FILED
06/30/20
04:59 PM

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

Application of SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) for Approval of Electric Vehicle High Power Charging Rate	Application 19-07-006

JOINT MOTION OF SETTLING PARTIES FOR COMMISSION ADOPTION OF SETTLEMENT AGREEMENT

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June 29, 2020

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) for Approval of Electric Vehicle High Power Charging Rate	Application 19-07-006

JOINT MOTION OF SETTLING PARTIES FOR COMMISSION ADOPTION OF SETTLEMENT AGREEMENT

I. INTRODUCTION

Pursuant to Rule 12.1 of the Rules of Practice and Procedure ("Rules") of the California Public Utilities Commission ("Commission"), San Diego Gas & Electric ("SDG&E"), the Public Advocates Office at the California Public Utilities Commission, ChargePoint, the Coalition of California Utility Employees, Environmental Defense Fund, Enel X North America, Inc, EVBox Inc., EVgo, Greenlots, the Natural Resources Defense Council, Plug In America, Siemens, Sierra Club, Tesla, and the Union of Concerned Scientists (collectively, the "Settling Parties") hereby seek approval of their Settlement Agreement, attached hereto as Attachment A.[1]

The Settlement Agreement resolves several highly contested rate design issues, as well as certain issues related to evaluating and promoting the EV-HP rate, including: data gathering; reporting; future stakeholder processes; and marketing, education, and outreach scoped in SDG&E's Electric Vehicle-High Power Charging Rate ("EV-HP"), Application ("A.") 19-07-006 ("Application").[2] The Settlement Agreement does not address all issues scoped in this proceeding, including, for example, how marginal and non-marginal commodity costs should be collected and EV-HP use cases.[3] The Settling Parties are free to take positions on these issues that are not inconsistent with this Settlement Agreement.

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[1] Pursuant to Rule 1.8(d), SDG&E has been authorized to file this Joint Motion on behalf of all the Settling Parties listed on the caption pages.

[2] October 7, 2019 Assigned Commissioner's Scoping Memo and Ruling (Scoping Memo) Issues 1(b), 1(d), 1(f), 1(g), 1(h), 1(i) (only regarding marginal costs and not non-bypassable charges), 2(b), 2(c), 3(a),3(d), 4(a), 5, 5(a), 5(b).

[3] Scoping Memo issues 1(a), 1(c), 1(e), 1(i) (non-bypassable charges), 1(j), 2(a), 2(b), 3(b), 3(c),3(e), 6, 7, 7(a). The following scoping issues are no longer relevant or already resolved by the decision on interim rates: 1(k), 1(l), 4.

As described in more detail below, the Settlement Agreement will help advance transportation electrification ("TE") in SDG&E's service territory and will promote the goals of Senate Bill ("SB") 350.[4] In addition, the Settlement Agreement's rate design terms are consistent with several key rate design principles. Accordingly, the Settling Parties respectfully request that the Commission find that the Settlement Agreement is reasonable in light of the whole record, consistent with the law and in the public interest; and respectfully request that the Commission approve it without modification and issue a final decision resolving SDG&E's Application that adopts the settled-upon terms.

II. BACKGROUND/PROCEDURAL HISTORY

On July 3, 2019, SDG&E filed A.19-07-006 proposing the new EV-HP rate. Parties submitted protests and responses to the Application on August 9, 2019, to which SDG&E filed a reply on August 19, 2019. A prehearing conference was held on September 17, 2019, and an Assigned Commissioner's Scoping Memo and Ruling ("Scoping Memo") was issued on October 7, 2019. The Scoping Memo included, but was not limited to, addressing whether SDG&E's proposed EV-HP rate provides adequate fuel switching incentives, adequately recovers marginal costs and non-bypassable charges ("NBCs"), and incents greater adoption of EVs.[5]

The Scoping Memo also addressed issues related to SDG&E's proposed interim rate.[6] All but one issue related to the interim rate were resolved with a joint party stipulation and subsequent decision in D.20-04-009. The remaining issue for the interim rate is cost recovery.[7]

Parties submitted direct and rebuttal testimony on January 3, 2020 and February 20, 2020, respectively. The dates for evidentiary hearings were modified due to COVID-19 physical distancing requirements.[8] Ultimately, parties relied on written instruments in lieu of cross examination to build the evidentiary record and evidentiary hearings were cancelled. Opening briefs and reply briefs are due July 17, 2020 and August 14, 2020, respectively.[9]

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4 SB 350 (De León), Ch. 547, Stats. 2015.

5 Scoping Memo, pp. 2-4.

6 Scoping Memo, pp. 2-3, 5.

7 D.20-04-009, pp. 12-13, Conclusion of Law ("CoL") 6.

8 ALJ Email Ruling (March 17, 2020).

9 ALJ Email Ruling (June 9, 2020).

In its application and supporting testimony, SDG&E presents a novel approach for its EV-HP rate designed to address barriers to widespread TE by improving fuel costs of separately-metered direct current fast charging ("DCFC"), medium-duty/heavy-duty ("MD/HD") electric vehicle ("EV") charging, and other separately metered EV charging loads with an aggregated maximum demand of 20 kilowatts ("kW") or greater (*e.g.*, separately-metered EV charging located at multi-unit dwellings and workplaces), excluding single-family home residential customers.[10] SDG&E's proposal also aims to simplify the rate structure and send strong time-of-use ("TOU") price signals for customers,[11] and align with SDG&E's cost of service.[12]

With the above goals in mind and acknowledging the value of marketing, education, and outreach and future opportunities for review and modification of the EV-HP rate, the Settling Parties pursued negotiations and developed this Settlement Agreement.

A settlement conference was noticed pursuant to Rule 12.1(b) and held on June 22, 2020.

III. DESCRIPTION OF SETTLEMENT AGREEMENT

The Settlement Agreement covers the below issues and includes, as Appendix 1, an illustrative rate schedule reflecting the terms of the Settlement Agreement. Issues that are not settled as part of the Settlement Agreement are also identified in the below sections.

A. Marginal Costs and Ten-Year Phase in of Equal Percent of Marginal Cost ("EPMC") Distribution Demand Revenues.

The Settlement Agreement terms regarding the EV-HP rate's marginal distribution demand costs are described below and contained within the Settlement Agreement, including Appendix 1.

The Settling Parties agree that the EV-HP distribution rates should recover only the most recently Commission-approved M/L C&I marginal distribution demand revenues[13] in the EV-HP subscription and energy charges in the first year that the EV-HP rate is open to customer

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[10] Exh. SDGE-4 (Syz Rebuttal Testimony), p. BAS-2:23-27.

[11] *See, e.g.,* A.19-07-006, p. 2, 4-5; Exh. SDGE-4 (Syz Rebuttal Testimony), pp. BAS-4:10 to BAS-5:13.

[12] Exh. SDGE-5 (Saxe Rebuttal Testimony), pp. WS-1:15 to WS-2:11.

