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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

CHARGEPOINT, INC. REPLY COMMENTS ON PROPOSED DECISION AUTHORIZING SOUTHERN CALIFORNIA EDISON COMPANY'S CHARGE READY 2 INFRASTRUCTURE AND MARKET EDUCATION PROGRAMS

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In accordance with Rule 14.3 of the California Public Utilities Commission ("Commission") Rules of Practice and Procedure, ChargePoint, Inc. ("ChargePoint") submits reply comments addressing issues raised in opening comments on the Proposed Decision Authorizing the Southern California Edison Company ("SCE") Charge Ready 2 Infrastructure and Market Education Programs ("Proposed Decision" or "PD").

I. The Commission should not authorize SCE ownership of EVSE unless ownership options are unbiased and financially equivalent.

A. The PD's authorization of an O&M rebate for MUD sites that choose to own their own EVSE ensures fairness and equivalence for all customers.

SCE's opening comments include a recommendation to eliminate the parity rebate covering maintenance and network costs for multi-unit dwelling in disadvantaged communities ("MUD/DAC") customers that prefer not to have SCE own, maintain and operate their charging stations.[1] SCE does not identify any factual, legal or technical error in the PD's recommendation nor cite to the record to support its new position on this proposal.

The Commission should disregard SCE's argument and adopt the Proposed Decision's recommendation to ensure that the costs of maintenance and network fees are covered for *all* projects at MUDs in DACs, not just projects with EVSE owned by SCE. As discussed in the PD, the extra rebate is needed if SCE is allowed to own EVSE because otherwise the program design favors utility ownership, and undermines competition.[2] SCE's incorrect claim that capping the number of utility-owned EVSE at MUDs in DACs somehow altered the reasoning supporting the rebate, and SCE's cost estimate are specifically addressed below.

[1] SCE Opening Comments at 10.
[2] Proposed Decision at 68.

B. SCE misunderstands the purpose of an O&M rebate.

SCE's only justification for eliminating the O&M rebate for customers that opt out of utility ownership is an assertion that it is "not needed" because the PD "has already addressed utility ownership and competitive concerns by limiting the utility own and operate program to 2,500 ports and only at MUDs in DACs…."[3] This statement does not accurately reflect the intent of the rebate, which is unrelated to the size or scope of the authorized utility own/operate program.

As discussed in the PD, the purpose of the rebate is to "establish financial parity" between the utility and site host ownership options.[4] Without the rebate, "the value of the package of products and services provided to site hosts would differ significantly depending on whether they chose utility or site host ownership…."[5] If SCE's recommendation were adopted, there would be a substantial built-in incentive for every eligible MUD to choose utility ownership of the EVSE, regardless of other factors or preferences, simply to receive a more lucrative incentive package. That bias would exist regardless of whether the Own/Operate program cap is 25 ports, 2,500 ports or 25,000 ports. It would also have a disproportionately harmful impact because the entire purpose of the Own/Operate option is to increase participation by the most underserved and financially challenged customer sector in this program: owners of MUDs located within disadvantaged communities.

C. SCE's estimation of the cost of an O&M rebate option is flawed.

SCE "estimates" that over $9.6 million "in additional funding" will be needed to cover the parity rebates and make the Own/Operate program options equivalent, "depending upon the number of MUDs in DACs that choose to own their charging stations."[6] This "estimate" of costs is meaningless.

First, as SCE concedes, its "estimate" depends on the number of MUDs in DACs that choose to own their charging stations. If the ownership options are equivalent, MUD owners will pick the ownership option that they actually prefer instead of being motivated to choose utility ownership because it includes O&M costs not covered by the competing option. We do not know yet how MUD customers will respond, but it is reasonable to presume that some proportion of them will opt out of utility ownership if offered a parity rebate covering O&M.

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[3] Id.
[4] PD at 68.
[5] Id.
[6] SCE Opening Comments at 10.

Second, SCE's characterization of the rebates as "additional funding" is flawed. It does not reflect the fact that the rebate is covering exactly the same costs that would have been covered for all customers under SCE's original Own/Operate proposal. It also ignores the fact that providing a rebate instead of subsidizing utility O&M *saves* program costs to the extent that it reduces the additional return on equity costs associated with rate basing EVSEs.

