Decision **PROPOSED DECISION OF ALJ KORPICS** **(Mailed 11/4/2022)**

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

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| Application of Pacific Gas and Electric Company for Approval of its Electric Vehicle Charge 2 Program. (U39E). | Application 21-10-010 |

# DECISION AUTHORIZING PACIFIC GAS AND ELECTRIC COMPANY'S ELECTRIC VEHICLE CHARGE 2 PROGRAM

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# DECISION AUTHORIZING PACIFIC GAS AND ELECTRIC COMPANY'S ELECTRIC VEHICLE CHARGE 2 PROGRAM

## Summary

This decision approves $52,248,000 in funding for Pacific Gas and Electric Company (PG&E) to implement phase 1 of its Electric Vehicle Charge 2 program, from January 1, 2023, to December 31, 2026, and support the installation of approximately 2,822 Level 2 and Direct Current Fast Charger ports at multi-family housing, workplace, and public destination sites in PG&E's service territory. This decision sets an equity requirement that PG&E spend at least 65 percent of program funding in underserved communities. This decision advances California's deep decarbonization and ambitious transportation electrification goals.

This proceeding remains open to consider a second phase for PG&E's proposed program.

## 1. Background

Pacific Gas and Electric Company (PG&E) filed Application (A.) 21-10-010 on October 26, 2021, seeking authorization to implement its proposed Electric Vehicle Charge 2 (EVC2) program and use ratepayer funding to support the installation of electric vehicle (EV) charging infrastructure from 2023 to 2030. The application proposed support for the installation of approximately 16,000 Level 2 (L2) and Direct Current Fast Charger (DCFC) ports.[1] On October 28, 2021, PG&E filed an amendment to its application proposing a corrected budget of $275.8 million—$95.9 million in capital expenditures and $179.9 million in expenses.

[1] L2 EV charging ports are alternating current, typically 240-volt chargers, while DCFC ports are direct current and range from 50 to 350 kilowatts.

### 1.1. Assembly Bill 841

PG&E proposes the EVC2 program under direction provided in Assembly Bill (AB) 841 (Ting, 2020). In addition to other policy goals, AB 841 aims to accelerate the installation of charging infrastructure across California by directing each investor-owned utility (IOU) to recover the costs of to-the-meter infrastructure from ratepayers. AB 841 requires that no less than 35 percent of ratepayer-funded transportation electrification (TE) investments occur in underserved communities.[2] AB 841 refers to the definition of "underserved communities" in Public Utilities Code Section 1601(e), which states:

> "Underserved community" means a community that meets one of the following criteria:
>
> (1) Is a "disadvantaged community" as defined by subdivision (g) of Section 75005 of the Public Resources Code.
>
> (2) Is included within the definition of "low-income communities" as defined by paragraph (2) of subdivision (d) of Section 39713 of Health and Safety Code.
>
> (3) Is within an area identified as among the most disadvantaged 25 percent in the state according to the California Environmental Protection Agency and based on the most recent California Communities Environmental Health Screening Tool, also known as CalEnviroScreen.
>
> (4) Is a community in which at least 75 percent of public school students in the project area are eligible to receive free or reduced-price meals under the National School Lunch Program.
>
> (5) Is a community located on lands belonging to a federally recognized California Indian tribe.

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[2] AB 841 amends or adds Pub. Util. Code Sections 740.12, 740.18, 740.19, 740.20, and 1600 *et seq*.

PG&E's application refers to these communities as AB 841 Prioritized Communities.[3]

Commission Decision (D.) 21-07-028 implements applicable provisions of AB 841 related to IOU TE proposals. The decision specifies certain requirements for an IOU seeking additional ratepayer funds to extend an existing TE investment program through an expedited review process.

Under direction provided in D.21-07-028, PG&E proposes the EVC2 program to extend and expand its EV Charge Network (EVCN) program and its EV Fast Charge program.[4] PG&E proposes to support approximately 2,400 L2 ports at multi-family housing (MFH) sites; 4,000 L2 ports at new construction MFH sites; 8,500 L2 ports at workplaces and public destinations; and 1,100 DCFC ports at public destinations located in Prioritized Communities.[5] PG&E proposes that at least 50 percent of total EVC2 investments support EV charging infrastructure in Prioritized Communities.[6]

In D.16-12-065, the Commission approved PG&E's EVCN program and authorized up to $130 million to install infrastructure supporting up to 7,500 L2 ports at workplace, MFH, and public destination sites.[7] As of Q3 2021, PG&E installed 4,827 L2 ports at 192 sites and fully exhausted its EVCN program

[3] References to "Prioritized Communities" in this decision refer to "underserved communities" as defined in Pub. Util. Code Section 1601(e).

[4] A.21-10-010 at 1-2.

[5] *Id.* at 3.

[6] *Id.* at 4.

[7] D.16-12-065 at Ordering Paragraph (OP) 1. The EVCN program and D.16-12-056 refer to MFH units as multi-unit dwellings.

budget.[8] PG&E reported it received four times the number of applications it was able to accommodate under the program's budget and timeline.[9]

In D.18-05-040, the Commission approved PG&E's EV Fast Charge program and authorized up to $22.4 million to install infrastructure supporting up to 234 DCFC ports over five years.[10] As of the filing of the instant application, A.21-10-010, EV Fast Charge had only supported installation of 16 DCFC ports at 4 sites, but PG&E noted that it held a solicitation for additional participants in October 2021 and received 103 applications.[11] PG&E stated it expects to fully exhaust its budget for the EV Fast Charge Program with the sites that applied in October 2021 and additional sites from the program's waitlist.[12]

AB 841 also directs the Commission to authorize the IOUs to account for the costs associated with infrastructure upgrades necessary to support EV charging at locations that are not single-family residences—including the infrastructure itself, and the associated design, engineering, and construction work—and to recover the costs from all ratepayers, in alignment with other IOU distribution infrastructure cost recovery.[13] Public Utilities Code Section 740.19(c) requires that:

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[8] PG&E, EV Charge Network Quarterly Report at 2 (July 1, 2021-Sept. 30, 2021), available at: https://www.pge.com/pge_global/common/pdfs/solar-and-vehicles/your-options/clean-vehicles/charging-stations/program-participants/EV-Charge-Network-2021-Q3-Report.pdf.

[9] *Ibid.*

[10] D.18-05-040 at 64-76, 118.

[11] Cal Advocates Protest at 6 (Nov. 29, 2021) (citing PG&E, Program Advisory Council Meeting at slide 20 (Q3 2021), available at: https://www.pge.com/pge_global/common/pdfs/solar-and-vehicles/your-options/clean-vehicles/charging-stations/program-participants/EVCN-PAC-2021-Q3.pdf); PG&E Reply to Protests and Responses at 16 (Dec. 9, 2021).

[12] *Ibid.*

[13] Pub. Util. Code Section 740.19(a).

> [e]ach electrical corporation shall recover its subsequent revenue requirement for this work through periodic general rate case proceedings. In those proceedings, the costs shall be treated like those costs incurred for other necessary distribution infrastructure. The new tariff shall replace the line extension rules currently used (as of July 1, 2020) and any customer allowances established shall be based on the full useful life of the electrical distribution infrastructure. The commission may revise the policy described in subdivision (a) and this subdivision after the completion of the general rate case cycle of the electrical corporation following the one during which the advice letter was filed if a determination is made that a change in the policy is necessary to ensure just and reasonable rates for ratepayers.

Resolution E-5167 implements this requirement, directing the IOUs to establish EV Infrastructure Rules.

As such, PG&E's proposed EVC2 budget does not include the cost of utility-side infrastructure. PG&E's Rule 29, its EV Infrastructure Rule, addresses the utility-side costs associated with the proposed EVC2 program.[14] These costs are therefore outside of the scope of this proceeding.

### 1.2. Procedural Background

On November 29, 2021, the following parties filed responses to PG&E's application: ChargePoint, Inc. (ChargePoint); EDF Renewables, Inc./PowerFlex (PowerFlex); EVgo Services, LLC (EVgo); FLO Services USA Inc. d/b/a FLO (FLO); FreeWire Technologies, Inc. (FreeWire); Green Power Institute (GPI); Tesla, Inc. (Tesla); Vehicle-Grid Integration Council (VGIC); and Natural Resources Defense Council (NRDC), Coalition of California Utility Employees (CUE), Sierra Club, Ecology Action, Enel X North America, Inc. (Enel X), Greenlots, EVBox Inc. (EVBox), Alliance for Transportation Electrification (ATE),

[14] PG&E, Electric Rule 29 (effective Dec. 6, 2021), available at: https://www.PG&E.com/tariffs/assets/pdf/tariffbook/ELEC_RULES_29.pdf.

General Motors LLC, and Alliance for Automotive Innovation, jointly. Also, on November 29, 2021, the following parties filed protests to PG&E's application: California Large Energy Consumers Association (CLECA), National Diversity Coalition (NDC), Public Advocates Office at the California Public Utilities Commission (Cal Advocates), and the Utility Reform Network (TURN).

On December 1, 2021, a prehearing conference addressed potential issues of law and fact, the need for hearing, the proposed schedule for resolving the proceeding, and other matters. During the prehearing conference, the assigned Administrative Law Judge (ALJ) granted oral motions for party status from the Small Business Utility Associates (SBUA) and Electrify America, LLC (Electrify America). On December 9, 2021, PG&E filed its Reply to Responses and Protests, which also responded to questions posed during the prehearing conference related to the status of its EV Fast Charge program and the total per-port costs of the EVC2 proposal, including estimates of the associated to-the-meter costs that would be covered by Rule 29.

On May 3, 2022, an ALJ ruling requested supplemental testimony to address potential review of PG&E's application in two phases. In the first phase, the Commission would evaluate the EVC2 proposal through 2025, and the second phase would consider funding for 2026 through 2030. In the second phase, the Commission would take into account a forthcoming decision, expected in Rulemaking (R.) 18-12-006, concerning the draft Transportation Electrification Framework (TEF) and an Energy Division staff proposal to create a long-term EV infrastructure rebate program.[15] On November 21, 2022, in

[15] *See* R.18-12-006, ALJ's Ruling Adding Staff Proposal for a Draft Transportation Electrification Framework to the Record and Inviting Party Comments (Feb. 3, 2020); R.18-12-006, assigned

*Footnote continued on next page.*

R.18-12-006, the Commission issued D.22-11-040, which addresses the Energy Division staff proposal and TEF and creates a long-term EV infrastructure rebate program beginning in 2025. The ALJ ruling provided parties an opportunity to comment on whether they support this phased approach to the proceeding. On May 31, 2022, PG&E filed its supplemental testimony proposing a $48.1 million budget for EVC2 phase 1.[16] On June 28, 2022, the following parties filed supplemental rebuttal testimony: Cal Advocates, ChargePoint, EVgo, NDC, NRDC, SBUA, and TURN.