[13] Marginal distribution costs include distribution design demand and customer costs. Exh. Cal Advocates-1AA, p. 1-22:13.

enrollment.[14] Consistent with a goal of SB 350, this approach would provide additional fuel cost savings to customers compared to implementing full equal percent of marginal cost ("EPMC")-scaled subscription charge and volumetric distribution rates from the first year onward.[15] This approach also aligns with the collection of only marginal distribution costs in Pacific Gas and Electric Company's ("PG&E") Commission-approved Commercial EV Rate.[16]

Further, setting the subscription charge at marginal costs sends a price signal to EV-HP customers that reflects non-coincident marginal distribution demand costs and is consistent with the following Commission rate design principles: (1) rates should be based on marginal costs; (2) rates should be based on cost-causation principles; and (3) rates should encourage reduction of both coincident and non-coincident peak demand.[17]

In addition, the Settling Parties agree that the EV-HP rate should align with SDG&E's marginal costs instead of the EV-HP subscription charge discount and proposed recovery of the costs of the subscription charge discount from all customers through Public Purpose Program ("PPP") charges proposed by SDG&E in its testimony. This alignment with marginal costs is consistent with SB 350's goals because it is designed to provide EV-HP customers with fuel cost savings that improve the economics of commercial EV charging.[18]

The Settling Parties agree to linearly phase in recovery of applicable allocated EPMC distribution demand revenues to the EV-HP subscription and energy charges over ten years (with customers paying the full EV-HP rate—reflecting their full EPMC-scaled cost of service—beginning in year 11). This approach aligns with what SDG&E has previously proposed for the EV-HP subscription charge, aligns with the Commission's treatment of Economic Development

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[14] *See* Exh. Cal Advocates-3 (Response to ALJ Inquiry), pp. 1-2 (discussing that SDG&E calculated the subscription charge correctly using the current split between system peak and non-coincident distribution demand costs approved by D.17-08-030 and supporting a subscription charge initially set at marginal costs because this would send a price signal to EV-HP customers that reflects the costs to SDG&E's distribution grid of the customer's next unit of demand (kW)).

[15] *See* Exh. SDGE-4 (Syz Rebuttal Testimony), p. BAS-3:15-24; NRDC-1 (Direct Testimony), pp. 10:15 to 13:18.

[16] D.19-10-055.

[17] Exh. Cal Advocates-3 (Responses to ALJ Inquiry) p. 2 (citing D.15-07-001, p. 28).

[18] Exh. SDGE-4 (Syz Rebuttal Testimony), p. BAS-3:6 to BAS-4:5; Exh. SDGE-5 (Saxe Rebuttal Testimony), p. WS-1:15 to WS-2:14; Pub. Util. Code §740.12(a)(1)(G) & (H) (SB 350 fuel cost savings goals); D.18-08-013, COL 22 (rate design principles).

Rates ("EDR") load as retained or incremental load, helps avoid rate shock and customer confusion, and provides a more predictable estimate of the future cost of electricity as a fuel for EV-HP customers.[19] Improving the economics of commercial EV charging, while providing a predictable phase-in of EPMC revenues, will encourage greater commercial EV adoption. Such adoption promotes the achievement of state climate, equity, and air quality goals. In addition, it promotes the integration of incremental load which, when the rate provides positive CTM, can potentially help put downward pressure on rates to the benefit of all electricity customers in the long term.

The Settling Parties also agree that SDG&E will adopt a ten-year phase-in period for the full EV-HP rate that begins when the EV-HP rate is opened to customer enrollment (*i.e.*, beginning after disposition of SDG&E's advice letter seeking approval of the EV-HP rate and ending ten years from the date of advice letter approval) and does not vary by customer. This standardized phase-in period will simplify implementation of the rate and the phase-in of EPMC costs.[20]

In short, the Settlement Agreement's rate design components are consistent with both a goal of SB 350 to reduce fuel costs and the Commission's rate design principles. The Settlement Agreement does not address the EV-HP commodity rates, and parties are free to make their own recommendations regarding design of those rates. Appendix 1 of the Settlement Agreement provides illustrative EV-HP Utility Distribution Company ("UDC") rates, consisting of the distribution rates and non-bypassable charges, reflecting the above rate design recommendations.

B. Customer Eligibility

Based on numerous parties' recommendations in opening testimony, SDG&E's rebuttal testimony proposes to expand EV-HP rate eligibility to all separately-metered EV charging loads with an aggregated maximum demand of 20 kilowatts ("kW") or greater, excluding single-family home residential customers.[21] The rate will be optional to these customers and expands the benefits of the EV-HP rate to additional commercial EV customers and sites where fuel cost

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[19] Exh. SDGE-4 (Syz Rebuttal Testimony), p. BAS-3:20-24.

[20] Exh. SDGE-4 (Syz Rebuttal Testimony), p. BAS-3: 21-24; *id.* at BAS-4:10-13.

[21] Exh. SDGE-4 (Syz Rebuttal Testimony), p. BAS-2:23-27.

savings are also critical, such as locations with separately metered Level 2 charging stations.[22] Similarly, the Public Advocates Office recommends that eligibility include multi-unit dwellings ("MUDs") and workplaces to ensure customers charging at these underserved locations can achieve fuel cost savings.[23]

This Settlement Agreement adopts SDG&E's widely supported and inclusive proposal. SDG&E's eligibility requirement includes large and smaller separately-metered EV customers excluding single family homes.[24] Eligibility for all these customers is essential to providing fuel costs savings for a variety of use cases and promoting widespread adoption of TE consistent with goals of SB 350.[25]

C. Subscription Charge Increments

The Settling Parties agree that the EV-HP rate subscription charge will be metered in 10 kilowatt ("kW") increments for customers with a maximum demand of 150 kw or less, and in 25 kw increments for all other customers. Consistent with SB 350 and the Commission's rate design principle that rates be stable and understandable, these subscription charge increments will help smaller EV-HP customers (i.e., non-residential customers with separately metered EV charging with aggregated maximum demands of 150 kW or less) achieve greater fuel cost savings while providing flexibility and a simpler billing experience for all customers compared to SDG&E's original proposal.[26]

The settled rate design terms in the Settlement Agreement do not state a position as to whether EV-HP customers should be included in a separate EV commercial customer class at this time. Nor does the Settlement Agreement take a position as to the outcome of the future public workshop's evaluation of whether EV-HP customers should be included in a separate EV commercial customer class in a future SDG&E GRC Phase 2 or RDW proceeding. The Settling Parties agree that the creation of a separate commercial EV customer class remains a litigated

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22 Exh. SDGE-4 (Syz Rebuttal Testimony), p. BAS-2:15-27.

23 Exh. Cal Advocates-1AA, pp. 2-3:22 to 2-6:14.

24 *See* Exh. SDGE-4 (Syz Rebuttal Testimony), p. BAS-2: 15-21.

25 *See* Pub. Util. Code §740.12(a)(1)(E) & (a)(2).

26 Pub. Util. Code §740.12(a)(1)(G) & (H); D.18-08-01, COL 22; Exh. SDGE-15 (Joint Stipulation), Paragraph 1; Exh. SDGE-4 (Syz Rebuttal Testimony), p. BAS-4.

issue. If, however, a separate commercial EV customer class is adopted that allows for different rates for smaller EV customers, then in the next GRC 2 or Rate Design Window ("RDW") application after the new class is adopted, SDG&E will design a rate and include analysis of whether creating a separate variant of the EV-HP rate for smaller customers will provide further fuel cost savings opportunities for these customers.[27]

D. Seasonal Energy Rates and Time-of-Use Rates

The Settling Parties agree that the EV-HP rate will adopt SDG&E's proposal to incorporate seasonal energy rates and the same time-of-use ("TOU") periods as other SDG&E M/L C&I rates.[28] Using the same TOU periods will create consistency and avoid customer confusion.[29] In addition, the TOU periods proposed by SDG&E identify the majority of the highest cost and most greenhouse gas ("GHG") intensive hours in the evening "On-Peak" period (4-9pm).[30] The settled rate will provide stronger distribution TOU price differentials than SDG&E's existing AL-TOU rate, because it retains SDG&E's proposal to convert 100% of AL-TOU distribution coincident demand charges into On-Peak volumetric TOU rates.[31] For instance, in the illustrated rates estimated by SDG&E, the summer and winter Peak to Super-Off-Peak distribution price differentials will both start at $.05947/kWh in year 1 and will gradually increase to upwards of $0.18/kWh differential by year 11.[32] These differentials will incent customers to avoid the on-peak period and to charge during other periods with lower marginal costs and GHG emissions intensities.[33]

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27 The Public Advocates Office's direct and rebuttal testimonies discuss the potential benefits of creating a separate EV-HP rate for smaller customers and creating a separate EV-HP rate class. Exh. Cal Advocates-1AA (Direct Testimony), p. 1-5:1-4, pp. 1-28:15 to 1-29:19 ; Exh. Cal Advocates-2AA (Rebuttal Testimony), pp. 1-7:1 to 1-11:16, 2-2:15 to 2-3:16; *see also* Exh. Cal Advocates-3 (Response to ALJ Inquiry), pp. 2-3.

