

Decision 16-11-005 November 10, 2016

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

Order Instituting Rulemaking to Consider  
Alternative-Fueled Vehicle Programs,  
Tariffs, and Policies.

Rulemaking 13-11-007  
(Filed November 14, 2013)

**DECISION MAKING SMALL ELECTRICAL CORPORATIONS  
RESPONDENTS TO THIS RULEMAKING**

**Summary**

Order Instituting Rulemaking (Rulemaking or R.) 13-11-007 was opened on November 14, 2013. The Rulemaking was opened to address the issues relating to expanding the use of alternative-fueled vehicles in California.<sup>1</sup> This Rulemaking continues the work that began in R.09-08-009 in which the Commission initiated activities to support Governor Brown's Executive Order B-16-2012.<sup>2</sup> That Executive Order set a target of having 1.5 million zero-emission vehicles on California's roads by 2025.

**1. Background and Discussion**

When Order Instituting Rulemaking (Rulemaking or R.) 13-11-007 was opened, only the large electrical corporations (Pacific Gas and Electric Company,

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<sup>1</sup> See Decision (D.) 14-12-079, D.16-01-045, and D.16-06-011.

<sup>2</sup> See D.10-07-044, D.11-07-029, D.13-06-014, and D.13-11-002.

San Diego Gas & Electric Company, and Southern California Edison Company), were made respondents to this Rulemaking.

In 2015, Senate Bill (SB) 350 was enacted into law. (Statutes of 2015, Chapter 547.) Among other things, SB 350 added new sections to the Public Utilities Code regarding transportation electrification (TE). After the enactment of SB 350, an Amended Scoping Memo and Ruling was issued on March 30, 2016 to incorporate the SB 350 TE issues into this Rulemaking.

Among the TE issues added by SB 350, Public Utilities Code Section (Pub. Util. Code §) 740.12(b) states in part:

The commission, in consultation with the State Air Resources Board and the Energy Commission, shall direct electrical corporations to file applications for programs and investments to accelerate widespread transportation electrification to reduce dependence on petroleum, meet air quality standards, achieve the goals set forth in the Charge Ahead California Initiative ..., and reduce emissions of greenhouse gases to 40 percent below 1990 levels by 2030 and to 80 percent below 1990 levels by 2050. Programs proposed by electrical corporations shall seek to minimize overall costs and maximize overall benefits. The commission shall approve, or modify and approve, programs and investments in transportation electrification, including those that deploy charging infrastructure, via a reasonable cost recovery mechanism, if they are consistent with this section, do not unfairly compete with nonutility enterprises as required under Section 740.3, include performance accountability measures, and are in the interests of ratepayers as defined in Section 740.8.

As directed by Pub. Util. Code § 740.12(b), an assigned Commissioner's Ruling was issued on September 14, 2016 which directed the large and small electrical corporations to file TE applications. The three large electrical corporations were directed to file their applications by January 20, 2017.

The small electrical corporations, which consist of Liberty Utilities (CalPeco Electric) LLC, Bear Valley Electric, and PacifiCorp, were directed in the September 14, 2016 Ruling to file their TE applications by June 30, 2017. Since these small electrical corporations are not respondents in this Rulemaking, the Ruling stated that a decision would be prepared making these three small electrical corporations respondents to this Rulemaking. A copy of the September 14, 2016 Ruling was served on these three utilities.

For the reasons stated in the September 14, 2016 Ruling, Liberty Utilities (CalPeco Electric) LLC, Bear Valley Electric, and PacifiCorp, should be made respondents to this Rulemaking since they are “electrical corporations” within the meaning of Pub. Util. Code §§ 740.12(b) and 218.

The next issue raised by Pub. Util. Code § 740.12 is whether all electrical corporations in California need to file [transportation electrification] applications. Pub. Util. Code § 740.12(b) states that the Commission “shall direct electrical corporations to file applications for programs and investments to accelerate widespread transportation electrification....” This code section does not exclude the smaller electrical corporations from filing such applications. Thus, all electrical corporations subject to the jurisdiction of this Commission are required to file [transportation electrification] applications.

When the Commission initiated this Order Instituting Rulemaking (OIR) on November 14, 2013, only PG&E, SDG&E, and SCE were made respondents to this OIR. Due to the language of Pub. Util. Code § 740.12(b), the smaller electrical corporations should also be made respondents to this OIR. These smaller electrical corporations consist of the following: Liberty Utilities (CalPeco Electric) LLC, Bear Valley Electric, and PacifiCorp. To accomplish that, a decision making the small electrical corporations respondents in this OIR will be necessary. To that end, a proposed decision will be prepared for the Commission’s adoption in the coming months making these

smaller electrical corporations respondents to this OIR.  
(R.13-11-007, September 14, 2016 Ruling, at 10.)