On May 24, 2022, the assigned ALJ issued a ruling setting the remote evidentiary hearing dates and the deadlines to file opening and reply briefs. The assigned ALJ hosted evidentiary hearings on July 19-20, 2022. On August 24, 2022, the following parties submitted opening briefs: Cal Advocates, CLECA, ChargePoint, Electrify America, EVgo, FLO, FreeWire, GPI, Joint Parties,[17] NDC, PG&E, PowerFlex, SBUA, Tesla, TURN, and VGIC. On September 16, 2022, the following parties filed reply briefs: Cal Advocates, CLECA, ChargePoint, Electrify America, EVgo, FreeWire, GPI, Joint Parties,[18] NDC, PG&E, PowerFlex, SBUA, Tesla, and TURN.

## 2. Issues Before the Commission

Pursuant to the January 5, 2022 assigned Commissioner's Scoping Memo and Ruling (Scoping Memo), we consider the following issues in this proceeding:

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Commissioner's Ruling Adding Staff Proposal to the Record and Inviting Party Comments (Feb. 25, 2022).

[16] Exhibit (Ex.) PG&E-04 at 21.

[17] The Joint Parties consist of NRDC, CUE, Sierra Club, Enel X, Ecology Action, Shell EV Charging Solutions Americas (formerly Greenlots), Alliance for Automotive Innovation, and ATE.

[18] Shell EV Charging Solutions Americas did not sign on to the Joint Parties' reply brief.

1. Is PG&E's proposed EVC2 program just and reasonable, as required by Public Utilities Code Section 451, and in ratepayers' interests, as required by Public Utilities Code Section 740.12? How do the results of PG&E's EVCN and EV Fast Charge justify the investment priorities, size, and scope of EVC2 as proposed?
2. Should PG&E be permitted to own more than 50 percent of behind-the-meter (BTM) EV infrastructure at participating sites that are located in Prioritized Communities?
3. Is PG&E's request to seek a waiver on the cost-sharing provisions adopted in D.21-07-028, related to customer-side infrastructure costs, reasonable and necessary to achieve the goals of the EVC2 program?
4. What are the potential bill impacts for ratepayers, including those customers that are unable to participate in the EVC2 program?
5. Is PG&E's request to create a new subaccount to record EVC2 program costs within its existing Transportation Electrification Balancing Account appropriate and reasonable?
6. Does the EVC2 program align with the goals of the Commission's Environmental and Social Justice Action Plan and the Commission's Distributed Energy Resources Action Plan?
7. Does the EVC2 program align with the near-term priority targets and requirements identified in D.21-07-028 and R.18-12-006, including the criteria adopted for expedited review of proposals to extend or expand existing TE programs?
8. Does PG&E's proposal adequately take into consideration the ongoing TE activities within R.18-12-006 and other ongoing TE activities throughout California?
9. Is PG&E's proposed program period of seven years appropriate?

10. Are PG&E's proposed targets for investment in underserved communities identified in AB 841 appropriate? How should PG&E also meet the requirements for investment in Disadvantaged Communities adopted in Senate Bill (SB) 350 (de Leon, 2015)?
    a. Are additional measures beyond what PG&E has included within its proposal necessary to support equity through the EVC2 program?[19]
    b. Has PG&E sufficiently consulted with community-based organizations (CBOs) in the development of its proposal, and does PG&E's proposal contain sufficient plans to continue to engage with CBOs throughout EVC2 program implementation, as directed in D.21-07-028?[20]
    c. Does PG&E's proposed breakdown of targeted site types within EVC2 appropriately address barriers to TE as identified in SB 350?
    d. Would PG&E's proposed definition of multi-family housing support the goals established in AB 841?
11. Are PG&E's proposed marketing, education, outreach, and equity incentives, and the associated budgets for each effort, appropriate for the scope and scale of the program?
12. What metrics, reporting, and evaluation requirements are appropriate, and what budget is reasonable to ensure the Commission can fully evaluate the EVC2 program?

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[19] "Equity" here means compliance with the requirements for investment in disadvantaged and/or underserved communities, as identified in SB 350 and AB 841 and most recently defined in D.20-12-027.

[20] D.21-07-028 at 32 (requiring that "any proposals for TE infrastructure . . . [d]emonstrate that the Electrical Corporation coordinated with more than one CBO during the development of the proposal and the proposed advice letter or application has the support of local/regional/tribal governments and CBOs" and that the utilities "should continue to coordinate with local/regional/tribal governments and CBOs during the implementation of the program to ensure the program meets the intended goals of the CBO and local/regional/tribal governments").

13. Are PG&E's per-port cost estimates appropriate and based on recent EV infrastructure decisions, analysis from EVCN and EV Fast Charge, and data on EV charging installation costs? Are any additional cost containment measures necessary beyond what PG&E proposed? How should PG&E's per-port cost estimates evolve over the course of this proceeding and/or proposed seven-year program, if at all?

14. Should PG&E establish its own technology standards for the L2 and DCFC ports installed using the infrastructure supported by the EVC2 program, or should it adopt the technology and communications standards already authorized in California Energy Commission (CEC) and/or other recent Commission decisions?

    a. Does PG&E's proposed EVC2 program design allow for incorporation of technological and/or market advancements throughout the program's implementation period?

    b. Is there a need for the Commission to adopt some additional, non-residential submetering protocol in order to allow submetering technology to be incorporated into EVC2?

    c. Is PG&E's proposal to include bidirectional EV charging stations and incorporate vehicle-to-"X" capabilities in EVC2 reasonable and appropriate?

15. Does PG&E's proposal sufficiently address load management based on analysis from EVCN and EV Fast Charge?

    a. Is PG&E's proposal to consider proposed automated load management criteria in the design of all sites participating in the EVC2 program appropriate?

    b. Is the Automated Demand Response program that PG&E proposes to educate customers the most appropriate demand response (DR) program for EVC2 customers? How does PG&E's proposal consider the Commission's ongoing work on DR?

c. As proposed, would customers participating in EVC2 be provided sufficient signals to manage charging load?

## 3. EVC2 Program Modifications and Approval

Below, we discuss and resolve issues identified in the Scoping Memo. We approve a modified first phase of PG&E's EVC2 proposal with a program term of January 1, 2023, to December 31, 2026.

### 3.1. Compliance with Applicable Statutes and Commission Direction

PG&E, as the applicant, has the burden of proof and therefore must affirmatively establish the reasonableness of its request under the "preponderance of evidence" standard of proof.[21] To approve the proposed EVC2 program, the Commission must find that the program complies with applicable statutes. The program must be "just and reasonable" and meet the following statutory requirements:

> All charges demanded or received by any public utility . . . for any product or commodity furnished or to be furnished or any service rendered shall be *just and reasonable*. Every unjust or unreasonable charge demanded or received for such product or commodity or service is unlawful.
>
> Every public utility shall furnish and maintain such adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities . . . as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public.[22]

SB 350 establishes criteria by which the Commission shall evaluate IOU TE proposals.[23] First, proposals must "seek to minimize overall costs and maximize

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[21] *See* D.14-07-006.

[22] Pub. Util. Code Section 451 (emphasis added).

[23] *Id.* at Section 740.12(b) (SB 350 adds Pub. Util. Code Section 740.12, among others).

overall benefits."[24] Second, the statute requires the Commission to "approve, or modify and approve, programs and investments in transportation electrification, including those that deploy infrastructure, via a reasonable cost recovery mechanism, if they are . . . in the interests of ratepayers."[25] To be "in the interests of ratepayers," the statute requires demonstration of both of the following types of direct customer benefits:

> (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.[26]

PG&E claims its proposed EVC2 program satisfies the statutory requirements for a utility TE program and meets equity, grid integration, and greenhouse gas (GHG) reduction goals.[27] PG&E argues program costs are just

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[24] *Ibid.*

[25] *Ibid.* (referencing definition of "in the interests of ratepayers" in Pub. Util. Code Section 740.8).

[26] *Id.* at Section 740.8.

[27] PG&E Opening Brief at 5-19.

and reasonable because they are necessary to promote statutory TE policy goals.[28] PG&E further argues that EVC2 "contributes to safer, more reliable, and less costly gas or electrical service for customer through improved use of the electric system and improved integration of renewable energy generation" and that it designed EVC2 "to meet Commission-established requirements to further EV grid integration to enable revenue streams, reduce costs to ratepayers, and improve grid resiliency."[29]

PG&E asserts that its proposal "builds on lessons learned to manage the overall program budget and minimize costs by creating an application format to prioritize sites and minimize program administration costs, providing customers the opportunity to contribute to project costs, and utilizing automated load management (ALM) to help lower installation costs."[30] PG&E further argues that the proposed program used lessons learned from previous programs to maximize benefits, in part, through a segment-specific customer cost share requirement that would lower the ratepayer-funded per-site costs relative to existing TE programs.[31]

Several parties support PG&E's proposal.[32] These parties argue that the EVC2 proposal meets applicable statutory and Commission requirements and is necessary to achieve California's TE goals, especially in key workplace and MFH sectors and for Prioritized Communities.[33]

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[28] *Id.* at 14.

[29] *Id.* at 14-15.

[30] *Id.* at 9.

[31] *Id.* at 9-10.

[32] *See, e.g.*, Joint Parties Opening Brief at 1-3.

[33] *See, e.g.*, ChargePoint Opening Brief at 2-4.

Other parties recommend denying PG&E's application or modifying it.[34] Cal Advocates cautions against authorization of ratepayer funding for proposals like EVC2 where non-ratepayer funding exists.[35] TURN claims PG&E has not met its burden to demonstrate that the proposed program is just and reasonable and in ratepayers' interests.[36] TURN also argues that the Commission has authority under Public Utilities Code Section 740.12 to modify PG&E's proposal to conform with the statutory requirement that the program serve ratepayers' interests.[37] TURN asserts that "PG&E's failure to exhibit financial discipline designing this program leaves the Commission responsible to limit the scope of the program . . . , especially considering the Commission indicated in D.21-07-028 its priorities for EV infrastructure and indicated budget limits under which less scrutiny would be applied."[38]

In the following sections, we analyze the areas of contention in PG&E's proposed EVC2 program under the relevant statutory provisions, applicable standard of proof, and Commission decisions. We evaluate parties' arguments and supporting evidence and conclude that the EVC2 program, as modified, is just and reasonable, in the interests of ratepayers, and complies with all relevant Commission requirements—thereby resolving Issue 1 in the Scoping Memo.