28 Exh. SDGE-4 (Syz Rebuttal Testimony), pp. BAS-4:21 to BAS-5:2.

29 Exh. SDGE-4 (Syz Rebuttal Testimony), pp. BAS-4:21 to BAS-5:2.

30 Exh. Cal Advocates-3 (Response to ALJ Inquiry), p. 3.

31 Exh. SDGE-1 (Saxe Direct Testimony), p. WS-3.

32 Settlement Agreement, Appendix 1. For year 10 distribution rates, see Exh. SDGE-5 (Saxe Rebuttal Testimony), Appendix A.

33 Exh. Cal Advocates-3 (Response to ALJ Inquiry), p. 3.

E. Future EV-HP Rate Review, Assessment, and CTM Analyses

The Settling Parties agree that SDG&E will conduct future review and assessment of the EV-HP rate to assess whether the EV-HP rate contributes positive CTM. Some or most EV-HP load is likely to be incremental and the revenue effects of such load should be measured against the marginal costs price floor.[34] Thus, SDG&E will treat EV-HP load as retained or incremental load and measured as EV-HP revenue under-or over-collections relative to the marginal costs price floor[35] of a CTM analysis rather than against hypothetical revenues if EV-HP customers were served under Schedule AL-TOU. This method of calculating CTM aligns with the Commission's treatment of EDR load as retained or incremental load.[36] Performing the CTM analysis in this manner will also reduce the likelihood of the rate unintentionally imposing additional costs on other ratepayers.[37]

SDG&E will perform a CTM analysis in the manner described above two years after implementation of the EV-HP rate and then annually during at least the first five years of the ten-year phase-in and serve the findings of these analyses to this proceeding's service list and post the analyses on its website. Conducting CTM analyses on this timeline will allow the Commission to measure the costs and/or benefits of the EV-HP rate to non-participants.[38]

In addition, SDG&E will host a public workshop three years after the date of EV-HP implementation. The public workshop will facilitate potential modifications to the EV-HP rate by allowing parties and the Commission to review the data SDG&E has collected from EV-HP customers on the following: load profiles, fuel savings, customer experiences of a sample of EV-HP customers; the costs to serve EV-HP customers; the appropriate method for evaluating CTM

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34 Exh. SDGE-5 (Saxe Rebuttal Testimony), p. WS-1:15-20; Exh. Cal Advocates-1AA, p. 1-20:21-22.

35 Consisting of the sum of marginal costs and non-bypassable charges calculated using the actual usage of EV-HP customers.

36 *See, e.g.,* D.13-10-019, pp. 4, 11, FOF 22.

37 Exh. Cal Advocates-2AA (Rebuttal Testimony), p. 1-6:6-14; Exh. Cal Advocates-3 (Response to ALJ Inquiry), p. 8.

38 *See* Exh. Cal Advocates-1AA (Direct Testimony), pp. 1-22:4 to 1-23:7 (explaining CTM analysis and recommending that the SDG&E conduct CTM analyses in a pilot report and every years until and including the 2023/2024 Rate Design Window to measure the revenue impacts of incremental EV-HP load on other ratepayers); Exh. Cal Advocates-2AA (Rebuttal Testimony), p. 1-6:6-14 (explaining that San Diego Parking and the Utilities Consumers' Action Network support tracking the revenue effect of EV-HP load on non-participating customers using a CTM analysis).

for EV-HP customers; and evaluation of whether EV-HP customers should be included in a separate EV commercial customer class in a future SDG&E GRC Phase 2 or RDW proceeding prior to the full EPMC rates being reached for EV-HP customers.[39]

If a future CTM analysis demonstrates any negative CTM—that is, if a CTM analysis presented in the public workshop or performed annually thereafter during the first five years of implementation yields a negative CTM—SDG&E will include a proposal to eliminate the negative CTM in its next ensuing GRC Phase 2 or RDW. A proposal to this end will help safeguard non-participants should any undercollections result from the EV-HP rate.[40]

F. Marketing, Education, and Outreach

SDG&E outlines a general marketing, education, and outreach ("ME&O") plan for the EV-HP rate in its testimony.[41] Several parties advocate for a ME&O plan, citing to the Commission's directives in D.19-10-055 for PG&E's CEV rate ME&O plan as an example.[42] The Commission's rate design principles include that "[t]ransitions to the new rate structures should emphasize customer education and outreach that enhances customer understanding and acceptance of new rates, and minimizes and appropriately considers the bill impacts associated with such transitions."[43]

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39 Exh. Cal Advocates-1AA, p. 1-5:1-4, pp. 1-28:15 to 1-29:19, pp. 1-10:11 to 1-11:15; Exh. Cal Advcoates-2AA (Rebuttal Testimony), pp. 2-1:17 to 2-2:11 (citing Exh. NRDC-1 (Direct Testimony), p. 14; Exh. UCAN-1 (Direct Testimony), pp. 7-9, 18-21; SDAP-1 (Levin Direct Testimony), p. 16); D.19-10-055, pp. 59-61, OP 16 (data collection and reporting requirements for PG&E's CEV rate).

40 Exh. Cal Advocates-1AA, p. 1-5:1-4, pp. 1-28:15 to 1-29:19, pp. 1-10:11 to 1-11:15; Exh. Cal Advcoates-2AA (Rebuttal Testimony), pp. 2-1:17 to 2-2:11 (citing Exh. NRDC-1 (Direct Testimony), p. 14; Exh. UCAN-1 (Direct Testimony), pp. 7-9, 18-21; SDAP-1 (Levin Direct Testimony), p. 16; D.19-10-055, pp. 59-61, OP 16 (data collection and reporting requirements for PG&E's CEV rate).

41 Exh. SDGE-4 (Syz Rebuttal Testimony), p. BAS-5:17-24 ("SDG&E plans to educate existing and potential MD/HD EV operators about the EV-HP rate through ME&O activities associated with the SDG&E MD/HD EV Infrastructure Program and customers' SDG&E Account Executives, who are available to help customers in-person, and through phone and email. SDG&E also plans to educate DCFC operators through these customers' existing Account Executives, as well. Education for other non-residential charging site operators will be conducted through SDG&E's existing EV ME&O activities multilingual staff experts, dedicated call center staff, and potentially through future EV infrastructure program ME&O.").

42 *See, e.g.,* Exh. EDF-1 (Direct Testimony), pp. 13:13 to 14:17; Exh. EDF-3 (Response to ALJ Inquiry), p. 6; Exh. NRDC-3 (Response to ALJ Inquiry), Response to Question 9; D.19-10-055, OP 13.

43 D.18-08-013, COL 22.

To better align with the Commission's above rate design principle, the Settling Parties agree that within six months of approval of the EV-HP rate, SDG&E will submit an updated ME&O plan to the Commission via a Tier 2 advice letter. SDG&E will seek input from key stakeholders to construct the ME&O plan, which will set out in greater detail how SDG&E plans to structure communications and provide information to small businesses and disadvantaged communities to inform them of the benefits from the new rate.