In addition to making these three small electrical corporations respondents to this Rulemaking, they should also be directed to file with the Commission their respective transportation electrification applications by June 30, 2017, pursuant Pub. Util. Code § 740.12(b) and the September 14, 2016 Ruling. The Commission's Process Office is directed to serve a copy of this decision on Liberty Utilities (CalPeco Electric) LLC, Bear Valley Electric, and PacifiCorp.

This decision also confirms and ratifies all of the actions set forth in the September 14, 2016 Ruling by the assigned Commissioner with the following clarification.

In the last two sentences of the paragraph at the top of page of page 14 of the September 14, 2016 Ruling, it states:

Clearly, vehicles that are unable to use grid electricity and rely exclusively on natural gas or hydrogen do not fit the TE definition. Accordingly, the SB 350 TE applications shall not propose these kinds of projects and investments.

In ratifying the September 14, 2016 Ruling, we clarify these two sentences of the Ruling to state instead.

Accordingly, vehicles that are unable to use grid electricity, or another external source of electricity, and rely exclusively on natural gas or hydrogen do not fit the TE definition. While we believe that many technologies may be needed to support the GHG emissions reductions and air quality goals outlined in SB 350, the investor-owned utilities (IOUs), at this time in their SB 350 TE applications, shall not propose projects and investments that fall outside of the TE definition. As always the case, the IOUs are free to file separate applications involving natural gas and hydrogen vehicles.

## **2. Comments on Proposed Decision**

The Proposed Decision of Commissioner Carla J. Peterman was mailed to the parties in accordance with Pub. Util. Code § 311, and comments were allowed pursuant to Rule 14.3 of the Commission's Rules of Practice and Procedure. Opening comments on the Proposed Decision were filed by the three small electrical corporations, and by KnGrid, Incorporated. Reply comments were filed by BMW North America, the Natural Resources Defense Council, and PG&E.

The opening and reply comments on the Proposed Decision have been reviewed and considered. No changes are needed to the Proposed Decision or to the September 14, 2016 Ruling except to note that nothing in today's decision or the September 14, 2016 Ruling prevents the three small electrical corporations from filing TE applications that propose programs and investments similar to or significantly simpler than what the large electrical corporations have already proposed.

## **3. Assignment of Proceeding**

Carla J. Peterman is the assigned Commissioner, and John S. Wong is the assigned Administrative Law Judge, in this proceeding.

### **Findings of Fact**

1. R.13-11-007 was opened to address the issues relating to expanding the use of alternative-fueled vehicles in California.
2. SB 350 added new sections to the Public Utilities Code regarding TE.
3. An Amended Scoping Memo and Ruling was issued on March 30, 2016 to incorporate the SB 350 TE issues into this Rulemaking.
4. As directed by Pub. Util. Code § 740.12(b), an assigned Commissioner's Ruling was issued on September 14, 2016 which directed the large and small electrical corporations to file TE applications.

5. The small electrical corporations, which consist of Liberty Utilities (CalPeco Electric) LLC, Bear Valley Electric, and PacifiCorp, were directed in the September 14, 2016 Ruling to file their TE applications by June 30, 2017.

6. The September 14, 2016 Ruling stated that since these three small electrical corporations were not yet respondents to this Rulemaking, that a decision would be prepared making these three small electrical corporations respondents to this Rulemaking.

7. A copy of the September 14, 2016 Ruling was served on these three small electrical corporations.

### **Conclusions of Law**

1. Liberty Utilities (CalPeco Electric) LLC, Bear Valley Electric, and PacifiCorp, should be made respondents to this Rulemaking since they are electrical corporations within the meaning of Pub. Util. Code §§ 740.12(b) and 218.

2. These three small electrical corporations should be directed to file with the Commission their respective TE applicants by June 30, 2017.

3. The actions set forth in the September 14, 2016 assigned Commissioner's Ruling in this proceeding, as clarified in today's decision are confirmed and ratified.

**O R D E R**

1. The following electrical corporations are added to this proceeding as respondents: Liberty Utilities (CalPeco Electric) LLC; Bear Valley Electric; and PacifiCorp.

2. The Commission's Process Office shall serve a copy of this decision on the following electrical corporations: Liberty Utilities (CalPeco Electric) LLC; Bear Valley Electric; and PacifiCorp.

3. Pursuant to Public Utilities Code Section 740.12(b) and the September 14, 2016 assigned Commissioner's Ruling in this proceeding, Liberty Utilities (CalPeco Electric) LLC, Bear Valley Electric, and PacifiCorp shall each file their respective transportation electrification applications with the Commission's Docket Office by June 30, 2017.

4. The actions set forth in the September 14, 2016 assigned Commissioner's Ruling in this proceeding, as clarified in today's decision, are confirmed and ratified.

5. Rulemaking 13-11-007 remains open.

This order is effective today.

Dated November 10, 2016, at San Francisco, California.

MICHAEL PICKER

President

MICHEL PETER FLORIO

CATHERINE J.K. SANDOVAL

CARLA J. PETERMAN

LIANE M. RANDOLPH

Commissioners