

STATE OF CALIFORNIA

PUBLIC UTILITIES COMMISSION

605 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

~~July 1, 2021~~ -

~~Agenda ID #19664~~
Ratesetting

~~TO PARTIES OF RECORD IN APPLICATION 18-06-015:~~

~~This is the proposed decision of Administrative Law Judge Goldberg. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's August 5, 2021 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.~~

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

~~The Commission may hold a Ratesetting Deliberative Meeting to consider this item in closed session in advance of the Business Meeting at which the item will be heard. In such event, notice of the Ratesetting Deliberative Meeting will appear in the Daily Calendar, which is posted on the Commission's website. If a Ratesetting Deliberative Meeting is scheduled, *ex parte* communications are prohibited pursuant to Rule 8.2(c)(4).~~

~~/s/ ANNE E. SIMON~~

~~Anne E. Simon~~

~~Chief Administrative Law Judge~~

AES:mph

~~Attachment~~ALJ/SL5/mph **PROPOSED DECISION** Agenda ID #19664 ([Rev. 1](#))

Ratesetting

[8/5/2021 Item #13](#)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) for Approval of its Charge Ready 2 Infrastructure and Market Education Programs.

Application 18-06-015

DECISION CLARIFYING AUTHORIZED FUNDING FOR SOUTHERN CALIFORNIA EDISON COMPANY'S CHARGE READY 2 ELECTRIC VEHICLE CHARGING INFRASTRUCTURE AND MARKET EDUCATION PROGRAM

Summary

This decision clarifies that Southern California Edison Company shall not subtract the bridge funding approved in Decision 18-12-006 from the authorized Charge Ready 2 budget. Southern California Edison Company is authorized \$436 million for the utility's Charge Ready 2 electric vehicle charging infrastructure and market education program, authorized in Commission Decision ~~(D.)~~ 20-08-045.

This proceeding is closed.

1. Factual and Procedural Background

On October 30, 2014, Southern California Edison Company (SCE) filed Application (A.) 14-10-014, requesting approval for the first phase of its light duty electric vehicle charging program Charge Ready. In lieu of hearings, parties put forth a settlement agreement, and ultimately the Commission adopted the

proposed settlement, with modification, in Decision (D.) 16-01-023. Among other things, D.16-01-023 approved SCE's revenue requirement request of up to \$22 million in support of the first phase of Charge Ready (or Charge Ready Pilot).

Pursuant to D.16-01-023, SCE filed quarterly reports on its approved Phase 1 programs. After submitting its fourth quarter report for 2017, SCE filed a Petition for Modification (PFM) on March 5, 2018, requesting D.16-01-023 be modified to authorize bridge funding that would extend Phase 1 to cover the time between the exhaustion of its authorized Phase 1 budget and the potential approval of a Charge Ready Phase 2 program. Through the PFM, SCE requested authority for an additional \$22 million in "bridge funding" to avoid any gaps in funding between the pilot and second phase of Charge Ready. After a round of pleadings, and responsive comments from parties, the Commission ultimately granted SCE's bridge funding request on December 13, 2018 (D.18-12-006). In addition to authorizing SCE the \$22 million in bridge funding, D.18-12-006 directed the utility to subtract that amount from any authorized budget in SCE's (at the time) pending Charge Ready 2 proceeding.¹

On June 26, 2018, SCE filed its Charge Ready 2 application requesting authority to spend \$760.1 million on the second phase of its light duty electric vehicle charging program. Charge Ready 2 was fully litigated, with five days of evidentiary hearings in January 2019, followed by opening and reply briefs. A proposed decision (PD) was mailed for comment on July 27, 2020, and a final decision was unanimously adopted at the August 27, 2020, Commission Meeting (D.20-08-045).

Decision 20-08-045 authorizes SCE \$436 million in funding to support approximately 37,800 electric vehicle charge ports in SCE's service territory. The

¹ See Ordering Paragraph 8 of D.18-12-006.

\$436 million comprises approximately \$417.5 million for charging infrastructure, \$14.5 million for marketing, education, and outreach, and \$4.3 million for an evaluation of the Charge Ready 2 infrastructure and market education programs. Although D.20-08-045 includes a discussion of the PFM and D.18-12-006, the decision is silent on the issue of whether SCE should subtract \$22 million in bridge funding from the \$436 million authorized for Charge Ready 2.