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

Numerous Commission decisions have endorsed settlements and express a strong public policy favoring settlement of disputes if they are fair and reasonable in light of the whole record.[44] This policy supports many worthwhile goals, including not only reducing the expense of litigation and conserving scarce Commission resources, but also allowing parties to reduce the risk that litigation will produce unacceptable results.[45] This strong public policy favoring settlements also weighs in favor of the Commission resisting the temptation to alter the results of the negotiation process. As long as a settlement taken as a whole "is reasonable in light of the whole record, consistent with law, and in the public interest" it should be adopted without change.[46] As shown below, the Settlement Agreement meets this standard.

A. The Settlement Agreement is Reasonable in Light of the Whole Record

Regarding settlement agreements, the whole record "consists of all filed documents, the Settlement and the motion for its adoption."[47] SDG&E's Application, opening testimony, and rebuttal testimony support the conclusion that the Settlement Agreement is reasonable and in furtherance of California's transportation electrification policy goals. Indeed, from an overall policy perspective and the state's statutory goals to reduce electricity fuel costs and reduce air pollutants and GHGs from the transportation sector, SDG&E's testimony remains relevant and supportive, even if some of the program details have been changed to reflect parties' testimony

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44 *See*, *e.g.*, D.05-10-041, p. 47, D.15-04-006, pp. 8-9.

45 D.14-12-040, pp. 33-35.

46 Rule 12.1(d) of the Commission's Rules of Practice and Procedure.

47 D.15-03-006, p. 6.

positions and the goals of the various Settling Parties.[48] In addition, the intervenor testimony and exhibits of several Settling Parties remains supportive of the modified EV-HP rate.[49]

In addition, the Commission should consider the substantial concessions made by the Settling Parties during negotiations. SDG&E made concessions by agreeing to modify the original EV-HP subscription charge increments, marginal costs collection, and performance of CTM analyses. The other Settling Parties have all similarly made concessions to their recommendations to achieve the negotiated results in the Settlement Agreement. Accordingly, the Settlement Agreement is reasonable because it represents the collective good faith and judgments of the Settling Parties that represent a wide range of stakeholder interests. In sum, consistent with Rule 12.1(a), the Settlement Agreement results in "a mutually agreeable outcome to the proceeding."

B. The Settlement Agreement is Consistent with the Law

To determine if a settlement is consistent with the law, the Commission evaluates whether the settlement contravenes a statute or prior Commission decision.[50] Here, the Settlement Agreement is consistent with the law because its terms are consistent with the provisions of the California Public Utilities Code, prior Commission decisions, and other applicable laws.

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48 *See e.g., generally* Exh. SDGE-1 (Syz Direct Testimony) (describing the overall intent and design of the EV-HP rate and how the rate would promote state TE policy); Exh. SDGE-4 (Syz Rebuttal Testimony) (describing SDG&E's revisions to its EV-HP rate proposal based on parties' direct testimony and how those revisions align with SB 350 and the Commission's rate design principles).

49 *See, e.g.,* Exh. Cal Advocates-1AA, p. 1-15:11-13 (explaining that full EPMC scaling is essential to the provision of equitable and cost-based rates because it ensures that all customers pay their fair share of SDG&E's EPMC costs (i.e., costs that do not vary based on customer usage or load, or the number of customers); Exh. Cal Advocates-3 (Response to ALJ Inquiry), pp. 1-2 (discussing that SDG&E calculated the subscription charge correctly using the current split between system peak and non-coincident distribution demand costs approved by D.17-08-030 and supporting a subscription charge initially set at marginal costs because this would send a price signal to EV-HP customers that reflects the costs to SDG&E's distribution grid of the customer's next unit of demand (kW)); Exh. ChargePoint-2 (Rebuttal Testimony), pp. 11:18 to 12:3 (discussing proposals to modify SDG&E's customer eligibility requirements); Exh. NRDC-2 (Rebuttal Testimony), pp. 1:12 to 6:4 (discussing party proposals for marginal costs and providing supporting analysis for the recommendation to recover only marginal costs that collect marginal distribution and marginal commodity costs); Exh. EDF-2 (Rebuttal Testimony), pp. 5:2 to 6:3 (discussing the need to have investment certainty via rate certainty to encourage EV adoption).

50 D.17-03-005 , p. 6.

In particular, the Settlement Agreement is consistent with California's climate change laws and policies, which are among the most innovative and aggressive in the nation. SB 350 identifies transportation electrification ("TE") as a key component to achieving the state's GHG and air pollution reduction goals.[51] SB 350 also establishes goals for EV rates to encourage widespread TE. Specifically, SB 350 states that "[d]eploying electric vehicle charging infrastructure should facilitate increased sales of electric vehicles by making charging easily accessible and should provide the opportunity to access electricity as a fuel that is cleaner and less costly than gasoline or other fossil fuels in public and private locations."[52] Relatedly, SB 350 states that "[d]eploying electric vehicles should assist in grid management, integrating generation from eligible renewable energy resources, and reducing fuel costs for vehicle drivers who charge in a manner consistent with electrical grid conditions."[53] The Commission has found that EV rates that provide adequate fuel switching incentives when compared to the price of gasoline for both traditional internal combustion engine-powered vehicles and hybrid vehicles comply with the requirements of SB 350 on a prima facie basis.[54]

In addition, SB 1000[55] requires the Commission to consider rate strategies that can reduce the effects of demand charges on electric vehicle drivers and fleets and help accelerate the adoption of electric vehicles.[56] The Commission has found that subscription charges that reduce the effects of demand charges when compared to general commercial rates meet this statutory objective.[57]

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[51] *See generally* SB 350 (De León), Ch. 547, Stats. 2015; *see also* Cal. Pub. Util. Code §§701.1(a)(1), 740.12.

[52] Pub. Util. Code §740.12(a)(1)(H).

[53] Pub. Util. Code §740.12(a)(1)(G).

[54] D.19-10-055, p. 8 (approving Pacific Gas and Electric Company's commercial EV rate, Application 18-11-003).

[55] SB 1000 (Lara), Ch. 368, Stats. 2018.

[56] Pub. Util. Code §740.15(a)(2).

[57] D.19-10-055, pp. 8-9.

The Settlement Agreement's rate design terms ensure adequate fuel cost savings consistent with goals of SB 350. In addition, the proposed subscription charge reduces the effects of demand charges when compared to general commercial rates, consistent with SB 1000.

The Commission also evaluates the reasonableness of proposed EV rates using the Commission's well-established Rate Design Principles.[58] The Commission's rate design principles are as follows:[59]

- Low-income and medical baseline customers should have access to enough electricity to ensure basic needs (such as health and comfort) are met at an affordable cost;
- Rates should be based on marginal cost;
- Rates should be based on cost-causation principles;
- Rates should encourage conservation and energy efficiency;
- Rates should encourage reduction of both coincident and non-coincident peak demand;
- Rates should be stable and understandable and provide stability, simplicity and customer choice;
- Rates should generally avoid cross-subsidies, unless the cross-subsidies appropriately support explicit state policy goals;
- Incentives should be explicit and transparent;
- Rates should encourage economically efficient decision-making; and
- Transitions to the new rate structures should emphasize customer education and outreach that enhances customer understanding and acceptance of new rates, and minimizes and appropriately considers the bill impacts associated with such transitions.

Setting the subscription charge at marginal costs sends a price signal to EV-HP customers that reflects non-coincident marginal distribution demand costs and is consistent with the following Commission rate design principles: (1) rates should be based on marginal costs; (2) rates should be based on cost-causation principles; and (3) rates should encourage reduction of both coincident and non-coincident peak demand.[60] In addition, the optionality of the EV-HP rate and a ten-year phase-in period for the full EV-HP rate that begins when the EV-HP rate is

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[58] D.19-10-055, pp. 10-12, CoL 10; *id.* at 10 (citing *e.g.*, D.15-07-001 at 28).

[59] D.18-08-013, CoL 22.

