

Decision 18-09-034 September 27, 2018

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PacifiCorp (U901E) for
Approval of its 2017 Transportation
Electrification Programs.

Application 17-06-031

And Related Matters.

Application 17-06-033
Application 17-06-034

**DECISION ON THE PRIORITY REVIEW AND STANDARD REVIEW
TRANSPORTATION ELECTRIFICATION PROJECTS**

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DECISION ON THE PRIORITY REVIEW AND STANDARD REVIEW TRANSPORTATION ELECTRIFICATION PROJECTS

Summary

Today's decision resolves the consolidated applications of Liberty Utilities (CalPeco Electric) LLC, Bear Valley Electric Service (A Division of Golden State Water), and PacifiCorp d/b/a Pacific Power for approval of their respective 2017 Transportation Electrification Programs. This decision approves three unique settlement agreements, and in turn, authorizes the deployment of seven priority review projects and two standard review projects. Today's decision approves budgets totaling approximately \$7.33 million, with an additional \$301,999 set aside for evaluation of the projects. The approval and implementation of these transportation electrification projects continues the California Public Utilities Commission's efforts to meet the clean energy and widespread transportation electrification goals of Senate Bill 350. This decision is another step forward in ensuring California meets its clean air and greenhouse gas reduction goals for 2030 and beyond.

These proceedings are closed.

1. Background and Procedural History

In Senate Bill (SB) 350, the *Clean Energy and Pollution Reduction Act* (Chapter 547, Statutes of 2015), the California Legislature established new clean energy, clean air, and greenhouse gas reduction goals for California for 2030 and beyond. Among other things, SB 350 requires the California Public Utilities Commission (Commission), in consultation with the California Air Resources Board (CARB) and the California Energy Commission (CEC), to direct the utilities under our regulatory oversight to undertake transportation

electrification (TE) activities consistent with Public Utilities Code Sections (Pub. Util. Code §§) 237.5 and 740.12.¹

The September 14, 2016 Assigned Commissioner's Ruling (ACR) issued in Rulemaking (R.) 13-11-007, provided guidance for the filing of TE applications with the Commission pursuant to SB 350. The ACR specified that the proposed projects should be filed either as priority review or standard review projects. Appendix A to the ACR defined priority review projects (PRPs) as those that are non-controversial in nature, of limited duration (e.g. 1 year), and have limited budgets of no more than \$4 million per project, with a total funding cap of \$20 million for each utility. Standard review projects (SRPs) are those programs that do not meet the criteria of PRPs (e.g. 2-5 years or a greater budget). In addition to providing guidance to the large investor owned utilities (IOUs), the ACR directed the smaller electric utilities, Liberty Utilities (CalPeco Electric) LLC (*hereinafter*, Liberty), Bear Valley Electric Service (A Division of Golden State Water) (*hereinafter*, BVES), and PacifiCorp d/b/a Pacific Power (*hereinafter*, PacifiCorp) to file their TE applications by June 30, 2017. D.16-11-005 affirmed this directive, and made BVES, Liberty and PacifiCorp respondents to R.13-11-007.

PacifiCorp, BVES, and Liberty filed their respective TE applications and supporting testimony on proposed PRPs and SRPs with the Commission on June 30, 2017. The Office of Ratepayer Advocates (ORA) protested the applications of PacifiCorp, Liberty, and BVES. The Small Business Utility Advocates (SBUA) filed a motion and was granted party status in the PacifiCorp,

¹ Unless otherwise stated, all code section references are to the Public Utilities Code.

Liberty and BVES applications. ChargePoint protested the application of Liberty and filed a response to BVES' application. Following the period for protests and responses, a prehearing conference was held on August 31, 2017, and a Scoping Ruling was issued on October 25, 2017. Among other things, the Scoping Ruling consolidated the three applications, established a procedural schedule for the consolidated proceeding, and identified the scope of issues.

As discussed in greater detail in Section 2, the overarching issues within the scope of this proceeding are: (1) whether the proposed projects meet statutory (SB 350) and ACR requirements for TE; (2) whether the proposed projects are reasonable and in the ratepayers' interests; and (3) which methods of data gathering, reporting, evaluation, modification, performance accountability, and rate design should be adopted.²

Intervenor testimony on the proposed priority review and standard review programs was served on December 11, 2017. On December 8, 2017, BVES, ORA, and SBUA filed a joint motion requesting to enter a joint stipulation on Electric Vehicle Time-of-Use (TOU) Rates and TOU Periods for BVES' proposed Electric Vehicle Time-of-Use Pilot Program into the record.³ The joint motion was granted via e-mail ruling on December 11, 2017 and directed parties to utilize the TOU rates and periods referenced in the joint stipulation (*hereinafter*, Joint-1) in rebuttal testimony. Concurrent rebuttal testimony was served on January 12, 2018, and a common briefing outline was circulated amongst parties on January 17, 2018.

² See Section 2 for a more in-depth overview of the scope of this proceeding.

³ Exhibit Joint-1; *see* Section 12.

The procedural schedule adopted via the October 25, 2017 Scoping Ruling provided parties with a briefing schedule and the opportunity to request the need for evidentiary hearings by January 17, 2018. On January 16, 2018, ORA filed a motion requesting an extension of time to request evidentiary hearings due to ongoing settlement discussions among the utilities and parties to this proceeding. After another round of settlement negotiations,⁴ suspension of the procedural schedule,⁵ and motions requesting that the evidentiary record be closed in lieu of hearings, the parties put forth three settlement agreements for Commission consideration, one for each of the utilities' distinct proposals.

On March 9, 2018, BVES, ORA, SBUA and Greenlots filed a joint motion for Commission consideration of a settlement on the issues raised in the BVES application (BVES Settlement). On April 13, 2018, PacifiCorp, ORA and SBUA filed a joint motion for Commission consideration of a settlement on the issues raised in PacifiCorp's application (PacifiCorp Settlement).

The e-mail ruling of April 24, 2018 confirmed the modified procedural schedule, and provided that submission of this proceeding would be upon the filing of reply briefs (May 4, 2018). However, no reply briefs were filed because Liberty, ORA and SBUA filed a joint motion for Commission consideration of a settlement on the issues raised in Liberty's application (Liberty Settlement) on

⁴ See Notice of Settlement Conference (March 8, 2018); Motion for Commission Adoption of Settlement Agreement (March 9, 2018).

⁵ See E-mail Ruling Granting the Joint Motion to Suspend Procedural Schedule and Off-Calendaring March 5-6, 2018 Evidentiary Hearing (February 22, 2018).

April 26, 2018. The Liberty Settlement addresses all but one issue raised in protests and testimony.⁶

Pursuant to Rule 12.2, comments on a proposed settlement are due within 30 days of the date the motion for adoption of settlement was served. Although not all active parties were signatories to the three proposed settlement agreements, no party commented on or raised any opposition to the three distinct settlement agreements. Accordingly, this matter was deemed submitted on Monday May 28, 2018, upon the closure of the 30-day comment period on Liberty's Settlement.

2. Statutory and Commission Guidance

In Pub. Util. Code § 740.12(a)(1), the Legislature found, among other things, that widespread TE is needed to achieve the goals set forth in the Charge Ahead California Initiative,⁷ and to reduce greenhouse gas (GHG) emissions “to 40 percent below 1990 levels by 2030 and to 80 percent below 1990 levels by 2050....”⁸ The Legislature also found that “[a]dvanced clean vehicles and fuels

⁶ Specifically, the Settling Parties to the Liberty Settlement were not able to reach an agreement on the issue of whether Liberty should own the electric vehicle service equipment (i.e., the charging stations) for its proposed Direct Current Fast Charge Project and the EV Bus Program.

⁷ The goals of the Charge Ahead California Initiative “are to place in service at least 1,000,000 zero emission and near-zero-emission vehicles by January 1, 2023, to establish a self-sustaining California market for zero-emission and near-zero-emission vehicles in which zero-emission and near zero-emission vehicles are a viable mainstream option for individual vehicle purchasers, businesses, and public fleets, to increase access for disadvantaged, low-income, and moderate-income communities and consumers to zero-emission and near-zero-emission vehicles, and to increase the placement of those vehicles in those communities and with those consumers to enhance the air quality, lower greenhouse gases, and promote overall benefits for those communities and consumers.” (Health and Safety Code § 44258.4.)

⁸ The 2030 reductions are mandated in Health and Safety Code § 38566, and the 2050 reductions are set forth in Governor Schwarzenegger's Executive Order S-3-05.

are needed to reduce petroleum use, to meet air quality standards, to improve public health, and to achieve greenhouse gas emissions reductions goals,” and that widespread TE “requires electrical corporations to increase access to the use of electricity as a transportation fuel.”

The Legislature recognized the beneficial impact of TE, and found at § 740.12(a)(1), in part:

(C) Widespread transportation electrification requires increased access for disadvantaged communities, low- and moderate-income communities, and other consumers of zero emission and near-zero emission vehicles, and increased use of those vehicles in those communities and by other consumers to enhance air quality, lower greenhouse gases emissions, and promote overall benefits to those communities and other consumers.

(F) Widespread transportation electrification should stimulate innovation and competition, enable consumer options in charging equipment and services, attract private capital investments, and create high-quality jobs for Californians, where technologically feasible.

(G) Deploying 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.

(H) Deploying 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.

The Legislature directed the Commission to consider those findings, among others, set forth by § 740.12(a)(1) when “designing and implementing

regulations, guidelines, plans, and funding programs to reduce greenhouse gas emissions.”

Pursuant to § 740.12(b):

- The proposed TE programs shall seek to minimize overall costs and maximize overall benefits.
- The Commission shall approve, or modify and approve, TE programs and investments, including those that deploy charging infrastructure, through a reasonable cost recovery mechanism.
- The approval, or modification and approval, of the programs and investments must be consistent with § 740.12, not unfairly compete with nonutility enterprises as required by § 740.3(c), include performance accountability measures, and be in the interests of ratepayers as defined in § 740.8.

Section 740.8 defines the interests of ratepayers as follows:

As used in Section 740.3 or 740.12, “interests” of ratepayers, short- or long-term, mean direct benefits that are specific to ratepayers, consistent with both of the following:

- (a) Safer, more reliable, or less costly gas or electrical service, consistent with Section 451, including electrical service that is safer, more reliable, or less costly due to either improved use of the electric system or improved integration of renewable energy generation.
- (b) Any one of the following:
 - (1) Improvement in energy efficiency of travel;
 - (2) Reduction of health and environmental impacts from air pollution;
 - (3) Reduction of greenhouse gas emissions related to electricity and natural gas production and use;
 - (4) Increased use of alternative fuels; and
 - (5) Creating high-quality jobs or other economic benefits, including in disadvantaged communities identified pursuant to Section 39711 of the Health and Safety Code.

In addition, § 740.3(c) requires that “costs and expenses of those programs are not passed through to electric or gas ratepayers unless the commission finds and determines that those programs are in the ratepayers’ interest.”

Furthermore, § 740.12(c) requires that before the Commission can authorize “an electrical corporation to collect new program costs related to transportation electrification in customer rates,” the Commission “shall review data concerning current and future electric transportation adoption and charging infrastructure utilization....”⁹

The September 14, 2016 ACR established a complementary set of principles that guide our review and analysis of the proposed TE programs in the instant consolidated proceeding. In particular, the ACR encouraged projects that:

- Fit with the Commission and utility core competencies and capabilities;
- Address the multiple goals of widespread TE;
- Consider Commission-identified priority projects;
- Align with local, regional and broader State policies;
- Promote driver, customer and worker safety;
- Leverage non-utility funding;
- Identify a Vehicle Grid Integration (VGI) Communication Standard;¹⁰

⁹ Section 740.12(c) also states: “If market barriers unrelated to the investment made by an electric corporation prevent electric transportation from adequately utilizing available charging infrastructure, the commission shall not permit additional investments in transportation electrification without a reasonable showing that the investments would not result in long-term stranded costs recoverable from ratepayers.”

¹⁰ The utilities were directed to address whether they intended to adopt standard VGI communications protocols in their applications. Consistent with §§ 740.2, 740.3(a) and 8362, the Commission is cooperating with the CEC, CARB and the California Independent System Operator in conducting a working group to determine whether the state should adopt a specific

Footnote continued on next page

- Consider utility incentives or other regulatory mechanisms;
- Provide anonymous and aggregated data for evaluation.

The ACR provides guidance about the applications as follows:

- The TE application shall explain how the proposed projects or investments will accelerate the adoption of TE.
- The TE application needs to demonstrate, with specific monitoring and evaluation criteria, how the projects and investments will align with the findings set forth in § 740.12(a)(1).
- The TE application shall describe how each project and investment will minimize overall costs and maximize overall benefits.
- The TE application shall describe the cost recovery mechanism the utility is seeking.
- The TE application shall describe how each proposed project and investment does not unfairly compete with nonutility enterprises.
- Each of the proposed TE projects and investments shall include performance accountability measures.
- The TE application shall describe how each proposed project and investment is in the interests of ratepayers.

The TE application shall provide testimony about the following: current and future electric transportation adoption and charging infrastructure utilization; any market barriers that prevent electric transportation from adequately utilizing available charging infrastructure, and a reasonable showing that the investment will not result in long-term stranded costs recoverable from ratepayers.

VGI communications protocol. No recommendation has been issued from this working group, so any Commission action on whether to adopt any specific protocol or protocols or similar requirements will be addressed in a future decision.

2.1. Technical Definitions

Given the technical nature of the utilities' proposals, we include definitions for the following terms, in addition to the acronym glossary provided in Appendix A.

- **Make-ready:** Service connection and supply infrastructure to support Electric Vehicle (EV) charging comprised of the electrical infrastructure from the distribution circuit to the stub of the Electric Vehicle Supply Equipment (EVSE). It can include equipment on the utility-side (e.g. transformer) and customer-side (e.g. electrical panel, conduit, wiring) of the meter.
- **EVSE:** Electric vehicle supply equipment used to charge electric vehicles (often referred to as a charging station)
- **Level 1 (L1) Charging:** Plugging an EV into a standard wall outlet (110-volt outlet) to recharge its battery.
- **Level 2 (L2) Charging:** Plugging an EV into an EVSE connected to a 240-volt outlet to charge its battery. L2 charging is faster than L1 because it delivers a higher power level to the battery through the EVSE.
- **Direct Current Fast Charger (DCFC):** A charging station that rapidly charges a car battery by connecting it directly to a high power, direct current source.
- **Charging Port:** Plug or connector on an EVSE capable of plugging into a vehicle to charge it. Each port corresponds to its own parking space. One EVSE may have multiple charging ports.
- **Site:** The location at which charging infrastructure (EVSE or make-ready) is installed.
- **CHAdemo and/or CCS charging connector standards:** Two types of standardized charging connectors for Direct Current Fast Charging. Vehicles capable of DCFC will have one, but not both, of these ports on the vehicle (with the exception of Tesla vehicles, which have proprietary charging ports). Most DCFC currently

deployed in California includes at least one plug that meets each standard.

- **Transportation Electrification:** The use of electricity from external sources of electrical power, including the electrical grid, for providing all or part of the power for vehicles, vessels, trains, boats, or other equipment that are mobile sources of air pollution and greenhouse gas (GHG) emissions, and the related programs and charging and propulsion infrastructure investments to enable and encourage this use of electricity.¹¹

3. Standard of Review for Settlements

We summarize our standard of review for settlements in this section. This standard is applied to the three distinct settlement agreements considered in this decision.

The Commission has long favored the settlement of disputes.¹² Article 12 of the Commission's Rules of Practice and Procedure generally concerns settlements. Pursuant to Rule 12.1(d), the Commission will not approve a settlement unless it is found to be reasonable in light of the whole record, consistent with law, and in the public interest. This standard applies to settlements that are uncontested. Where a settlement is contested, it will be subject to more scrutiny than an uncontested settlement.

While our policy is to favor the settlement of disputed applications, our standard of review for settlements is designed to ensure that settlements meet a minimum standard of reasonableness in light of the law and the record of the proceeding. A settlement can be unreasonable, and we will not be persuaded to approve unreasonable settlements simply because of a general policy favoring

¹¹ § 237.5.

¹² D.17-08-030 at 9.

the approval of settlements. There are several attributes that can render a settlement unreasonable. One such attribute is the presence of significant deviations from Commission findings, policies, and practices that are not adequately explained and justified in the motion for the settlement's adoption. Another such attribute is the lack of demonstration that the settlement fully and fairly considered the interests of all affected entities – both parties and non-party entities such as affected customers. We have no obligation to approve unreasonable settlements.

With this standard in mind, we turn to the three proposed settlements at issue.

4. PacifiCorp Application

PacifiCorp seeks approval of two PRPs, its Outreach and Education Program, and its Demonstration and Development Program.¹³ PacifiCorp designed both PRPs to test PacifiCorp's options for increasing TE in its California¹⁴ service territory.¹⁵ As PacifiCorp highlights, widespread TE has been slow to take effect in its California service territory.¹⁶ As of May 2017, PacifiCorp had 28 customers apply for Plug-In Electric Vehicle (PEV) rebates through the Clean Vehicle Rebate Program¹⁷ (CVRP), as compared to the 186,550 customers

¹³ Exhibit PAC/100 at 1; A.17-06-031 at 1.

¹⁴ PacifiCorp's service territory includes portions of Northern California, Idaho, Oregon, Utah, Washington and Wyoming.