1.1. Assigned Commissioner's Ruling

On December 10, 2020, the assigned Commissioner issued a ruling (ACR) directing parties to respond to questions focused on the authorized funding for SCE's Charge Ready 2 program, and whether adjustments should be made pursuant to Ordering Paragraph 8 of D.18-12-006.

Opening comments were filed on December 31, 2020, by SCE, the Public Advocates Office of the California Public Utilities Commission (Cal Advocates), The Utility Reform Network (TURN), Union of Concerned Scientists (UCS), and the Joint Parties.² Reply Comments were filed on January 8, 2021, by SCE, Cal Advocates, TURN, UCS and the Joint Parties.

2. Issues Before the Commission

As framed in the ACR, the issues before the Commission are:

1. Should the Charge Ready 2 Budget be kept as approved in D.20-08-045, without the \$22 million subtraction?
2. If the Charge Ready 2 Budget should be kept as approved, without the \$22 million subtraction, should the bridge funding be treated as a separate program that is not included in metrics calculations for Charge Ready 2?
3. If the \$22 million should be subtracted from the Charge Ready 2 Budget, what adjustments, if any, should be

² For purposes of this decision, the Joint Parties are comprised of the Sierra Club, ChargePoint, Inc., Siemens, Natural Resources Defense Council, and Coalition of California Utility Employees.

made to the *per se* reasonableness metrics adopted in D.20-08-045?

3. Party Responses to ACR

Parties expressed concern over how the \$22 million subtraction would decrease the number of ports support by Charge Ready 2. SCE, Joint Parties, and UCS align, arguing that subtracting \$22 million and decreasing the number of target ports under Charge Ready 2, would undermine California's transportation electrification goals.³ TURN states there are no material changes or underlying facts warranting the modification of the bridge funding decision, D.18-12-006, and believes the order that SCE subtract the \$22 million from the approved Charge Ready 2 program stands.⁴

3.1. Should the Charge Ready 2 Budget be kept as approved in D.20-08-045, without the \$22 million subtraction?

SCE supports retaining the budget as approved for Charge Ready 2 without the \$22 million subtraction. SCE acknowledges that the utility proposed to reduce the Charge Ready 2 budget by the authorized bridge funding (\$22 million), and believes the Commission appropriately included that reduction within D.20-08-045.⁵ SCE explains, "the Commission appears to have appropriately included that reduction within the \$324 million that the Commission eliminated from SCE's request of \$760.1 million...this reduced the number of EV ports the program can support from approximately 50,000 to 37,800."⁶ Finally, because the revision 1 (Rev 1) of the proposed decision removed the requirement to subtract the \$22 million and the Appendix A budget

³ UCS Reply Comments at 1; referencing Senate Bill 350 and Executive Order B-48-18, and Executive Order N-79-20.

⁴ TURN Reply Comments at 1.

⁵ SCE Opening Comments at 2 to 3.

⁶ SCE Opening Comments 2 to 3.

and port assumptions did not account for any reduction in the \$436 million authorized funding, it is reasonable to conclude that the \$22 million in bridge funding was accounted for as part of the reduction to SCE's original \$760.1 million funding request.⁷

UCS supports keeping the Charge Ready 2 budget as approved, given California's ambitious goals for advancing transportation electrification. As UCS illustrates, the \$22 million subtraction would remove approximately 1,000 chargeports from Charge Ready 2.⁸ UCS raises concern that the \$22 million reduction would result in fewer chargers at multi-unit dwellings (MUDs) and in disadvantaged communities (DACs) – sectors that face the highest barriers to charging resources.

TURN is unsupportive of keeping the Charge Ready 2 budget as approved in D.20-08-045. TURN explains, D.18-12-006 approved substantial "bridge" funding for SCE to continue the Charge Ready Pilot, and since that decision there have been no material changes in fact or circumstance to warrant a revision of the Commission's order in D.18-12-006.⁹ TURN expounds, "if anything, the ongoing pandemic and associated economic downturn along with higher residential load due to stay-at-home orders warrant increased emphasis on the affordability of electric rates."¹⁰

⁷ SCE Opening Comments at 4.

⁸ UCS Opening Comments at 2.

⁹ TURN Opening Comments at 1 to 2.

¹⁰ TURN Opening Comments at 2.

3.2. If the Charge Ready 2 Budget should be kept as approved, without the \$22 million subtraction, should the bridge funding be treated as a separate program that is not included in metrics calculations for Charge Ready 2?

