



STATE OF CALIFORNIA

GAVIN NEWSOM, Governor

**FILED**

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## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

11/12/21  
11:51 AM

November 12, 2021

**Agenda ID # 20078**  
**Quasi-Legislative**

TO PARTIES OF RECORD IN RULEMAKING 18-12-006:

This is the proposed decision of Commissioner Clifford Rechtschaffen. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's December 16, 2021 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

/s/ ANNE E SIMON  
Anne E. Simon  
Chief Administrative Law Judge

AES:smt

Attachments

Decision **PROPOSED DECISION OF COMMISSIONER CLIFFORD RECHTSCHAFFEN**  
(Mailed 11/12/2021)

**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

**DECISION EXTENDING THE INTERIM POLICY ON COMMON  
TREATMENT FOR EXCESS PLUG-IN ELECTRIC VEHICLE  
CHARGING COSTS CONSISTENT  
WITH ASSEMBLY BILL 841**

**Summary**

This decision orders the interim policy, Common Treatment for Excess Plug-in Electric Vehicle Charging Costs, be made the policy of the Commission, consistent with Assembly Bill 841. The Common Treatment for Excess Plug-in Electric Vehicle Charging Costs policy applies to any residential customer of an electrical corporation.

This proceeding remains open.

**1. Background**

In Decision (D.) 11-07-029 the Commission addressed the issue of residential service facility upgrade costs as a result of home-based electric vehicle (EV) or plug-in electric vehicle (PEV) charging infrastructure. In D.11-07-029 the Commission adopted the interim policy of treating EV or PEV charging costs that exceed the allowances in the Electric Rules 15 and 16 of the three large electrical

corporations as common facility costs.<sup>1</sup> Electric Rules 15 and 16 govern the responsibility for distribution grid upgrade costs triggered by new electric load. Such treatment shifts the costs which exceed allowances to all residential ratepayers, instead of the single customer who triggered the upgrade costs. This treatment is referred to in D.13-06-014 as the Common Treatment for Excess PEV Charging Costs. In D.13-06-014, the Commission addressed the concern that the actual line upgrade costs could impact the state's PEV adoption goals.

In light of these concerns, the Commission again extended the interim policy of Common Treatment for Excess PEV Charging Costs in 2016, as set forth in D.11-07-029, for an additional three years, to June 30, 2019.<sup>2</sup> Shortly after the issuance of D.16-06-011, the Commission issued D.16-11-005, explicitly naming the three<sup>3</sup> small electrical corporations as respondents to the underlying Rulemaking (R.) 13-11-007 to consider alternative-fueled vehicle programs, tariffs and policies.

In December 2018, the Commission initiated a successor rulemaking to R.13-11-007 to continue its development of rates and infrastructure for vehicle electrification (R.18-12-006 or DRIVE). The DRIVE rulemaking specifically names all six electrical corporations as respondents. On May 2, 2019 the assigned Commissioner issued the DRIVE Scoping Memo and Ruling (Scoping Ruling). The Scoping Ruling listed "Cost Recovery Mechanisms for Transportation Electrification Investments" as one of the topics to be considered throughout the course of R.18-12-006 in addition to extending the interim policy

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<sup>1</sup> Rule 15 covers distribution line extensions, while Rule 16 covers service line extensions.

<sup>2</sup> See D.16-06-011 at 4.

<sup>3</sup> Liberty Utilities (CalPeco Electric) LLC, Bear Valley Electric Service, Inc., and PacifiCorp, d.b.a. Pacific Power.

of Common Treatment for Excess PEV Charging Costs to December 31, 2019. The interim policy of Common Treatment for Excess PEV Charging Costs was then further extended to December 31, 2020 via ruling.

On September 30, 2020, the Governor signed Assembly Bill 841 (Stats. 2020, ch. 372) (AB 841), which among other things, mandates that the interim policy, Common Treatment for Excess PEV Charging Costs, be the policy applied by the Commission for any residential customer.<sup>4</sup> In the meantime, to ensure there was no interruption in the application of the policy, the Commission again extended the interim policy of Common Treatment for Excess PEV Charging Costs until December 31, 2021.<sup>5</sup>

### **Resolutions E-5167 and E-5168**

Once AB 841 was enrolled, the Commission and electrical corporations started on a number of actions mandated by AB 841. On January 15, 2021, Commissioner Rechtschaffen issued an Assigned Commissioner's Ruling (ACR) seeking feedback from stakeholders on how to implement certain provisions of the bill. Simultaneously, the electrical corporations began work on their advice letters pursuant to AB 841. The six electrical corporations filed their respective advice letters by February 28, 2021, proposing new rules reflective of AB 841's provisions (*See* Public Utilities (Pub. Util.) Code § 740.19).

