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04/12/24

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R2512008

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding
Transportation Electrification Policy and
Infrastructure.

Rulemaking 23-12-008

ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

This scoping memo and ruling sets forth the issues, need for hearing, schedule, category, and other matters necessary to scope this proceeding pursuant to Public Utilities (Pub. Util.) Code Section(§)1701.1 and Article 7 of the Commission's Rules of Practice and Procedure (Rules).

1. Procedural Background

The Commission issued this proceeding's Order Instituting Rulemaking Regarding Transportation Electrification Policy and Infrastructure (Rulemaking) on December 20, 2023. This Rulemaking continues the Commission's oversight of the development of infrastructure to support the acceleration of transportation electrification. This Rulemaking also establishes a venue for considering future transportation electrification policy matters.

The Rulemaking's order contains a preliminary scope of issues for this proceeding.¹ Comments addressing the preliminary scope of issues were submitted by an array of parties in January 2024.

A prehearing conference (PHC) was held on February 29, 2024, to address the issues of law and fact, determine the need for hearing, set the schedule for

¹ Order Instituting Rulemaking at 12-14.

resolving the matter, and address other matters as necessary. After considering the preliminary scope of issues, comments on the Rulemaking, and discussion at the PHC, I have determined the issues and initial approach for the schedule of the proceeding to be set forth in this scoping memo.

2. Issues

This proceeding encompasses complex and interrelated issues. The designation of the scoping areas below indicates issues that will be considered through different phases or tracks within this proceeding. The consideration of some issues will occur across a variety of topic areas in a coordinated and aligned effort over time to develop cross-cutting regulations.

This proceeding is the venue where the Commission will comprehensively assess the needs for transportation electrification policy and infrastructure. Issues already scoped into this rulemaking are complex, including infrastructure, rates, cost containment, technology, coordinating policy issues in other Commission proceedings, and policies of other state agencies and local governments. Generally, this proceeding covers all broad transportation electrification issues that may emerge outside those scoped in this ruling, but related to other Commission proceedings and new legislative directives.

2.1. Proactive Planning to Accelerate Transportation Electrification

This proceeding includes a Proactive Planning Framework for Transportation Electrification. Over time, this work may encompass a broad range of vehicle classes and types. Initially, however, this proceeding will focus on zero emissions freight infrastructure planning² because of the: (1) significant

² This may include similar, impactful loads such as light-duty charging plazas.

load growth anticipated with medium-duty and heavy-duty charging; and (2) its likely impact on electric infrastructure. The potential impact of charging from these vehicles is not well studied, but expected to materialize rapidly driven by regulations that include goals starting as early as 2024.³

Considering the long lead-time required to develop transmission infrastructure, as well as some distribution infrastructure, proactive planning for transportation electrification can reduce the risk of limited grid infrastructure impeding the success of electrification in this area. In this manner, proactive and coordinated planning can accelerate the rate at which California is able to electrify transportation to meet its ambitious goals. Moreover, affordability is a priority for the state and the Commission. Proactive planning will ensure that transportation electrification is achieved in a cost-effective manner that considers grid and transportation sector needs to identify optimal solutions.

This track of the proceeding will begin with developing, and refining inputs and assumptions that may be used across existing long-term generation, distribution and transmission planning to ensure all processes are working toward a common goal. Relevant inputs and assumptions, for example, may include: (a) electric vehicle adoption forecasts; (b) electricity demand; (c) charger types; (d) charging behavior; (e) load profiles; and (f) charger attributes.

Additionally, this track will consider prioritization criteria to inform the Commission's analysis for current and future transportation electrification planning needs. Prioritization criteria may include air quality impacts, cost, and transportation needs - specifically to enable freight movement in corridors.

³The CARB Advanced Clean Fleets regulation requires the transition of drayage trucks, public fleets, and high priority fleets to zero-emission through vehicle replacements or fleet composition requirements starting in 2024.

Subsequently, this track of R.23-12-008 will identify priorities for further study and subsequent action.

The work described here will be coordinated with methodologies and approaches used by the Commission, the California Independent System Operator, California Air Resources Board, the California Energy Commission, the California Department of Transportation, the California Transportation Commission, and other relevant state and local agencies. This will ensure tight linkages between state agencies, the investor-owned utilities, and other stakeholders so all are planning for a common future. Within the Commission, this proceeding will also coordinate with broader distribution planning improvements underway in other proceedings.⁴ This proceeding is focused on improving transportation electrification specific data, assumptions and analysis that are ultimately inputs into existing processes (e.g., Distribution Planning Process, Transmission Planning Process, etc.) overseen by other proceedings.