### 3.2. Bifurcation of the Proceeding

The May 3, 2022 ALJ Ruling proposes to potentially bifurcate the proceeding in light of the proposed long-term EV infrastructure program

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[34] *See, e.g.*, CLECA Opening Brief at 2-12.

[35] Cal Advocates Opening Brief at 14-15.

[36] TURN Opening Brief at 4.

[37] *Ibid.*

[38] *Id.* at 8.

contemplated and subsequently established in R.18-12-006. The Joint Parties and PG&E argue that a phased approach would violate existing statutory and regulatory directives, introduce uncertainty, and jeopardize the success of the program.[39] PG&E argues that "bifurcation of an otherwise tenable TE program application could constitute a legal error by 'contravening the express directives of SB 350, the authority of Decision 21-07-028, and the expectations of [this proceeding's] Scoping Memo.'"[40] PG&E claims the Commission is statutorily required to review TE proposals.[41]

The Joint Parties and PG&E further argue that bifurcation would directly contradict the Commission's previous clarification to parties in R.18-12-006, arguing that a draft staff proposal is not sufficient to alter the regulatory standard of review and that the Commission should follow guidance provided in D.21-07-028.[42] PG&E notes that the scoping memo in R.18-12-006 states that "[a]ll IOU TE-related applications filed before the Commission approves a TEF in this proceeding shall be governed by existing Commission directives and policies regarding TE."[43] ChargePoint, the Joint Parties, and PG&E argue that the Commission has not adopted the staff proposal in R.18-12-006.[44]

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[39] Joint Parties Opening Brief at 3-9; PG&E Opening Brief at 6.

[40] PG&E Opening Brief at 24 (citing Ex. NRDC-03 at 7).

[41] *Id.* at 23 (citing Pub. Util. Code Section 740.12(b)).

[42] *Id.* at 26 (citing Ex. NRDC-03 at 4; R.18-12-006, Email Ruling Denying Joint Motion to Stay Proceeding and Resetting Procedural Schedule at 3 (Mar. 24, 2020)).

[43] *Id.* at 26-27 (citing R.18-12-006, assigned Commissioner's Scoping Memo and Ruling at 7 (May 2, 2019)).

[44] *Id.* at 26; ChargePoint Opening Brief at 5-6; Joint Parties Opening Brief at 3-9.

EVgo and PG&E argue that a phased approach to the proceeding would create market and regulatory uncertainty.[45] ChargePoint asserts that authorizing only the first phase of the program would be unfair to customers in Northern California, as the Commission has previously approved extensions for other IOU TE programs through the Southern California Edison Company (SCE) Charge Ready 2 program and the San Diego Gas & Electric Company (SDG&E) Power Your Drive 2 (PYD2) program.[46]

Finally, PG&E argues that a two-phased EVC2 program would likely disproportionately impact customers in Prioritized Communities by "introducing uncertainty into the market; cut-short [marketing, education, and outreach (ME&O)] and equity initiatives that would lead to increased utilization; and heighten unmet demand for EV charging infrastructure because of stunted timeframes."[47]

Other parties support a phased approach to the program to meet California's near-term EV adoption goals. Cal Advocates recommends the Commission adopt a limited phase 1 with a scaled budget to provide bridge funding until the end of 2024, before the proposed rebate program considered in R.18-12-006 would begin.[48] Cal Advocates also notes that the PYD2 and Charge Ready 2 programs will end by 2024 and 2025, respectively.[49]

Cal Advocates argues that PG&E's EVC2 proposal is inconsistent with the Commission's shift away from a case-by-case TE approach because PG&E would

[45] EVgo Opening Brief at 17-19; PG&E Opening Brief at 24-25.

[46] ChargePoint Opening Brief at 7.

[47] PG&E Opening Brief at 27-28.

[48] Cal Advocates Opening Brief at 13.

[49] *Id.* at 21.

create a seven-year TE program that overlaps with the unified, policy-driven, and statewide approach under development in R.18-12-006.[50] Cal Advocates responds to arguments that it is improper to review the EVC2 proposal for consistency with R.18-12-006, asserting that it instead "recommends that the Commission *take into consideration* that the Commission is signaling a change in its approach to future TE programs in [R.18-12-006] and that it would be shortsighted to approve a seven-year TE program that is counter to the policy intent of the [TEF]."[51] Cal Advocates argues that approving the EVC2 program as originally proposed could increase market uncertainty by having two different TE programs beginning in 2026 with different eligibility requirements and criteria.[52]

NDC asserts "as the [R.18-12-006] scoping memo contemplates, it is entirely reasonable to expect that there will be '*awareness and coordination* where practicable among Commission proceedings addressing issues that are closely linked.'"[53] NDC further argues that the Commission provided notice in R.18-12-006 that "[a]ny new applications filed after December 1, 2018 *may be considered under the parameters of an initial TEF*, if not solely under existing statutory and regulatory guidance."[54]

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[50] *Id.* at 21.

[51] Cal Advocates Reply Brief at 4 (emphasis in original).

[52] *Id.* at 7.

[53] NDC Opening Brief at 41 (citing R.18-12-006, assigned Commissioner's Scoping Memo and Ruling, at 10 (May 2, 2019) (emphasis added by NDC)).

[54] *Id.* at 42 (citing R.18-12-006, Order Instituting Rulemaking to Continue the Development of Rates and Infrastructure for Vehicle Electrification and Closing R.13-11-007 at 8 (Dec. 19, 2018) (emphasis added by NDC)).

TURN argues that by considering the application in two phases, the Commission would "ensur[e] it is only passing the most necessary costs of EV charging infrastructure on to ratepayers with full knowledge of all relevant factors, including the potential role for ratepayers through the statewide rebate program under consideration by the Commission [in R.18-12-006]."[55] TURN refutes arguments that adopting a limited first phase of the proceeding would create uncertainty because R.18-12-006 is considering TE funding for 2025 to 2035, and TURN's proposal would ensure a continuity of funding until 2025.[56] TURN asserts that bifurcation would provide near-term funding while ensuring that longer-term spending considers future funding sources.[57]

TURN also argues that PG&E's full EVC2 proposal is larger than necessary based on funding currently or soon available for TE infrastructure.[58] TURN claims that the original EVC2 proposal provides funding far beyond that needed to meet the 2025 goals identified in the CEC's AB 2127 Electric Vehicle Charging Infrastructure Assessment.[59] TURN argues a more limited program is more likely to result in benefits commensurate with costs.[60]

Examining PG&E's proposal against Scoping Memo Issues 7 and 8, we find that authorizing phase 1 funding is reasonable as it provides near-term funding for priority TE investment in the 2023-2026 timeframe, in alignment with D.21-07-028, D.22-11-040, and the Commission's TE rulemaking (*i.e.*, R.18-12-006).

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[55] TURN Opening Brief at 2.

[56] *Id.* at 3.

[57] *Id.* at 7.

[58] *Id.* at 14.

[59] *Ibid.*

[60] *Ibid.*

PG&E and the Joint Parties misinterpret the requirements applying to evaluation of this application in their argument that bifurcation constitutes legal error and contradicts the Commission's direction in D.21-07-028. The Commission has clear statutory authority to modify utility TE proposals under Public Utilities Code Section 740.12(b).

We find that the limited funding in phase 1 satisfies the statutory requirements by minimizing costs and maximizing benefits. PG&E's total $275.8 million budget for the EVC2 proposal far exceeds its estimated phase 1 costs of $48.1 million. Approving phase 1 of the program while deferring consideration of a potential phase 2 of the program is in the interests of ratepayers because it promotes California's TE and climate goals without placing an undue burden on ratepayers.

We find that the limited timeframe of phase 1 also better accounts for future market and regulatory conditions. As several parties note, in R.18-12-006 we are considering and subsequently adopted a unified, policy-driven, statewide funding framework to complement future public and private funding sources and to focus ratepayer funds where they are most needed.[61] On November 21, 2022, the Commission issued D.22-11-040, which addresses the Energy Division staff proposal and TEF and creates a long-term EV infrastructure rebate program beginning in 2025. We find that authorizing phase 1 of the EVC2 program provides sufficient market and regulatory certainty to bridge the near-term TE infrastructure gap between now and 2025. If we authorize a second phase of the EVC2 program, we find there is significant time to consider future TE needs before phase 2 would begin in 2026. We conclude

[61] On October 14, 2022, the Commission issued a proposed decision in that proceeding.

that four years is an appropriate program period, thereby resolving Scoping Memo Issue 9 regarding the reasonableness of PG&E's proposed 7-year term. PG&E shall implement phase 1 of the approved EVC2 program beginning on January 1, 2023, and accept program applications through December 31, 2026, pursuant to D.22-11-040.

Having determined that bifurcating the proceeding is reasonable, we only evaluate the first phase of the EVC2 proposal in this decision. We keep this proceeding open to consider a phase 2 of PG&E's application. Below, we discuss program details and modifications that serve to satisfy the applicable statutory and regulatory requirements.

### 3.3. Deployment Targets

In support of its proposed EV charger deployment targets, PG&E notes that the Commission and the CEC have recognized the need for additional TE investments to fill the infrastructure gap by 2030 and achieve California's GHG goals.[62] PG&E states that there is significant unmet demand for EV charging infrastructure at sites that did not receive rebates under its EVCN program.[63] PG&E asserts it designed the EVC2 proposal to serve this demand and ensure continuing support for customers at MFH and workplace sites.[64] PG&E also proposes to offer new construction rebates to MFH sites that exceed the California Green Building Standards Code (CALGreen) requirements.[65]

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[62] Ex. PG&E-04 at 2 (citing CEC, AB 2127 Electric Vehicle Charging Infrastructure Assessment at 1-2 (July 2021); D.21-07-028 at 8-11).

[63] Ex. PG&E-01 at 2-1.

[64] *Id.* at 2-1.

[65] *Id.* at 3-6.