¹⁵ Exhibit PAC/100 at 1; A.17-06-031 at 1.

¹⁶ Exhibit PAC/100 at 4.

¹⁷ CVRP is an incentive program administered by the CARB and the Center for Sustainable Energy that offers state residents rebates of up to \$7,000 for purchasing or leasing PEVs.

statewide.¹⁸ For context, PacifiCorp has approximately 45,000 California customers. Currently, PacifiCorp has only 14 publicly available charging ports in its California service territory, 12 of which can only be accessed by Tesla drivers.¹⁹ This is versus the 12,803 publicly accessible charging ports available statewide.²⁰ Moreover, between 2015 to 2017, PacifiCorp has had zero PEV ride-and-drive events, versus the 17 PEV ride-and-drive events held statewide.²¹ Ride-and-drive events offer consumers the opportunity to test-drive PEVs and learn about the potential benefits of switching from internal combustion engines. Accordingly, PacifiCorp designed its proposals to offset some of these disparities, and help improve EV adoption in its service territory.

4.1. Outreach and Education Program

PacifiCorp's proposed Outreach and Education Program is designed to increase awareness of EV benefits and the charging options available to customers in PacifiCorp's California service territory.²² PacifiCorp plans to test the effectiveness of different education and outreach tactics through four distinct components of its proposed Outreach and Education Program: (1) customer communications, whereby PacifiCorp proposes to develop direct customer communications to educate customers on PEV options and the benefits of off-peak charging; (2) self-service resources and tools, whereby PacifiCorp proposes to expand its online TE education resources; (3) technical assistance,

¹⁸ Exhibit PAC/100 at 5.

¹⁹ Exhibit PAC/100 at 10.

²⁰ Exhibit PAC/100 at 4.

²¹ Exhibit PAC/100 at 5, referencing footnote 6.

²² Exhibit PAC/100 at 5.

whereby PacifiCorp proposes to sponsor technical assistance at no cost to non-residential customers considering EVSE projects; and (4) community events, whereby PacifiCorp proposes to fund two ride-and-drive events in its communities.²³ PacifiCorp attributes lack of EV adoption among its California customers to lack of knowledge of the benefits EVs have over internal combustion engine (ICE) vehicles.²⁴ PacifiCorp believes its proposed Outreach and Education Program will reduce this barrier by leveraging PacifiCorp's existing customer relationship as a trusted advisor to improve awareness through the four distinct program components.²⁵ PacifiCorp estimates this project will cost \$170,000.²⁶

4.2. Demonstration and Development Program

The Demonstration and Development program, modeled after PacifiCorp's Blue Sky program,²⁷ is designed to award competitive grant funding to non-residential customers to encourage development of customer-driven TE projects in PacifiCorp's California service territory.²⁸ According to PacifiCorp, the grants are designed to help non-residential customers overcome upfront cost

²³ Exhibit PAC/100 at 5 to 6.

²⁴ Exhibit PAC/100 at 6.

²⁵ Exhibit PAC/100 at 6.

²⁶ Exhibit PAC/100 at 8.

²⁷ Exhibit PAC/100 at 9 to 10; Exhibit PAC/100 at footnote 8: "Since 2006, the Blue Sky funding process has helped bring nearly 100 community-driven renewable energy projects online in over thirty PacifiCorp communities, on behalf of participating Blue Sky program customers. Blue Sky funding awards cover up-to 100 percent of the capital costs to install qualifying, new renewable energy systems for non-residential sites in Pacific Power's service area."

²⁸ A.17-06-031 at 4; Exhibit PAC/100 at 9.

barriers to EVSE development.²⁹ The Demonstration and Development program is designed to help customers develop projects that address additional market barriers to widespread TE, including lack of awareness, lack of public EVSE, and limited access to charging infrastructure in low-income and underserved communities.³⁰ As proposed, PacifiCorp will offer grant funding for make-ready, hardware, installation and upfront software purchase costs.³¹ Grant recipients will be required to share project cost information and EVSE utilization data with PacifiCorp.³² PacifiCorp states this information will help it better understand TE projects in different market segments and the potential impacts to the electric grid to inform future infrastructure planning.³³ Over one year on a quarterly basis, PacifiCorp will invite non-residential customers within its California service area, to propose TE projects for grant funding.³⁴ PacifiCorp plans to engage an independent third-party grant manager, selected through a competitive request for proposals process (RFP), to review proposed projects and score them based on pre-established criteria.³⁵ After an initial three to six month ramp up period to build customer interest, hire a grant manager, and develop solicitation materials, the Demonstration and Development program will consist

²⁹ Exhibit PAC/100 at 9.

³⁰ Exhibit PAC/100 at 9.

³¹ Exhibit PAC/100 at 9.

³² Exhibit PAC/100 at 9.

³³ Exhibit PAC/100 at 9.

³⁴ Exhibit PAC/100 at 9.

³⁵ Exhibit PAC/100 at 9, some of the pre-established criteria PacifiCorp sites to measures project feasibility and expected utilization, customer and company funding commitments, and opportunities to test advanced technologies.

of four quarterly funding cycles over a one-year span.³⁶ Applicants selected for funding will have up to one year to install their projects.³⁷ PacifiCorp estimates this project will cost \$270,000.³⁸

4.3. Proposed Cost Recovery

Instead of recovering costs for the Outreach and Education and Demonstration and Development programs through increased rates, PacifiCorp proposes to fund both projects with remaining funds from PacifiCorp's California Solar Initiative (CSI) Program.³⁹ In Decision (D.) 11-03-007, the Commission directed that any unspent collections from PacifiCorp's CSI be rolled over annually for the first four years until further order of the Commission either directing use of the funds or return of the money to PacifiCorp's ratepayers.⁴⁰ The Commission approved the extension of PacifiCorp's CSI Program through a March 2016 Advice Letter (AL) (515-E).⁴¹ Based on current projections, PacifiCorp estimates its remaining CSI Program funds will exceed \$1 million once installations are completed and incentives have been paid.⁴² This

³⁶ Exhibit PAC/100 at 15.

³⁷ Exhibit PAC/100 at 15.

³⁸ Exhibit PAC/100 at 15.

³⁹ Exhibit PAC/100 at 16.

⁴⁰ Exhibit PAC/100 at 16; D.11-03-007 at 26.

⁴¹ Exhibit PAC/100 at 16; Exhibit PAC/100 at 16 footnote 10: "PacifiCorp's California Solar Initiative Program ended on March 10, 2016, and no further applications will be accepted for the program. Residential applications submitted on or before March 10, 2016, had one year to install their systems. Non-residential applications submitted on or before March 10, 2016, have 18 months to install their systems. Both residential and nonresidential applicants may request a 180-day extension of time to install their systems."

⁴² Exhibit PAC/100 at 16.

remaining balance well exceeds the expected \$440,000 expenditures for the two TE programs proposed by PacifiCorp. Because of this additional surplus, even after accounting for the costs of the instant TE proposals, PacifiCorp requests it be allowed to propose extension of its PRPs, or to propose new PRPs through a Tier 2 AL.⁴³

PacifiCorp believes both proposed PRPs are ripe for priority review, as they fit within the requirements set forth in Appendix A of the ACR, are of limited duration (implementation period of one year), and have an estimated budget well below the \$4 million cap.⁴⁴

4.4. Summary of Settlement Agreement

PacifiCorp, ORA and SBUA (Settling Parties) settled all issues in the scope of PacifiCorp's application. The Settlement Agreement is attached as Appendix B to this decision. The Settling Parties state by their joint motion that the principal components of the settlement are:

1. **Advice Letter and Application Requirements for PRPs:** Per the Settlement Agreement, PacifiCorp will be authorized to use a Tier 2 Advice Letter (AL) to seek additional funding for the PRPs proposed in its application. The Settling Parties agree that because the Commission has yet to establish procedures for initial approval of the PRPs via the advice letter process,⁴⁵ PacifiCorp will submit a new application for any future PRP proposals.

⁴³ Exhibit PAC/100 at 16 to 17.

⁴⁴ Exhibit PAC/100 at 8.

⁴⁵ Settlement Agreement (PacifiCorp) at A-3 footnote 1, referencing ACR at 32.

2. **Small Business Incentives:** Per the Settlement Agreement, PacifiCorp will work to give greater consideration to the needs of small businesses in PacifiCorp's service territory.⁴⁶ This includes:
- a. An annual meeting⁴⁷ between PacifiCorp and SBUA to discuss program development and implementation. PacifiCorp and SBUA will collaborate to identify opportunities to provide Technical Assistance within the small business community as a component of its proposed Outreach and Education program.
 - b. A utility-sponsored workshop⁴⁸ geared toward non-residential customers in PacifiCorp's service territory. This public workshop will focus on bringing a diverse set of small businesses together to discuss whether they have considered using plug-in electric vehicles (PEVs) personally, or as part of their business, and what barriers to adopting PEVs have they encountered.
 - c. Data-gathering⁴⁹ focused on small business metrics. As part of PacifiCorp's data gathering efforts, the utility will track small business participation in its Outreach and Education and Demonstration and Development programs.
 - d. A non-binding goal of allocating 20 percent of the Demonstration and Development program's grant funding to small business applicants or TE projects that directly target small businesses in PacifiCorp's California service territory.⁵⁰

⁴⁶ Settlement Agreement (PacifiCorp) at A-4.

⁴⁷ Settlement Agreement (PacifiCorp) at A-4.

⁴⁸ Settlement Agreement (PacifiCorp) at A-4 to A-5.

⁴⁹ Settlement Agreement (PacifiCorp) at A-5.

⁵⁰ Settlement Agreement (PacifiCorp) at A-5, citing Exhibit-PAC/102 at 3 to 4.

- e. An agreement that PacifiCorp will consult with SBUA in developing future TE programs within PacifiCorp's California service territory.⁵¹

Although not specifically titled an "all-party settlement," the proposed Settlement Agreement is sponsored by all the active parties to PacifiCorp's Application. While the service list contains more parties than just ORA and SBUA to Application (A.) 17-06-031, ORA and SBUA were the only parties actively involved in resolving the issues identified in ORA's protest. As the seminal Commission decision approving an all-party settlement noted, "we do not delve deeply into the details of settlements and attempt to second-guess and re-evaluate each aspect of the settlement, so long as the settlements as a whole are reasonable and in the public interest..."⁵² We now review the proposed Settlement Agreement under the standard of review outlined in Section 3.

4.4.1. Reasonable in Light of the Whole Record

The Commission has a well-established policy of adopting settlements if they are fair and reasonable in light of the whole record.⁵³ In D.00-09-034, the Commission held that the parties' evaluation of their respective litigation positions and the settlement agreement is reasonable because it represents the collective best efforts of the Settling Parties.

The Settlement Agreement dated April 13, 2018 represents the collective best efforts of PacifiCorp, ORA and SBUA because all parties have made concessions that will move the Outreach and Education and Demonstration and

⁵¹ Settlement Agreement (PacifiCorp) at A-6.

⁵² See D.16-09-047 at 9, footnote 11, referencing D.92-12-019 46, CPUC 2d 538, 551 (1992).

⁵³ Joint Motion for Adoption of Settlement (April 13, 2018) at 6.

Development PRPs forward. Instead of its original proposal to introduce new PRPs or proposals through a Tier 2 AL, PacifiCorp adopts ORA's recommendation that any new PRPs or TE proposals will be submitted through a new application.⁵⁴ This provision is reasonable because it ensures any new proposals be fully vetted through the application process versus a ministerial action by staff.

Other provisions of the Settlement Agreement are intended to increase PacifiCorp's impact in the small business sector within its California service territory. The provisions to hold an annual collaboration meeting and public workshop aim to increase TE participation among small businesses, a core concern of SBUA.⁵⁵ PacifiCorp's agreement to gather data on additional small business metrics and non-binding goal of allocating 20 percent of the Demonstration and Development grant funding to small business applicants or TE projects that directly target small businesses in its California service territory, reflect reasonable concessions made by PacifiCorp. To address the concerns raised in testimony and SBUA's motion for party status, the agreement to report on additional small business metrics is intended to provide the Commission with valuable information on what barriers small businesses face in adopting EVs. This effort, coupled with PacifiCorp's agreement to consult SBUA when developing future TE programs, ensures the needs of small businesses will not be overlooked in the deployment of the Outreach and Education and Demonstration and Development PRPs.

⁵⁴ ORA Protest at 3.

⁵⁵ SBUA Motion for Party Status 4 to 6.

Based on the discussion above, we find that the Settlement Agreement is reasonable in light of the whole record. The parties' testimonies establish a reasonable basis for the terms of modifying the method by which PacifiCorp may propose additional TE programs, and the additional steps PacifiCorp will take to ensure the needs of small businesses within its California service territory are given adequate consideration.

4.4.2. Consistent with Law

To determine if a settlement agreement is consistent with the law, the Commission evaluates whether the settlement contravenes a statute or Commission decision.⁵⁶ The terms of the Settlement Agreement do not alter the guidance by which PacifiCorp framed its proposed Outreach and Education and Demonstration and Development PRPs.⁵⁷ Even with the Tier 2 AL modification and enhanced focus in the small business sector, the Outreach and Education and Demonstration and Development programs fit within the core elements of PRPs, being that they are: (1) non-controversial in nature; (2) limited to no more than \$4 million in funding for each program; and (3) are of short duration (i.e. less than one year). The terms provide PacifiCorp with the opportunity to test each of its proposed programs, and evaluate how best to increase widespread TE in its California service territory. Finally, the agreement to propose new TE programs through an application and not an advice letter, and the small business incentives are consistent with § 740 because they aim to support increased EV adoption in PacifiCorp's service territory, and aims to create at least one new employment

⁵⁶ Joint Motion for Adoption of Settlement (April 13, 2018) at 7.

⁵⁷ Exhibit PAC/100 at 3.

opportunity by the hiring of a grant manager. As such, the proposed settlement is in the interest of ratepayers, and consistent with the statutory guidance reflected in Pub. Util. Code §§ 740.

4.4.3. In the Public Interest

The Commission has found when all active parties in a proceeding reach settlement, that settlement “commands the unanimous sponsorship of the affected parties who fairly represent the interests affected by the Settlement.”⁵⁸

PacifiCorp, ORA, and SBUA, being signatories to the proposed Settlement Agreement, fairly represent the interests affected by the Settlement because each party has a different interest and perspective in the deployment of PacifiCorp’s proposed TE programs. Such a result supports a finding that the proposed Settlement Agreement is in the public interest. Moreover, this agreement serves both the interests of the parties and the public at large, by conserving limited Commission resources from costly litigation. The Outreach and Education and Demonstration and Development PRPs are non-infrastructure projects that fit within the scope of this proceeding. Both PRPs aim to increase EV awareness by testing different methods by which to accelerate TE in PacifiCorp’s California service territory. The PRPs will help inform the Commission and PacifiCorp how best to scale its electrification efforts in PacifiCorp’s California service territory, ensuring that proactive steps are taken to help California meet its zero emission vehicle (ZEV) statewide goal, and GHG emissions reduction target. By adopting the Settlement Agreement, the potential for health benefits, in relation

⁵⁸ Joint Motion for Adoption of Settlement (April 13, 2018) at 7, citing D.17-03-005 at 6 to 7.

to reducing GHG emissions, in addition to the increased focus in the small business sector, aims to provide ratepayer benefits that are in the public interest.

5. Bear Valley Electric Service Application

BVES seeks approval of one PRP, its Destination Make-Ready Rebate Pilot, and one SRP, its Electric Vehicle Time-of-Use (EV-TOU) Pilot Rate Program.⁵⁹ As stated in its application, the Destination Make-Ready Rebate Pilot would provide installation rebates for up to 50 Level 2 (L2) charging stations to commercial customers in BVES' service territory, in addition to providing a complementary EV TOU rate.⁶⁰ Under the EV-TOU Pilot Rate Program BVES proposes to install submeters in existing EVSE in order to apply separate TOU rates for EV charging.⁶¹ BVES asserts both proposed programs will reduce GHG emissions, improve local air quality, address the current lack of EV charging infrastructure in BVES' service territory, the Big Bear Lake region (Big Bear), a major recreational destination located in Southern California,⁶² and create more data on EV charging in Big Bear that can be analyzed and used to implement a long term program.⁶³

In addition to the environmental and economic benefits of its proposed programs, BVES aims to address barriers to EV charging infrastructure that are unique to its service territory. BVES' service area, Big Bear, has around 12,000 residents (a substantial number of which are seasonal residents who travel from

⁵⁹ A.17-06-034 at 10.

⁶⁰ A.17-06-034 at 12.

⁶¹ A.17-06-034 at 20.

⁶² A.17-06-034 at 4.

⁶³ A.17-06-034 at 1, 10.

their primary home), and receives approximately 6 million annual visitors, of which about 70 percent are from surrounding counties.⁶⁴ Currently, Big Bear has minimal public Level 1 charging stations and no public L2 or DCFC infrastructure.⁶⁵ BVES opines that one of the primary reasons for low EV adoption within its service territory is due to visitors' concerns over range anxiety (i.e. concerns over how long their battery will last).⁶⁶ For example, visitors are wary of making a long trip, up a mountain, in inclement weather (all of which reduce battery life), when there is limited charging infrastructure in Big Bear.⁶⁷ BVES developed its TE portfolio to provide insight on how to bridge the EV transportation gap between major metropolitan areas and rural destinations.⁶⁸ BVES requests the authority to spend up to \$746,500 to deploy its two proposed programs.⁶⁹

5.1. Destination Make-Ready Rebate Pilot

BVES designed its Destination Make-Ready Rebate Pilot (Destination Pilot) to address the current lack of charging infrastructure in Big Bear by deploying up to 50 L2 chargers.⁷⁰ As proposed in its application, the Destination Pilot consists of providing: (1) a rebate to eligible commercial customers for make-ready EV

⁶⁴ A.17-06-034 at 8, referencing Big Bear Valley Event Resource Office, *Executive Summary*, 2016 *Big Bear Special Events Visitor's Economic Impact*, February 2017.