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<sup>4</sup> AB 841 available at: [https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=201920200AB841](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB841); (*See* Pub. Util. Code Sections 740.12(d)(2) and (d)(3)).

<sup>5</sup> *See* Administrative Law Judge's Ruling at: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M351/K942/351942688.PDF>.

After a thorough advice letter review and comment process, the Commission's Energy Division issued Resolutions (Res) E-5167<sup>6</sup> and E-5168<sup>7</sup> to focus on the requirements outlined in Pub. Util. Code § 740.19 regarding utility-side distribution costs. Resolutions E-5167 and E-5168 authorize the electrical corporations' new EV Infrastructure Rules and associated Memorandum Accounts. Pursuant to these new rules, ratepayers cover the cost-of-service line extensions and electrical distribution infrastructure (EV Service Extensions) for separately metered EV charging for customers other than those in single-family residences.<sup>8</sup> Costs related to utility-side distribution will be recovered through the electrical corporations' respective general rate cases (GRC).<sup>9</sup>

The ACR invited comment on the interim policy of Common Treatment for Excess PEV Charging Costs and we discuss the outstanding issue of a permanent policy below.

## **2. Issues Before the Commission**

The issue before the Commission in this decision is: making the interim policy of Common Treatment for Excess PEV Charging Costs permanent, consistent with Pub. Util. Code § 740.19(d)(2)<sup>10</sup> and (d)(3).<sup>11</sup> This issue is

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<sup>6</sup> Res E-5167 is *available at*: [413566906.PDF \(ca.gov\)](https://www.sos.ca.gov/energy/413566906.PDF)

<sup>7</sup> Res E-5168 is *available at*: [414618951.PDF \(ca.gov\)](https://www.sos.ca.gov/energy/414618951.PDF)

<sup>8</sup> Pub. Util. Code § 740.19.

<sup>9</sup> Pub. Util. Code § 740.19; Res E-5167 at 2 to 4.

<sup>10</sup> Pub. Util. Code § 740.19(d)(2): In supervising the alternative-fueled vehicle program, or vehicle electrification program, of an electrical corporation, the Commission shall allow the residential service facility upgrade costs incurred as a result of the adoption of home-based EV charging for basic charging arrangements that exceed the utility's Electric Tariff Rule 15 (distribution line extensions) and Rule 16 (service lines extensions) allowances to be treated as a common facility cost, to be recovered from all residential ratepayers.

<sup>11</sup> Pub. Util. Code § 740.19(d)(3): It is the intent of the Legislature that the interim policy known as the Common Treatment for Excess PEV Charging, initially adopted with respect to the state's largest electrical corporations in D.11-07-029, extended in D.13-06-014, extended again in

properly within scope of this proceeding as it pertains to implementation of a legislatively-mandated statewide transportation electrification directive after the issuance of the Scoping Ruling.<sup>12</sup> Moreover, this is a transportation electrification issue not otherwise addressed in another Commission proceeding.

### **3. Discussion and Analysis**

Parties generally are supportive of the ACR's proposal to interpret both Pub. Util. Code §§ 740.19(d)(2) and 740.19(d)(3) as referencing the continuation of the interim policy of Common Treatment for Excess PEV Charging Costs for residential charging infrastructure. The Utility Reform Network (TURN) agrees that the statute directly addresses providing subsidies for residential utility-side distribution services upgrades for home-based EV charging.<sup>13</sup> Southern California Edison Company (SCE) proposes that the Commission make the interim policy permanent, as intended by AB 841, to eliminate the need for further Commission decisions or rulings extending the policy.<sup>14</sup> ChargePoint, Inc. (ChargePoint) also supports the extension of the interim policy of Common Treatment for Excess PEV Charging Costs, but requests the opportunity for stakeholder review and comment.