In approving the bridge funding in D.18-12-006, the Commission ordered there be a ~~25~~20 percent MUD target and a 1,000 port installation minimum.¹¹

While parties would like to see some of the *per se* reasonableness metrics adopted in D.20-08-045 carried over into the bridge funding, the reality is all of the bridge funding has either been spent or allocated – given the duration of time between the issuance of D.18-12-006 and D.20-08-045.

SCE notes it would not be reasonable, appropriate, nor feasible to retroactively apply Charge Ready 2 metrics to ports installed under the bridge funding decision, especially when the bridge program is largely complete.¹² SCE supports the Commission treating the \$22 million in bridge funding as a separate program, not included in or subject to the *per se* reasonableness metrics established in D.20-08-045.¹³ Moreover, at the time SCE submitted comments, the \$22 million in bridge funding has already been utilized to install 1,400 ports at 63 sites, with a remaining commitment of 35 ports at 4 sites.¹⁴ SCE provides: “As of the end of the first quarter of 2021, 65 sites with 1,444 ports have reserved funding. Nearly all applications have completed construction and are currently in post-installation verification stages.”¹⁵

¹¹ D.18-12-006 at 17.

¹² SCE Reply Comments at 4 to 5.

¹³ SCE Opening Comments at 4.

¹⁴ SCE Opening Comments at 5.

¹⁵ <https://www.sce.com/sites/default/files/custom-files/2021%20Q1%20Report%20.pdf>.

3.3. If the \$22 million should be subtracted from the Charge Ready 2 Budget, what adjustments, if any, should be made to the *per se* reasonableness metrics adopted in D.20-08-045?

TURN explains that subtraction of the \$22 million from the Commission's approved Charge Ready 2 program does not need to alter the *per se* reasonableness metrics adopted in D.20-08-045 because such metrics were adopted after D.18-12-006 and should not apply to infrastructure installed under the bridge funding.¹⁶ TURN recommends that the \$22 million reduction be made to the Charge Ready 2 Make-Ready Expansion program, which would not necessitate changes to any of the "per se reasonableness" metrics adopted in D.20-08-045.¹⁷ TURN provides an in-depth table detailing the reduced port totals with the \$22 million subtraction, resulting in 20,733 ports versus 22,200.¹⁸

SCE recommends that the Commission find that the \$22 million bridge funding was already subtracted as part of the Commission's reductions to SCE's Charge Ready 2 proposal.¹⁹ However, if the Commission clarifies that the \$22 million should be subtracted from the \$436 million authorized for Charge Ready 2, the Commission should amend the number of ports SCE is expected to install as part of the Make-Ready expansion program within Charge Ready 2.²⁰ SCE recommends the \$22 million be subtracted from the Make-Ready expansion component because it is most similar to the Charge Ready bridge program and would simplify accounting complexity impacts on other Charge Ready 2 metrics.²¹

¹⁶ TURN Opening Comments at 3.

¹⁷ TURN Opening Comments at 3 to 4.

¹⁸ TURN Opening Comments at 4.

¹⁹ SCE Reply Comments at 3.

²⁰ SCE Reply Comments at 3 to 4.

²¹ SCE Reply Comments at 3 to 34.

3.3.1. Differences between Proposed Decision and Revision 1

As parties have discussed throughout comment, there was a discrepancy between the proposed decision (PD) for Charge Ready 2 and the revision 1 (Rev 1) of [the Charge Ready 2.2 decision](#). Cal Advocates frames this issue succinctly:

SCE and the Joint Parties claim that the Commission implicitly assumed and incorporated Ordering Paragraph 8 of D.18-12-006 (Bridge Funding Decision) in D.20-08-045 (Charge Ready 2 Decision). SCE and the Joint Parties note that the Charge Ready 2 Proposed Decision (PD) was revised to delete an ordering paragraph (Ordering Paragraph 10) directing SCE to subtract the \$22 million bridge funding from the budget approved for Charge Ready 2. They also note that SCE's comments on the PD requested clarification on how this ordering paragraph would impact the PD's per se reasonableness requirements. SCE and Joint Parties argue that these two events taken together signal the Commission's understanding that the \$22 million in bridge funding was already considered in the authorized Charge Ready 2 budget and, therefore, no further reductions are necessary.