⁶⁵ A.17-06-34 at 13.

⁶⁶ A.17-06-034 at 13.

⁶⁷ A.17-06-034 at 6.

⁶⁸ A.17-06-034 at 8.

⁶⁹ A.17-06-034 at 30.

⁷⁰ A.17-06-034 at 10.

charging infrastructure installations (for up to five L2 chargers per site)⁷¹; and (2) a requirement that participating customers enroll in a separately metered EV TOU rate when it becomes available.⁷² In total, BVES aims to provide make-ready rebates to support the installation of up to 50 L2 charging stations.⁷³

BVES structured the Destination Pilot rebate to cover all installation costs except the cost of the charger (EVSE) itself.⁷⁴ Because installation costs can vary by site location, BVES proposes to set the rebate amount after an assessment of an average project cost in BVES' service territory and data gathered from outreach surveys.⁷⁵ BVES explains that it wishes to retain flexibility on whether to rebate the costs of the EVSE if it would significantly improve customer participation in this pilot.⁷⁶

Participation in this pilot program will be available to any BVES commercial customer serving visitors, such as hotels, restaurants, retail stores, marinas or ski resorts.⁷⁷ Participation will be on a first-come first-served basis, so long as the commercial customer meets certain eligibility requirements that will

⁷¹ A.17-06-034 at 12: A typical make-ready infrastructure includes a full-circuit installation consisting of a separate EV-only meter, panel upgrades necessary for a 208/240-volt 40-amp circuit, raceway/conduit, overcurrent protection devices, wiring and appropriate termination to charging the unit.

⁷² A.17-06-034 at 12.

⁷³ A.17-06-034 at 12.

⁷⁴ A.17-06-034 at 12.

⁷⁵ A.17-06-034 at 12.

⁷⁶ A.17-06-034 at 12.

⁷⁷ A.17-06-034 at 14.

be further fleshed-out through program guidelines.⁷⁸ Generally, eligible participants must: (1) be a commercial customer within BVES territory; (2) provide or be able to secure property owner authorization to install EV charging infrastructure; (3) dedicate at least one EV-only parking space per make-ready infrastructure installation; (4) commit to purchase EVSE for each of the make-readies and maintain the equipment for 24 months; (5) agree to infrastructure design requirements provided in BVES' program guidelines; (6) supply BVES and the local authority having jurisdiction with receipts from a licensed contractor to prove the installation was completed; (7) enroll in an applicable EV-TOU rate for 24 months; (8) commit to keep a minimum operation up-time and maintenance service as defined in the pilot program guidelines; (9) comply with specific monitoring and evaluation terms; (10) agree that BVES may conduct random spot-checks to ensure the make-readies were installed properly; and (11) meet eligibility requirements that will be defined in more detail during program implementation.⁷⁹

Participants must use qualified labor with a valid C-10 license to complete the installation.⁸⁰ BVES will maintain a list of qualified contractors and electricians for participants to select from.⁸¹ As part of the pilot, BVES will develop minimum requirements for qualified EVSE to ensure that data collection

⁷⁸ A.17-06-034 at 15 footnote 32: BVES will develop specific pilot program guidelines upon approval of the pilots.

⁷⁹ A.17-06-034 at 15.

⁸⁰ A.17-06-034 at 15.

⁸¹ A.17-06-034 at 15.

and reporting requirements will be seamless.⁸² At a minimum, BVES will require eligible EVSE to be smart-networked L2 chargers with the ability to offer access control, variable pricing, power control capabilities and data reporting to be included in the Destination Pilot report.⁸³

BVES states they will collect data and report such data as follows: (1) total number of rebates and dollar amount distributed; (2) number of participating destinations; (3) number of users, number of stations, duration of charging, and kWh consumption; (4) quantity of GHG avoided; (5) database tracking all potential pilot program participants, how they were solicited and reasons for why they did or did not participate in the pilot program; (6) survey of charger users to collect info on geographic origin, customer satisfaction, customers' charging habits and impact of new stations; (7) interviews of resort and hotel participants; and (8) Google analytics of all online marketing campaigns.⁸⁴

Finally, outreach and education will occur in two phases.⁸⁵ The first phase will focus on recruitment of local destinations to participate and install EV infrastructure on their property. The second phase will focus on promoting the availability of EV charging in Big Bear.⁸⁶ Outreach and education will primarily be executed by BVES' Customer Service Department, along with third-party administrators with expertise in alternative energy and infrastructure planning.⁸⁷

⁸² A.17-06-034 at 16.

⁸³ A.17-06-034 at 16.

⁸⁴ A.17-06-034 at 17 to 18.

⁸⁵ A.17-06-034 at 16.

⁸⁶ A.17-06-034 at 16.

⁸⁷ A.17-06-034 at 17.

BVES estimates this priority review program will cost an estimated \$607,500, which is well within the \$4 million cap for priority review projects.⁸⁸

5.2. Electric Vehicle Time-of-Use Pilot Rate Program

BVES' proposed standard review project is designed to study three new experimental EV TOU rates that offer lower prices for EV charging during off-peak hours and record data to analyze customers' receptivity to price signaling.⁸⁹ The Electric Vehicle Time-of-Use Pilot Rate (hereinafter, EV-TOU Pilot) Program is designed with time-differentiated pricing (i.e., lower prices during off-peak times of day, and higher prices during on-peak). The rate design aims to maximize EV charging at off-peak times, largely overnight, that will not overly burden the grid due to capacity constraints in the Big Bear area.⁹⁰ BVES believes this program will encourage EV adoption by providing a way for consumers to purchase electricity at a price below the cost of the equivalent amount of gasoline.⁹¹ In addition to decreasing EV charging costs, BVES designed the EV-TOU Pilot to increase customers' understanding of EV charging and load management.⁹²

As proposed, BVES will install research EV-only submeters, including additional breaker panels and wiring for existing EVSE (and for the Destination

⁸⁸ A.17-06-034 at 30.

⁸⁹ A.17-06-034 at 26.

⁹⁰ A.17-06-034 at 21 and 27.

⁹¹ A.17-06-034 at 21 and 27.

⁹² A.17-06-034 at 2.

Pilot).⁹³ The dedicated EV-only submeter will collect hourly load data, and requires an additional breaker and panel wiring.⁹⁴ BVES will use the data to better understand the load profiles of residential and commercial consumers so that BVES may create accurate time-varying pricing to reflect time-varying demand.⁹⁵ To encourage participation, BVES will pay for the wiring, breaker panel and extra meter up to the maximum cost parameters defined in the developing pilot program guidelines.⁹⁶ The proposed TOU rate options are as follows:

Table 1. Experimental EV TOU Rates for EV-TOU Pilot⁹⁷

TOU-EV-1	Single-family dwellings concurrently served under a Domestic (D and DO) schedule. This schedule is not applicable to customers receiving service under Schedule DM or DMS. (Service under this schedule is subject to meter availability.)
TOU-EV-2	Customer monthly maximum demand less than 20kW. Any customer installing EV charging facilities whose maximum demand is greater than 20kW is ineligible for this rate and must take service under TOU-EV-3.
TOU-EV-3	Customer monthly maximum demand greater than 20kW but not to exceed 500kW. Any customer installing EV charging facilities whose maximum demand is less than 20 kW is ineligible for this rate and must take service under TOU-EV-2.

⁹³ A.17-06-034 at 20 and 22.

⁹⁴ A.17-06-034 at 22.

⁹⁵ A.17-06-034 at 22-23.

⁹⁶ A.17-06-034 at 22; Section (5.1).

⁹⁷ A.17-06-034 at 23.

BVES will offer the three above experimental EV-TOU rates for residential customers accepting service on a Domestic schedule (D or DO) and commercial customers within two different commercial classes: demand below 20 kW and between 20kW and 500kW.⁹⁸ Commercial customers with a demand greater than 500kW will not be eligible to participate in the EV-TOU Pilot.⁹⁹ To encourage participation, participants will be billed on a volumetric energy consumption structure versus the typical commercial rate structure that includes fixed customer or demand charges based on a maximum monthly usage metric.¹⁰⁰ After enrolling in the EV-TOU Pilot, customers will receive two bills for electricity usage, one for their regular home or business energy consumption at their current rate on the original meter, and a second bill dedicated to electricity consumed by EV charging at one of the three selected EV-TOU rates.¹⁰¹ BVES plans to offer its experimental EV-TOU rates to all types of EVs, including watercraft, buses and other heavy equipment that are mobile sources of air pollution and GHG emissions.¹⁰²

BVES states its EV-TOU Pilot will last three years: enrollment in the experimental EV-TOU rates will be open for two years, data collection and reporting would be open for one more year, and the pilot program will terminate completely at the end of the third year.¹⁰³ BVES estimates the costs for this

⁹⁸ A.17-06-034 at 20.

⁹⁹ A.17-06-034 at 20.

¹⁰⁰ A.17-06-034 at 21 to 23.

¹⁰¹ A.17-06-034 at 22.

¹⁰² A.17-06-034 at 23.

¹⁰³ A.17-06-034 at 23.

standard review project to be \$139,000, which is well within the budgetary requirements for standard review projects.¹⁰⁴

5.3. Proposed Budget and Cost Recovery

BVES does not request upfront funding for its two programs, but instead proposes to use existing staff to conduct the necessary research and development, data preparation, consumer research and analysis and load research.¹⁰⁵ BVES estimates the total costs of its two pilots will be \$746,500.¹⁰⁶ A breakdown of the projected costs is depicted in the chart below.

Table 2. BVES' Projected Costs of Pilot Programs¹⁰⁷

	Capital	Expense	Total Costs
Destination Pilot	\$512,500	\$95,000	\$607,500
EV-TOU Pilot	\$70,000	\$69,000	\$139,000

BVES requests authorization to treat the rebates for the make-ready infrastructure (inclusive of the service panel, conductors, conduit, trenching and other necessary electrical equipment) as capital, or, a regulatory asset that can be included in rate base.¹⁰⁸ Additionally, BVES requests its capital costs be tracked separate from expensed items, and be recoverable via a similar AL process that

¹⁰⁴ A.17-06-034 at 30.

¹⁰⁵ A.17-06-034 at 29.

¹⁰⁶ A.17-06-034 at 44.

¹⁰⁷ A.17-06-034 at 44.

¹⁰⁸ A.17-06-034 at 43.

was authorized in D.14-11-002.¹⁰⁹ In D.14-11-002, the Commission authorized BVES to file a Tier 1 AL requesting implementation of proposed new base rates for its capital investment in undergrounding electrical facilities, in addition to an Allowance for Funds Used During Construction (AFUDC).¹¹⁰ BVES requests that it be authorized to treat the capital costs associated with its TE pilot program as a major plant capital addition (similar to the undergrounding project authorized in D.14-11-002) and recover such costs by submitting a Tier 1 AL for new base rates for the costs of the pilot program plus accrued AFUDC.¹¹¹

BVES also requests authority to establish the Transportation Electrification Pilot Program Balancing Account (TEPPBA) to record all expensed costs stemming from its two programs. BVES would seek recovery of the TEPPBA costs separately from the capital costs by submitting a Tier 1 AL¹¹² to the Commission's Energy Division.¹¹³ Ultimately, BVES proposes the costs recorded in the TEPPBA be transferred to the Base Revenue Requirement Balancing Account.¹¹⁴ BVES proposes to have a 37 percent contingency allowance on its estimated budgets for the projects.¹¹⁵ In rebuttal testimony, BVES asserts its rationale for the two-way balancing account was the risk and uncertainty in the

¹⁰⁹ A.17-06-034 at 43.

¹¹⁰ D.14-11-002 at 15 to 16; Parties to BVES' GRC settled upon an annual rate of 6.69 percent for costs recorded in the AFUDC.

¹¹¹ A.17-06-034 at 43.

¹¹² A.17-06-034 at 44: As proposed, the Tier 1 AL(s) would be submitted after completion of each pilot program and/or after completion of a phase of the Destination Pilot.

¹¹³ A.17-06-034 at 43.

¹¹⁴ A.17-06-034 at 43 to 44.

¹¹⁵ Exhibit BVES-1 at 3 to 4.

relatively new TE market.¹¹⁶ Moreover, BVES states that if a one-way balancing account was ultimately adopted, the cost contingency should be 37 percent versus the 10 percent cost contingency recommended by ORA.¹¹⁷

Prior to filing the March 9, 2018 joint motion for Commission consideration of a settlement on the issues raised in BVES' application, ORA filed a motion requesting evidentiary hearings on the issue of BVES' proposed two-way balancing account. While BVES addressed its proposed account structure in its rebuttal testimony, ORA questioned BVES' rationale that the proposed account was to alleviate the risks and uncertainties associated with the new TE space.¹¹⁸

5.4. Summary of Settlement Agreement

BVES, ORA, SBUA and Greenlots (Settling Parties) settled all issues in scope of BVES' application. The Settlement Agreement is attached as Appendix C to this decision. The settling parties state by their joint motion that the principal components of the settlement are:

1. **Six Modifications to Destination Pilot:** Per the Settlement, BVES' Destination Pilot is modified as follows:
 - a. The Destination Pilot is modified to allow utility ownership of the make-ready infrastructure. Rather than provide rebates to the customer to cover make-ready costs, BVES will construct, own, and operate the make-ready infrastructure and capitalize such infrastructure as capital additions in rate base.¹¹⁹

¹¹⁶ Exhibit BVES-1 at 3.

¹¹⁷ Exhibit BVES-1 at 3 to 4.

¹¹⁸ ORA Motion for Evidentiary Hearings (January 31, 2018) at 4.

¹¹⁹ Settlement Agreement (BVES) at 1.

Non-capital costs, such as marketing, outreach, and education will be expensed.¹²⁰

- b. BVES will utilize a one-way balancing account, including a 12 percent cost contingency to account for uncertainties in project costs, rather than the two-way balancing account proposed in the application.¹²¹
 - c. To ensure long-term participant commitment, program participants will be required to maintain charging infrastructure for ten years.¹²²
 - d. BVES' data gathering and reporting will include small business metrics.¹²³
 - e. BVES will create a system for updating its reference list of contractors and electricians.¹²⁴
 - f. BVES will set a non-binding goal of siting 20 percent of its priority review project for the benefit of the small business community.¹²⁵
 - g. In the event the Commission provides guidance on situations whereby the participating customer relocates, BVES will submit a filing consistent with the Commission's directive to the Commission within 60 days of the date of the directive (i.e. Commission decision).¹²⁶
2. (3) Modification to EV-TOU Pilot: Per the Settlement, BVES' EV-TOU Pilot is modified as follows:

¹²⁰ Settlement Agreement (BVES) at 1.

¹²¹ Settlement Agreement (BVES) at 1.

¹²² Settlement Agreement (BVES) at 2.

¹²³ Settlement Agreement (BVES) at 2.

¹²⁴ Settlement Agreement (BVES) at 2.

¹²⁵ Settlement Agreement (BVES) at 3.

¹²⁶ Settlement Agreement (BVES) at 3.

- a. Utilize the EV TOU rates and periods specified in Joint-1 (Attached as Appendix D and summarized in the chart below.)
- b. BVES will segment its data to look at charging events in relation to small versus large businesses. BVES will additionally report on number of unique users, number of charging sessions, duration of charging events, and total kilowatt-hour consumption.¹²⁷ BVES will incorporate its lessons learned regarding participation in the pilot from the small business community in BVES' service territory to help shape future TE infrastructure planning.¹²⁸

Table 3. Comparison Chart of BVES EV TOU Periods and Rates¹²⁹

Proposed TOU Period	Start	End	Experimental TOU Rates ¹³⁰		
SUMMER	1-May	31-Oct	TOU-EV -1	TOU-EV -2	TOU-EV-3
On-peak	4:00 PM	10:00 PM	\$0.25971	\$0.25971	\$0.25971
Off-peak	3:00 PM	4:00 PM	\$0.12986	\$0.12986	\$0.12986
	10:00 PM	12:00 AM			
	12:00 AM	9:00 AM			
Super Off-peak	9:00 AM	3:00 PM	\$0.08657	\$0.08657	\$0.08657
WINTER	1-Nov	30-Apr			
On-peak	5:00 PM	11:00 PM	\$0.3000	\$0.3000	\$0.3000
Off-peak	4:00 PM	5:00 PM	\$0.1212	\$0.1212	\$0.1212
	11:00 PM	12:00 AM			
	12:00 AM	9:00 AM			
Super Off-peak	9:00 AM	4:00 PM	\$0.0866	\$0.0866	\$0.0866

Stipulated TOU Period	Start	End	Stipulated TOU Rates ¹³¹		
SUMMER	1-May	31-Oct	TOU-EV	TOU-EV-	TOU-EV-3

¹²⁷ Settlement Agreement (BVES) at 3.