The Commission's Energy Division staff are developing modeling tools utilizing the inputs and assumptions described earlier for this planning. This work will be presented in proposals, workshops and/or webinars throughout the proceeding. Therefore, to establish a Transportation Electrification Proactive Planning Framework initial priority actions include:

1. **Modeling Input & Assumptions:** development of transportation electrification modeling Inputs and Assumptions for use in existing grid infrastructure planning and cost recovery processes.
 - a. Establish a process to examine, scrutinize, and adopt transportation electrification inputs and assumptions, beginning with those associated with priority highway

⁴ R.21-06-017.

corridors. This process may address data needs and sources, process for updates, as well as ensuring stakeholder and interagency input and coordination.

2. **Prioritization:** (1) develop a Corridor designation tool that can be used to identify priority corridor segments for proactive transportation electrification planning and (2) adopt a process for ongoing reassessment of transportation electrification planning priorities.
3. **Study:** conduct a study of priority areas, beginning with identified highway corridors, to identify barriers to transportation electrification.

2.2. Refocusing Ratepayer Support in Transportation Electrification Framework

In the predecessor proceeding, R.18-12-006, the Commission adopted a long-term transportation electrification policy framework that included a charge on electricity bills for a five-year, third-party administered statewide transportation electrification infrastructure rebate program (TE Rebate Program). The program is intended to help the state meet its charging port goals by providing ratepayer funding to support customers and the private sector in deploying charging infrastructure for the medium- and heavy-duty vehicle market and Multi-Unit Dwellings (MUD).⁵ D.22-11-040 authorized \$600 million for the first three years, and a total of \$1 billion over five years. A Mid-Cycle Assessment would determine what amount, if any, of the additional \$400 million could be accessed in the remaining years of the program. The TE Rebate Program would offer rebates to customers starting in 2025 and the Mid-Cycle Assessment would be initiated in Quarter 1 of 2027. However, several recent

⁵ See California Energy Commission 2024 Assembly Bill 2127 Second Electric Vehicle Charging Infrastructure Assessment: Assessing Charging Needs to Support Zero-Emission Vehicles in 2030 and 2035, available at <https://efiling.energy.ca.gov/GetDocument.aspx?tn=254869>.

developments in the transportation electrification space highlight the need to reassess near-term ratepayer support for the TE Rebate Program.

First, electricity rates have increased at a rate that exceeds inflation and are projected to continue to rise for the foreseeable future.⁶ These rate increases have caused affordability challenges for ratepayers in California. Consequently, the Commission needs to carefully consider any ratepayer-funded programs in light of their impact on affordability. In addition to the costs of the TE Rebate Program, the investor-owned utilities (IOUs) have invested more than \$400 million from previously approved ratepayer funded behind-the-meter programs and may continue to add up to \$1.1 billion in charges to the electricity bills of their customers for the IOUs' existing transportation electrification programs.⁷ In 2020, Assembly Bill 841 also authorized additional increases in electricity bills to fund service upgrade costs for residential and separately metered electric vehicle charging projects to come from ratepayers.⁸ Collectively, this level of behind-the-meter and front-of-the-meter ratepayer spending can exacerbate current affordability issues.

Second, energization delays have emerged as a significant barrier to California's transportation electrification goals. Without adequate utility-side

⁶ California Public Utilities Commission 2023 SB 695 Report at Page 10, available at: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/office-of-governmental-affairs-division/reports/2023/2023-sb-695-report---final.pdf>.

⁷ The IOUs collectively have \$1.1 billion in unspent funding that the Commission has authorized for transportation electrification programs. See California Public Utilities Commission Charging Infrastructure Deployment and Incentives, available at: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/infrastructure/transportation-electrification/charging-infrastructure-deployment-and-incentives>.