In phase 1 of the EVC2 program, PG&E proposes to install approximately 17 percent of the ports originally proposed in its application through 2025.[66] The table below summarizes PG&E's phase 1 proposal.[67]

**Table 1: PG&E's Proposed Phase 1 Port Deployment Targets**

| Segment | Target |
|---|---|
| DCFC Public Destinations | 187 |
| L2 MFH in Prioritized Communities | 91 |
| L2 MFH in Non-Prioritized Communities | 319 |
| L2 New Construction MFH | 680 |
| L2 Public Destinations and Workplaces in Prioritized Communities | 435 |
| L2 Public Destinations and Workplaces in Non-Prioritized Communities | 1,012 |
| **Total** | **2,724** |

### 3.3.1. Parties' Positions

PG&E notes that of the sixteen parties who filed opening briefs in the proceeding, twelve support approving the proposed EVC2 program, subject to some discrete modifications.[68] Parties assert that the proposal will help meet the goals of SB 350 and expeditiously deploy needed EV infrastructure.[69]

Other parties caution against adopting PG&E's proposal.[70] Cal Advocates recommends: (1) limiting phase 1 deployment to the 802 ports PG&E proposed under phase 1 for 2024, (2) rejecting PG&E's proposed phase 1 deployment in 2025, (3) reducing deployment targets for public and workplace charging, and

[66] Ex. PG&E-04 at 13.

[67] *Id.* at 13, Table 1; Ex. PG&E-04 at 13, Table 1.

[68] PG&E Reply Brief at 2.

[69] *See, e.g.*, Joint Parties Opening Brief at 1-3.

[70] *See, e.g.*, SBUA Opening Brief at 2-3.

(4) eliminating the DCFC component.[71] Cal Advocates argues that "DCFC costs ratepayers five times more than L2 chargers and there is little evidence to support PG&E's assertion that the presence of DCFCs, on their own, have encouraged EV adoption in [Prioritized Communities]."[72] Countering PG&E's proposal to evenly split deployment of public destination and workplace ports, Cal Advocates recommends prioritizing public destination ports over workplace ports because workplace ports are not guaranteed to be publicly accessible.[73] Cal Advocates references the CEC's projected EV charger needs showing about a 60-/40-percent split between public and workplace chargers.[74]

TURN agrees with PG&E's proposed phase 1 deployment targets for DCFC and MFH ports.[75] However, TURN recommends rejecting all funding for workplace charging because PG&E failed to demonstrate that workplace charging is necessary and will result in additional EV adoption.[76] TURN urges the Commission to direct ratepayer funds to the sectors where new deployments are needed in order to have the greatest impact on EV adoption.[77]

NDC recommends: (1) maintaining the proposed MFH deployment target, (2) adopting a lower target for public destinations, and (3) adopting the lowest target for workplaces.[78] NDC argues that "MFHs are the most underserved

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[71] Cal Advocates Opening Brief at 17, 23.

[72] *Id.* at 17.

[73] *Id.* at 23.

[74] *Id.* at 31 (citing CEC, AB 2127 Electric Vehicle Charging Infrastructure Assessment at 34 (July 2021)).

[75] TURN Opening Brief at 12-13.

[76] *Id.* at 15-18.

[77] TURN Reply Brief at 8.

[78] NDC Opening Brief at 23-28.

market segments, and that the predominantly low-income residents of MFHs, especially those in [Prioritized Communities], face the highest barriers to EV adoption."[79] NDC further justifies its recommendations by arguing that public charging could support MFH residents but workplace charging would not.[80]

Regarding the DCFC component, NDC asserts that PG&E has not made sufficient progress in its EV Fast Charge pilot program to justify expanding it through the EVC2 program.[81] NDC argues that D.21-07-028 requires PG&E to incorporate lessons learned from current TE programs to maximize ratepayer benefits and reduce per port costs relative to existing programs.[82] Therefore, NDC concludes that the proposed extension of the EV Fast Charge program fails to meet a key criterion of that decision.[83]

Parties counter the main objections to PG&E's revised phase 1 proposal concerning the workplace and DCFC components. Electrify America supports PG&E's DCFC proposal, arguing that "faster charge times provide a viable and equitable alternative for communities in which drivers do not have the luxury of overnight charging or extended dwell times."[84] Refuting the argument that PG&E failed to make the necessary showing required by D.21-07-028 for the DCFC component, ChargePoint asserts that the decision does not prohibit the

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[79] *Id*. at 23.

[80] *Id*. at 23-24.

[81] *Id*. at 4-10.

[82] *Id*. at 5.

[83] *Id*. at 10.

[84] Electrify America Opening Brief at 3-4.

DCFC proposal simply due to the fact that PG&E is still in the process of designing and constructing sites for its EV Fast Charge program.[85]

PG&E claims low-income communities have fewer DCFC and L2 chargers on a per-capita basis, referencing the CEC's California Electric Vehicle Infrastructure Deployment Assessment.[86] ChargePoint asserts that low-income residents without a dedicated home charger may depend on workplace and/or public charging locations.[87] PG&E also argues that workplace charging is needed because not all MFH residents can access on-site charging due to "technical constraints at their building, site proposals not meeting cost targets, or site hosts being unable to bear the project deployment responsibilities imposed by D.21-07-028."[88] PG&E claims the EVCN program demonstrates that there is significant unmet demand for workplace charging because it received four times more applications than it could serve through the program, with 76 percent of the unserved applications proposing workplace charging.[89]

Regarding new construction rebates, SBUA asserts PG&E's proposed 7 percent program funding target for new construction rebates "is unjust and unreasonable given that new construction incentives are the least cost means of futureproofing PG&E's investments and should pay for themselves in the long-run."[90] The Joint Parties and PG&E recommend expanding this category to include existing buildings subject to CALGreen EV Capable requirements,

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[85] ChargePoint Reply Brief at 8.

[86] PG&E Reply Brief at 8-10 (citing CEC, California Electric Vehicle Infrastructure Deployment Assessment: SB 1000 Report at 6 (Dec. 2020)).

[87] ChargePoint Reply Brief at 6.

[88] PG&E Reply Brief at 18.

[89] *Id.* at 20.

[90] SBUA Opening Brief at 8.

including new added parking spaces for existing buildings and added spaces, in order to capture additional cost-effective opportunities for installing EV chargers.[91] SBUA and Tesla also support this recommendation.[92]

Finally, parties recommend various restrictions to PG&E's deployment proposal. First, NDC recommends entirely excluding Fortune 1000 companies from participating in EVC2, rather than PG&E's proposal to exclude their participation at sites in Prioritized Communities.[93] NDC recognizes that D.20-08-045 and D.21-07-028 restrict Fortune 1000 companies' participation specifically in disadvantaged communities, but NDC argues for a wholesale exclusion "to accelerate EV adoption in locations that truly need support, reduce the inequitable situation of ratepayers providing funds to wealthy companies, and allow greater remaining funds to be used where they are most effective."[94] ChargePoint, Electrify America, and EVgo recommend rejecting PG&E's proposed 24-hour per day, 7-day per week (24/7) public access requirement for public destination sites because the requirement would eliminate sites that could conveniently serve customers.[95] Third, SBUA argues that PG&E's proposed 20-port threshold is unnecessary and will adversely affect some small businesses and MFH sites, as they may require fewer than 10 ports in many cases.[96]

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[91] Ex. PG&E-05-E at 2; Joint Parties Opening Brief at 11.

[92] SBUA Opening Brief at 9; Tesla Opening Brief at 3-4.

[93] NDC Opening Brief at 38.

[94] *Ibid.*

[95] ChargePoint Opening Brief at 10-11; Electrify America Opening Brief at 7-8; EVgo Opening Brief at 12-14.

[96] SBUA Reply Brief at 6-7.

#### 3.3.2. Adopted Deployment Targets

We find PG&E adequately justifies its proposed phase 1 deployment targets. Parties present convincing arguments that additional support for L2 and DCFC ports is necessary to achieve California's near-term TE and GHG reduction goals. We also agree with parties' near universal support for EV charger deployment at MFH sites as this market segment is currently underserved.

We decline to lower deployment targets for public and workplace charging. We find that PG&E adequately justifies the near-term need for additional public and workplace charging to help satisfy unmet demand at sites that did not receive rebates under its EVCN program. While we decline to adopt TURN's proposal to eliminate support for workplace charging, we agree that the EVC2 program should focus funding on the sectors where new deployments are needed to have the greatest impact on EV adoption. Similarly, we agree with Cal Advocates' recommendation to prioritize public destination ports over workplace ports in order to better align with the CEC's projected EV charger needs and to recognize that workplace ports may not be publicly accessible. PG&E shall implement phase 1 of the EVC2 program according to its proposed deployment targets and with a 60-/40-percent split between public destination and workplace ports for that market segment.

We decline to eliminate the DCFC component because it will help to address lagging deployment of these chargers in Prioritized Communities. We raise the MFH new construction target to account for savings resulting from the lower per-port costs adopted in the section below. We adopt the deployment targets summarized in the table below for phase 1 of PG&E's EVC2 program. PG&E may seek approval to deviate from the adopted port deployment targets by filing a Tier 2 Advice Letter that justifies any proposed modifications to the port deployment figures.

**Table 2: Adopted Phase 1 Port Deployment Targets**

| Segment | Adopted Port Deployment Target | PG&E's Proposed Port Deployment Target |
|---|---|---|
| DCFC Public Destinations | 187 | 187 |
| L2 MFH in Prioritized Communities | 91 | 91 |
| L2 MFH in Non-Prioritized Communities | 319 | 319 |
| L2 New Construction MFH | 778 | 680 |
| L2 Public Destinations and Workplaces in Prioritized Communities | 435 | 435 |
| L2 Public Destinations and Workplaces in Non-Prioritized Communities | 1,012 | 1,012 |
| **Total** | **2,822** | **2,724** |

Additionally, we address several other proposed modifications. We disagree with parties who argue that PG&E's proposed 24/7 public access requirement for EVC2 public destination sites is too restrictive. The 24/7 requirement ensures that these chargers are always available to the public and will enhance their usage.

Responding to SBUA's recommendation, we direct PG&E to eliminate the proposed 20-port minimum threshold to prevent the program from excluding certain small business and MFH sites. We also find it reasonable to exclude Fortune 1000 companies in all contexts from the program, as this will promote cost-effective use of ratepayer funds and accelerate EV adoption in locations needing support. We agree that expanding the new construction category to include existing buildings subject to CALGreen EV Capable requirements will help to capture additional cost-effective opportunities to deploy EV chargers.