¹²⁸ Settlement Agreement (BVES) at 3.

¹²⁹ A side-by-side comparison chart is included as Appendix G to this decision.

¹³⁰ A.17-06-034 at 24.

¹³¹ Exhibit Joint-1 at 1 to 2.

			-1	2	
On-Peak	4:00 PM	10:00 PM	\$0.18149	\$0.18149	\$0.18149
Off-peak	10:00 PM	9:00 AM	\$0.13612	\$0.13612	\$0.13612
Super Off-peak	9:00 AM	4:00 PM	\$0.09074	\$0.09074	\$0.09074
WINTER	1-Nov	30-Apr			
On-peak	5:00 PM	11:00 PM	\$0.31446	\$0.31446	\$0.31446
Off-peak	11:00 PM	9:00 AM	\$0.12704	\$0.12704	\$0.12704
Super Off-peak	9:00 AM	5:00 PM	\$0.09074	\$0.09074	\$0.09074

As referenced above, the Commission has long favored settlements of disputes among parties. However, Rule 12.1(d) requires that the Commission only approve those settlements that are reasonable in light of the record, consistent with law, and in the public interest. Moreover, the Commission's standard of review for settlements in which not every active party is a signatory, is subject to a higher scrutiny than are all-party settlements.¹³² However, the Commission has found that not all active parties need to comment on a settlement prior to adoption, if such a settlement is uncontested, uncontroversial, and not highly technical.¹³³

In the instant application, ChargePoint obtained party status by filing a response to BVES' application and is not a signatory to the proposed settlement. ChargePoint's response merely explains its general support of BVES' proposed TE programs, in addition to its minor suggestion that the proposed 24-month

¹³² D.17-08-030 at 9.

¹³³ D.17-08-030 at 9.

rate commitment tied to the Destination Pilot be modified to 12-months.¹³⁴

ChargePoint bases its recommendation to change the enrollment commitment from 24 months to 12 months to avoid “unintended consequences,” but does not go into detail as to what the “unintended consequences” are.¹³⁵ Given ChargePoint’s limited response and non-technical suggestion, in addition to the uncontroversial nature of the proposed settlement, we find that we are free to approve the settlement without additional input from ChargePoint.

5.4.1. Reasonable in light of the Whole Record

The Commission has a strong policy of favoring settlement of disputes if the settlements are fair and reasonable in light of the whole record.¹³⁶ The proposed Settlement Agreement, dated March 9, 2018, reflects specific compromises made by BVES, ORA, SBUA and Greenlots in negotiations. The collective best efforts of these parties still provide a sufficient rate of return for BVES, at a reasonable cost to ratepayers, and advance the State’s goals toward improved ambient air quality and reduced GHG emissions.

Viewed together, the modifications to BVES’ Destination Pilot and EV-TOU Pilot represent concessions made by the active parties to this proceeding. The agreement to allow utility ownership for the make-ready infrastructure, instead of providing customer rebates on the make-ready costs, aligns with ORA’s preliminary recommendation that rebates should not be

¹³⁴ ChargePoint Response at 3.

¹³⁵ ChargePoint Response at 3.

¹³⁶ Joint Motion for Adoption of Settlement (March 9, 2018) at 5, referencing D.17-03-005 at 5 to 6.

included in rate base as a capital investment.¹³⁷ This modification additionally allows BVES a rate of return on its charging infrastructure investment, and removes the additional administrative step of providing participating customers with rebates given BVES' already small workforce.¹³⁸ The agreement for BVES to utilize a one-way balancing account with a 12-percent cost contingency, rather than a two-way balancing account, reflects a concession towards ORA's recommendation for a one-way balancing account with a 10 percent cost contingency.¹³⁹ This concession recognizes BVES' concerns over the uncertainties and risks associated with TE, in addition to ORA's concern about BVES' far higher proposed 37 percent cost contingency.¹⁴⁰ The agreed upon 12 percent cost contingency is reasonable, supported by the evidentiary record, and is consistent with recent TE decisions.¹⁴¹ The agreement ensures eligible site hosts will maintain the charging infrastructure for 10 years versus the originally proposed 24 months, which will help to avoid stranded costs and is reflective of the useful life of the EVSE itself.¹⁴² The agreement for BVES to collect and analyze data in the framework of participation among small businesses versus large businesses, in addition to the 20 percent non-binding contracting goal, encompasses

¹³⁷ ORA Protest at 2 to 7; Exhibit ORA-3 at 3 to 4.

¹³⁸ Settlement Agreement (BVES) at 1; Exhibit ORA-3 at 3 to 4.

¹³⁹ ORA Protest at 7. Generally, speaking, a one-way cost balancing account ensures that if a utility spends less on a particular program than the amount authorized, it credits the remaining budget back to ratepayers. Two-way balancing accounts authorize a utility to collect more or less than the authorized revenue requirement for a given program depending on actual costs.

¹⁴⁰ ORA Motion for Evidentiary Hearings (January 31, 2018) at 4.

¹⁴¹ Settlement Agreement (BVES) at 1 to 2; D.18-01-024 at 92 to 93.

¹⁴² Exhibit ORA-3 at 6; Settlement Agreement (BVES) at 2.

recommendations from SBUA and ORA.¹⁴³ These data gathering metrics in conjunction with incorporating lessons learned, aim to provide the Commission with valuable data on small business participation in BVES' service territory. BVES' application remained silent on how it the utility would select eligible contractors or electricians. The agreement for BVES to create a system for routinely updating the reference list of eligible contractors and electricians will help ensure that new market participants are included in the local installer list.¹⁴⁴

Finally, the agreement among parties that BVES' EV-TOU Pilot utilize the three experimental rates and periods specified in Joint-1 is reasonable in light of the whole record, and reflects the collective best efforts by BVES, ORA, and SBUA. As detailed in Appendix D, these rates reflect the agreement that non-coincident demand charges should only apply to commercial EV accounts that exceed 50 kW in demand.¹⁴⁵ The new EV TOU periods provide for a larger off-peak period in summer, 10:00 p.m. to 9:00 a.m. versus the shorter periods originally proposed by BVES.¹⁴⁶ Moreover, the stipulated cost per kilowatt-hour for the summer TOU period is lower than the proposed costs in BVES' application.

Based on the above, we find that the Settlement Agreement is reasonable in light of the whole record. The parties' testimonies, protest, and response, establish a reasonable basis for the terms of modifying BVES Destination Pilot from a rebate program to a utility ownership program, and the stipulated rates to

¹⁴³ SBUA Motion for Party Status at 4 to 6; ORA Protest at 5.

¹⁴⁴ Settlement Agreement (BVES) at 2; SBUA Motion for Party Status at 5.

¹⁴⁵ Exhibit Joint-1 at 1.

¹⁴⁶ Exhibit Joint-1 at 1 to 2.

be utilized by the EV-TOU Pilot. In the aggregate, BVES' two TE programs aim to meet the needs of its service territory, in addition to providing the Commission with valuable data on small business and consumer participation within BVES' unique remote service territory.

5.4.2. Consistent with Law

To determine if a settlement is consistent with the law, the Commission will evaluate whether a settlement contravenes a statute or prior Commission decision.¹⁴⁷ The proposed terms of the Settlement Agreement do not contravene SB 350 or the guidance provided in the ACR on PRP and SRP criteria.

The ACR states that while TE applications do not need to address every legislative finding and objective set out in SB 350, the application must as a whole advance a diversity of the objectives.¹⁴⁸ The proposed Settlement is consistent with the Legislative objectives set out in SB 350 to increase access to electricity as a vehicle fuel,¹⁴⁹ increase EV infrastructure which assists in grid management,¹⁵⁰ reduce fuel costs for drivers who charge in a manner consistent with grid conditions,¹⁵¹ encourage EV adoption,¹⁵² and provide access to cheaper and cleaner fuel.¹⁵³ The Legislature also declared that the Commission must ensure costs and expenses of programs to develop equipment or infrastructure

¹⁴⁷ Joint Motion for Adoption of Settlement (March 9, 2018) at 5, citing D.17-03-005 at 6.

¹⁴⁸ ACR at 14.

¹⁴⁹ Pub. Util. Code § 740.12(a)(1)(E)

¹⁵⁰ Pub. Util. Code § 740.12(a)(1)(G)

¹⁵¹ Pub. Util. Code § 740.12(a)(1)(G)

¹⁵² Pub. Util. Code § 740.12(a)(1)(H)

¹⁵³ Pub. Util. Code § 740.12(a)(1)(H)

needed for EVs are not passed through to ratepayers unless those programs are in the ratepayers' interest.¹⁵⁴ The Legislature defines "ratepayer interest" to be short or long-term benefits to ratepayers of safer, more reliable or less costly gas or electric service, improvement in energy efficiency of travel, reduction of health and environmental impacts from air pollution, reduction of greenhouse gas emissions, increased use of alternative fuels, and creating high-quality jobs or other economic benefits, including in disadvantaged communities.¹⁵⁵

The agreement that BVES own the make-ready infrastructure associated with the Destination Pilot is consistent with §740.12 because such an investment is needed to develop public EV charging infrastructure in BVES' service territory. This approach is additionally consistent with the Commission's treatment of capital costs associated with BVES undergrounding project in D.14-11-002. Although such factors do not require rate basing in all cases, coupled with other aspects of the settlement we find the unique BVES program, as reflected in the settlement, to be consistent with law. Similar to the rationale in D.14-11-002, BVES' should be able to treat the costs of providing make-ready infrastructure to support up to 50 L2 chargers as a major capital plant addition given BVES will own the make-ready infrastructure and because such charging infrastructure does not currently exist in BVES' service territory. The make-ready costs (inclusive of the infrastructure needed to install an EVSE on both the utility- and the customer-sides of the meter) should be classified as a capital investment commensurate with the used and useful life of the EV chargers to be installed through the the Destination Pilot. While the Destination Pilot may only last one

¹⁵⁴ Pub. Util. Code §§ 740.3(c).

¹⁵⁵ Pub. Util. Code §§ 740.8.

year, or two, the EV chargers will be functional for at least ten years. The Destination Pilot and stipulated TOU periods and TOU rates in combination with the EV-TOU are consistent with § 740 because they aim to provide less costly electrical service, improve environmental impacts from increased EV adoption and usage in BVES' service territory, and aims to create high-quality jobs and other economic benefits. As such, the proposed settlement is in the interest of ratepayers, and consistent with the statutory guidance reflected in Pub. Util. Code §§ 740. Thus, the proposed settlement is consistent with law.

5.4.3. In the Public Interest

The Commission has found when all active parties in a proceeding reach settlement, that settlement "commands the unanimous sponsorship of the affected parties who fairly represent the interests affected by the Settlement."¹⁵⁶

BVES, ORA, SBUA and Greenlots, the active participants to BVES' application, have all agreed to the proposed settlement. Although lacking sponsorship from ChargePoint, ChargePoint's general support for BVES' TE programs coupled with its lack of opposition to the proposed settlement, signals that it did not strongly believe the 24-month enrollment requirement needed to be shortened to 12 months. As such, we find that the proposed settlement does represent all affected parties and supports a finding that it is in the public interest.

Moreover, the Settlement Agreement serves the interests of the public because increased EV charging infrastructure and the implementation of EV TOU rates are reasonable means to encourage widespread TE. Widespread TE,

¹⁵⁶ Joint Motion for Adoption of Settlement (March 9, 2018) at 6, citing D.17-03-005 at 6 to 7.

in turn, will improve ambient air quality, reduce GHG emissions, and create economic growth in BVES' service territory. The data gathering and reporting provisions contained in the Settlement Agreement ensure the Destination and EV-TOU Pilots are properly evaluated to scale for future TE efforts throughout California.

6. Liberty Utilities Application

Liberty seeks approval of four PRPs and one SRP in its application. The four PRPs are designated as: (1) DCFC Project; (2) Residential Charger Installation Rebate Program; (3) Small Business Charger Installation Rebate Program; and (4) Customer Online Resource Project.¹⁵⁷ The one SRP proposed by Liberty is titled the EV Bus Infrastructure Program.¹⁵⁸ Liberty designed its TE programs and investments to address many of the barriers to EV adoption in its service territory.¹⁵⁹ Liberty believes its proposed PRPs and SRP will reduce the use of fossil-fueled vehicles by encouraging the use of electric vehicles.¹⁶⁰

6.1. DCFC Project

Liberty designed its DCFC Project to enable EV drivers to get in, around, and out of the Lake Tahoe Region expeditiously to offset the need for home charging or overnight charging.¹⁶¹ The DCFC Project is designed to deploy and operate five to nine DCFC sites.¹⁶² Each charging station will have dual ports

¹⁵⁷ A.17-06-033 at 3 to 4.

¹⁵⁸ A.17-06-033 at 4.

¹⁵⁹ Exhibit Liberty-1 at 1.

¹⁶⁰ Exhibit Liberty-1 at 1; A.17-06-033 at 2.

¹⁶¹ Exhibit Liberty-1 at 8.

¹⁶² Exhibit Liberty-1 at 7.

that will be able to charge most, if not all, EVs on the market.¹⁶³ Each site may include up to four dual-port charging stations, for a total of up to eight DCFC charging ports at each location.¹⁶⁴

Liberty has identified two potential locations for its DCFC Project: (1) South Lake Tahoe Airport; and (2) Alpine Meadows Ski Resort in North Lake Tahoe.¹⁶⁵ Liberty notes that it will continue to work with the Tahoe Regional Planning Agency (TRPA) to identify the best sites to serve the intra-regional corridors in the Lake Tahoe Region that connect the City of South Lake Tahoe, Kings Beach, Stateline, Incline Village, Homewood and Tahoe City.¹⁶⁶ Liberty explains it hopes to work with the TRPA to deploy the DCFC clusters in sites that will see high utilization rates.¹⁶⁷ As proposed, Liberty intends to pay for the procurement, installation, and maintenance of the DCFC stations at participating customer sites, which would include the electric infrastructure and conduit needed to support the stations as well as the DCFC charging stations themselves.¹⁶⁸

The DCFC Project aims to encourage EV adoption for both full-time and part-time residents in Liberty's service territory by providing fast-charging stations in convenient locations in an effort to eliminate range anxiety.¹⁶⁹ The

¹⁶³ Exhibit Liberty-1 at 7.

¹⁶⁴ Exhibit Liberty-1 at 7.

¹⁶⁵ Exhibit Liberty-1 at 7 to 8.

¹⁶⁶ Exhibit Liberty-1 at 8.

¹⁶⁷ Exhibit Liberty-1 at 6 and 8.

¹⁶⁸ Exhibit Liberty-1 at 8.

¹⁶⁹ Exhibit Liberty-1 at 8.

potential for increased EV adoption among residents and visitors to Liberty's service territory aims to result in a reduction of fossil-fueled vehicles, thereby reducing GHG emissions and improving air quality.¹⁷⁰

Liberty will work to minimize costs for this project by procuring the infrastructure needed on both the utility- and customer-sides of the meter, the DCFC charging stations, and the full installation of that equipment through an RFP bidding process.¹⁷¹ Liberty expects full utility ownership of the DCFC Project to cost \$4 million, the maximum funding limit for PRPs.¹⁷²

6.2. Residential Charger Installation Rebate Program

Liberty designed its Residential Charger Installation Rebate (Residential Charger) Program to provide reliable access to daily charging, which Liberty claims is a barrier to EV adoption among consumers.¹⁷³ As proposed, the Residential Charger Program will provide a rebate of up to \$1,500 to the first 1,000 residential customers who meet the following enrollment criteria: (1) own or lease the residential site and be the customer of record associated with the premises where the station will be deployed; (2) provide proof of purchase of a PEV registered in the customer of record's name; (3) install a charging station that meets various technical standard and energy efficiency recommendations listed by a nationally recognized testing laboratory (NRTL); (4) provide a receipt from a licensed electrical contractor for installing the charging station and copies

¹⁷⁰ Exhibit Liberty-1 at 8 to 9.

¹⁷¹ Exhibit Liberty-1 at 9.

¹⁷² Exhibit Liberty-1 at 9.

¹⁷³ Exhibit Liberty-1 at 10.

of all permits required by the relevant authority having jurisdiction; (5) agree to take service on an eligible TOU rate; (6) agree to participate in the Residential Charger PRP for 10 years, including maintaining the charging station in working order and contracting with a qualified EV charging network service provider to provide transactional data to Liberty; and (7) agree that Liberty may conduct random spot checks at the customer's residence to confirm that the work was performed.¹⁷⁴ The \$1,500 rebate is designed to incentivize the installation of home EV chargers by offsetting the costs of hardware, permitting, and installation costs of the EV charger itself, which would be owned by the customer.¹⁷⁵ Liberty proposes to reserve 100 of the 1,000 potential rebates for existing California Alternate Rates for Energy customers.¹⁷⁶

Liberty testifies the Residential Charger Program supports EV adoption by offsetting home charger costs for residents in its service territory.¹⁷⁷ In addition to the projected GHG emissions reductions that will improve air quality, Liberty asserts that its program will facilitate the creation of high-quality jobs for local certified electrical contractors, since enrollees will be required to use such labor to qualify for the \$1,500 rebate.¹⁷⁸ Liberty estimates the total costs for this PRP to be \$1.6 million, with \$1.5 million set-aside for the 1,000 residential rebates, and \$0.1 million for the customer enrollment and operation and maintenance

¹⁷⁴ Exhibit Liberty-1 at 9 to 10.