⁸ See Assembly Bill 841 (Ting, 2020), available at: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB841 .

infrastructure, charging ports cannot be energized. These persistent delays highlight the need for an increased focus on planning for utility-side infrastructure to ensure the distribution and transmission grid can accommodate the anticipated increase in load from electric vehicle charging. The pace and scale of transportation electrification adoption is challenging the IOUs' ability to provide utility-side infrastructure in a timely manner. A reassessment of the TE Rebate Program would allow the Commission to consider whether ratepayer support for Transportation Electrification should be focused on utility-side investments in the near-term. Assessment and authorization of these energization costs will take place in separate utility requests in other proceedings, such as General Rate Cases (GRC) and applications pursuant to Senate Bill 410.

Third, California will have a steady flow of non-ratepayer dollars for behind-the-meter transportation electrification infrastructure over the next four years. The California Energy Commission and federal government have committed billions in funding that is intended to spur growth in the medium and heavy-duty market segment and support growth in the light duty segment, including charging deployment at MUDs.⁹ These funds are valuable because

⁹ The California Energy Commission has budgeted \$500 million per year to zero emission vehicle charging through the 2026 fiscal year. California Energy Commission, 2023-24 Investment Plan Update for Clean Transportation Program - Commission Report at 14, available at: <https://efiling.energy.ca.gov/GetDocument.aspx?tn=254963&DocumentContentId=90648>. *See also*, more than \$500 million of federal funding has been allocated to California to date. *See also* National Electric Vehicle Infrastructure Formula Program, available at: <https://www.energy.ca.gov/programs-and-topics/programs/national-electric-vehicle-infrastructure-nevi-formula-program>; Electric Vehicle Charger Reliability and Accessibility Accelerator program: available at https://www.fhwa.dot.gov/environment/nevi/evc_raa/ev-charger-raa-prog-grant.cfm. *See also* charging and Fueling Infrastructure Program Grant Recipients, available at: [Grant Recipients - CFI - Environment - FHWA \(dot.gov\)](#).

they support the same market segments as the TE Rebate Program, but without burdening ratepayers with these costs.

In summary, recent developments have highlighted a need to reassess near-term ratepayer support for the TE Rebate Program. California must move quickly on transportation electrification by addressing the greatest barriers, while striving to mitigate affordability impacts on ratepayers. Therefore, this rulemaking will consider whether to focus near-term ratepayer spending on resolving impactful barriers, such as energization, in light of the availability of non-ratepayer funding for behind-the-meter infrastructure from state and federal sources over the next few years.

While the reassessment of the TE Rebate Program is conducted, the implementation of the TE Rebate Program shall be paused.

2.3. Other Topic Areas

2.3.1. Vehicle-Grid Integration

This proceeding will continue to consider policies affecting Vehicle-Grid Integration. With respect to Vehicle-Grid Integration, this proceeding will identify barriers and potential solutions for Vehicle-Grid Integration deployment. Further guidance will be issued to the service list of this proceeding following the Vehicle-Grid Integration Forum reports.

2.3.2. Low Carbon Fuel Standard

This proceeding will also consider any other policies or issues related to transportation electrification. With respect to the low carbon fuel standard (LCFS), this ruling affirms that this proceeding is not designated to change the IOUs' role within the LCFS, which the California Air Resources Board (CARB) is

responsible for defining.¹⁰ However, to the extent that CARB adopts regulatory changes that require modifications to the IOUs' LCFS programs, this proceeding will address implementation of the administrative procedures related to implementing CARB's LCFS regulatory modifications.

2.3.3. Timely Energization of Vehicle Charging

This proceeding will coordinate with the Commission's concurrent rulemaking, R.24-01-018, as necessary to ensure continuity across the Commission's transportation electrification policies and planning.

3. Need for Evidentiary Hearing

The Rules require that an order instituting rulemaking preliminarily determine the need for hearing. The Rulemaking's order anticipated that many of the issues in this proceeding can be addressed by filed comments or in public meetings or workshops.¹¹ The order preliminarily determined that no hearings will be needed.¹² After considering the comments of parties, this Assigned Commissioner's Scoping Memo and Ruling, affirms the preliminary determination that there is no need for hearing.

4. Schedule

This proceeding will be conducted in several phases or tracks, with each phase or track considering discrete issues identified within the scope of the proceeding. Subsequent rulings will provide the scope and schedule of each

¹⁰ CARB's LCFS regulations, including the creation and distribution of credits associated with electricity used as a transportation fuel, have been adopted as Title 17 of the California Code of Regulations Sections 95480-95503.

