational considerations that would justify defining a pilot program differently than it was previously defined in the 2016 Assigned Commissioner’s Ruling, namely as one-to-two years in duration and with a budget less than \$4 million.

Response: The Final TEF should remove any limitations on pre-TEP utility applications. The IOUs should be permitted to submit applications that are consistent with state law and provide justification for the program proposals based on market, policy, and local needs. Setting an arbitrary cap on pre-TEP program budgets will mean that utilities will not be able to make sizeable TE investments for at least five years based on the Draft TEF’s proposed process,

greatly limiting a utility's ability to meet the State's 2025 and 2030 goals for increasing zero emission vehicle adoption, reducing GHGs and improving local air quality.

7. Should an application template for TE program proposals be adopted in addition to the template for pilot projects filed by advice letter? If yes, identify the process for developing this template.

Response: The Commission should refrain from overly prescriptive requirements or templates for TE program proposals. IOU applications should address market, policy and local needs, which may be different for each utility. If the Commission adopts templates, it should articulate how the template will help accelerate adjudication of utility filings.

Section 4: IOU Roles to Accelerate TE Infrastructure Deployment

1. Do you agree that the investor-owned utilities' (IOU) Transportation Electrification Plans (TEP) should evaluate opportunities to address each of the barriers identified in Table 3?
 - a. If not, what barriers should be excluded, or are missing, and why?
 - b. Do you agree with the types of IOU roles that are appropriate to address each market barrier during the market and technology development lifecycle?

Response: IOU TEPs should evaluate opportunities to address market barriers based on market, policy and local needs. SDG&E believes that is not possible to comprehensively identify all barriers and appropriate IOU responses to these barriers at this time, as the EV market is still underdeveloped. These overly prescriptive approaches in the TEF should be removed.

2. Will the California Energy Commission's Infrastructure Deployment Strategy analysis and Assembly Bill AB 2127 (Ting, 2018) implementation process, the California Air Resources Board's Mobile Source Strategy, and the IOUs' existing planning processes provide a complete foundation for defining IOU infrastructure roles to be included in TEPs (What, When, How, How Much and Where)?
 - a. If not, what are the gaps and how should they be filled?

Response: SDG&E cautions against overly prescriptive requirements for how the IOUs should tie the TEPs and applications to Commission or other agency efforts. The studies should serve to inform the Commission's decisions, but not become a barrier to investments. Utilities should also be able to propose programs that address specific and regional needs that may not be captured by broader statewide assessments or may be otherwise non-controversial.

3. Market Maturity Assessment
 - a. Will the proposed metrics for determining the level of market competition provide the appropriate information to evaluate market maturity across various TE industries and business models?
 - b. What resources can be used to provide data for these market maturity metrics, and what is the best way to collect this data?

- c. Should the Market Maturity Assessment be developed by a third-party consultant or workshopped and finalized by Energy Division staff for CPUC consideration in the final Transportation Electrification Framework?

Response: The Market Maturity Assessment will be a useful source to help guide utility investment. But it is premature to comment on such an effort when it is unclear whether the market can be accurately and definitively assessed at this point. No such study has conclusively been done to date. Such an effort has yet to be scoped, let alone conducted. Utility applications should be able to rely on and cite to any reputable study or agency report that provides evidence of market needs. This should include local efforts to identify needs and market maturity for the local region. Any planning or assessments should be provided simultaneous with an application for program funding to fulfill that assessment.

Section 5: Near Term IOU TE Investment Priorities

1. Should the investor-owned utilities' pre-Transportation Electrification Plan (TEP) program proposals be limited to these identified priority areas? Why or why not?

Response: Utility pre-TEP program proposals should not be limited to the identified priority areas in the Staff Proposal. Given the length of time it will take to develop and litigate a TEP and subsequent application, limiting pre-TEP applications to the identified areas would serve as an effective freeze on utility applications for at least five years. This would likely result in the State falling well short of its 2025 and 2030 TE goals, miss public markets that are not yet being served in a substantial way, and fail to fulfill markets that are asking for more charging infrastructure. Consistent with State law and existing Commission precedent, utilities should be permitted to propose programs that target any unaddressed market segments based on an analysis of projected gaps and infrastructure needs. This is the same process as provided for in the Scoping Memo for applications filed before the adoption of a Final TEF. Consistent with the Scoping Memo, the Commission should support full-scale, immediate applications prior to the adoption of a Final TEF.

2. If not, identify any other program priorities that should be considered appropriate for pre-TEP programs and provide detailed information about why the investment would be “no regrets”.

Response: SDG&E does not believe any market segments should be arbitrarily excluded from pre-TEP applications. Although it is unclear what is meant by “no regrets,” pre-TEP applications should be allowed to address market, policy and local needs. Consistent with Public Utilities Code 740.12(b), utilities should be permitted to propose programs that would accelerate transportation electrification. That provision does not provide for any limit on the type of program that can be considered or provide that only “no regret” programs can be applied for. SDG&E’s service territory currently lacks a robust public charging program. SDG&E has been actively collaborating with local partners and seeking to support local needs, local air quality and climate action plans (“CAPs”) and should not be arbitrarily limited from supporting those efforts by excluding market segments from pre-TEP applications, as such a limitation would be contrary to law.

3. Is \$20 million per IOU an appropriate budgetary cap for pre-TEP programs? Why or why not?

Response: The final TEF should remove any limitations on pre-TEP applications, including funding size. The IOUs should be permitted to submit applications which contain justification for the program proposals based on market, policy and local needs. Again, the Draft TEF's proposed pre-TEP limitations would serve as an effective freeze on utility applications until 2025. Setting an arbitrary cap on applications of \$20 million will greatly limit any utility support for TE infrastructure until the second half of this decade, making it extremely difficult to meet the State's 2030 goals of 5 million zero-emission vehicles, reducing GHG emissions, and improving local air quality.