Considering the new statute, that the interim policy known as the Common Treatment for Excess PEV Charging Costs shall be the standard policy

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D.16-06-011, expanded to include the state's three smaller electrical corporations in D.16-11-005, and further extended by the Assigned Commissioner's Scoping Ruling and via Ruling in R.18-12-006, shall be the policy applied by the Commission, and may be revised by the Commission after completion of the electrical corporation's general rate case cycle in effect on January 1, 2021, if a determination is made that a change in the policy is necessary to ensure just and reasonableness rates for ratepayers.

<sup>12</sup> See Scoping Ruling at Topic 5, page 6.

<sup>13</sup> TURN Opening Comments at 4 to 5.

<sup>14</sup> SCE Opening Comments at 5.

applied by the Commission,<sup>15</sup> in addition to the supportive party comments, we apply the provisions in Pub. Util. Code §§ 740.19(d)(2) and 740.19(d)(3).

Pursuant to § 740.19(d)(3), the Common Treatment for Excess PEV Charging Costs shall be the policy of the Commission unless and until a determination is made that a change in the policy is necessary to ensure just and reasonable rates for ratepayers.

Additionally, in response to the ACR several parties provided suggestions on data reporting fields that the electrical corporations should collect in relation to the Common Treatment for Excess PEV Charging Costs. We agree that some additional data collection and reporting may be necessary to effectively evaluate the impact of the Common Treatment for Excess PEV Charging Costs on ratepayers. While Resolutions E-5167 and E-5168 direct the Commission's Energy Division to finalize a data collection template for the electrical corporations in relation to EV infrastructure rules, this decision authorizes Energy Division to add data collection requirements associated with the Common Treatment for Excess PEV Charging Costs to the E-5167 and E-5168 reporting templates. The electrical corporations are expected to include Common Treatment for Excess PEV Charging Costs in their respective EV Cost and Load Reports in 2023.

#### **4. Comments on Proposed Decision**

The proposed decision of Commissioner Clifford Rechtschaffen in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's

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<sup>15</sup> Pub. Util. Code § 740.19(d)(3).

Rules of Practice and Procedure. Comments were filed on \_\_\_\_\_, and reply comments were filed on \_\_\_\_\_ by \_\_\_\_\_.

### **5. Assignment of Proceeding**

Clifford Rechtschaffen is the assigned Commissioner and Sasha Goldberg and John Larsen are the assigned Administrative Law Judges in this proceeding.

### **Finding of Fact**

1. On September 30, 2020, the Governor signed AB 841, which among other things mandates that the interim policy of Common Treatment for Excess PEV Charging Costs be the policy applied by the Commission for any residential customer.

### **Conclusions of Law**

1. The interim policy known as Common Treatment for Excess PEV Charging Costs, should be the standard policy, consistent with Pub. Util. Code § 740.19(d)(2) and (d)(3).

2. The interim policy known as Common Treatment for Excess PEV Charging Costs should be the Commission's policy applied to any residential customer of an electrical corporation until a determination is made that a change in policy is necessary to ensure just and reasonable rates for ratepayers.

## **O R D E R**

### **IT IS ORDERED** that:

1. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall each continue the interim policy adopted in Decision (D.) 11-07-029 and extended in D.13-06-014 and D.16-06-011, to allow plug-in electric vehicle charging costs in excess of these three electrical corporations' Electric Rules 15 and 16 allowances to be treated as common facility costs, consistent with Assembly Bill 841 (Stats. 2020, ch. 372).



2. Liberty Utilities LLC, Bear Valley Electric Service, Inc., and PacifiCorp, d.b.a. Pacific Power, shall each continue the interim policy adopted in Decision 16-06-011 and extended by the Assigned Commissioner's Scoping Memo and Ruling and Administrative Law Judge Rulings in Rulemaking 18-12-006, to allow plug-in electric vehicle charging costs in excess of these three electrical corporations' Electric Rules 15 and 16 allowances to be treated as common facility costs, consistent with Assembly Bill 841 (Stats. 2020, ch. 372).

3. Rulemaking 18-12-006 remains open.

This order is effective today.

Dated \_\_\_\_\_, at San Francisco, California