D. The PD's recommendation is consistent with precedent and Commission policy.

The Commission approved an equity rebate for the AB 1082 schools programs offering a utility ownership option in Decision 19-11-017. The Commission concluded that:

> We agree with Cal Advocates, TURN and ChargePoint that as currently structured, utility-ownership of the EVSE for the AB 1082 pilots creates an unequal playing field for nonutility enterprises. As described in the proposals, the AB 1082 pilots could create an anticompetitive atmosphere that discriminates against both participants that prefer the site-host ownership option as well as suppliers (EVSPs) seeking to supply those site-host owners. Ensuring utilities do not unfairly compete with nonutility enterprises is an important objective, especially in the nascent EVSE and EVSP markets.[7]

The same reasoning applies here. In fact, it is even more important to ensure that customers are provided equivalent benefits in this case because of the scale of Charge Ready 2, and the importance of eliminating any disincentive for participation by MUDs in DACs. The O&M rebate for this important target sector will ensure that all customers are treated equally, and avoid excluding those MUD site hosts that are not willing to pay out-of-pocket for O&M in order to retain ownership of the charging stations on their property.

II. The PD provides the right incentives to encourage off-peak charging and enable site specific load management strategies.

The Natural Resources Defense Council et al. ("NRDC") seems to acknowledge that the Proposed Decision adopts SCE's proposal to offer TOU rates and strongly encourage site hosts to pass TOU signals on to drivers, while allowing site hosts the flexibility to set their own pricing as long as they establish load management tactics.[8] Therefore, the additional "clarification" of this requested by NRDC is unnecessary.[9]

NRDC's opening comments further argue that the Commission should either eliminate the option for pricing flexibility "for EVSEs owned and operated by the utility" or cap prices at "the

[7] D.19-11-017 pp.45-46.
[8] Proposed Decision at 83-84.
[9] NRDC et al. Opening Comments at 2.

underlying Commission-approved TOU rate the site host is taking service on."[10] Without citation to authority or to the record, NRDC asserts that there is "no reason" to allow a site host that does not own the charging station at its site flexibility in setting prices, and speculates without any basis that in the absence of pricing rules or limits site hosts will "drive up the cost of charging at utility-customer-funded charging stations for reasons unrelated to the costs of owning or operating the EVSE."[11] This argument should be rejected.

Contrary to NRDC's suggestion, there are many good reasons that a site host may decide not to simply "pass through" the TOU rate, regardless of who owns the EVSE. These reasons were discussed at length in ChargePoint's testimony and briefs.[12] NRDC's "pass through" proposal would completely undermine site hosts' ability to use pricing to encourage charging during afternoon off-peak renewable generation periods, use pricing to increase utilization, or otherwise leverage smart charging capabilities for optimal load management.

NRDC's argument that allowing flexible pricing at MUD charging stations would somehow violate SB 350's objective of "reducing fuel costs for vehicle drivers who charge in a manner consistent with electrical grid conditions" is based on an overly simplistic interpretation of the statute. As NRDC itself recently explained in a different proceeding, the language in Public Utilities Code section 740.12(a)(1)(G) should not be read as requiring rates that are less costly than gasoline "at all hours of the year, across all charging applications and business models, regardless of grid conditions or customer behavior."[13] NRDC neglects to consider the entirety of section 740.12(a)(1)(G) which provides that transportation electrification should "assist in grid management" and "integrating renewable energy resources." These objectives are best accomplished by allowing site hosts and EVSPs to use all of the tools at their disposal, including EV rate signals, smart technologies that enable management of load in real time, and participation in load management and demand response programs, to meet public policy objectives while enabling a good customer experience.

[10] Id. at 3.
[11] Id. at 3-4.
[12] See Exh.ChargePoint-1 pp.6-10; ChargePoint-2 pp.5-10; ChargePoint Opening Brief pp.17-20.
[13] A.19-07-006, Reply Brief of NRDC et al. on the Application of San Diego Gas & Electric Company for Approval of Electric Vehicle High Power Charging Rate (August 14, 2020), p.1.

III. NRDC's recommendation to require "active" utilization of open communication protocols is overly simplistic.

NRDC requests that the Commission add a requirement that qualifying EVSEs "actively utilize" open access communication standards.[14] The Commission should deny this request. There is no supporting record, since the requested language is offered for the first time in comments. And the requested reference to "active" use of open communication standards would create confusion and unintended consequences. As recently explained in ChargePoint's response to a similar proposal in NRDC's comments on the Draft TEF, referring to "actively utilizing" a standard (e.g. OCPP) does not reflect an accurate understanding of the complexity of protocols.[15] Contrary to NRDC's speculation, the fact that some of the many available open protocol options may not be "actively utilized" does not affect an EVSE's interoperability or render it a "stranded asset."

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Respectfully submitted,

By: /s/

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[14] NRDC et al. Opening Comments at 7-8.

[15] ChargePoint, Inc. Reply Comments on Staff Proposal for Draft Transportation Electrification Framework (Sections 7 and 8) (August 7, 2020)