### 3.4. Per-Port Costs

PG&E proposes the following per-port cost targets for the EVC2 program, with the corresponding cost-share or willingness-to-pay assumptions. For L2 ports at MFH sites in Prioritized Communities, PG&E proposes to fund 100 percent of all BTM costs, which PG&E estimates to average $16,500 per port, including the cost of the charger.[97] For L2 ports at MFH sites outside of Prioritized Communities, PG&E proposes to fund up to $12,000 per port and estimates BTM costs to average $12,142 per port, excluding the cost of the charger.[98] PG&E assumes a willingness-to-pay for this market segment is $1,000 per port.[99]

For L2 ports at public destinations and workplaces in Prioritized Communities, PG&E proposes to fund up to $12,000 per port and estimates BTM costs to average $13,095 per port, excluding the cost of the charger.[100] PG&E assumes a willingness-to-pay for this market segment is $1,500 per port.[101] For L2 ports at public destinations and workplaces outside of Prioritized Communities, PG&E proposes to fund up to $10,000 per port and estimates BTM costs to average $12,115 per port, excluding the cost of the charger.[102] PG&E assumes a willingness-to-pay for this market segment is $2,500 per port.[103] PG&E proposes rebates up to $4,000 per port for new MFH construction projects to turn "EV

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97 Ex. PG&E-01 at 3-15; Ex. PG&E-02 at WP-15.

98 Ex. PG&E-02 at WP-15.

99 Ex. PG&E-01 at 3-16.

100 *Id.* at 3-16, 3-17; Ex. PG&E-02 at WP-15.

101 Ex. PG&E-01 at 3-17.

102 *Ibid.*; Ex. PG&E-02 at WP-15.

103 Ex. PG&E-01 at 3-17.

capable" parking spaces into "EV installed" spaces with L2 charging ports.[104] PG&E proposes to enforce cost targets for financial support to ensure the program accomplishes its goals while staying within the prescribed budget.[105]

#### 3.4.1. Parties' Positions

Most parties support PG&E's proposed per-port costs.[106] Parties argue that PG&E justifies the costs as necessary to achieve California's climate, TE, and equity goals.[107] Other parties propose lowering the proposed per-port costs. The table below summarizes the various proposals.

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[104] *Id.* at 3-6.

[105] PG&E Opening Brief at 23.

[106] *See* PG&E Reply Brief at 2.

[107] *See, e.g.*, EVgo Reply Brief at 1.

**Table 3: Per-Port Cost Proposals**

| | DCFC Public Destinations | L2 MFH in PCs | L2 MFH in Non-PCs | L2 NC MFH in PCs | L2 NC MFH in Non-PCs | W/PD in PCs | W/PD in Non-PCs |
|---|---|---|---|---|---|---|---|
| PG&E[108] | \$67,000 | \$16,500 | \$12,000 | \$4,000 | \$4,000 | \$12,000 | \$10,000 |
| Cal Advocates[109] | | \$16,000 | \$8,500 | \$3,500 | \$1,750 | \$6,000 | \$6,000 |
| FreeWire[110] | \$92,000 | | | | | | |
| NDC[111] | | \$16,500 | \$10,000[112] | \$3,500 | \$1,750 | \$8,000[113] | \$8,000[114] |
| SBUA[115] | | \$5,000 | \$5,000 | \$2,500 | \$2,500 | \$5,000 | \$5,000 |
| Tesla[116] | | | | \$3,500 | \$3,500 | | |
| TURN[117] | \$59,000 | \$10,000 | \$10,000 | \$3,500 | \$3,500 | \$6,000 | \$6,000 |

NC: New Construction
PCs: Prioritized Communities
W/PD: Workplace and Public Destinations

To justify raising the cost-sharing requirements and lowering per-port costs, NDC presents analysis that it claims supports a higher willingness-to-pay

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108 Ex. PG&E-01 at 3-3, 3-15.

109 Cal Advocates Opening Brief at 16, 38.

110 FreeWire Opening Brief at 12-15.

111 NDC Opening Brief at 30, Table 5-2.

112 NDC proposes this figure or up to 80 percent of BTM costs. *Ibid.*

113 NDC proposes this figure or up to 66 percent of BTM costs. *Ibid.*

114 NDC proposes this figure or up to 66 percent of BTM costs. *Ibid.*

115 SBUA Opening Brief at 5-6.

116 Tesla Opening Brief at 3-4.

117 TURN Opening Brief at 2, 18.

across almost all market segments.[118] Cal Advocates supports NDC's analysis and positions.[119]

NDC asserts that the EVCN survey, which PG&E used to develop the willingness-to-pay amounts, is biased and that PG&E's own interpretation of the survey supports a substantially higher willingness-to-pay range.[120] Compared to MFH sites, NDC argues public destination and workplace sites should receive lower incentives because they show increased benefits and exhibit a higher willingness-to-pay inside and outside of Prioritized Communities; NDC claims the location of sites does not affect either benefits or willingness-to-pay.[121] NDC identifies MFH sites as typically exhibiting the lowest willingness-to-pay among EVC2 market segments, but NDC recommends a funding cap $16,500 for BTM costs, including the charger.[122] Cal Advocates reasons that only the MFH in Prioritized Communities should exceed the Commission's previously-adopted $15,000 threshold, in compliance with D.21-07-028.[123]

NDC also claims that the underserved communities requirement in D.21-07-028 "does not specify that *every* customer in underserved communities must receive higher incentives than *every* customer outside underserved communities."[124] NDC refers to TURN's arguments that large corporations

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118 NDC Opening Brief at 30-37.

119 Cal Advocates Opening Brief at 37.

120 NDC Opening Brief at 33.

121 *Id.* at 34-36.

122 *Id.* at 37.

123 Cal Advocates Opening Brief at 16.

124 NDC Opening Brief at 36 (emphasis in original).

located in disadvantaged communities received EVCN rebates and that geographic deployment criteria are too broad to support equity.[125]

TURN alleges that PG&E's average per-port costs are contrary to the direction provided in D.21-07-028 that "per port costs remain below the average per port cost threshold the Commission has adopted in recent TE decisions."[126] TURN recommends lower funding levels based on previously approved funding and the CEC's California Electric Vehicle Infrastructure Project (CALeVIP).[127]

Cal Advocates further alleges that the per-port cost proposal does not comply with the D.21-07-028 requirement, for applications proposing extensions of existing TE programs, that PG&E demonstrate "any proposed per port costs remain below the average per port cost threshold the Commission has adopted in recent TE decisions, to the extent applicable."[128] TURN supports adopting the cost caps in two recent Commission decisions.[129] The Charge Ready 2 decision caps L2 costs at $15,000 per port for to-the-meter (*i.e.*, in front of the meter), BTM, and 25-100 percent of electric vehicle supply equipment (EVSE) costs for all customer segments.[130] The PYD2 decision contains the same average per port cost cap of $15,000.[131]

PG&E asserts that the PYD2 decision authorizes higher per-port costs because the Commission allowed SDG&E to request recovery of additional

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[125] *Id.* at 36 (citing Ex. TURN-01 at 18, 43).

[126] TURN Opening Brief at 18-19 (citing D.21-07-028 at 27).

[127] *Id.* at 18-19.

[128] Cal Advocates Opening Brief at 4 (citing D.21-07-028 at 27).

[129] TURN Reply Brief at 10-11.

[130] D.20-08-045 at 144.

[131] D.21-04-014 at 41-42, 98.

amounts up to $18,131 per port, subject to a reasonableness review.[132]
Cal Advocates argues that PG&E's proposal improperly relies on a hypothetical assumption that all sites require additional infrastructure for new service lines and transformers.[133] Cal Advocates claims the assumption is excessive, unsupported, and contradicted by evidence—citing SCE's Charge Ready 2 workpapers that assume only 40 percent of sites installing L2 EVSE will need a new service line or a transformer.[134] Cal Advocates argues that because PG&E failed to justify recovery above the established $15,000 cap, the Commission should apply the $15,000 per-port cost threshold for EVC2, including all to-the-meter, BTM, and 25-100 percent of EVSE costs for all customer segments.[135]

PG&E argues that it applied a conservative escalation rate of 2.7 percent to develop its proposed L2 BTM per-port costs of $11,546, which it claims aligns with the Charge Ready 2 and PYD2 decisions.[136] PG&E claims "the way it tracks, reports, and allocates costs for its EVCN program, which PG&E relies upon in its [EVC2] L2 port cost calculations, on a per port basis differ fundamentally from [the SCE and SDG&E] programs."[137] PG&E argues that Cal Advocates fails to acknowledge these differences or present sufficient evidence or arguments justifying lower per-port costs for the EVC2 program.[138]

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[132] Ex. PG&E-03 at 70.

[133] Cal Advocates Opening Brief at 5.

[134] *Ibid.* (citing A.19-10-012, Comments of San Diego Gas & Electric Company (902E) on Proposed Decision for Application of San Diego Gas & Electric Company (U902E) to Extend and Modify the Power Your Drive Pilot Approved by D.16-01-045 at 6 (Mar. 8, 2021)).

[135] *Ibid.*

[136] PG&E Reply Brief at 3.

[137] *Id.* at 5 (citing Ex. PG&E-03 at 72).

[138] *Id.* at 2-6.

FreeWire recommends the EVC2 program retain the $25,000 per-port DCFC rebate, which is currently available for sites in Prioritized Communities under PG&E's EV Fast Charge program, in order to accelerate the payback period for charger investment by an electric vehicle service provider (EVSP).[139]

Regarding new construction rebates, several parties claim PG&E does not support the reasonableness of its proposed $4,000 rebate. NDC and TURN recommend an amount up to $3,500 based on the Commission-approved amount in SCE's Charge Ready 2 program.[140] NRDC also recommends lowering the rebate level to $3,500 to serve a larger number of MFH customers.[141] Cal Advocates recommends reducing the new construction rebate for MFHs to $3,500 per port in Prioritized Communities and $1,750 per port in non-Prioritized Communities.[142] SBUA recommends either adopting Cal Advocates' proposal or capping rebates at new construction sites to $2,500 per port, with a minimum 10 percent contribution from site hosts outside of Prioritized Communities.[143]

#### 3.4.2. Adopted Per-Port Cost Targets

Resolving Issue 13 in the Scoping Memo, we broadly adopt PG&E's proposed average per-port costs, with limited exceptions. The approved amounts align with guidance in D.21-07-028 and per-port costs recently adopted in the Charge Ready 2 and PYD2 programs.