¹⁷⁵ Exhibit Liberty-1 at 9 to 10.

¹⁷⁶ Exhibit Liberty-1 at 9.

¹⁷⁷ Exhibit Liberty-1 at 10 to 11.

¹⁷⁸ Exhibit Liberty-1 at 11.

(O&M).¹⁷⁹ Liberty requests that the rebates and O&M expenses be treated as regulatory assets to be recovered in rate base.¹⁸⁰

6.3. Small Business Charger Installation Rebate Program

Similar to the Residential Charger Program, Liberty designed its Small Business Charger Installation Rebate (Small Business Charger) Program to combat one of the claimed barriers to EV adoption, reliable access to daily charging.¹⁸¹ However, instead of focusing on home charging, the Small Business Charger Program will provide access to EV charging at work locations.¹⁸² As proposed, the Small Business Charger Program will provide a rebate of up to \$2,500 for the first 100 customers that meet the following enrollment criteria: (1) own or lease the site and be the customer of record associated with the premises where the station(s) will be deployed; (2) install a charging station that meets various technical standard and energy efficiency recommendations listed by a NRTL; (3) provide a receipt from a licensed electrical contractor for installing the charging station(s); (4) provide copies of all permits required by the relevant authority having jurisdiction; (5) agree to take service on an eligible TOU rate; (6) agree to participate in the Small Business Charger program for a minimum of 10 years, including maintain the charging station(s) in working order and contracting with a qualified EV charging network service provider to

¹⁷⁹ Exhibit Liberty-1 at 11; *see* Section 6.6 for a more detailed explanation of Liberty's proposed funding and cost recovery.

¹⁸⁰ Exhibit Liberty-1 at 16.

¹⁸¹ Exhibit Liberty-1 at 11 to 12.

¹⁸² Exhibit Liberty-1 at 12.

provide transactional data to Liberty; (7) agree to provide public access to the charging stations; and (8) agree that Liberty may conduct random spot checks at the customer site to confirm the work was performed.¹⁸³ Like the Residential Charger Program, the Small Business Charger Program's rebates are intended to incentivize the installation of EV chargers by providing an offset for the hardware, permitting, and installation costs of the EV charger itself, which would be owned by the participating customer.

Liberty testifies that the Small Business Charger program promotes EV adoption by providing employees residing outside of the Lake Tahoe region access to reliable workplace charging within Liberty's service territory.¹⁸⁴ Liberty notes the Small Business Charger PRP provides many of the same benefits that the Residential Charger program provides, including the creation of high-quality jobs for local certified electrical contractors, since enrollees will be required to use such labor to qualify for the \$2,500 rebate.¹⁸⁵ Liberty forecasts the total of the Small Business Charger program to cost \$300,000, with \$250,000 reserved for the 100 small business rebates, and \$50,000 in O&M.¹⁸⁶ Liberty requests authority treat rebates and O&M expenses as regulatory assets to be recovered in rate base.¹⁸⁷

¹⁸³ Exhibit Liberty-1 at 12.

¹⁸⁴ Exhibit Liberty-1 at 12 to 13.

¹⁸⁵ Exhibit Liberty-1 at 13.

¹⁸⁶ Exhibit Liberty-1 at 13.

¹⁸⁷ Exhibit Liberty-1 at 17.

6.4. Customer Online Resource Project

The Customer Online Resource Project is designed to offset another proposed barrier to EV adoption, lack of knowledge concerning the environmental and cost benefits of owning and driving a zero-emission vehicle.¹⁸⁸ As proposed, Liberty intends to build-out its current website to include a web-based information resource focused on EV-related information.¹⁸⁹ The Customer Online Resource portal will include information to educate customers on EVs, charging requirements, charger locations within Liberty's service territory, federal and state rebate programs for EV purchasers and lessees, Liberty's available rebate programs TOU rates, and other information to help increase EV awareness and adoption among customers in Liberty's service territory.¹⁹⁰ Liberty testifies that the Customer Online Resource Project aims to improve air quality by helping to increase driver awareness in making the shift to an EV versus a fossil-fueled vehicle.¹⁹¹ Liberty projects the Customer Online Resource Project to cost approximately \$120,000, with \$85,000 in costs attributed to the first-year and \$35,000 in the second year.¹⁹² Liberty estimates the Customer Online Resource Project to have on-going maintenance costs of \$16,740 per year.¹⁹³

¹⁸⁸ Exhibit Liberty-1 at 14.

¹⁸⁹ Exhibit Liberty-1 at 13.

¹⁹⁰ Exhibit Liberty-1 at 13.

¹⁹¹ Exhibit Liberty-1 at 14.

¹⁹² Exhibit Liberty-1 at 14.

¹⁹³ Exhibit Liberty-1 at 14.

6.5. EV Bus Infrastructure Program

Liberty's TE portfolio includes one SRP, its EV Bus Infrastructure Program. In its opening testimony, Liberty explains it designed the EV Bus Infrastructure Program to support the Tahoe Transportation District's (TTD) procurement of EV buses within the next three to four years.¹⁹⁴ Under the EV Bus Infrastructure Program, Liberty proposes to fully cover the cost of the installation, operation, and maintenance of two charging stations at a TTD site to enable overnight charging for TTD's EV buses.¹⁹⁵ This includes the procurement and installation of all electric infrastructure needed to support the buses, the fast-charging stations themselves, and any ongoing maintenance needed for the electric bus charging equipment.

Since the time of filing its initial application and opening testimony, TTD was awarded Congestion Mitigation and Air Quality (CMAQ) funds to purchase two Proterra battery-electric buses.¹⁹⁶ The CMAQ funds, paired with California's Transportation Development Credits and Proposition 1B (transportation bond measure) fully funds the costs of two Proterra buses, which are expected to be delivered to TTD in October 2018.¹⁹⁷ In addition, TTD applied for and was awarded a Low Emission-No Emission Section 5339(c) grant, which will fully fund the purchase of a third Proterra bus.¹⁹⁸ Liberty explains that three Proterra buses will not be able to operate without the proposed infrastructure under the

¹⁹⁴ Exhibit Liberty-1 at 14 to 15.

¹⁹⁵ Exhibit Liberty-1 at 14 to 15.

¹⁹⁶ Exhibit Liberty-4 at 3; Liberty Opening Brief at 4.

¹⁹⁷ Exhibit Liberty-4 at 3.

¹⁹⁸ Exhibit Liberty-4 at 3.

EV Bus Infrastructure Program because the agency lacks the additional budget to procure its own charging infrastructure.¹⁹⁹

The proposed EV Bus Infrastructure Program aims to provide the Lake Tahoe Basin with environmental benefits, by removing fossil-fueled buses from TTD's fleet.²⁰⁰ Liberty testifies that this program will serve as a demonstration model to other transportation services not only in Lake Tahoe, but across California.²⁰¹

Liberty estimates the total costs associated with its EV Bus Infrastructure Program to be \$223,000, which includes the cost of the required infrastructure and equipment and the installation of two fast-charging stations to enable overnight charging for the EV buses that TTD intends to add in its fleet in the coming years, including the three electric buses the transportation district has already received funding to procure.²⁰²

6.6. Proposed Cost Recovery

Liberty requests the authority to establish a Transportation Electrification Balancing Account to record the capital and operation and maintenance (O&M) costs incurred deploying any of the approved PRPs and SRP proposed in its

¹⁹⁹ Exhibit Liberty-4 at 3; The Low or No Emission Competitive program is administered by the Federal Transit Administration and provides funding to state and local governmental authorities for the purchase or lease of zero-emission and low-emission transit buses as well as acquisition, construction, and leasing of required supporting facilities. More information is available at <https://www.transit.dot.gov/funding/grants/lowno>.

²⁰⁰ Exhibit Liberty-1 at 15.

²⁰¹ Exhibit Liberty-1 at 15.

²⁰² Exhibit Liberty-1 at 16.

application.²⁰³ Due to the procedural schedule, Liberty expects to incur minimal costs in 2017 and the beginning of 2018, and expects to incur some O&M start-up costs in the latter part of 2018.²⁰⁴ Because the majority of capital costs, including the DCFCs, rebates for the electric infrastructure and charging stations installed under the Residential Charger and Small Business Charger (which Liberty proposes to treat as regulatory assets) will be incurred in late 2018 and 2019, Liberty proposes to include the forecast costs of its TE programs in its next General Rate Case (GRC), which will be filed in 2018 and set rates for 2019-2021.²⁰⁵ For those costs incurred in 2019 and beyond, Liberty proposes to include the capital and O&M costs related to its TE programs in the 2019 GRC.²⁰⁶

As noted above, in its initial application and supporting testimony, Liberty requested the authority to treat the rebates for its Residential Charger and Small Business Charger programs as regulatory assets.²⁰⁷ Treatment of the rebates as regulatory assets would allow Liberty to amortize these costs over the expected ten-year life of the charging station(s).²⁰⁸ Liberty requests the treatment of rebate monies as regulatory assets because while the utility will not own the charging stations themselves, the rebate(s) associated with both the Residential Charger and Small Business Charger programs constitute a significant portion of the total cost of the program and the benefits associated with the installation of the

²⁰³ Exhibit Liberty-1 at 16.

²⁰⁴ Exhibit Liberty-1 at 16.

²⁰⁵ Exhibit Liberty-1 at 16.

²⁰⁶ Exhibit Liberty-1 at 16.

²⁰⁷ Exhibit Liberty-1 at 17.

²⁰⁸ Exhibit Liberty-1 at 17.

rebated charging infrastructure would accrue over multiple years.²⁰⁹ As such, Liberty believes its investment in the rebates should be recoverable from ratepayers over time, as the benefits of the infrastructure investments accrue.²¹⁰ Liberty testifies that the treatment of rebate monies as regulatory assets has the added benefit of spreading the costs of the charging stations over a longer period of time, rather than providing for full recovery as an expense in the year incurred.²¹¹

6.7. Summary of Settlement Agreement

Liberty, ORA and SBUA settled all but one issue within the scope of this proceeding. The one issue not settled upon pertains to Liberty's proposed ownership of EVSE associated with its DCFC Project and EV Bus Infrastructure Program is discussed further in Section 6.8.²¹²

Although one of the active parties to this application, ChargePoint, is not a signatory to the proposed Settlement Agreement, ChargePoint's protest is limited to Liberty's proposed ownership of EVSE within its DCFC Project and EV Bus Infrastructure Program.²¹³ Because the proposed Settlement Agreement does not touch on the EVSE ownership issue, we will first review whether the proposed Settlement Agreement is reasonable in light of the whole record, and then analyze parties' positions on the EVSE ownership model for Liberty's proposed DCFC Project and EV Bus Infrastructure Program.

²⁰⁹ Exhibit Liberty-1 at 17.

²¹⁰ Exhibit Liberty-1 at 17.

²¹¹ Exhibit Liberty-1 at 17.

²¹² ChargePoint Protest at 3 to 4.

²¹³ ChargePoint Protest at 3.

As reflected in Appendix E to this decision, Liberty, ORA, and SBUA state by their joint motion that the principal components of the settlement are:

1. **Rebates for Residential Charger and Small Business Charger Programs:** Liberty will treat the monies associated with its Residential Charger and Small Business Charger rebates as expenses, versus regulatory assets.²¹⁴ Instead of amortizing the rebates for the EVSE over ten years, Liberty will recover the rebate costs from customers in the year in which the expenses are incurred.²¹⁵
2. **Proof of Purchase:** Liberty will limit eligibility for its Residential Charger program to customers who provide proof of purchase or lease of a PEV that demonstrates the vehicle was purchased or leased on or after the date Liberty filed the instant application (June 30, 2017).²¹⁶ This is an expansion from Liberty's original proposal to limit participation to those customers who had purchased a PEV within six months prior to that customer's request to participate in the Residential Charger program.²¹⁷
3. **Marketing, Outreach and Reporting on Small Business Metrics:** Liberty will target its marketing strategy toward small businesses within its Small Business Charger program.²¹⁸ Liberty agrees that before or during the implementation of its Small Business Charger program, it will conduct a focus group or workshop of small local businesses to gather financial, business-related or implantation barriers on installing EVSE chargers.²¹⁹ Liberty will include a summary of its marketing and outreach measures

²¹⁴ Settlement Agreement (Liberty) at 3.

²¹⁵ Settlement Agreement (Liberty) at 3.

²¹⁶ Settlement Agreement (Liberty) at 3.

²¹⁷ Settlement Agreement (Liberty) at 3.

²¹⁸ Settlement Agreement (Liberty) at 3.

²¹⁹ Settlement Agreement (Liberty) at 4.

directed at small businesses and the lessons learned from them in its annual report.²²⁰

4. **DCFC Project Modifications:** Liberty will make the following modifications in implementing its DCFC Project:
 - a. Liberty will consider small business clusters and their driving habits as part of their site selection criteria for DCFC Project sites.²²¹ Liberty will consider: (1) clusters and location of small businesses; (2) local travel patterns of small businesses; (3) availability of other EV chargers; (4) small business community needs in accelerating TE; and (5) other factors Liberty deems specific to the small business sector.²²² Liberty will include the factors considered in making its site selection decisions in its annual report.²²³
 - b. Liberty agrees to set a non-binding goal of 15 percent for contracting with small businesses.²²⁴
 - c. Liberty will measure contracting participation from small businesses, usage by customer class, any lessons learned from marketing to small businesses, and any lessons learned from small business customer usage of the DCFCs to be included in the annual report.²²⁵

The Settlement Agreement concludes with a statement from Liberty, ORA, SBUA that because of TTD's procurement of grant funding for two to three

²²⁰ Settlement Agreement (Liberty) at 4.

²²¹ Settlement Agreement (Liberty) at 4.

²²² Settlement Agreement (Liberty) at 4.

²²³ Settlement Agreement (Liberty) at 4.

²²⁴ Settlement Agreement (Liberty) at 4.

²²⁵ Settlement Agreement (Liberty) at 4.

Proterra buses, Liberty should be authorized to implement its proposed EV Bus Infrastructure Program.²²⁶

6.7.1. Reasonable in Light of the Whole Record

The Commission has a well-established policy of adopting settlements if they are fair and reasonable in light of the whole record.²²⁷ In D.00-09-034, the Commission held that the parties' evaluation of their respective litigation positions and an appropriate outcome should carry material weight in the Commission's review of a settlement.²²⁸

The Settlement Agreement dated April 26, 2018 represents the collective best efforts of Liberty, ORA, and SBUA because each party has made concessions that will move Liberty's proposed PRPs and SRP forward. Liberty's agreement to treat the rebates for its Residential Charger and Small Business Charger Programs as expenses versus regulatory assets allows Liberty to recover a reasonable amount of costs for its investment in these programs, while simultaneously keeping customer rates as low as possible.²²⁹ This provision is reasonable and ensures the ratepayer investment in rebates is prudent and not overly costly, a primary concern raised by ORA.²³⁰ The requirement that participating customers to Liberty's Residential Charger Program have proof of a purchase or lease of a PEV on or after the date Liberty's application was filed (June 30, 2017), as opposed to a later date, may limit the number of truly new EV

²²⁶ Settlement Agreement (Liberty) at 5.

²²⁷ Joint Motion for Adoption of Settlement (April 26, 2018) at 4, citing D.11-06-023 at 13.

²²⁸ Joint Motion for Adoption of Settlement (April 26, 2018) at 4, citing D.00-09-023 at 20 and 26.

²²⁹ Joint Motion for Adoption of Settlement (April 26, 2018) at 4, referencing SB 350.

²³⁰ ORA Protest at 3 to 4.

drivers from participating in the program. That being said, and discussed further below, we believe this to be a reasonable concession in this instance given the other balancing factors in the proposed settlement. Liberty's agreement to host a focus group or workshop in conjunction with its Small Business Charger program will help the utility and the Commission better comprehend the barriers small businesses face in the TE sector, a primary concern of SBUA.²³¹

The Settlement Agreement also includes three modifications focused on small businesses participating in the DCFC Project. Per the Settlement Agreement, Liberty will (1) consider small business clusters and driving habits of small businesses for the DCFC Project; (2) adopt a non-binding goal of contracting with small businesses for at least 15 percent of its DCFC program costs; and (3) measure contracting participation among small businesses, and share lessons learned from small business customer usage of the DCFCs. These modifications address SBUA's concerns that additional outreach is needed to serve the growing TE market among small businesses.

Based on the above, the Settlement Agreement is reasonable in light of the whole record. The parties' testimonies establish a reasonable basis for the terms of modifying the regulatory treatment of the rebates associated with the Residential Charger and Small Business Charger Programs. Liberty's additional outreach amongst small businesses, in addition to setting a non-binding contracting goal with small businesses to serve as site hosts in deploying

²³¹ SBUA Motion for Party Status at 3: "SBUA believes there is a vital need for the small business community to have a greater voice, including in Applications such as the one at issue here promoting transportation electrification, which will have direct and significant impacts on small business utility customers."

Liberty's DCFC Project, are reasonable modifications that address the concerns raised by ORA and SBUA.