[60] *See* Exh. Cal Advocates-3 (Responses to ALJ Inquiry) p. 2 (citing D.15-07-001, p. 28).

opened to customer enrollment and does not vary by customer is consistent with the rate design principle that rate should be stable and understandable, and provide stability, simplicity and customer choice.[61]

Further, incorporating seasonal energy rates and the same TOU periods as other SDG&E M/L C&I rates will create consistency and avoid customer confusion,[62] identify the majority of the highest cost and most GHG intensive hours in the evening "On-Peak" period (4-9pm),[63] and provide stronger distribution TOU price differentials than SDG&E's existing AL-TOU rate.[64] The differentials will adequately incent customers to avoid the on-peak period and to charge during other periods with lower marginal costs and GHG emissions intensities.[65]

Lastly, the Settlement Agreement requires SDG&E to develop a detailed ME&O plan, consistent with both the rate design principle that "[t]ransitions to the new rate structures should emphasize customer education and outreach that enhances customer understanding and acceptance of new rates, and minimizes and appropriately considers the bill impacts associated with such transitions" and the Commission's direction in D.19-10-055.

Accordingly, the Settlement Agreement is consistent with the Public Utilities Code as well as Commission decisions.

C. The Settlement Agreement is In the Public Interest

As shown above, the Settlement Agreement is consistent with many laws, policies and decisions that by their nature are in the public interest. That is, by advancing transportation electrification development and helping to reduce GHG emissions, the Settlement Agreement helps to meet California's clean air and climate change objectives, improving the lives of all members of the public.

Moreover, the Settlement Agreement was reached after negotiations by parties that were actively engaged in representing a variety of interests and constituents, including ratepayer advocacy groups, environmental groups, the automobile industry, labor, and EV charging

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61 *See* Exh. SDGE-4 (Syz Rebuttal Testimony), p. BAS-3: 21-24; *id.* at BAS-4:10-13.

62 Exh. SDGE-4 (Syz Rebuttal Testimony), pp. BAS-4:21 to BAS-5:2.

63 Exh. Cal Advocates-3 (Response to ALJ Inquiry), p. 3.

64 Exh. SDGE-1 (Saxe Direct Testimony), p. WS-3.

65 Exh. Cal Advocates-3 (Response to ALJ Inquiry), p. 3.

providers. The negotiation process itself, involving such a diverse group of parties, lends credence to the fact that the Settlement Agreement is in the public interest and is the preferred outcome.

V. CONCLUSION

For all the foregoing reasons, the Commission should find that the Settlement Agreement is reasonable in light of the whole record, consistent with the law, in the public interest, and adopt the Settlement Agreement without modification.

Respectfully submitted,

/s/ Ross R. Fulton

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Attorney for
San Diego Gas & Electric Company

June 29, 2020

ATTACHMENT A

SETTLEMENT AGREEMENT REGARDING SAN DIEGO GAS & ELECTRIC COMPANY'S ELECTRIC VEHICLE-HIGH POWER CHARGING RATE, A.19-07-006

Pursuant to California Public Utilities Commission's Rules of Practice and Procedure, Article 12, Rule 12.1, San Diego Gas & Electric ("SDG&E"), the Public Advocates Office at the California Public Utilities Commission, ChargePoint, the Coalition of California Utility Employees, Environmental Defense Fund, Enel X North America, Inc, EVBox Inc., EVgo, Greenlots, the Natural Resources Defense Council, Plug In America, Siemens, Sierra Club, Tesla, and the Union of Concerned Scientists (collectively, the "Settling Parties") enter into this settlement agreement ("Settlement Agreement") resolving many of the disputed issues in SDG&E's Electric Vehicle-High Power Charging Rate ("EV-HP"), submitted for Commission consideration in Application (A.) 19-07-006 (the "Application").

The Settling Parties acknowledge that the positions expressed in this Settlement Agreement were reached after consideration of positions advanced by all Settling Parties regarding the Application and declare and mutually agree that the terms and conditions herein are reasonable, consistent with the law, and in the public interest. Accordingly, the Settling Parties shall make a good faith effort to obtain Commission approval of this Settlement Agreement and shall jointly request that the Commission adopt this Settlement Agreement in its entirety and without modification.

I. INTRODUCTION AND BACKGROUND

On July 3, 2019, SDG&E filed A.19-07-006, proposing its new EV-HP rate. Parties submitted protests and responses to the Application on August 9, 2019, to which SDG&E filed a reply on August 19, 2019. A prehearing conference was held on September 17, 2019, and an Assigned Commissioner's Scoping Memo and Ruling (Scoping Memo) was issued on October 7, 2019. The Scoping Memo included, but was not limited to, addressing whether SDG&E's proposed EV-HP rate provides adequate fuel switching incentives, adequately recovers marginal costs and non-bypassable charges (NBCs), and incents greater adoption of EVs.[1]

[1] Assigned Commissioner's Scoping Memo and Ruling, pp. 2-4.

Parties submitted direct and rebuttal testimony on January 3, 2020 and February 20, 2020, respectively. The dates for evidentiary hearings were modified due to COVID-19 physical distancing requirements.[2] Ultimately, parties relied on written instruments in lieu of cross examination to build the evidentiary record and evidentiary hearings were cancelled. Opening briefs and reply briefs are due July 17, 2020 and August 14, 2020, respectively.[3]

On May 15, 2020, the Settling Parties entered into a joint stipulation of facts (Joint Stipulation) agreeing to the benefits of certain rate design elements, future review and assessment of the EV-HP rate, and eligibility requirements. The terms of this Settlement Agreement are consistent with the factual findings in the Joint Stipulation and the rate schedule included as Appendix A to the Joint Stipulation.

Settling Parties acknowledge that SDG&E's Application has been thoroughly examined by a wide variety of parties, including ratepayer advocacy groups, environmental groups, the automobile industry, labor, and EV charging providers. The Settling Parties have agreed to certain important modifications to SDG&E's Application that are consistent with efforts to support widespread transportation electrification pursuant to Senate Bill 350,[4] including increasing access to the use of electricity as a transportation fuel and reducing the costs of electricity as a fuel compared to fossil fuels.[5] In addition, the Settling Parties rely on the Commission's approval of Pacific Gas and Electric Company's commercial electric vehicles rate (A.18-11-003) in Decision (D.) 19-10-055 for support of certain modifications to SDG&E's Application. Lastly, the Settling Parties rely on the Commission's rate design principles in developing the Settlement Agreement.[6]

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2 ALJ Email Ruling (March 17, 2020).

3 ALJ Email Ruling (June 9, 2020).

4 SB 350 (De León), Ch. 547, Stats. 2015.

5 Pub. Util. Code §740.12(a)(1)(E), (G) & (H).

6 Including the following: rates should be based on marginal cost; rates should be based on cost-causation principles; rates should encourage reduction of both coincident and non-coincident peak demand; rates should be stable and understandable and provide stability, simplicity and customer choice; rates should generally avoid cross-subsidies, unless the cross-subsidies appropriately support explicit state policy goals; rates should encourage economically efficient decision-making. D.18-08-013, Conclusion of Law ("CoL") 22.

II. SETTLEMENT AGREEMENT PROVISIONS

In consideration of the mutual obligations, covenants, and conditions contained herein, the Settling Parties agree to the following terms and conditions, as well as the terms set forth in the attached Appendix A, as a complete and final resolution of many of the disputed issues among them in this proceeding relating to the Application. The issues that are being resolved between the Settling Parties are those denoted as being agreed upon in the numbered paragraphs below. Nothing in this Settlement Agreement shall be deemed to constitute an admission by any Settling Party that its position taken in testimony on any issue lacks merit or that its position taken in testimony has greater or lesser merit than the position taken by any other Settling Party.