The conflicting data regarding willingness-to-pay reveals the difficulty of basing per-port allocations on limited surveys of willingness-to-pay. NDC's

[139] FreeWire Opening Brief at 12-17.

[140] NDC Opening Brief at 38-39; TURN Reply Brief at 12.

[141] Ex. NRDC-01 at 13.

[142] Cal Advocates Opening Brief at 38-39.

[143] SBUA Opening Brief at 6-7.

analysis of PG&E's survey reveals substantial shortcomings in PG&E's survey methodology. However, we do not agree that NDC's suggestion to perform calculations using speculative assumptions based on PG&E's willingness-to-pay data will produce better results. We agree with NDC that prior program data should inform future programs, but effective surveys require proper design and representative samples. We also agree with PG&E that EVC2 costs and CALeVIP costs are not analogous and do not form a sound basis for determining per-port cost allocations.

We agree with Cal Advocates, NDC, NRDC, and TURN that lowering new construction rebates to an average of $3,500 per port is reasonable. This amount aligns with the Charge Ready 2 decision, pursuant to direction provided in D.21-07-028. Additionally, as NRDC argues, lowering the rebate to this level would allow the program to serve a larger number of MFH sites, which we agree require additional support under the program. We redirect excess MFH new construction rebate funds resulting from lowering the rebate to other new construction sites.

We find PG&E's other proposed average per-port costs reasonable. We agree with the proposal to limit per-port costs to those established in prior decisions, pursuant to direction provided in D.21-07-028. The average per-port cost cap for L2 chargers in SDG&E's PYD2 program is $15,000. PG&E proposes to cover 100 percent of per port costs for MFH retrofits in Prioritized Communities, acknowledging these costs could exceed $15,000. While we support increased attention to this segment, we do not find PG&E's proposal reasonable as it is inconsistent with funding levels we have adopted elsewhere, including in SCE's Charge Ready 2 program. We therefore apply the $15,000 cap to this segment as well. However, if average per-port costs for MFH sites in Prioritized

Communities exceed $15,000, PG&E may seek recovery for the difference between a baseline of $15,000 and the actual direct costs per port, up to $16,500 per port, following a reasonableness review. PG&E may not recover average per-port costs above $16,500. We summarize the adopted per-per cost targets in the table below.

**Table 4: Adopted Average Per-Port Cost Targets**

| Segment | Average Per-Port Cost Target |
|---|---|
| DCFC Public Destinations | $67,000 |
| L2 MFH in Prioritized Communities | $15,000 |
| L2 MFH in Non-Prioritized Communities | $12,000 |
| L2 New Construction MFH | $3,500 |
| L2 Public Destinations and Workplaces in Prioritized Communities | $12,000 |
| L2 Public Destinations and Workplaces in Non-Prioritized Communities | $10,000 |

### 3.5. Equity

PG&E claims the EVC2 proposal promotes equity and meets all of the requirements of D.21-07-028.[144] PG&E includes specific provisions related to Prioritized Communities, stakeholder and CBO engagement, and the Commission's Environmental and Social Justice Action Plan.[145] PG&E also asserts it designed the program to "limit cost exposure for PG&E ratepayers and capture differentiated cost sharing from participating customers using a tiered incentive policy, with customer participation payments and rebates based on customer segment and [Prioritized Community] status."[146] We discuss specific

[144] PG&E Opening Brief at 21-23.

[145] *Ibid.*

[146] *Id.* at 21 (citing Ex. PG&E-01 at 3-2).

equity requirements and parties' positions below to resolve Issue 10 in the Scoping Memo.

#### 3.5.1. Stakeholder Engagement

PG&E asserts it engaged key stakeholders—including CBOs, environmental justice organizations, and Tribal partners—for guidance and input.[147] PG&E states that it developed the proposed equity initiatives with CBOs, including: "marketing to potential eligible site hosts and [Prioritized Communities]; engaging with customers and community stakeholders to assist in determining charger placement; helping to reduce total cost of ownership [in Prioritized Communities;] encouraging EV adoption through car share partnerships and other programs[;] education and outreach with [Prioritized Communities;] and development of multi-language resources and tailored messaging to resonate with a diverse audience."[148] PG&E proposes to continue working with CBOs to address potential barriers to Prioritized Communities participation in EVC2.[149]

We find that PG&E sufficiently consulted with CBOs in developing its proposal. We also find that PG&E's proposal contains sufficient plans to continue engagement with CBOs throughout EVC2 program implementation, as directed in D.21-07-028.

#### 3.5.2. Equitable Charging

PG&E states it will defer to its Program Advisory Council to decide how to further incorporate equity considerations into EVC2, noting that it is "considering several ways to encourage equitable pricing, particularly at DCFC

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[147] *Ibid.*

[148] *Ibid.*

[149] *Id.* at 22.

ports in AB 841 Prioritized Communities," including "targeted ME&O to educate EV drivers on peak and off-peak pricing; contractual requirements with EVSPs to limit prices during off-peak hours or location-based pricing based on Area Median Income[; and complementary programs to EVC2] that can help reduce the price of charging for those customers most in need."[150]

Cal Advocates and TURN recommend directing PG&E to explore pathways to allow MFH participants enrolled in the California Alternate Rates for Energy (CARE) program to realize fuel cost savings similar to CARE customers in single-family homes.[151] EVgo cautions against limits or controls on the pricing that EVSPs offer to their customers, claiming that restrictions on how EVSPs recover electricity and non-electricity costs are not appropriate and are outside the Commission's jurisdiction.[152]

We find PG&E's proposed approach to incorporate equitable charging into the ECV2 program reasonable. Stakeholders should work with PG&E through its Program Advisory Council to recommend and develop equitable charging strategies, including but not limited to those proposed by Cal Advocates, PG&E, and TURN.

#### 3.5.3. Deployment in Prioritized Communities

PG&E proposes to spend at least 50 percent of program funds on Prioritized Communities.[153] Regarding the definition of Prioritized Communities, the statute includes one category of underserved communities where "at least

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[150] Ex. PG&E-01 at 5-4.

[151] Cal Advocates Opening Brief at 28-29; TURN Reply Brief at 11.

[152] EVgo Opening Brief at 16.

[153] PG&E Opening Brief at 21.

75 percent of public-school students in the project area are eligible to receive free or reduced-price meals under the National School Lunch Program."[154] PG&E proposes to expand this category to include adjacent census tracts—arguing that a broader definition for this category might capture additional low-income students who may benefit from EV investment in their communities.[155]

Cal Advocates proposes to narrow the targeted equity customers to those in underserved communities who would most benefit from additional assistance.[156] Cal Advocates recommends requiring that median rent in an MFH site to be below Fair Market Rent, as defined by the U.S. Department of Housing and Urban Development, or that median resident income be at or below 400 percent of the Federal Poverty Level.[157]

Cal Advocates recommends adopting at least a 50 percent minimum spending in Prioritized Communities requirement, pursuant to D.21-07-028.[158] Regarding the breakdown of targeted site types, Cal Advocates states that although PG&E acknowledges low-income communities on average have the fewest L2 and public chargers per capita, the EVC2 proposal only allocates 34 percent of total L2 ports to those communities.[159] Cal Advocates argues that "lack of home charging is a barrier to EV adoption and low-income communities are the most in need of additional charging options."[160] Cal Advocates

[154] Pub. Util. Code Section 1601(e)(4).

[155] Ex. PG&E-03 at 39-40.

[156] Cal Advocates Opening Brief at 26.

[157] *Ibid.*

[158] *Id.* at 6.

[159] *Id.* at 6, 29-31.

[160] *Id.* at 31 (citing CEC, California Electric Vehicle Infrastructure Deployment Assessment: SB 1000 Report at 11 (Dec. 2020)).

recommends requiring PG&E to meet the minimum investment in Prioritized Communities requirement by installing more L2 ports in Prioritized Communities, rather than more expensive DCFC ports.[161]

NDC argues that deployment targets should prioritize vulnerable communities, focus on underserved markets, and minimize risks in unproven areas.[162] NDC argues that D.21-07-028 requires TE programs to "[u]tilize a program specific infrastructure or expenditure requirement of at least 50 percent for customers located in underserved communities," while PG&E interprets the requirement to refer only to infrastructure spending.[163] NDC claims PG&E does not provide justification for why the 50 percent requirement would only apply to infrastructure spending instead to total spending.[164] NDC also recommends a requirement to deploy 60 percent of all EVC2 ports in Prioritized Communities.[165]

Cal Advocates, NDC, and TURN recommend against PG&E's proposal to include adjacent census tracts in one of the statute's underserved communities categories because it would unreasonably expand the statutory definition.[166] Cal Advocates claims the statute's definition of underserved communities is already sufficiently broad—estimating that without the inclusion of adjacent census tracts for this category, 60 percent of PG&E's customers are located in

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[161] *Id.* at 18.

[162] NDC Opening Brief at 16-28.

[163] *Id.* at 19 (citing D.21-07-028 at OP 1).

[164] *Id.* at 19-20.

[165] *Id.* at 19-22.

[166] Cal Advocates Opening Brief at 10-11; NDC Opening Brief at 11-15; TURN Reply Brief at 12.

underserved communities.[167] NDC recommends applying a definition consistent with every other statutory criteria and the definitions used in other TE programs.[168]

We agree with Cal Advocates that the statute captures numerous communities under the underserved community category and direct PG&E to spend at least 65 percent of EVC2 program funds in Prioritized Communities in order to promote EV charger deployment in communities most in need. We clarify that PG&E must apply the Prioritized Communities spending requirement to both the infrastructure and ME&O components of the budget. We agree with Cal Advocates' proposal to more directly target MFH rebates in Prioritized Communities to those customers who would most benefit from the additional assistance. Therefore, to be eligible for a MFH rebate under the Prioritized Communities spending carve out, we require that median rent be below Fair Market Rent, as defined by the U.S. Department of Housing and Urban Development, or that the median resident income be at or below 400 percent of the Federal Poverty Level.[169]

Additionally, we agree with parties arguing against PG&E's proposed inclusion of adjacent census tracts in the category of Prioritized Communities described in Public Utilities Code Section 1601(e). We find that PG&E's proposal unreasonably expands the statutory definition.

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[167] Cal Advocates Opening Brief at 10-11.

[168] NDC Opening Brief at 15.