6.7.2. Consistent with Law

To determine if a settlement is consistent with law, the Commission will evaluate whether a settlement contravenes a statute or prior Commission decision.²³²

Liberty's agreement to treat the rebates associated with its Residential Charger and Small Business Charger Programs as expenses – rather than recover the costs associated with infrastructure the utility does not own through rate base over time – is consistent with the ratemaking treatment of other TE rebate programs recently authorized. In D.18-01-024, the Commission directed Southern California Edison Company to treat the rebates associated with its Residential Make-Ready Rebate Pilot as expenses instead of regulatory assets.²³³ The Commission most recently directed San Diego Gas & Electric Company to treat the costs associated with rebates for its Residential Charging Program as expenses instead of capitalizing those costs into rate base.²³⁴ These decisions align with the proposed Settlement to record the EVSE rebates for customers participating in its Residential Charger Program and Small Business Charger Program as expenses, rather than putting those costs into rate base.

Liberty's agreement to restrict customer participation to recent PEV buyers or lessees who have proof of purchase or lease on or after June 30, 2017, does not circumvent prior Commission decisions or statutory authority. Moreover, this

²³² Joint Motion for Adoption of Settlement (April 26, 2018) at 5, referencing D.17-03-005 at 6.

²³³ D.18-01-024 at 50.

²³⁴ D.18-05-040 at Ordering Paragraph 15.

modification aims to expand the Residential Charger Program's customer-base and prevent free ridership scenarios.

The agreement to expand Liberty's marketing and outreach materials to focus on the needs of small businesses, in addition to the three small-business focused modifications to the DCFC Project, fits within the scope of this proceeding. The proposed modifications to Liberty's DCFC, Residential Charger and Small Business Charger programs still fit within the three core PRP elements outlined in the ACR. Moreover, the terms of the Settlement Agreement provides Liberty with the opportunity to test each of its proposed programs, and evaluate how best to increase widespread TE in its California service territory.²³⁵

On the whole, the terms of the Settlement Agreement are consistent with § 740 because it supports TE programs which aim to improve environmental impacts from increased EV adoption and usage in Liberty's service territory, and create high-quality jobs and other economic benefits. As such, the proposed settlement is in the interest of ratepayers, and consistent with the statutory guidance reflected in Pub. Util. Code §§ 740.

6.7.3. In the Public Interest

The Commission has found when all active parties in a proceeding reach settlement, that settlement "commands the unanimous sponsorship of the affected parties who fairly represent the interests affected by the Settlement." Liberty, ORA, and SBUA had different stakes in seeing the deployment of Liberty's proposed TE programs, and fairly represent the ratepayer, small business, environmental and economic interests in this proceeding.

²³⁵ Pub. Util. Code § 740.2.

The agreement to treat rebate monies connected to Liberty's Residential Charger and Small Business Charger programs as expenses provides more ratepayer protections, as raised by ORA in its protest and opening testimony. The agreement to have participants to the Residential Charger program be required to provide proof of purchase or lease on or after June 30, 2017, will help limit free ridership, a primary concern of ORA's. These specific changes to Liberty's TE programs support a finding of being in the public interest because they ensure ratepayers are not burdened with capital-expensed costs, and that there are protections in place to ensure program participants have recently purchased or leased an EV.

The agreement for Liberty's DCFC Project to focus on small business travel patterns, the locations of the DCFCs themselves, and setting a non-binding goal of 15 percent for contracting with small businesses, ensure DCFCs are efficiently located to serve the charging needs of small businesses and their employees who may not have access to home charging. These modifications further the public interest, and aim to support EV adoption among small businesses and their employees.

As such, we find that the proposed Settlement Agreement is in the public interest. The agreement was obtained without extensive litigation and serves both the interests of the parties and the public at large, by conserving limited Commission resources from costly litigation.

6.8. Utility Ownership of EVSE

As identified in Section 6.7, Liberty, ORA, SBUA and ChargePoint were unable to reach consensus on the issue of EVSE ownership pertaining to the DCFC Project and EV Bus Infrastructure Program. While we find the proposed settlement of Liberty, ORA, and SBUA to be reasonable in light of the whole

record, consistent with law, and in the public interest, we cannot authorize the implementation of the DCFC Project and EV Bus Infrastructure Program without resolving the outstanding ownership issue.

6.8.1. Liberty's Position on EVSE Ownership

As proposed in its initial application and supporting testimony, Liberty believes ownership of the EVSE in its DCFC Project and EV Bus Infrastructure Program is critical to effectively deploy charging infrastructure and achieve the broader goals of widespread TE as outlined in SB 350.²³⁶ While Liberty cites to multiple environmental impacts and the creation of jobs and opportunities for customers to make the switch to drive electric, the only credible basis Liberty gives for its proposed EVSE ownership is citing previously authorized TE pilot programs that allow for end-to-end or full utility ownership of the EVSE.²³⁷ Liberty opines that like the previously-approved pilot programs, Liberty's proposed DCFC Project and EV Bus Infrastructure Programs are non-controversial, have small budgets, and provide Liberty and the Commission with the opportunity to test and evaluate a variety of business models for scaling future TE programs and investments.²³⁸

6.8.2. ORA's Position and Recommendation on EVSE Ownership

ORA first raised the EVSE ownership issue in its protest. Specifically, ORA protested Liberty's proposed ownership of EVSE, stating that permitting the utility to own the EVSE could have significant anti-competitive effects on the

²³⁶ Liberty Opening Brief at 4.

²³⁷ Liberty Opening Brief at 4 to 6; citing D.18-01-024 at 13 to 30.

²³⁸ Liberty Opening Brief at 6.

market.²³⁹ ORA conducted two different analyses on Liberty's proposed EVSE ownership. First, ORA calculated Liberty's projected ownership of its proposed DCFCs under the current number of available DCFCs within the Tahoe-Truckee Plug-In EV Readiness Plan.²⁴⁰ Under these figures, Liberty's proposed ownership of 38 DCFCs would equate to 44.7 percent of the market share of DCFCs within the area covered by the Tahoe-Truckee Planning Area's EV Readiness Plan.²⁴¹ Secondly, ORA analyzed the number of available DCFCs in and around Liberty's service territory. Within this analysis, ORA separated Tesla chargers from non-Tesla chargers, and calculated that if Liberty were to own the 38 DCFCs, it would equate to 27 percent of both Tesla and non-Tesla DCFC charging stations, or 53 percent of the non-Tesla DCFC.²⁴² ORA contends these percentages reflect the serious impact utility ownership of the fast chargers could have on the private DCFC market within Liberty's service territory, allowing the possible exertion of market power by one company.²⁴³

Instead of an end-to-end utility ownership model, ORA recommends Liberty be authorized to implement a program, whereby the utility would still own and operate the make-ready infrastructure, i.e. the electric infrastructure associated up to the EV charger (EVSE) and would be allowed to rate base the associated capital costs.²⁴⁴ ORA recommends that the site host be able to procure

²³⁹ ORA Protest at 4.

²⁴⁰ ORA Opening Brief at 15 to 16.

²⁴¹ ORA Opening Brief at 16, citing Exhibit Liberty-3 at 16.

²⁴² ORA Opening Brief at 15 to 16.

²⁴³ ORA Opening Brief at 16.

²⁴⁴ ORA Opening Brief at 17.

and install their own EVSE (the DCFCs), passing the maintenance and operation of the charging equipment to the site hosts.²⁴⁵ ORA opines that the cost of procuring and installing the EVSE could be subsidized for the participating customers via rebates, which Liberty would treat as an expense.²⁴⁶ ORA explains the main difference under the make-ready model versus Liberty's proposed ownership model is the cost to ratepayers.²⁴⁷ Specifically, customer ownership would include only the cost of the EVSE as an expense or rebate, while Liberty's ownership which would include the cost of the EVSE and make-ready infrastructure as an asset for which Liberty would receive a rate of return.²⁴⁸ ORA bolsters this recommendation by citing to previously authorized make-ready models such as Southern California Edison Company's current light-duty EV pilot program.²⁴⁹

6.8.3. SBUA's Position and Recommendation on EVSE Ownership

SBUA's opening brief is silent on the issue of utility EVSE ownership, but its opening testimony does touch on the issue.²⁵⁰ In testimony, SBUA explained that if Liberty were allowed to own the proposed EVSE in the DCFC Project and EV Bus Infrastructure Program, it could eliminate the ability of a small commercial or other market participants to enter these programs' charging

²⁴⁵ ORA Opening Brief at 17.

²⁴⁶ ORA Opening Brief at 17.

²⁴⁷ ORA Opening Brief at 17.

²⁴⁸ ORA Opening Brief at 17.

²⁴⁹ ORA Opening Brief at 17, referencing *generally* D.16-01-023.

²⁵⁰ SBUA Opening Brief at 4.

markets, hindering competition.²⁵¹ SBUA did not provide a specific recommendation on an alternative model for EVSE ownership under Liberty's proposed DCFC Project and EV Bus Infrastructure Program.

6.8.4. ChargePoint's Position and Recommendation on EVSE Ownership

Although discussed in its protest, ChargePoint did not file supporting testimony or briefs on the issue of Liberty's proposed EVSE ownership. In its protest, ChargePoint notes that Liberty fails to provide evidence that utility ownership of EVSE is necessary or justified.²⁵² Additionally, ChargePoint takes issue with Liberty's failure to weigh the benefits of utility ownership of EVSE against the competitive limitations that may result from utility ownership in its Application and supporting testimony.²⁵³ Additionally, ChargePoint notes that it would support the DCFC Project and EV Bus Infrastructure Program if Liberty had limited ownership of the make-ready infrastructure.²⁵⁴

6.8.5. Resolution of EVSE Ownership Issue

Under Pub. Util. Code § 740.3 and D.14-12-079, the Commission will only approve TE programs upon finding that such program deployment will not result in unfair competition with non-utility enterprises active in the EVSE marketplace.²⁵⁵ Unfair competition is measured by weighing the benefits of

²⁵¹ Exhibit SBUA-1 at 7.

²⁵² ChargePoint Protest at 3.

²⁵³ ChargePoint Protest at 3, referencing D.14-12-079 at 8 to 9 (Utility Ownership Balancing Test).

²⁵⁴ ChargePoint Protest at 3.

²⁵⁵ ChargePoint Protest at 3, referencing D.14-12-079 at 8 to 9.

utility ownership of customer-side EV charging infrastructure against the competitive limitation that may result from utility ownership.²⁵⁶

ORA's independent analysis under this balancing test exemplifies the impact Liberty's ownership of the DCFCs may have on the already small market of available public chargers in Liberty's service territory. The projected 27 to 53 percent market share of DCFCs is fairly high and may unintentionally bar smaller companies from entering the charging market. ORA's recommendation for a make-ready program, whereby ratepayers would not be responsible for the capitalized costs of the EVSE themselves, supports the recommendation for non-utility EVSE ownership for the DCFC Project and EV Bus Infrastructure Program. Liberty's testimony and opening brief remains silent on what an alternative ownership model could be for its proposed DCFC Project and EV Bus Infrastructure Program.

In line with our policy of testing various utility-ownership models in the fast-evolving TE space, we modify the DCFC Project and EV Bus Infrastructure Programs as make-ready programs, whereby the participating site host, and not just the utility, will have the option to own the EVSE. We are unconvinced that the success of these programs rests on Liberty's ability to own and rate base the costs of the EVSE it does not own. Moreover, the ratemaking treatment associated with the utility ownership model has the potential to place unnecessary rate impacts on Liberty's small customer pool. The modification for the site host to have the option to own the EVSE still enables Liberty to earn a rate of return on the make-ready infrastructure, by recording that investment as

²⁵⁶ ChargePoint Protest at 3, referencing D.14-12-079 at 8 to 9.

a regulatory asset. Should the site host prefer Liberty own and operate the EVSE, Liberty would earn a rate of return on the costs associated with the EVSE it owns. Should the site host prefer to own the EVSE, Liberty should provide the participant with a rebate for EVSE costs, which the utility should treat as an expense to be recovered in the year the cost is recorded. Like prior Decisions adopting EVSE infrastructure investment programs, Liberty should develop a base cost for the DCFC EVSE based on the price of the lowest cost EVSE model qualified through an RFP process, which Liberty already intends to conduct for the program as proposed. The rebate should cover up to 50 percent of the base cost calculated through the RFP process, like the rebate amount approved in D.16-01-023 for sites not located in disadvantaged communities that will serve multiple light-duty vehicle owners.²⁵⁷

To account for this modification, we are approving a capital cost for Liberty's DCFC Project reflective of 35 percent utility ownership. If more than 65 percent of DCFC Project site hosts choose to own their own EVSE, thereby lowering Liberty's capital costs associated with the program, Liberty shall return any unspent funds to ratepayers. Put another way, Liberty will own the EVSE only when the site host elects to have the utility own the charging station, and that option is limited to 35 percent of the charging ports supported by Liberty's

²⁵⁷ D.16-01-023 at 8 indicates the rebate levels for charging stations at various site types. The DCFC Liberty proposes to install are most closely related to the Multi-Unit Dwelling installations approved in D.16-01-023 because the sites will serve multiple customers and could provide a substitute to home charging for customers unable to charge at home. As such, Liberty should offer rebates of up to 50 percent of the base cost to site hosts that choose to own the DCFC on their property. Because Liberty's service territory does not include any disadvantaged communities, there is no need for an exception that provides a higher rebate for certain sites as adopted in D.16-01-023.

DCFC Project. If the site hosts elects to have Liberty own the EVSE, the customer will pay a participation payment of 50 percent of the EVSE base cost.²⁵⁸ Liberty would use the participation payment to defray operation and maintenance expenses associated with the EVSE it owns, consistent with D.16-01-045 and D.16-12-065. This optional ownership structure is similar to that adopted for Pacific Gas & Electric Company's (PG&E) light-duty infrastructure program in D.16-12-065 and aligns with the Commission's policy of testing various ownership models in the fast evolving TE space.²⁵⁹

We are approving Liberty's proposed capital budget for the EV Bus Infrastructure Program to allow TTD the option of owning its EVSE. In line with ORA's recommendation, this ownership option provides time for further evaluation about whether utility ownership of the EVSE is appropriate in this instance.²⁶⁰ Should TTD decide to own its own EVSE, Liberty should provide TTD with a rebate to cover up to 50 percent of the cost of the EVSE. This is similar to the rebate amount adopted for transit agencies participating in PG&E and Southern California Edison Company's (SCE) medium and heavy-duty infrastructure programs recently approved in D.18-05-040.²⁶¹ Should TTD elect to have Liberty own and operate the EVSE, TTD should be charged a participation payment, which should be developed in consultation between

²⁵⁸ D.16-12-065 at 53 describes that for multi-unit dwelling sites, the participation payment for customers that choose utility ownership of the EVSE will be 50 percent of the base cost. Because Liberty's service territory does not include any disadvantaged communities, there is no need for an exemption to the participation payment as adopted in D.16-12-065.

²⁵⁹ D.16-12-065 at 38; D.18-05-040 at 55 and 132.

²⁶⁰ Exhibit ORA-1 at 4.

²⁶¹ D.18-05-040 at 103.

Liberty, TTD and ORA. The participation payment would be used to defray the operations and maintenance cost associated with utility ownership of the electric bus charging infrastructure.

The modification requiring Liberty to rate base the cost of the EVSE only if the site host chooses not to own it provides ratepayer protections, consistent with the scope of this proceeding.²⁶² In addition to being consistent with our previously authorized TE programs,²⁶³ these modifications help ameliorate ChargePoint's concerns, and provide an avenue for EVSE providers to support the deployment of the DCFC Project and EV Bus Infrastructure Program.²⁶⁴ The specific budgetary impacts regarding this modification are illustrated in Table 4 below.

7. Authorized Project Funding and Cost Recovery

Section 740.12(b) allows the TE programs and investments proposed by the utility to be recovered through a reasonable cost recovery mechanism if they are consistent with § 740.12, do not unfairly compete with nonutility enterprises as required under § 740.3, include performance accountability measures, and are in the interests of ratepayers as defined in § 740.8.

Table 9 summarizes the funding approved by utility and cost category based on the modified programs described above.

²⁶² Scoping Ruling at 5; Pub. Util. Code §§ 740.3 and 740.8

²⁶³ See generally D.18-01-024 and D.18-05-040.

²⁶⁴ ChargePoint Protest at 3; *ChargePoint would support these two projects if [Liberty] had limited utility ownership to the make-ready infrastructure.*

Table 4. Funding Approved for Authorized Priority Review and Standard Review Transportation Electrification Projects

Transportation Electrification Project	Capital	Expense	Total
Liberty			
Residential Rebate Program	\$1,500,000	\$100,000	\$1,600,000
Small Business Rebate Program	\$250,000	\$50,000	\$300,000
Customer Online Resource	\$0	\$240,480	\$240,480
DCFC Project	\$2,195,085	\$1,804,915	\$4,000,000
EV Bus Infrastructure Program	\$223,000	\$0	\$ 223,000
Evaluation	\$0	\$254,539	\$254,539
Total	\$4,168,085	\$ 2,449,934	\$6,618,019

PacifiCorp			
Outreach and Education Program	\$0	\$170,000	\$170,000
Demonstration and Development Program	\$0	\$270,000	\$270,000
Evaluation	\$0	\$17,600	\$17,600
Total	\$0	\$457,600	\$457,600

Bear Valley			
Destination Make-Ready Program	\$471,950	\$135,550	\$607,500
Program	\$70,000	\$69,000	\$139,000

Evaluation	\$0	\$29,860	\$29,860
Total	\$541,950	\$234,410	\$776,360

This decision addresses the appropriate ratemaking treatment for recovery of the costs for the authorized transportation electrification projects. As described above, each utility plans to create a new balancing account to record approved project costs and revenues and use existing regulatory accounts to ensure that under- or over-collections are amortized annually in distribution rates.