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 Settlement Agreement resolves many of the contested issues between the Settling Parties and includes the following enumerated points:

1. SDG&E will recover only the most recently Commission-approved Medium and Large Commercial and Industrial ("M/L C&I") marginal distribution demand revenues in the EV-HP subscription and energy charges in the first year that the EV-HP rate is open to customer enrollment. This approach provides additional fuel cost savings to customers and aligns with the collection of only marginal distribution costs in Pacific Gas and Electric Company's ("PG&E") Commission-approved Commercial EV Rate.[7]
2. SDG&E will linearly phase in recovery of applicable allocated equal percent of marginal cost ("EPMC") distribution demand revenues to the EV-HP subscription and energy charges over ten years (with customers paying the full EV-HP rate—reflecting their full EPMC-scaled cost of service—beginning in year 11).[8]
3. SDG&E will align the EV-HP rate with SDG&E's marginal costs as outlined in sections 1 and 2. This approach replaces SDG&E's proposed EV-HP subscription charge discount and proposed recovery of the costs of the subscription charge

[7] D.19-10-055.

[8] Exh. SDGE-4 (Syz Rebuttal Testimony), p. BAS-3.

discount from all customers through Public Purpose Program ("PPP") charges in SDG&E's testimony.

4. SDG&E will perform a contribution to margin ("CTM") analysis two years after implementation of the EV-HP rate and then annually during at least the first five years of the ten-year phase-in to allow the Commission to measure the costs and/or benefits of the EV-HP rate to non-participants. SDG&E will serve the findings of these analyses on the service list of this proceeding and post them on its website.

5. SDG&E will treat EV-HP load as retained or incremental load and measure EV-HP revenue under or over-collections relative to the marginal cost price floor[9] of a CTM analysis rather than against hypothetical revenues if EV-HP customers were served under Schedule AL-TOU. This approach aligns with the Commission's treatment of Economic Development Rates ("EDR") load as retained or incremental load and reduces the likelihood of the rate unintentionally imposing additional costs on other ratepayers.

6. SDG&E will adopt a ten-year phase-in period for the full EV-HP rate that begins when the EV-HP rate is opened to customer enrollment (i.e., beginning after disposition of SDG&E's advice letter seeking approval of the EV-HP rate and ending ten years from the date of advice letter approval) and does not vary by customer.

7. SDG&E will make the EV-HP rate optional for all separately-metered electric vehicle ("EV") charging loads with an aggregated maximum demand of 20 kilowatts ("kW") or greater, excluding single-family home residential customers. This eligibility requirement expands the benefits of the EV-HP rate to additional commercial EV customers and sites where fuel cost savings are also critical, such as locations with separately metered Level 2 charging stations.

8. SDG&E will hold a public workshop three years after the date of the implementation of the EV-HP rate to review the data SDG&E has collected from

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[9] Consisting of the sum of marginal costs and non-bypassable charges calculated using the actual usage of EV-HP customers.

EV-HP customers. The public workshop will include review of the EV-HP rates and the load profiles, fuel savings, customer experiences of a sample of EV-HP customers, the costs to serve EV-HP customers, the appropriate method for evaluating CTM for EV-HP customers, CTM methodologies for those customers, and an evaluation of whether EV-HP customers should be included in a separate EV commercial customer class in a future SDG&E GRC Phase 2 or Rate Design Window (RDW) proceeding prior to the full EPMC rates being reached for EV-HP customers.

9. SDG&E will apply a subscription charge that is metered in 10 kilowatt increments for customers with a maximum demand of 150kw or less, and in 25kw increments for all other customers.[10] If a separate commercial EV customer class is adopted that allows for different rates for smaller EV customers, then in the next GRC 2 or RDW application after the new class is adopted, SDG&E will design a rate and include analysis of whether creating a separate variant of the EV-HP rate for smaller customers would provide further fuel cost savings opportunities for these customers.

10. If future CTM analysis demonstrates any negative CTM—that is, if the CTM analysis presented in the public workshop or performed annually thereafter during the first five years of implementation yields a negative CTM—then SDG&E will include a proposal to eliminate the negative CTM in its next ensuing GRC 2 or RDW proceeding.

11. The settled rate design terms in this Settlement Agreement are limited to the treatment of marginal distribution demand costs. The Settling Parties agree that the treatment of the collection of marginal and non-marginal commodity costs remains a litigated issue.

12. The settled rate design terms in this Settlement Agreement do not state a position as to whether EV-HP customers should be included in a separate EV commercial customer class at this time, nor a position as to the outcome of the future public

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[10] Exh. SDGE-15 (Joint Stipulation with Tesla and EVgo); Exh. SDGE-4 (Syz Rebuttal Testimony), p. BAS-4.

workshop's evaluation of whether EV-HP customers should be included in a separate EV commercial customer class in a future SDG&E GRC Phase 2 or RDW proceeding. The Settling Parties agree that the creation of a separate commercial EV customer class remains a litigated issue.

13. The EV-HP rate will incorporate seasonal energy rates and the same time-of-use ("TOU") periods as other SDG&E M/L C&I rates.

14. Within six months of approval of the EV-HP rate, SDG&E will submit an updated, marketing, education, and outreach (ME&O) plan to the Commission via a Tier 2 advice letter. This ME&O plan will set out in greater detail how SDG&E plans to structure communications and provide information to small businesses and disadvantaged communities to inform them of the benefits from the new rate. SDG&E will construct this plan after receiving and integrating, as practicable, the input of key stakeholders.

15. A rate schedule reflecting this Settlement Agreement is included as Appendix A.

III. EXECUTION OF THE AGREEMENT

A. Legal Terms of settlement

1. Incorporation of Complete Agreement

This Settlement is to be treated as an integrated agreement and not as a collection of separate agreements on discrete issues. To accommodate the interests related to diverse issues, the Settling Parties acknowledge that changes, concessions, or compromises by any Settling Party in one section of this Settlement resulted in changes, concessions, or compromises by the Settling Parties in other sections.

2. Signature Date

This Settlement shall become binding as of the last signature date of the Settling Parties.

3. Regulatory Approval

The Settling Parties, by signing this Settlement, acknowledge that they support Commission approval of this Settlement. The Settling Parties shall use good faith efforts to obtain Commission approval of the Settlement.

Should any Proposed Decision or Alternate Proposed Decision seek a modification to this Settlement Agreement, and should any Settling Party be unwilling to accept such modification, that Settling Party shall notify the other Settling Parties within five business days of issuance of such Proposed Decision or Alternate Proposed Decision. The Settling Parties shall thereafter promptly discuss the proposed modification and negotiate in good faith to achieve a resolution acceptable to the Settling Parties, and shall promptly seek Commission approval of any resolution so achieved. If the Commission adopts the joint position, the Settling Parties shall file an amended settlement agreement reflecting the modified terms within 30 days of the final decision. The Settling Parties may file joint comments on a Proposed Decision stating their agreement to the modified terms.

The Settling Parties agree to oppose any modification of this Settlement not agreed to by all Settling Parties. Failure to resolve such proposed modification to the satisfaction of the Settling Parties, or to obtain Commission approval of such resolution promptly thereafter, shall entitle any Settling Party to terminate its participation from this Settlement through prompt notice to the other Settling Parties and the terms and conditions reflected in this Settlement shall no longer apply to the Settling Parties.

4. 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 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 good faith 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.

5. Non-Precedential

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, that unless the Commission expressly states otherwise, adoption of this Settlement Agreement will not constitute approval of, or precedent regarding, any principle or issue in this proceeding or in any future proceeding.

6. Non-Waiver

None of the provisions of this Settlement shall be considered waived by any Party unless such waiver is given in writing. The failure of a Party to insist in any one or more instances upon strict performance of any of the provisions of this Settlement Agreement or take advantage of any of their rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same shall continue and remain in full force and effect.

