

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

RESOLUTION E-4967
January 31, 2018

R E S O L U T I O N

Resolution E -4967. Summary of Southern California Edison's SB 350 Standard Review Medium- and Heavy-Duty Vehicle Charging Infrastructure Program Budget Authorized Pursuant to Decision 18-05-040.

PROPOSED OUTCOME:

- This Resolution approves Southern California Edison's (SCE) Tier 3 Advice Letter 3864-E which provides a summary aligning its medium- and heavy-duty electric vehicle charging infrastructure program with the budget authorized in D.18-05-040 and creates Schedule CRTP, *Charge Ready Transport Program*, establishing the program participation requirements.

SAFETY CONSIDERATIONS:

- SCE is required to report compliance with the Safety Requirements Checklist developed by Energy Division and Safety and Enforcement Division staff in collaboration with parties to the proceeding.¹

ESTIMATED COST:

- SCE will recover the full authorized program cost of \$356,362,471 through distribution rates. This resolution does not authorize any additional costs

By Advice Letter 3864-E, Filed on September 18, 2018.

¹ The Safety Requirements Checklist is available at www.cpuc.ca.gov/sb350te.

SUMMARY

This Resolution approves SCE implementation plan and budget for its medium- and heavy-duty electric vehicle charging infrastructure program, as described in AL 3864-E, which aligns with the authorized program budget approved in D.18-05-040 and creates Schedule CRTP, *Charge Ready Transport Program*, establishing the program's participation requirements.

BACKGROUND

On January 20, 2017, SCE filed A.17-01-021² seeking approval of several proposed transportation electrification infrastructure programs, including the Medium- and Heavy-Duty Charging Infrastructure Program (MDHD Program) which aims to support the electrification of medium- and heavy-duty vehicles.

On June 6, 2018, the Commission issued D.18-05-040 approving SCE's MDHD Program with modifications that included a \$197.42 million reduction to the program budget and specific program criteria the utility should strive to achieve.

On September 18, 2018, SCE filed AL 3864-E in compliance with Ordering Paragraph (OP) 30 of D.18-05-040, which directed the utility to file a Tier 3 Advice Letter aligning its proposed program with the parameters and budget authorized by the Commission. AL 3864-E also includes Schedule CRTP, *Charge Ready Transport Program*, which details SCE's requirements for program participation and rebate eligibility.

Budget

According to OP 32 of D. 18-05-040, the authorized \$356.4 million in MDHD Program costs will be considered per se reasonable if SCE can prove it:

1. Installed charging infrastructure to support at least 8,490 incremental medium- and heavy-vehicles at a minimum of 870 sites
2. Allocated a minimum of 15 percent of the MDHD Program's authorized \$241.6 million infrastructure budget to support the electrification of transit agencies
3. Allocated at least 25 percent of the infrastructure budget to support the electrification of vehicles serving port and warehouse facilities

² A.17-01-021 was consolidated with A.17-01-020 and A.17-01-022 into A.17-01-020 et al.

4. Allocated no more than 10 percent of the program budget to be spent on electrifying forklifts.
5. Allocated a minimum of 40 percent of the infrastructure budget to sites in disadvantaged communities (DAC)³
6. Spent no more than 10 percent of the authorized infrastructure budget on program administration
7. Worked with its Program Advisory Council⁴ to establish rebates for electric vehicle service equipment (EVSE) for sites that support electric transit buses, school buses, or sites located in DACs. EVSE rebates should not exceed 50 percent of the EVSE costs.

D.18-05-040 also set the contingency for the MDHD Program at 10 percent of the program's authorized infrastructure budget.

Table 2 in AL 3864-E accurately reflects the budget modifications adopted by the Commission in D.18-05-040.

Implementation

SCE states that it will continue researching and evaluating the MDHD vehicle market through the remainder of 2018 while working to build stronger relationships with key market players. SCE will begin formal program implementation in early 2019, and ramp down program operations at the end of the five-year period authorized in D.18-05-040.

As described in AL 3864-E, for a commercial customer to be eligible to participate in its MDHD Program, it must (1) procure at least two electric vehicles or convert at least two fossil-fueled vehicles to electric, (2) purchase and install qualified EVSE for the eligible vehicles, (3) agree to maintain and operate the installed EVSE for at least 10 years, and (4) provide usage data for a minimum of five years after the EVSE is installed.

³ Disadvantaged communities are defined as those that are within the top quartile of the state's census tracts as defined by the CalEnviroScreen criteria.

⁴ The program advisory council was created to provide SCE with stakeholder guidance during its implementation of its Charge Ready Program authorized in D.16-01-023, and was expanded in D.18-01-024 and D.18-05-040 to provide ongoing implementation guidance to SCE regarding all of its transportation electrification programs.

Schedule CRTP includes a special condition to limit the availability of EVSE rebates for participating customers to only those that meet the conditions authorized in D.18-05-040. OPs 32 and 35 authorize SCE to provide EVSE rebates up to 50 percent of the cost of the charging stations, and limit SCE to providing EVSE rebates to only those customers that are electrifying school or transit bus fleets or sites that are in DACs.

NOTICE

SCE stated that a copy of AL 3864-E was mailed and distributed in accordance with Section 4 of General Order 96-B. Notice of AL 3864-E was made electronically and by US Mail to the service list of A.17-01-020 et al.