8. Data Gathering Requirements

The Commission will review the results of the utilities' programs approved in this decision to determine the effectiveness of utility investments in transportation electrification. To facilitate this evaluation, we adopt the same data collection and reporting requirements that D.18-01-024 and D.18-05-040 required for the large IOUs to ensure standardization in reporting.

Each utility is required to submit an annual report and a final report for each of their approved projects, and serve this to the service list for this proceeding. The reports should use the report template and data collection template available on the CPUC website (<http://www.cpuc.ca.gov/sb350te/>) under the "reporting requirements" section of this page.

The templates include:

- A final report template in Microsoft Word format that includes report headings and descriptions of the information that should be included in the report. This reporting information is common across all projects. Additional, project specific information is included as an appendix to this template.

A data reporting template in Microsoft Excel that has several tabs for the utilities to report various quantitative data. The first tab of the file contains instructions on how to complete the files. Each utility should complete this file and submit it in Excel format along with its annual and final reports.

9. Evaluation

Section 740.12(c) requires the Commission to review data concerning current and future TE adoption and charging infrastructure utilization prior to authorizing the utilities to collect new TE program costs. The evaluation process should, at a minimum, investigate and identify the following:

- (1) Whether the utilities' TE investments meet the stated purposes of accelerating widespread transportation electrification, reducing dependence on petroleum, meeting air quality standards, achieving the goals of the Charge Ahead California Initiative, and reducing greenhouse gas emissions.
- (2) Whether the TE investments maximized benefits and minimized costs.
- (3) Learnings from analysis of data collected during program implementation including:
 - a. Infrastructure utilization data;
 - b. Number of incremental electric vehicles adopted;
 - c. Actual costs associated with the electrification of various sectors;
 - d. Actual emissions reductions associated with TE investments; and
 - e. Actual grid impacts associated with TE investments.

D.18-01-024 and D.18-05-040 directed the large IOUs to collectively fund a budget equal to four percent of their total approved project budgets from all

ratepayers, to conduct an RFP to hire an evaluator that will review the results of the priority review projects approved in that decision.²⁶⁵ The decision further directed PG&E, SDG&E, and SCE to coordinate evaluation efforts with PacifiCorp, Liberty, and BVES to capture economies of scale for purposes of evaluating the PRPs. In this decision, we direct PacifiCorp, Liberty, and BVES to contribute four percent of their total approved program budgets to support this evaluation effort and extend it to the large IOUs' project result evaluation. The four percent contribution amongst the large and small IOUs is meant to be a pooled fund and not a pro rata calculation for the costs for the evaluator to review each of the utility's approved programs.

As directed in D.18-01-024 and D.18-05-040, after coordinating with PG&E, SDG&E, and SCE, the utilities must submit a joint Tier 1 AL providing a status update on implementation of and data available from the programs authorized in this decision. The timeline of the programs approved in this decision may not align with the larger IOUs' evaluation timelines, and, if so, should be addressed in the joint Tier 1 AL, with details on the timelines for data availability from all TE infrastructure investment programs approved under SB 350. Based on the progress of the projects at that time, the Commission will determine whether one evaluation can capture all of the approved projects' results or whether separate evaluations will be needed due to timing or other differences in the data available from the programs. The expectation is for the evaluation efforts specific to the programs approved in this decision to commence by mid-2019.

²⁶⁵ D.18-01-024 at 97.

10. Safety Considerations

The Commission's focus on ensuring utilities provide safe and reliable service is an overarching focus in the emerging TE industry. Section 740.8 defines the "interests" of ratepayers to mean: direct benefits that are specific to ratepayers consistent with safer, more reliable or less costly gas or electrical service consistent with § 451. The ACR directed that TE Applications should promote driver, customer and worker safety.²⁶⁶ Safety and Enforcement Division (SED) staff issued a data request to better understand how the utilities are addressing these objectives. Based on the responses, SED staff developed a draft Safety Requirements Checklist for the TE programs, available on www.cpuc.ca.gov/sb350te under the "SB 350 TE Reporting Requirements" section of this page.

The Safety Requirements Checklist is intended to consolidate current standards and requirements in one place and to ensure the utility infrastructure is installed and operated safely and does not adversely affect reliability of electrical service.

No later than 18 months after today's decision is approved, the sponsoring utility for each project must file a Tier 1 AL describing their compliance efforts. The AL must contain an attestation signed by the Project Manager. Each utility should file a final safety attestation, using the same template developed for the large IOUs, along with their final report for each approved program.

The Commission will review utility compliance with the Safety Requirements Checklist and may conduct inspections or audits to confirm

²⁶⁶ ACR, Section 3.8.

compliance. The sponsoring utility must have all compliance documentation available should the Commission determine an inspection or audit is necessary.

11. Categorization and Need for Hearing

In Resolution ALJ 176-3401, the Commission preliminarily categorized this proceeding as ratesetting, and preliminarily determined that hearings were necessary. The October 25, 2017 Scoping Ruling confirmed the categorization as ratesetting and built in the option for evidentiary hearings via motion, however, no hearings were held.

12. Exhibit Identification and Outstanding Procedural Matters

Pursuant to the April 19, 2018 e-mail served by ORA, the following exhibits were identified to be included in this proceeding:

BVES-1: Prepared Rebuttal Testimony of Joseph Phalen on behalf of BVES

Liberty-1: Opening Testimony of Liberty in Support of its Application

Liberty-2: Qualification of Phong Nguyen

Liberty-3: Attachments to Liberty's Opening Testimony

Liberty-4: Rebuttal Testimony of Liberty in Support of its Application

Liberty-5: TTD E-mail Regarding Grant Funding for EV Buses

Liberty-6: Federal Transit Administration 2017 Low or-No Emission Bus Program Projects

PAC/100: Direct Testimony of Eli M. Morris

PAC/101: Outreach and Education Program Description

PAC/102: Demonstration and Development Program Description

PAC/200: Rebuttal Testimony of Eli M. Morris

ORA-1: Opening Testimony of ORA on PacifiCorp's TE Application

ORA-2: Opening Testimony of ORA on Liberty's TE Application

ORA-3: Opening Testimony of ORA on BVES' TE Application

ORA-4: Rebuttal Testimony on the TE Applications of PacifiCorp, Liberty, and BVES

ORA-5: ORA Work paper on Public DCFC Charging in and around Liberty's service territory

SBUA-1: Opening Testimony of SBUA on the TE Applications of PacifiCorp, Liberty, and BVES

SBUA-2: Rebuttal Testimony of SBUA on the TE Applications of PacifiCorp, Liberty, and BVES

Joint-1: Joint Stipulation of BVES, ORA and SBUA regarding EV TOU Rates and TOU Periods for BVES' EV-TOU Pilot

The parties did not propose any of the above referenced exhibits be marked as confidential. On July 26, 2018, an e-mail ruling was served on the service list to this proceeding confirming that the above-identified exhibits would be marked as of April 19, 2018, the day in which ORA served the joint exhibit list. The July 26 ruling noted that all of the marked exhibits would be received into evidence as of August 7, 2018, absent an objection from parties. No objections were received.

The July 26 ruling additionally directed Liberty to serve a data request response as an exhibit, and pre-identified the response as Liberty-7, by August 3, 2018. The July 26 ruling noted that absent an objection from parties, Liberty-7 would be received into evidence on August 7, 2018. Liberty-7 was not served until August 8, 2018, and thus is identified as of August 8, 2018.

Absent an objection from parties, the following marked exhibits were received into evidence on August 7, 2018: BVES-1, Liberty-1, Liberty-2, Liberty-3, Liberty-4, Liberty-5, Liberty-6, PAC/100, PAC/101, PAC/102, PAC/200, ORA-1,

ORA-2, ORA-3, ORA-4, ORA-5, SBUA-1, SBUA-2, and Joint-1. Liberty-7 is received into evidence as of the date of adoption of today's decision.

The Commission affirms all rulings made by the assigned Commissioner and assigned Administrative Law Judge (ALJ). All motions not previously ruled on are deemed denied.

13. Assignment of Proceeding

Carla J. Peterman is the assigned Commissioner. ALJs Michelle Cooke and Sasha Goldberg are the Presiding Officers.

14. Comments on Proposed Decision

The proposed decision of ALJs 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 Rules of Practice and Procedure. Opening Comments were filed on September 17, 2018 by ORA, PacifiCorp, SBUA, and Liberty. Reply comments were filed on September 24, 2018 by ORA. Small edits have been made throughout the decision to improve clarity based on parties' comments.

Findings of Fact

1. As of May 2017, PacifiCorp had 28 customers apply for PEV rebates through the Clean Vehicle Rebate Program, as compared to the 186,550 customers statewide. PacifiCorp has approximately 45,000 customers.

2. As of June 30, 2017, PacifiCorp has only 14 publicly available charging ports in its California Service territory, 12 of which can only be accessed by Tesla drivers.

3. As of June 30, 2017, there were 12,803 publicly accessible charging ports available statewide.

4. PacifiCorp's Outreach and Education Program is designed to increase awareness of EV benefits and increase customer awareness of charging options in PacifiCorp's California service territory.

5. PacifiCorp attributes lack of EV adoption among its California customers to lack of knowledge of the benefits EVs have over ICE vehicles.

6. PacifiCorp's Demonstration and Development Program is designed to award competitive grant funding to non-residential customers to encourage development of customer-driven TE projects in PacifiCorp's California service territory.

7. Instead of funding the Outreach and Education and Demonstration and Development programs through increased rates, PacifiCorp proposes to fund both projects with remaining funds from PacifiCorp's California Solar Initiative Program.

8. In D.11-03-007, the Commission directed that any unspent collections from PacifiCorp's California Solar Initiative Program be rolled over annually for the first four years until further order of the Commission either directing use of the funds or return of the money to PacifiCorp's ratepayers.

9. PacifiCorp, ORA and SBUA settled all issues in the scope of PacifiCorp's application.

10. PacifiCorp, ORA, and SBUA agree that because the Commission has yet to establish procedures for approval of PRPs via the advice letter process, PacifiCorp will submit a new application for any future PRP proposals, other than its Outreach and Education and Demonstration and Development Programs.

11. PacifiCorp will work to give greater consideration to the needs of small businesses in PacifiCorp's service territory, including an annual meeting with

SBUA, hosting a utility-sponsored workshop geared toward non-residential customers in PacifiCorp's California service territory, and collecting data focused on small business metrics.

12. On April 13, 2018, PacifiCorp, ORA, and SBUA filed a joint motion for Commission consideration of a settlement on the issues raised in PacifiCorp's application (PacifiCorp Settlement).

13. The Settlement Agreement dated April 13, 2018 represents the collective best efforts of PacifiCorp, ORA, and SBUA because all parties have made concessions that will move the Outreach and Education and Demonstration and Development PRPs forward.

14. The terms of the April 13, 2018 Settlement Agreement are consistent with the guidance by which PacifiCorp framed its proposed Outreach and Education and Demonstration and Development PRPs.

15. BVES designed its Destination Pilot to deploy up to 50 L2 charging stations at sites owned or operated by commercial customers in BVES' service territory, in addition to providing a pilot EV TOU rate aimed at ensuring EV charging occurs at times most beneficial to the grid.

16. BVES' service area, Big Bear, is a major recreational destination located in Southern California. Big Bear has around 12,000 residents (a substantial number of which are seasonal residents who travel from their primary home), and receives approximately 6 million annual visitors, of which about 70 percent are from surrounding counties.

17. Both the Destination Pilot and EV-TOU Pilot aim to reduce GHG emissions, improve local air quality, address the current lack of EV charging infrastructure in Big Bear, and create more data on EV charging in Big Bear that can be analyzed and used to implement a long term program.

18. In addition to the environmental and economic benefits of its proposed Destination and EV-TOU Pilots, BVES aims to address barriers to EV charging infrastructure that is unique to its service territory.

19. Currently Big Bear has minimal public Level 1 charging stations and no public L2 or DCFC infrastructure.

20. In settlement negotiations, BVES modified its Destination Pilot to a make-ready program whereby BVES will construct, own, and operate the make-ready infrastructure and capitalize such infrastructure as capital additions in rate base. Non-capital costs, such as marketing, outreach, and education will be expensed.

21. Participation in BVES' Destination Pilot will be available to any BVES commercial customer serving visitors, such as hotels, restaurants, retail stores, marinas or ski resorts. Participation will be on a first-come first-serve basis, so long as the commercial customer meets certain eligibility requirements that will be further fleshed-out through program guidelines.

22. BVES' proposed standard review project is designed to study three new experimental EV TOU rates that offer lower prices for EV charging during off-peak hours and record data to analyze customers' receptivity to price signaling.

23. In addition to decreasing EV charging costs, BVES designed the EV-TOU Pilot to improve customers' understanding of EV charging and grid balance.

24. BVES will offer the three EV TOU rates for customers agreed to in Joint-1 within three different customer classes: single-family dwellings currently receiving service on a Domestic (D or DO) Schedule, commercial customers with maximum monthly demand below 20kW, and commercial customers with maximum monthly demand between 20kW and 500kW. Commercial customers

with a maximum monthly demand greater than 500kW would not be eligible to participate in the EV-TOU Pilot.

25. After enrolling in the EV-TOU Pilot, customers will receive two bills for electricity usage, one for their regular home or business energy consumption at their current rate on the original meter, and a second bill dedicated to electricity consumed by EV charging at one of the three stipulated EV TOU rates.

26. BVES plans to offer its stipulated EV TOU rates to all types of EVs, inclusive of watercraft, buses and other heavy equipment that are mobile sources of air pollution and GHG emissions.

27. The settled EV TOU periods provide for a larger off-peak period in summer, 10:00 p.m. to 9:00 a.m. versus the shorter periods originally proposed by BVES in its application.

28. On March 9, 2018, BVES, ORA, SBUA and Greenlots filed a joint motion for Commission consideration of a settlement on the issues raised in the BVES application (BVES Settlement).

29. The terms of Joint-1 and the March 9, 2018 Settlement Agreement do not alter the guidance by which BVES framed its proposed Destination Pilot and EV-TOU Pilot programs after.

30. Liberty modeled its TE program and investments to address many of the barriers to EV adoption in its service territory.

31. Liberty designed its DCFC Project to enable EV drivers to get in, around, and out of the Lake Tahoe Region expeditiously to offset the need for home charging or overnight charging.

32. Liberty will continue to work with the Tahoe Regional Planning Agency to identify the best sites to serve the intra-regional corridors in the Lake Tahoe

Region that connects the City of South Lake Tahoe, Kings Beach, Stateline, Incline Village, Homewood and Tahoe City.

33. Liberty designed its Residential Charger PRP to provide reliable access to daily charging, a barrier to EV adoption among consumers.

34. The \$1,500 rebate associated with Liberty's Residential Charger PRP is designed to incentivize the installation of home EV chargers by offsetting the costs of hardware, permitting, and installation costs.

35. Liberty designed its Small Business Charger program to combat one of the barriers to EV adoption, reliable access to daily charging.

36. The Customer Online Resource Project is designed to offset another key barrier to EV adoption, lack of knowledge concerning the environmental and cost benefits of owning and driving a ZEV.

37. Since the time of filing its initial application and opening testimony, TTD was awarded CMAQ funds to purchase two Proterra battery-electric buses. The CMAQ funds, paired with California's Transportation Development Credits and Proposition 1B fully funds the costs of two Proterra buses, which are expected to be delivered to TTD in October 2018.

38. TTD applied for and was awarded a Low Emission-No Emission Section 5339(c) grant, which will fully fund the purchase of a third Proterra bus.

39. The proposed EV Bus Infrastructure Program aims to provide the Lake Tahoe Basin with environmental benefits, by removing fossil-fueled buses from TTD's fleet.

40. Liberty, ORA and SBUA filed a joint motion for Commission consideration of a settlement on the issues raised in Liberty's application (Liberty Settlement) on April 26, 2018.

41. Liberty, ORA and SBUA settled all but one issue in the scope of Liberty's application.

42. The outstanding issue in the scope of Liberty's application pertains to whether Liberty should own the EVSE associated with its DCFC and EV Bus Infrastructure programs.

43. ChargePoint's protest is limited to Liberty's proposed ownership of EVSE within its DCFC and EV Bus Infrastructure programs.

44. The Settlement Agreement dated April 26, 2018 concludes with a statement from Liberty, ORA, SBUA that because of TTD's procurement of grant funding for two to three Proterra buses, Liberty should be authorized to implement its proposed EV Bus Infrastructure Program.

45. Liberty's agreement to treat the rebates associated with its Residential Charger and Small Business Charger Programs as expenses versus regulatory assets is consistent with the ratemaking treatment of other TE-rebate programs recently authorized by the Commission.

46. Restricting customer participation to recent PEV buyers or lessees who have proof of purchase or lease on or after June 30, 2017 aims to target the Residential Charger Program's customer-base on new EV adopters.

47. The only credible basis Liberty gives for its proposed EVSE ownership is citing previously authorized TE pilot programs that allow for end-to-end or full utility ownership of the EVSE.

48. ORA calculated Liberty's projected ownership of its proposed DCFCs under the current number of available DCFC within the Tahoe-Truckee Plug-In EV Readiness Plan.