7. General Provisions

The Settling Parties acknowledge that the positions expressed in the Settlement Agreement were reached after consideration of positions advanced by parties in the proceeding and declare and mutually agree that the terms and conditions herein are reasonable, consistent with the law, and in the public interest. The Settling Parties agree to support the terms of the Settlement. This Settlement Agreement sets forth the entire agreement of the 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 Settlement Agreement.

Should any dispute arise among the Settling Parties regarding the manner in which this Settlement Agreement or any term shall be implemented, the Settling Parties agree, prior to initiation of any other remedy, to work in good faith to resolve such differences in a manner consistent with both the express language and the intent of the Settling Parties in entering into this Settlement Agreement.

8. Modification of Settlement Agreement

The terms and conditions of this Settlement Agreement may only be modified in writing subscribed to by the Settling Parties.

9. Petition for Modification

The Settling Parties are prohibited from filing a petition for modification of a Commission decision approving this Settlement Agreement, in full or in part, regarding any issue resolved in this Settlement Agreement.

10. Governing Law

This Settlement Agreement shall be interpreted, governed and construed under the laws of the State of California, including Commission decisions, orders and rulings, as if executed and to be performed wholly within the State of California.

11. Attachments

The Appendices to this Settlement Agreement are part of the agreement of the Settling Parties and are incorporated herein by reference.

B. Execution

This Settlement Agreement may be executed in counterparts by the Settling Parties with the same effect as if all the 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.

The representatives of the Settling Parties signing this Settlement Agreement are fully authorized to enter into this Settlement Agreement.

IN WITNESS WHEREOF, the Settling Parties have duly executed this Settlement Agreement by their authorized representatives as of this 29th day of June 2020.

/s/ Estela de Llanos
Estela de Llanos on behalf of
San Diego Gas & Electric Company

/s/ Darwin E. Farrar
Darwin E. Farrar on behalf of Elizabeth Echols, Director
Public Advocates Office

/s/ Megan M. Myers
Megan M. Myers on behalf of Environmental Defense Fund

/s/ Rachel E. Koss
Rachael E. Koss on behalf of The Coalition of California Utility Employees

/s/ Marc Monbouquette
Marc Monbouquette on behalf of Enel X North America, Inc.

/s/ Alex Leumer
Alex Leumer on behalf of ChargePoint

/s/ Megha Lakhchaura
Megha Lakhchaura on behalf of EVBox Inc.

/s/ Thomas Ashley
Thomas Ashley on behalf of Greenlots

/s/ Miles Muller
Max Baumhefner
Miles Muller on behalf of Natural Resources Defense Council

/s/ Katherine Stainken
Katherine Stainken on behalf of Plug In America

/s/ Chris King
Chris King on behalf of Siemens

/s/ Sara Rafalson
Sara Rafalson on behalf of EVgo Services LLC

/s/ Joseph Halso
Joseph Halso on behalf of Sierra Club

/s/ Kevin Auerbacher
Kevin Auerbacher on behalf of Tesla, Inc.

/s/ Sam Houston
Sam Houston on behalf of The Union of Concerned Scientists

ATTACHMENT A, APPENDIX 1
EV-HP PROPOSED RATES

Line No.	DESCRIPTION (A)	UNITS (B)	TRANSMISSION RATE (C)	DISTRIBUTION RATE (D)	PPP RATE (E)	NUCLEAR DECOMMISSION RATE (F)	CTC RATE (G)	LGC RATE (H)	RS RATE (I)	TRAC RATE (J)	GHG RATE (K)	TOTAL UDC RATE (L)
1	**SCHEDULE EV-HP**											
2	Subscription Charge (≤150 kW maximum demand): 10 kW Increments - Year 1											
3	Secondary	$/Month		$37.79								$37.79
4	Primary	$/Month		$37.55								$37.55
5												
6	Subscription Charge (>150 kW maximum demand): 25 kW Increments - Year 1											
7	Secondary	$/Month		$94.48								$94.48
8	Primary	$/Month		$93.89								$93.89
9												
10	Basic Service Fee											
11	Less than or equal to 500 kW											
12	Secondary	$/Month		$186.30								$186.30
13	Primary	$/Month		$50.24								$50.24
14												
15	Greater than 500 kW											
16	Secondary	$/Month		$744.64								$744.64
17	Primary	$/Month		$59.77								$59.77
18												
19	Energy Charges											
20	On-Peak Energy: Summer											
21	Secondary	$/kWh	$0.02227	$0.06015	$0.01356	$0.00005	$0.00089	$0.00720	$0.00004	$0.00000	$0.00000	$0.10416
22	Primary	$/kWh	$0.02227	$0.05541	$0.01356	$0.00005	$0.00089	$0.00720	$0.00004	$0.00000	$0.00000	$0.09942
23												
24	Off-Peak Energy: Summer											
25	Secondary	$/kWh	$0.02227	$0.00068	$0.01356	$0.00005	$0.00089	$0.00720	$0.00004	$0.00000	$0.00000	$0.04469
26	Primary	$/kWh	$0.02227	$0.00068	$0.01356	$0.00005	$0.00089	$0.00720	$0.00004	$0.00000	$0.00000	$0.04469
27												
28	Super Off-Peak Energy: Summer											
29	Secondary	$/kWh	$0.02227	$0.00068	$0.01356	$0.00005	$0.00089	$0.00720	$0.00004	$0.00000	$0.00000	$0.04469
30	Primary	$/kWh	$0.02227	$0.00068	$0.01356	$0.00005	$0.00089	$0.00720	$0.00004	$0.00000	$0.00000	$0.04469
31												
32	On-Peak Energy: Winter											
33	Secondary	$/kWh	$0.02227	$0.06015	$0.01356	$0.00005	$0.00089	$0.00720	$0.00004	$0.00000	$0.00000	$0.10416
34	Primary	$/kWh	$0.02227	$0.05541	$0.01356	$0.00005	$0.00089	$0.00720	$0.00004	$0.00000	$0.00000	$0.09942
35												
36	Off-Peak Energy: Winter											
37	Secondary	$/kWh	$0.02227	$0.00068	$0.01356	$0.00005	$0.00089	$0.00720	$0.00004	$0.00000	$0.00000	$0.04469
38	Primary	$/kWh	$0.02227	$0.00068	$0.01356	$0.00005	$0.00089	$0.00720	$0.00004	$0.00000	$0.00000	$0.04469
39												
40	Super Off-Peak Energy: Winter											
41	Secondary	$/kWh	$0.02227	$0.00068	$0.01356	$0.00005	$0.00089	$0.00720	$0.00004	$0.00000	$0.00000	$0.04469
42	Primary	$/kWh	$0.02227	$0.00068	$0.01356	$0.00005	$0.00089	$0.00720	$0.00004	$0.00000	$0.00000	$0.04469
43												
44	CPP Adder											
45	Secondary	$/kWh										
46	Primary	$/kWh										
47												
48	CPP Capacity Reservation Charge											
49	Secondary	$/kW										
50	Primary	$/kW										
51												
52	Note: rates based on Schedule AL-TOU current rates effective February 1, 2020 per SDG&E Advice Letter 3500-E.											
53												
54												

ATTACHMENT A, APPENDIX 1
SUBSCRIPTION CHARGE 10 YEAR PHASE-IN

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Subscription Charge (≤150 kW maximum demand): 10 kW Increments:										
Secondary	$37.79	$44.37	$50.95	$57.54	$64.12	$70.70	$77.28	$83.86	$90.45	$97.03
Primary	$37.55	$44.10	$50.65	$57.19	$63.74	$70.29	$76.84	$83.39	$89.94	$96.48
Subscription Charge (>150 kW maximum demand): 25 kW Increments:										
Secondary	$94.48	$110.94	$127.39	$143.85	$160.30	$176.76	$193.21	$209.67	$226.12	$242.58
Primary	$93.89	$110.26	$126.63	$143.00	$159.37	$175.74	$192.11	$208.48	$224.85	$241.22

Note: rates based on Schedule AL-TOU current rates effective February 1, 2020 per SDG&E Advice Letter 3500-E.