[169] PG&E should treat MFH sites within Prioritized Communities that do not meet these requirements the same as MFH sites outside of Prioritized Communities. They will not be eligible for the higher rebate, and PG&E should not include spending on that infrastructure in the Prioritized Community budget carve-out.

#### 3.5.4. Ownership of BTM EV Infrastructure

PG&E proposes to own no more than 50 percent of BTM make-ready infrastructure and EVSE, as directed in D.21-07-028.[170] PG&E asserts that D.21-07-028 allows the IOU to own up 50 percent of EVSE and BTM make-ready infrastructure in Prioritized Communities because the decision recognized there is value in allowing utility ownership of TE infrastructure for some customers.[171] PG&E asserts it proposes to offer this ownership option in Prioritized Communities "because participants in previous PG&E EV programs 'expressed preference for PG&E to take care of the entire project . . . both to simplify the process for customers and to reduce customer costs.'"[172] PG&E proposes that all customers offered utility-ownership of EVSE and/or BTM make-ready infrastructure would also have the option to own the infrastructure instead of PG&E.[173]

FreeWire recommends adopting PG&E's proposal to include a utility-ownership option for sites in Prioritized Communities in order to increase EV charging infrastructure in those communities.[174]

Cal Advocates and TURN propose to eliminate utility ownership of BTM EV infrastructure because they claim it unreasonably burdens ratepayers.[175] TURN recommends PG&E administer the program entirely through rebates that

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[170] PG&E Opening Brief at 22.

[171] PG&E Reply Brief at 6-8.

[172] *Id.* at 7 (citing Ex. PG&E-01 at 2-6).

[173] PG&E Opening Brief at 11.

[174] FreeWire Opening Brief at 25.

[175] Cal Advocates Opening Brief at 7-10; TURN Opening Brief at 19.

PG&E must treat as expenses.[176] TURN asserts that the CALeVIP program demonstrates the success of a rebate-based program, as it funded over 12,000 DCFC and L2 ports without utility ownership.[177] To counter PG&E's concern with certain customers not having upfront funds available, TURN proposes that the Commission authorize upfront rebates subject to a true-up after project completion.[178] SBUA recommends limiting utility ownership "to those few instances where the Commission believes it necessary to help build awareness in areas where public destination site hosts need even more encouragement or support to participate."[179]

Instead of utility ownership, Cal Advocates and ChargePoint recommend replacing utility ownership with third-party ownership options.[180] ChargePoint recommends authorizing "turnkey" solutions currently offered by the private sector.[181]

If the Commission permits utility ownership in the EVC2 program, Cal Advocates recommends requiring PG&E to present customers with viable third-party ownership options as a prerequisite to any request to waive the cost-sharing requirements in D.21-07-028.[182] The cost-sharing requirements in D.21-07-028 also provide an option to request a waiver to the 50 percent limit on utility ownership of EVSE and BTM infrastructure if PG&E "can demonstrate the

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[176] TURN Opening Brief at 19.

[177] *Ibid.*

[178] *Id.* at 20.

[179] SBUA Opening Brief at 10.

[180] Cal Advocates Opening Brief at 7; ChargePoint Opening Brief at 7-10.

[181] ChargePoint Opening Brief at 7-10.

[182] Cal Advocates Opening Brief at 11-12.

steps it has taken to offer the customer ownership option, the lack of customer interest, and the resulting impact on the program."[183]

We agree with Cal Advocates and TURN that PG&E's proposal for 50 percent utility ownership is far too high. Recognizing we are moving away from the utility-ownership model, and in light of D.21-07-028, SCE's Charge Ready 2 program, and SDG&E's PDY2 program, find a 33 percent limit on utility ownership in Prioritized Communities to be a reasonable compromise.[184] Resolving Issues 2 and 3 in the Scoping Memo, and to ensure consistency with other IOU EV infrastructure programs, we allow PG&E to own up to 33 percent of EVSE and BTM make-ready infrastructure in Prioritized Communities. PG&E may not own EVSE and BTM make-ready infrastructure outside of Prioritized Communities.

As PG&E proposes, it must first offer participants the option to own the infrastructure in order to allow customers to choose their preferred option, lessen the rate impacts of the EVC2 program, and promote market competition to ensure a long-term sustainable TE market. In response to Cal Advocates' and ChargePoint's recommendations concerning third-party ownership or "turnkey" solutions provided by the private sector, we clarify that these options are permissible, and PG&E shall offer this ownership model as well.

D.21-07-028 also permits a utility to submit a Tier 2 Advice Letter requesting ownership of more than 50 percent of BTM EV infrastructure in

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[183] D.21-07-028 at 78.

[184] The 33 percent utility ownership limitation refers to the percentage of total infrastructure PG&E may own under this program in Prioritized Communities, not to a percentage of each site's infrastructure.

Prioritized Communities if certain criteria are met.[185] We do not find this to be a reasonable requirement to continue in PG&E's program as we are moving toward less utility ownership overall.

#### 3.5.5. Alignment with Environmental and Social Justice Action Plan

PG&E claims EVC2 will aid the Commission in meeting the goals of its Environmental and Social Justice Action Plan by: "consistently integrating equity and access considerations throughout [Commission] proceedings and other efforts; increase investment in clean energy resources to benefit [Environmental and Social Justice] communities; and, enhance outreach and public participation opportunities for [Environmental and Social Justice] communities to meaningfully participate in the [Commission's] decision-making process."[186]

PG&E describes its intention to build on lessons learned in previous TE programs by utilizing a customer-centric approach and strategic market interventions for hard-to-reach segments and geographies.[187] PG&E also proposes to hold Engineering, Procurement, and Construction service partners to wage and benefit standards, including training, to ensure creation of high-quality jobs.[188] Parties do not address PG&E's assertions regarding the Environmental and Social Justice Action Plan in their briefs.

Addressing Issue 6 in the Scoping Memo, we find that the EVC2 program, as modified, aligns with the goals of the Environmental and Social Justice Action Plan. The EVC2 equity components we discuss above and below sufficiently

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185 D.21-07-028 at 76-78.

186 PG&E Opening Brief at 22.

187 *Ibid.*

188 *Ibid.*

address relevant considerations in the Environmental and Social Justice Action Plan.

#### 3.5.6. Equity Funding

PG&E proposes a $3.23 million equity initiatives budget for phase 1 of the EVC2 program.[189] PG&E proposes that this budget fund a variety of initiatives, including focus groups, partnerships with CBOs for customer outreach, a car share pilot, CBO EV advancement, and a CBO partnership for post-energization ME&O in Prioritized Communities.[190]

TURN recommends more than doubling PG&E's originally proposed $4.48 million allocation for EVC2 equity initiatives to $10 million, with $1.5 million of that funded by shareholders.[191] TURN's expanded budget would include carshare and vanpool pilots.[192]

Cal Advocates criticizes the equity initiatives proposal as overly rigid with not enough flexibility to allow for the unique needs of underserved communities.[193] Cal Advocates also argues that PG&E's administrative costs comprise an unreasonably high proportion of the total budget (*e.g.*, administrative costs are $60,000 out of the $125,000 budget for CBO Partnership and Customer Outreach).[194]

We share the concern about high administrative costs but find that the CBO and Prioritized Communities focus of these initiatives are critical to

[189] Ex. PG&E-06 at 2-3.

[190] Ex. PG&E-01 at 6-23, Table 6-4.

[191] TURN Opening Brief at 46.

[192] Ex. TURN-01 at 47.

[193] Cal Advocates Opening Brief at 27.

[194] *Id.* at 28.

promote equity. We do not agree with TURN's proposal to vastly increase these programs by more than doubling the budget. Addressing Scoping Memo Issue 11, we authorize PG&E's proposed $3.23 million equity initiatives budget for phase 1 of the EVC2 program.

### 3.6. Marketing, Education, and Outreach

PG&E proposes to spend $7.58 million on ME&O efforts in phase 1 of the EVC2 program.[195] For the entire EVC2 proposal, PG&E budgets $9.61 million for ME&O activities to "drive customer awareness and engagement . . . and educate customers about EVs and the benefits of fueling from the grid."[196] PG&E's proposed budget includes funding for direct-to-customer communications, digital media, relationship management support, non-underserved community events and outreach, marketing and labor support, and agency creative materials.[197]

Cal Advocates argues that the ME&O proposal is excessive and recommends a 54 percent reduction to PG&E's originally proposed budget.[198] Cal Advocates claims that PG&E fails to demonstrate that it incorporated lessons learned from the EVCN program and that aspects of the ME&O budget do not duplicate other EVC2 budget items or existing non-ratepayer funded programs.[199] TURN supports Cal Advocates' recommendations and agrees that aspects of PG&E's ME&O proposal are excessive, unnecessary, or duplicative.[200]

[195] Ex. PG&E-06 at 2.

[196] PG&E Opening Brief at 12.

[197] Ex. PG&E-01 at 6-13, Table 6-3.

[198] Cal Advocates Opening Brief at 32-35.

[199] *Ibid.*

[200] TURN Reply Brief at 13.

PG&E disagrees with Cal Advocates' recommendations and asserts that the Commission should deny the proposed reduction to the ME&O budget.[201] It claims that the budget lines cited as duplicative are distinct and involve different aspects of needed ME&O efforts.[202]

GPI recommends increasing the ME&O budget to 10 percent of the total EVC2 budget "with the entire increase going to provide basic ME&O at all EVC2 sites, enhanced ME&O at MFH and underserved communities sites, and retroactively supporting ME&O for all EVCN sites."[203] GPI supports additional post-energization ME&O efforts, arguing PG&E's EVCN data shows that "sites that received post-energization ME&O had three times the utilization on average than sites that did not have targeted ME&O."[204] GPI argues that this funding would complement existing, less-targeted ME&O efforts that Electrify America, Veloz, and others are undertaking.[205]

We find that PG&E should coordinate with ongoing statewide EV awareness efforts, including those of Electrify America and Veloz, and that PG&E's ME&O budget is excessive. We recognize that ME&O is an essential component of TE programs, and we do not adopt in its entirety Cal Advocates' recommendation to decrease the ME&O budget by 54 percent. We also recognize the utilization benefits from post-energization ME&O activities, but PG&E can perform this work under the approved ME&O and equity budgets. Addressing

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[201] PG&E Reply Brief at 10.

[202] *Id.* at 10-16.

[203] GPI Opening Brief at 13.

[204] *Id.* at 13-15.

[205] *Id.* at 13.

Scoping Memo Issue 11, we authorize 50 percent of PG&E's proposed phase 1 ME&O budget, or $3.79 million.