49. ORA calculated Liberty's proposed ownership of 38 DCFCs would equate to 44.7 percent of the market share of DCFCs within the Tahoe-Truckee service territory.

50. ORA calculated that if Liberty were to own the 38 DCFCs, it would equate to 27 percent of both Tesla and non-Tesla DCFC charging stations, or 53 percent of the non-Tesla DCFCs.

51. Based on its analysis, ORA recommends Liberty be authorized to implement a make-ready program, whereby the utility would still own and operate the electric infrastructure associated with the EVSE (DCFCs) and would be allowed to rate base the associated capital costs.

52. In testimony, SBUA explained that if Liberty were allowed to own the proposed EVSE in its DCFC and EV Bus Infrastructure programs, it could eliminate the ability of a small commercial or other market participant to enter these program's charging markets, hindering competition.

53. The projected 27 to 53 percent market share of DCFCs that would occur if the program were implemented as proposed by Liberty is fairly high, given the relatively small size of Liberty's service territory, and may unintentionally bar smaller charging companies from entering the charging market.

54. We remain unconvinced that the success of Liberty's DCFC and EV Bus Infrastructure programs rests on Liberty's ability to own and rate base the costs of the EVSE. Such ratemaking treatment has the potential to place unnecessary rate impacts on Liberty's small customer pool.

Conclusions of Law

1. PacifiCorp's Outreach and Education and Demonstration and Development Projects are properly categorized as priority review because they

are non-controversial, of limited duration, and have estimated budgets below the \$4 million per-project cap.

2. The Settlement Agreement dated April 13, 2018 represents the collective best efforts of PacifiCorp, ORA and SBUA because all parties have made concessions that will move the Outreach and Education and Demonstration and Development Projects forward.

3. The Settlement Agreement dated April 13, 2018 is uncontested.

4. PacifiCorp's agreement to report on additional small business metrics will to provide the Commission with valuable information on what barriers small businesses face in adopting EVs.

5. PacifiCorp's agreement to consult SBUA when developing future TE programs ensures the needs of small businesses will not be overlooked in the deployment of the Outreach and Education and Demonstration and Development PRPs.

6. PacifiCorp should be authorized to fund its Outreach and Education and Demonstration and Development Projects through the unspent funds from PacifiCorp's California Solar Initiative Program.

7. Today's decision is consistent with the directive called for in D.11-03-007, whereby the Commission could direct the use of any unspent funds leftover in the California Solar Initiative Program.

8. The parties' testimonies establish a reasonable basis for the terms of modifying the method by which PacifiCorp may propose additional TE programs, and the additional steps PacifiCorp will take to ensure the needs of small businesses within its California service territory are given adequate consideration.

9. The non-binding goal of allocating 20 percent of the Demonstration and Development program's grant funding to small business applicants or TE projects that directly target small businesses in PacifiCorp's California service territory is reasonable.

10. PacifiCorp, ORA, and SBUA, being signatories to the April 13, 2018 settlement, fairly represent the interests affected by the Settlement because each party has a different interest and perspective in seeing the deployment of PacifiCorp's proposed TE programs.

11. The agreement to propose new TE programs through an application and not an advice letter, and the small business incentives, in the agreements, are consistent with § 740 because they aim to support increased EV adoption in PacifiCorp's service territory and to create at least one new employment opportunity through the hiring of a grant manager.

12. In light of the testimony provided by PacifiCorp and the unanimous support for the additional small business outreach and advice letter filing directive in settlements, we find that the April 13, 2018 settlement agreement is reasonable in light of the whole record, consistent with law, and in the public interest.

13. PacifiCorp's PRPs aim to inform the Commission how best to scale the utility's electrification efforts in PacifiCorp's California service territory, ensuring that proactive steps are taken to help California meet its ZEV statewide goal, and GHG emissions reduction target.

14. Participants in BVES' Destination Pilot should use qualified labor with a valid C-10 license to complete the installation. BVES should maintain a list of qualified contractors and electricians for participants to select from.

15. BVES' Destination Pilot is properly categorized as priority review because it is non-controversial, of limited-duration, and has an estimated budget below the \$4 million per-project cap.

16. BVES' EV-TOU Pilot is properly categorized as standard review because of the experimental nature of its varying TOU rates, and the proposed three-year implementation of this program.

17. The Settlement Agreement dated March 9, 2018 represents the collective best efforts of BVES, ORA, SBUA and Greenlots because all parties have made concessions that will move the Destination Pilot and EV-TOU Pilot forward.

18. The Settlement Agreement dated March 9, 2018 is uncontested.

19. In implementing its Destination Pilot, BVES should construct, own, and operate the make-ready infrastructure and capitalize such infrastructure as capital additions in rate base.

20. BVES should treat non-capital costs associated with its Destination Pilot, such as marketing, outreach, and education as expenses.

21. BVES should utilize a one-way balancing account, including a 12 percent cost contingency to account for uncertainties in project costs, rather than the two-way balancing account proposed in the application.

22. To ensure long-term participant commitment, Destination Pilot participants should be required to maintain charging infrastructure for ten years.

23. BVES' plan to gather data on small business metrics aims to provide the Commission with valuable data on the barriers small businesses face within the TE market.

24. Setting a non-binding goal of siting 20 percent of the Destination Pilot for the benefit of the small business community should benefit the small business community in BVES' service territory.

25. ChargePoint fails to establish what the “unintended consequences” are from requiring Destination Pilot participants to enroll in a TOU rate for 24-months versus ChargePoint’s recommended 12-month period.

26. The agreement that BVES will construct, own and operate the charging infrastructure, and classify such expenses as capital included in rate base, provides BVES with a reasonable rate of return for these costs.

27. BVES’ agreement to implement a one-way balancing account with a 12 percent cost contingency accounts for unknown risks in the fast-evolving TE space.

28. The 12 percent cost contingency is consistent with recent TE Commission Decisions.

29. Requiring site hosts to maintain charging infrastructure for 10 years versus the originally proposed 24 months should help to avoid stranded costs and is reflective of the useful life of the EVSE itself.

30. BVES’ planned data gathering in conjunction with incorporating lessons learned, aim to provide the Commission with valuable data on small business participation in BVES’ service territory.

31. The agreement among parties that BVES’ EV-TOU Pilot utilize the three experimental rates and periods specified in Joint-1 is reasonable in light of the whole record, and reflects the collective best efforts by BVES, ORA, and SBUA.

32. The Destination Pilot and stipulated EV TOU periods and rates in conjunction with the EV-TOU Pilot aim to provide less costly electrical service, improve environmental impacts from increased EV adoption and usage in BVES’ service territory, and aims to create high-quality jobs and other economic benefits.

33. In light of the testimony provided by BVES and the unanimous support for the make-ready program and stipulated EV TOU rates in settlement, we find that the March 9, 2018 settlement agreement is reasonable in light of the whole record, consistent with law, and in the public interest.

34. In addition to the projected GHG emissions reductions that will improve air quality, Liberty's Residential Charger PRP should facilitate the creation of high-quality jobs for local certified electrical contractors, because enrollees will be required to use qualified labor to qualify for the rebate.

35. Similar to the Residential Charger program, Liberty's Small Business Charger PRP should facilitate the creation of high-quality jobs for local electrical contractors, because enrollees will be required to use qualified labor to qualify for the rebate.

36. The proposed EV Bus Infrastructure Program should provide the Lake Tahoe Basin with environmental benefits, by removing fossil-fueled buses from TTD's fleet.

37. Liberty's agreement to treat the rebates for its Residential Charger and Small Business Charger Programs as expenses versus regulatory assets still allows Liberty to recover a reasonable amount of costs for its investment in these programs.

38. Liberty's additional outreach among small businesses, in addition to setting a non-binding goal of 15 percent for contracting with small businesses to serve as site hosts, are reasonable modifications that are supported by the record in this proceeding.

39. Liberty's proposed data collection and reporting under the April 26, 2018 settlement agreement should provide the Commission with information on charging barriers within Liberty's unique service territory.

40. Restricting customer participation to recent PEV buyers or lessees who have proof of purchase or lease on or after June 30, 2017, does not circumvent prior Commission decisions or statutory authority.

41. Expanding Liberty's marketing and outreach materials to focus on the needs of small businesses, in addition to the three small-business focused modifications to the DCFC Project, fits within the scope of this proceeding.

42. The agreed upon modifications to Liberty's DCFC Project, Residential Charger and Small Business Charger programs do not significantly alter the programs so that they do not fit within the scope for priority review projects.

43. The settlement agreement dated April 26, 2018 fairly represents the varying ratepayer, small business, environmental and economic interests in this proceeding.

44. The Settlement Agreement dated April 26, 2018 is uncontested.

45. In light of the testimony provided by Liberty and the unanimous support for the treatment of rebates as expenses, expanded customer participation base, and increased outreach and reporting on small businesses within Liberty's service territory, we find that the April 26, 2018 settlement agreement is reasonable in light of the whole record, consistent with law, and in the public interest.

46. Unfair competition is measured by weighing the benefits of utility ownership of customer-side EV charging infrastructure against the competitive limitation that may result from utility ownership.

47. In line with our policy of testing various utility-ownership models in the fast-evolving TE space, it is reasonable to modify the DCFC Project and EV Bus Infrastructure Program into make-ready programs, under which the site host will have the option to own the EVSE themselves or have the utility own it.

48. Liberty has not shown that the success of its DCFC and EV Bus Infrastructure programs rests on allowing Liberty to own and rate base the costs of the EVSE. Allowing Liberty to do so has the potential to place unnecessary rate impacts on Liberty's small customer pool.

49. Consistent with the scope of this proceeding, it is reasonable and will provide ratepayer protection to allow the site host to own the charging equipment under the DCFRC and EV Bus projects.

50. On the whole, the terms of the Settlement Agreement are consistent with § 740 because it supports TE programs which aim to improve environmental impacts from increased EV adoption and usage in Liberty's service territory, and create high-quality jobs and other economic benefits. As such, the proposed settlement is in the interest of ratepayers, and consistent with the statutory guidance reflected in Pub. Util. Code §§ 740.

51. Exhibits BVES-1, Liberty-1, Liberty-2, Liberty-3, Liberty-4, Liberty-5, Liberty-6, PAC/100, PAC/101, PAC/102, PAC/200, ORA-1, ORA-2, ORA-3, ORA-4, ORA-5, SBUA-1, SBUA-2, and Joint-1 should be identified as of April 19, 2018 and received into evidence as of August 7, 2018.

52. Exhibit Liberty-7 should be identified as of August 8, 2018, and received into evidence as of the date of issuance of this decision.

53. Applications 17-06-031, 17-06-033, and 17-06-034 should be closed.

O R D E R

IT IS ORDERED that:

1. The funding for transportation electrification programs as summarized in Section 7, Table 4 is approved. Costs incurred for each program up to the

authorized level will be considered *per se* reasonable subject only to the utility's prudent administration of the program. Costs above the authorized level must be borne by shareholders.

2. PacifiCorp d/b/a Pacific Power shall implement its Education and Outreach and Demonstration and Development priority review projects pursuant to the terms and conditions of the April 13, 2018 Settlement Agreement contained in Appendix B to this decision.

3. PacifiCorp d/b/a Pacific Power may seek additional funding for its approved Education and Outreach and Demonstration and Development priority review projects by filing a Tier 2 Advice Letter (AL) with the Commission's Energy Division. At a minimum, the Tier 2 AL must include a detailed budget reflecting what the additional funds will be used for.

4. PacifiCorp d/b/a Pacific Power must file a new application with the Commission for approval of any additional priority review or standard review programs other than the Education and Outreach and Demonstration and Development programs authorized by this decision.

5. PacifiCorp d/b/a Pacific Power (*hereinafter*, PacifiCorp) is authorized to fund its Education and Outreach and Demonstration and Development priority review projects with the unspent funds from PacifiCorp's Commission approved California Solar Initiative Program. PacifiCorp must file a Tier 1 Advice Letter with the Commission's Energy Division with a detailed budget and accounting of the leftover California Solar Initiative Program funds prior to deploying its Education and Outreach and Demonstration and Development priority review projects.

6. Bear Valley Electric Service (A Division of Golden State Water) shall implement its Destination Make-Ready Rebate Pilot and Electric Vehicle

Time-of-Use Pilot Rate Program pursuant to the terms and conditions of the March 9, 2018 Settlement Agreement contained in Appendix C to this decision.

7. Bear Valley Electric Service (A Division of Golden State Water) (*hereinafter*, BVES) must offer the three Electric Vehicle (EV) Time-of-Use (TOU) rates and EV TOU periods pursuant to Joint-1 contained in Appendix D to this decision. BVES must offer the stipulated EV TOU rates and periods to participants in BVES' Destination Make-Ready Rebate Pilot program.

8. Prior to implementation, Bear Valley Electric Service (A Division of Golden State Water) must file Tier 2 Advice Letter reflecting the authorized budget in Table 4, Section 7.

9. Bear Valley Electric Service (A Division of Golden State Water) (*hereinafter*, BVES) is authorized to establish a new one-way balancing account to record the actual capital costs associated with the approved Destination Make-Ready Rebate Pilot. BVES may utilize a 12 percent cost contingency to ensure that any under-or-over collections associated with the authorized transportation electrification projects are amortized annually in distribution rates.

10. Within 15 days of the effective date of this decision, Bear Valley Electric Service (A Division of Golden State Water) must file a Tier 1 Advice Letter to establish the one-way balancing account approved in Ordering Paragraph 9.

11. Within 90 days of the adoption of this decision, Bear Valley Electric Service (A Division of Golden State Water) may file a Tier 2 Advice Letter with the Commission's Energy Division to establish three new tariff schedules: TOU-EV-1, TOU-EV-2, and TOU-EV-3.

12. Liberty Utilities (CalPeco Electric) LLC shall implement the DCFC, Residential Charger Installation Rebate, Small Business Charger Installation Rebate, Customer Online Resource, and EV bus Infrastructure programs

pursuant to the terms and conditions of the April 26, 2018 Settlement Agreement contained in Appendix E of this decision.

13. Prior to implementation, Liberty Utilities (CalPeco Electric) LLC (*hereinafter*, Liberty) must file a Tier 2 Advice Letter reflecting the authorized budget in Table 4, Section 7. The Tier 2 Advice Letter should also include Liberty's plans to conduct a request for proposal and calculate EVSE base costs for the DCFC program from which to calculate the rebate and participation payment amounts.

14. Liberty Utilities (CalPeco Electric) LLC (*hereinafter*, Liberty) must not own more than 35 percent of the charging station ports associated with its DC Project. Liberty must give the site host the option to own the charging station itself, versus Liberty owning and operating the station.

15. Liberty Utilities (CalPeco Electric) LLC must provide the participating site hosts the choice to own the selected electric vehicle supply equipment (EVSE) in the authorized DCFC and EV Bus Infrastructure programs.

16. Liberty Utilities (CalPeco Electric) LLC (*hereinafter*, Liberty) must offer the Tahoe Transportation District (TTD) the option own the charging stations associated with the EV Bus Infrastructure Program. If TTD elects to have Liberty own the charging stations, Liberty should charge TTD a participation payment. Prior to implementation, Liberty must develop any participation payment criteria in consultation with the Office of Ratepayer Advocates and TTD.

17. PacifiCorp d/b/a Pacific Power, Bear Valley Electric Service (a Division of Golden State Water Company), and Liberty Utilities (CalPeco Electric) LLC must utilize the current data reporting template available on the Commission's website (<http://www.cpuc.ca.gov/sb350te/>) under the "reporting requirements" section of this page.

18. PacifiCorp d/b/a Pacific Power, Bear Valley Electric Service (a Division of Golden State Water Company), and Liberty Utilities (CalPeco Electric) LLC must coordinate evaluation efforts with Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company to capture economies of scale for purposes of evaluating the approved priority review and standard review projects.

19. After coordinating evaluation efforts, PacifiCorp d/b/a Pacific Power, Bear Valley Electric Service (a Division of Golden State Water Company), and Liberty Utilities (CalPeco Electric) LLC must submit a joint Tier 1 Advice Letter to the Commission's Energy Division providing a status update on implementation of and data available from the authorized priority review and standard review projects within one year of the date of this decision.

20. No later than 18 months after the effective date of today's decision, the sponsoring utility for each priority review and standard review project must file a Tier 1 Advice Letter containing an attestation signed by the Project Manager describing their efforts to comply with the Safety Requirements Checklist made available at <http://www.cpuc.ca.gov/sb350te/>. The sponsoring utility must maintain all compliance documentation available should the Commission determine an inspection or audit is necessary.

21. Exhibits BVES-1, Liberty-1, Liberty-2, Liberty-3, Liberty-4, Liberty-5, Liberty-6, PAC/100, PAC/101, PAC/102, PAC/200, ORA-1, ORA-2, ORA-3, ORA-4, ORA-5, SBUA-1, SBUA-2, and Joint-1 are identified as of April 19, 2018 and received into evidence as of August 7, 2018.

22. Exhibit Liberty-7 is identified as of August 8, 2018, and received into evidence as of the date of issuance of this decision.

23. Applications 17-06-031, 17-06-033, and 17-06-034 are closed.

This order is effective today.

Dated September 27, 2018, at Sacramento, California.

MICHAEL PICKER

President

CARLA J. PETERMAN

LIANE M. RANDOLPH

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN

Commissioners