ATTACHMENT A, APPENDIX 1
DISTRIBUTION ON-PEAK ENERGY CHARGE 10 YEAR PHASE-IN

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Summer and Winter On-Peak Energy Charges ($/kWh)											
	Secondary	$0.06015	$0.07319	$0.08623	$0.09927	$0.11231	$0.12535	$0.13839	$0.15143	$0.16447	$0.17751
	Primary	$0.05541	$0.06741	$0.07941	$0.09141	$0.10341	$0.11541	$0.12741	$0.13940	$0.15140	$0.16340

Note: rates based on Schedule AL-TOU current rates effective February 1, 2020 per SDG&E Advice Letter 3500-E.

EV-HP RATES

	Determinants (kW)	Rate ($/kW)	Revenues ($)	Subscription Charge (≤150 kW maximum demand) Subscription Charge - Demand Cost Adders Charge for 10 kW Increments ($/Month)	Subscription Charge (>150 kW maximum demand) Subscription Charge - Demand Cost Adders Charge for 25 kW Increments ($/Month)	Energy Rate Adder ($/kWh)
Distribution Demand Charge Adders (2/01/2020 Consolidated Model):						
Non-Coincident Distribution Demand Costs						
Non-Coincident Demand Secondary	17,283,828	$10.36	$179,083,980			
Non-Coincident Demand Primary	2,559,874	$10.30	$26,375,993			
	19,843,702		$205,459,973			
Distribution Demand Charge Adders (2/01/2020 Consolidated Model):						
Non-Coincident Demand Secondary			$179,083,980			
Non-Coincident Distribution Demand Secondary (kW)			$17,283,828			
Secondary Distribution Demand Adder ($/kW)			**$10.36**	**$103.61**	**$259.03**	
Non-Coincident Demand Primary			$26,375,993			
Non-Coincident Distribution Demand Primary (kW)			$2,559,874			
Primary Distribution Demand Adder ($/kW)			**$10.30**	**$103.04**	**$257.59**	
Marginal Costs reflected in Non-Coincident Demand Charge						
Non-Coincident Marginal Cost Demand Secondary			**$3.78**	**$37.79**	**$94.48**	
Non-Coincident Marginal Cost Demand Primary			**$3.76**	**$37.55**	**$93.89**	
Distribution On-Peak Demand Costs:						
On-Peak Summer Distribution Demand Costs						
On-Peak Distribution Demand Summer Costs - Secondary	6,964,821	$16.18	$112,693,202			
On-Peak Distribution Demand Summer Costs - Primary	1,041,773	$16.10	$16,767,686			
On-Peak Distribution Demand Winter Costs - Secondary	8,333,127	$18.61	$155,054,098			
On-Peak Distribution Demand Winter Costs - Primary	1,244,141	$18.52	$23,038,856			
On-Peak Distribution Demand Costs - Secondary ($)			$267,747,300			
On-Peak Distribution Energy - Secondary (kWh)			1,410,166,703			
On-Peak Distribution Energy Adder - Secondary ($/kW)			**$0.18987**			**$0.18987**
On-Peak Distribution Demand Costs - Primary ($)			$39,806,542			
On-Peak Distribution Energy - Primary (kWh)			227,821,105			
On-Peak Distribution Energy Adder - Primary ($/kW)			**$0.17473**			**$0.17473**
On-Peak Summer Distribution Demand Marginal Costs						
On-Peak Distribution Demand Summer Costs - Secondary	6,964,821	$5.05	$35,205,833			
On-Peak Distribution Demand Summer Costs - Primary	1,041,773	$5.03	$5,240,621			
On-Peak Distribution Demand Winter Costs - Secondary	8,333,127	$5.84	$48,654,215			
On-Peak Distribution Demand Winter Costs - Primary	1,244,141	$5.81	$7,229,150			
On-Peak Distribution Demand Costs - Secondary ($)			$83,860,048			
On-Peak Distribution Energy - Secondary (kWh)			1,410,166,703			
On-Peak Distribution Energy Adder - Secondary ($/kW)			**$0.05947**			**$0.05947**
On-Peak Distribution Demand Costs - Primary ($)			$12,469,772			
On-Peak Distribution Energy - Primary (kWh)			227,821,105			
On-Peak Distribution Energy Adder - Primary ($/kW)			**$0.05473**			**$0.05473**
Transmission Demand Charge Replacement (T05 Cycle 2 - Statement BL):						
VGI Transmission Energy Charge - Secondary ($/kWh)			**$0.03946**			**$0.03946**
VGI Transmission Energy Charge - Primary ($/kWh)			**$0.03946**			**$0.03946**
RS Demand Charge Replacement (2020 RS - Statement BL):						
VGI RS Energy Charge - Secondary ($/kWh)			**$0.00004**			**$0.00004**
VGI RS Energy Charge - Primary ($/kWh)			**$0.00004**			**$0.00004**

Commodity Energy Charges	Determinants (kWh)	Rate ($/kWh)	Revenues ($)	Average Rate ($/kWh)		
AL-TOU Rates						
Summer: On-Peak Energy						
Secondary	490,948,694	$0.13264	$65,120,797			
Primary	52,972,851	$0.13200	$6,992,514			
Summer: Off-Peak Energy						
Secondary	1,073,913,469	$0.11079	$118,980,182			
Primary	116,387,282	$0.11028	$12,835,159			
Summer: Super Off-Peak Energy						
Secondary	589,253,860	$0.08489	$50,023,103			
Primary	74,329,775	$0.08460	$6,288,508			
Winter: On-Peak Energy						
Secondary	577,033,066	$0.11287	$65,130,985			
Primary	62,857,687	$0.11236	$7,062,445			
Winter: Off-Peak Energy						
Secondary	1,127,219,143	$0.10018	$112,919,669			
Primary	123,443,393	$0.09976	$12,314,829			
Winter: Super Off-Peak Energy						
Secondary	847,456,599	$0.08610	$72,965,573			
Primary	101,081,757	$0.08582	$8,674,455			
Total			$539,308,219			
EV-HP Proposed Rates						
Summer: On-Peak Energy						
Secondary	490,948,694	$0.17710	$86,945,696			**$0.04445**
Primary	52,972,851	$0.17624	$9,336,019			**$0.04424**
Summer: Off-Peak Energy						
Secondary	1,073,913,469	$0.11079	$118,980,182			**$0.00000**
Primary	116,387,282	$0.11028	$12,835,159			**$0.00000**
Summer: Super Off-Peak Energy						
Secondary	589,253,860	$0.05489	$32,345,487			**-$0.03000**
Primary	74,329,775	$0.05460	$4,058,615			**-$0.03000**
Winter: On-Peak Energy						
Secondary	577,033,066	$0.15070	$86,959,299			**$0.03783**
Primary	62,857,687	$0.15001	$9,429,387			**$0.03766**
Winter: Off-Peak Energy						
Secondary	1,127,219,143	$0.10018	$112,919,669			**$0.00000**
Primary	123,443,393	$0.09976	$12,314,829			**$0.00000**
Winter: Super Off-Peak Energy						
Secondary	847,456,599	$0.05610	$47,541,875			**-$0.03000**
Primary	101,081,757	$0.05582	$5,642,002			**-$0.03000**
Total			$539,308,219	Goal Seek		
				$0		
				1.335144841		

Note: costs and rates based on Schedule AL-TOU current rates effective February 1, 2020 per SDG&E Advice Letter 3500-E.