¹¹ Order Instituting Rulemaking at 17.

¹² *Ibid.*

phase or track along with topics and/or proposals for party review and comment.

Based on the anticipation of a multi-year process to resolve the issues in the scope of this proceeding, the proceeding may not be resolved within 18 months as required by Pub. Util. Code §1701.5. Pursuant to the requirements of Pub. Util. Code §1701.5(b), this scoping memo sets an anticipated resolution date of 36 months from the date this scoping memo is issued. This anticipated resolution date may be extended in a future amended scoping memo.

5. Category of Proceeding and Ex Parte Restrictions

This ruling confirms the Commission's preliminary determination that this is a quasi-legislative proceeding. Accordingly, ex parte communications are permitted without restriction or reporting requirements pursuant to Article 8 of the Rules.

6. Public Outreach

Pursuant to Pub. Util. Code §1711(a), I hereby report that the Commission sought the participation of those likely to be affected by this matter by noticing it in the Commission's monthly newsletter that is served on communities and businesses that subscribe to it and posted on the Commission's website.

In addition, the Commission served the Order Instituting Rulemaking to:

- California Air Resources Board
- California Energy Commission
- California Independent System Operator
- California Infrastructure and Economic Development Bank
- California Native American Heritage Commission and the tribal contacts list maintained by the Native American Heritage Commission

- Governor’s Office of Business Development
- California Office of Emergency Services
- California Office of Research and Planning
- California State Association of Counties
- League of California Cities
- Office of Energy Infrastructure Safety
- Rural County Representatives of California
- State Board of Forestry and Fire Protection
- California State Transportation Agency
- California Transportation Commission
- California Alternative Energy and Advanced Transportation Financing Authority

7. Intervenor Compensation

Pursuant to Pub. Util. Code §1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation by April 2, 2024, the first business day that is 30 days after the PHC.

8. Response to Public Comments

Parties may, but are not required to, respond to written comments received from the public. Parties may do so by posting such response using the “Add Public Comment” button on the “Public Comment” tab of the online docket card for the proceeding.

9. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission’s procedures or has questions about the

electronic filing procedures is encouraged to obtain more information at <http://consumers.cpuc.ca.gov/pao/> or contact the Commission's Public Advisor at 866-849-8390 or 866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

10. Filing, Service, and Service List

The official service list has been created and is on the Commission's website. Parties should confirm that their information on the service list is correct and serve notice of any errors on the Commission's Process office, the service list, and the Administrative Law Judge (ALJ). Persons may become a party pursuant to Rule 1.4.¹³

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. **All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur.** Rule 1.10 requires service on the ALJ of both an electronic and a paper copy of filed or served documents. **However, parties shall not serve paper copies to the assigned ALJs but rather, shall only serve electronic copies to the assigned ALJs.**

When serving documents on Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide

¹³ The form to request additions and changes to the Service list may be found at <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/administrative-law-judge-division/documents/additiontoservicelisttranscriptordercompliant.pdf>

electronic service. Parties must not send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at process_office@cpuc.ca.gov to request addition to the “Information Only” category of the official service list pursuant to Rule 1.9(f).

The Commission encourages those who seek information-only status on the service list to consider the Commission’s subscription service as an alternative. The subscription service sends individual notifications to each subscriber of formal e-filings tendered and accepted by the Commission. Notices sent through subscription service are less likely to be flagged by spam or other filters. Notifications can be for a specific proceeding, a range of documents and daily or weekly digests.

11. Receiving Electronic Service from the Commission

Parties and other persons on the service list are advised that it is the responsibility of each person or entity on the service list for Commission proceedings to ensure their ability to receive emails from the Commission. Please add “@cpuc.ca.gov” to your email safe sender list and update your email screening practices, settings and filters to ensure receipt of emails from the Commission.

12. Assignment of Proceeding

Alice Reynolds is the Assigned Commissioner and Colin Rizzo and Marcelo Poirier are the assigned ALJs for the proceeding.

IT IS RULED that:

1. The scope of this proceeding is described above and is adopted.
2. The schedule of this proceeding is set forth above and is adopted.
3. Evidentiary hearings are not needed.
4. The category of the proceeding is quasi-legislative.

Dated April 12, 2024, at San Francisco, California.

/s/ ALICE REYNOLDS

Alice Reynolds
Assigned Commissioner