Cal Advocates contends a more reasonable and logical interpretation of this issue is that it was Commission oversight/mistake; the Commission revised the proposed decision following party comments close to the Commission voting meeting.²² Cal Advocates stresses that this interpretation is consistent with the ACR, which explicitly states the Charge Ready 2 decision was silent on the issue.²³

²² Cal Advocates Reply Comments at 3.

²³ Cal Advocates Reply Comments at 3.

4. SCE Shall Not Subtract the Bridge Funding from the Authorized Charge Ready 2 Budget

As detailed above, there remains the issue of whether SCE should still be required to subtract \$22 million in bridge funding from its authorized Charge Ready 2 budget of \$436 million. The Commission understands the unique ratepayer protections that are found within the bridge funding decision (D.18-12-006) and the Charge Ready 2 decision (D.20-08-045) and acknowledges its oversight/mistake of failing to address on revision, how to account for the bridge funding.

We are persuaded by the Joint Parties, UCS, and SCE that the \$22 million in bridge funding should not be subtracted from the Charge Ready 2 budget. We agree with SCE's reasoning that the changes to the PD to the Rev 1, which was subsequently approved by the Commission, demonstrates the intent of the Commission to approve the entire \$436 budget for Charge Ready 2 without a subtraction of the bridge funding. This funding and clarification is necessary for SCE to move forward with implementing Charge Ready 2, and abiding by the *per se* reasonableness metrics adopted in D.20-08-045. Accordingly, we agree the *per se* reasonableness metrics, core tenets of the budget and ratepayer protections for the program, should be kept intact, without adjusting for subtraction of the \$22 million. We acknowledge the oversight in failing to address whether and how the \$22 million in bridge funding was absorbed by the Commission's authorized budget of \$436 million. Accordingly, the *per se* reasonableness metrics adopted in D.20-08-045 stand, as does the full budget authorization of \$436 million.

5. Comments on Proposed Decision

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. ~~Comments~~Opening comments were filed on ~~_____~~July 21, 2021 by SCE, UCS, TURN, and the Joint Parties²⁴, and reply comments were filed on ~~_____~~by _____July 26, 2021 by SCE and the Natural Resources Defense Council.

With the exception of TURN, there is broad support for the proposed decision (PD). While TURN argues that adoption of the PD would constitute both factual and legal error, the instant decision addresses the oversight in failing to specify whether and how the \$22 million in bridge funding was absorbed by the authorized budget of \$436 million. Accordingly, no substantive changes are made to the PD.

6. Assignment of Proceeding

Clifford Rechtschaffen is the assigned Commissioner and Sasha Goldberg is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. D.20-08-045 authorizes SCE \$436 million in funding to support approximately 37,800 electric vehicle charge ports in SCE's service territory.
2. In approving the bridge funding in D.18-12-006, the Commission ordered there be a ~~25~~20 percent MUD target and a 1,000 port installation minimum.
3. Changes to the PD in Rev 1, which was subsequently approved by the Commission, demonstrate the intent of the Commission to approve the entire \$436 budget for Charge Ready 2 without a subtraction of the bridge funding.
4. There are unique ratepayer protections within the bridge funding decision (D.18-12-006) and the Charge Ready 2 decision (D.20-08-045).

²⁴ For purposes of Comments, the "Joint Parties" refer to the Natural Resources Defense Council, the Coalition of California Utility Employees, Sierra Club, Greenlots, Siemens, Enel X North America, and EVBox Inc.

5. The per se reasonableness metrics and full budget authorized in D.20-08-045 stand.

Conclusions of Law

1. The unique ratepayer protections that are found within D.18-12-006 and D.20-08-045 should remain distinct from each decision.

2. The authorized funding in D.20-08-045 should remain intact without the need for an additional \$22 million subtraction.

3. A.18-06-015 should be closed with the issuance of this decision.

O R D E R

IT IS ORDERED that:

1. Southern California Edison Company’s Charge Ready 2 infrastructure and market education program is authorized pursuant to the orders in Commission Decision (D.) 20-08-045, and the instant decision’s clarification that \$22 million in bridge funding authorized in D.18-12-006 need not be subtracted from the authorized budget in D.20-08-045.

2. Application 18-06-015 is closed.

This order is effective today.

Dated _____, at San Francisco, California.

Document comparison by Workshare Compare on Tuesday, August 3, 2021
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