RESPONSES

On October 8, 2018, Blue Bird Corporation, ADOMANI, Inc., and A-Z Bus Sales (collectively, the Coalition); CleanFuture; and Advanced Energy Machines, LLC (AEM) filed timely responses to SCE's AL 3684-E. The comments were largely supportive of SCE's proposed budget and implementation plan.

The Coalition recommended SCE increase the 45-day procurement period to provide more time for school board review and approval of new electric school bus procurements.⁵ The Coalition also recommended SCE include market education and outreach in its MDHD Program implementation plan.⁶

CleanFuture recommended that SCE should allocate a minimum percentage of MDHD Program funding so support electrification of transport refrigeration units (TRU).⁷ CleanFuture also suggested truck stop electrification and similar idle reduction technologies be eligible for MDHD Program participation.

AEM fully supports the MHDH Program as described in SCE's AL 3864-E and did not suggest any modifications.

⁵ Response of Blue Bird Corporation, ADOMANI, Inc., and A-Z Bus Sales (collectively, the Coalition) to SCE's AL 3864-E at 2.

⁶ Response of the Coalition at 2.

⁷ TRUs typically attach to delivery trucks to keep their contents cool during transport and/or while storing, loading, and unloading the contents of the containers.

SCE'S RESPONSE

SCE responded to the responses filed to AL 3864-E on October 15, 2018, thanking the responders for their support of the MDHD Program.

SCE argued the Coalition's recommendation to extend the 45-day procurement period is unnecessary because Schedule CRTP already provides participating customers the option to request a procurement extension if necessary.^{8,9}

SCE also argued its implementation plan already includes customer market education and outreach and stated it will use its Business Customer Division to target commercial customers that may meet program requirements.¹⁰ SCE also stated that it hosted a forum for fleet vehicle customers on September 14, 2018 about the MDHD Program and will continue to use targeted media outreach, forums, and publicity campaigns to identify and inform eligible MDHD Program customers.¹¹

SCE argued that CleanFuture's request for a minimum program budget amount to be set-aside for TRU infrastructure is outside the scope of the Advice Letter "and should have been introduced during the review phase of SCE's Application 17-01-021."¹² SCE stated that its AL 3864-E and proposed Schedule CRTP comply with the requirements established in D.18-05-040

DISCUSSION

Energy Division has reviewed SCE's proposed budget and implementation plan described in AL 3864-E and Schedule CRTP finds the filings meets the requirements established in D.18-05-040 OP 32 and aligns with the MDHD Program modifications adopted by the Commission based on the procedural record in A.17-01-020 et al.

⁸ Schedule CRTP as proposed in AL 3864-E at Sheet 4 states that "Customer Participant may request an extension of the Procurement Period for a limited duration by submitting an extension request in writing prior to the expiration of the initial 45-calendar-day Procurement Period."

⁹ SCE Response to Parties' Responses at 2.

¹⁰ SCE Response to Parties' Responses at 2; D.15-08-040 at 86.

¹¹ SCE Response to Parties' Responses at 3.

¹² SCE Response to Parties' Responses at 3.

Staff agree with SCE that under the proposed Schedule CRTP, program participants will be able to request procurement timeframe extensions, and that marketing, education, and outreach are already incorporated in SCE's MDHD Program implementation plan. The recommendations requested by the Coalition are therefore moot.

Staff also agree that CleanFuture's recommendation to establish a budget set-aside for TRU electrification infrastructure is outside of the scope of this Tier 3 Advice Letter. AL 3864-E and the proposed Schedule CRTP comply with OP 32 of D.18-05-040 and align with the program parameters adopted by the Commission based on the procedural record in A.17-01-020 et al.

COMMENTS

Comments were due 20 days after the Draft Resolution was mailed on December 14, 2018. Only SCE filed a response in full support of the Draft Resolution. No revisions been made to the substance of this Resolution.

FINDINGS

1. Ordering Paragraph 30 of D.18-05-040 directed Southern California Edison Company to file an implementation Advice Letter aligning its Medium and Heavy-Duty Charging Infrastructure Program with the budget parameters and program modifications adopted by the Commission.
2. On September 18, 2018, Southern California Edison Company filed AL 3864-E describing its implementation plan to align its Heavy-Duty Charging Infrastructure Program budget with the modifications adopted in Ordering Paragraphs 32 and 35 of D.18-05-040.
3. The budget modifications described in Table 2 of AL 3864-E meet the requirements established in Ordering Paragraph 30 of D.18-05-040.
4. The proposed Schedule CRTP, *Charge Ready Transport Program*, included in AL 3864-E complies with the requirements adopted in Ordering Paragraphs 32 and 35 of D.18-05-040.

THEREFORE IT IS ORDERED THAT:

1. The request of Southern California Edison Company to implement its Heavy-Duty Charging Infrastructure Program with the modified budget authorized

in D.18-05-040 and implement its proposed Schedule CRTP, *Charge Ready Transport Program*, as requested in Advice Letter 3864-E is approved.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on January 31, 2019; the following Commissioners voting favorably thereon:

/s/ ALICE STEBBINS
ALICE STEBBINS
Executive Director

MICHAEL PICKER
President
GENEVIEVE SHIROMA
LIANE M. RANDOLPH
MARTHA GUZMAN ACEVES
CLIFFORD RECHTSCHAFFEN
Commissioners