### 3.7. Rate and Technology Requirements

PG&E proposes various rate and technology requirements for the EVC2 program.[206] PG&E describes vehicle-grid-integration (VGI) offerings that aim to promote EV integration by adjusting the time, rate, or location of charging/discharging, which will maximize value for the electrical grid and customers.[207] PG&E argues VGI strategies can "reduce energy demand and increase energy supply, reduce customer electricity bills, and defer costly grid upgrades," as well as provide "resiliency, reliability, energy services, and additional customer revenue."[208] In developing its proposal, PG&E claims to have "considered what approaches and technologies are available and effective today, including [ALM], time-of-use (TOU) rates, and existing or near-future [DR] programs," in addition to "rapidly evolving approaches, technologies, and business models, to support bidirectional charging applications."[209]

#### 3.7.1. Technology Standards

Resolving Scoping Memo Issue 14 concerning technology standards for the EVC2 program, we find PG&E's proposed VGI and technology requirements are reasonable, subject to the modifications and clarifications below. First, we address direction in D.22-08-024, which adopts a Plug-In Electric Vehicle Submetering Protocol and EVSE communication protocols. Parties support

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[206] Ex. PG&E-01 at 5-1 to 5-6.

[207] *Ibid.*

[208] *Id.* at 5-1.

[209] *Ibid.*

application of that decision's requirements to EVC2.[210] PG&E shall implement the EVC2 program consistent with that decision's requirements.

Additionally, we address several distinct proposals from parties. ChargePoint recommends two clarifications to the EVC2 program's equipment qualification process: (1) specifically instructing PG&E to streamline approval of equipment and services already eligible under PG&E's EVCN and EV Fast Charge programs, as long as they continue to meet relevant program requirements, and (2) prohibiting use of an unidentified third party to establish the EVC2 equipment list.[211] FreeWire recommends adopting ChargePoint's first clarification.[212] We find the first clarification reasonable as it will promote efficient administration of the program, but we decline to adopt the second clarification and instead allow PG&E to establish the equipment list in a manner it deems appropriate.

To account for market trends and align with guidance from the U.S. Department of Transportation, EVgo recommends raising the DCFC minimum charging capacity to at least 100 kilowatts (kW), and Electrify America recommends at least 150 kW.[213] GPI argues that "[w]hile requiring faster chargers may be advantageous to Electrify America's business model of providing 150 kW and 350 kW chargers, these chargers are also much more expensive to construct than slower chargers, including more substantial grid upgrades, and more expensive to operate due to demand charges."[214]

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[210] *See, e.g.*, ChargePoint Opening Brief at 15.

[211] *Id.* at 12-13.

[212] FreeWire Opening Brief at 23.

[213] Electrify America Opening Brief at 8-9; EVgo Opening Brief at 3-8.

[214] GPI Reply Brief at 16.

ChargePoint supports PG&E's proposed 50 kW minimum because the program will deploy DCFC chargers at a variety of locations, including sites where obtaining the fastest charge or a full charge may not be necessary.[215] We recognize the transition to higher DCFC minimum charging capacities, but we decline to adopt Electrify America's and EVgo's proposals. We find PG&E should support higher DCFC charging capacities (*i.e.*, 100 kW and higher) but also have the discretion to support lower charging capacities (*i.e.*, below 100 kW) when reasonable. PG&E shall file a Tier 2 Advice Letter proposing how to evaluate when deployment of below 100 kW DCFCs is appropriate. PG&E may propose a cost-per-kW evaluation metric and/or a minimum budget or port allocation for 100 kW and higher DCFCs.

FLO recommends adopting uptime requirements and reporting.[216] ChargePoint, EVgo, FreeWire, PG&E, and Tesla recommend deferring to CEC and U.S. Department of Transportation processes already underway to determine industry-wide EVSE reliability requirements.[217] The Joint Parties propose requiring PG&E to submit an Advice Letter after federal and state agencies adopt uptime requirements to incorporate the standards into the EVC2 program.[218] Electrify America argues the Legislature's recent passage of AB 2061 (Ting, 2022), which addresses uptime requirements, moots FLO's recommendation.[219] AB 2061 requires the CEC, in consultation with the

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[215] ChargePoint Reply Brief at 12-13.

[216] FLO Opening Brief at 3-6.

[217] ChargePoint Opening Brief at 14-15 (citing Ex. PG&E-03 at 59; Ex. FW-02 at 4); EVgo Opening Brief at 14-15; FreeWire Reply Brief at 9; Tesla Reply Brief at 1-2.

[218] Joint Parties Reply Brief at 7.

[219] Electrify America Reply Brief at 7-8.

Commission, to develop uptime recordkeeping and reporting standards for EV chargers and charging stations by January 1, 2024. TURN additionally recommends instituting penalties for low utilization to prevent ratepayers from funding unused sites.[220] We decline to adopt uptime reporting or requirements in this decision and instead defer to the process described in AB 2061.

#### 3.7.2. Pricing and Load Management

PG&E proposes to utilize ALM to help lower installation costs and manage the program budget.[221] PG&E also proposes a default arrangement requiring customers to take utility service on TOU or real-time rates.[222] PG&E argues this default arrangement would use price signals to encourage customers to limit charging during peak periods and instead charge during times with lower electricity prices and excess grid capacity.[223] PG&E proposes to allow participants to opt out of the TOU requirement and offer custom pricing if they develop a load management plan.[224]

The Joint Parties and PG&E argue that the default arrangement to pass through price signals, with an opt-out option, "would promote charging in a manner that is consistent with grid conditions, offer the opportunity for drivers to realize fuel cost savings, preserve flexibility to accommodate site host operational needs, and align with the requirements of D.20-12-029."[225] The Joint

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[220] TURN Opening Brief at 21-22.

[221] Ex. PG&E-01 at 5-2.

[222] *Id.* at 5-2 to 5-4; PG&E Opening Brief at 10.

[223] Ex. PG&E-01 at 5-2, 5-3; PG&E Opening Brief at 10.

[224] Ex. PG&E-05-E at 1-2.

[225] *Ibid.*; Joint Parties Opening Brief at 10.

Parties argue that this proposal aligns with the Commission's decision approving SCE's Charge Ready 2 program.[226]

GPI supports PG&E's proposal, arguing that the EVCN program's utilization of ALM resulted in cost savings ranging from $30,000 to $200,000.[227] VGIC asserts "ALM should be encouraged across the EVC2 program as a tool that can provide ratepayer savings during a time when electric rate affordability is top of mind."[228] VGIC also argues that ALM can accelerate deployment timelines by deferring or avoiding grid upgrades.[229]

Electrify America, EVgo, and FreeWire recommend maintaining consistency with past Commission decisions and allowing but not requiring ALM and the proposed default pricing arrangement for DCFC sites.[230] EVgo asserts that "any requirement of pass-through utility rates would very likely create inconsistencies in pricing schemes that negatively impact customer experience, discourage EV adoption, and pose administrative burdens on EVSPs."[231] PG&E clarifies that it does not propose to mandate the use of ALM for DCFC sites.[232]

ChargePoint supports PG&E's proposal to enable site-specific pricing and load management.[233] Tesla cautions against passing through TOU rate signals for

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[226] Joint Parties Opening Brief at 10 (citing D.20-08-045).

[227] GPI Opening Brief at 9.

[228] VGIC Opening Brief at 2.

[229] *Ibid.*

[230] EVgo Opening Brief at 9 (citing D.20-08-045; D.18-05-040); Electrify America Reply Brief at 3-5; FreeWire Reply Brief at 7-8.

[231] EVgo Opening Brief at 10.

[232] Ex. PG&E-03 at 57.

[233] ChargePoint Opening Brief at 11-12.

DCFC ports but supports the proposed load management plan as a "pathway for ensuring price signals for grid integration are being accurately taken into consideration, whether that is in the form of passing the rate on to a driver or using some other technology-based load management strategy."[234]

Electrify America proposes that if the program requires TOU pricing for DCFC ports, PG&E should broaden its interpretation of ALM beyond its proposal.[235] FreeWire, PowerFlex, and VGIC similarly recommend PG&E allow BTM energy storage or other hardware as ALM or load management solutions to reduce ratepayer costs by managing power drawn from the grid.[236]

Resolving Issue 15 in the Scoping Memo, we adopt PG&E's proposal to utilize ALM, which will help lower program costs and promote efficient use of electric grid infrastructure. We also adopt PG&E's proposed TOU or real-time rate default requirement, with the ability to opt out if a participant submits a load management plan. We find that passing through applicable rate price signals as the default arrangement—with an option to opt out—aligns with D.20-08-045 and D.20-12-029. We also find the proposal would encourage EV load management, improve utilization of the electric grid, deliver fuel cost savings to customers, and preserve flexibility for site hosts. Finally, we clarify that PG&E should not prohibit the use of BTM storage or other hardware as acceptable ALM or load management solutions, as this is an unnecessary constraint.

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[234] Tesla Opening Brief at 5.

[235] Electrify America Opening Brief at 5-7.

[236] FreeWire Opening Brief at 24; PowerFlex Reply Brief at 1-2; VGIC Opening Brief at 3-4.

### 3.8. Metrics, Reporting, and Evaluation

PG&E states the program's data collection and reporting requirements will align with those in the Charge Ready 2 program, as required by D.21-07-028.[237] PG&E proposes to use existing forums to provide reports on EVC2 progress, including PG&E's Program Advisory Council, to share updates and receive feedback on potential small program changes.[238] PG&E proposes to publish quarterly and annual EVC2 program reports that align with the other IOUs' reports to simplify program evaluation and reporting.[239] PG&E proposes to use the data and collection reporting templates posted by Energy Division on the Commission's website.[240]

As required by statute, we must review data concerning current and future TE programs and EV adoption.[241] Data on cost, charger utilization, and other aspects of the program are integral to the Commission fulfilling its responsibility to ensure that TE program costs are just and reasonable. We also use this information to help inform future TE funding. It is therefore essential that PG&E collect EVC2 program data and provide a complete record of the authorized investment and EV charging infrastructure deployment.

Resolving Issue 12 in the Scoping Memo, we find that PG&E's proposed metrics, reporting, and evaluation align with prior Commission requirements in

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[237] PG&E Opening Brief at 22.

[238] *Id.* at 12.

[239] *Ibid.*

[240] *Ibid.*

[241] Pub. Util. Code Section 740.12(c) (before authorizing "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").

SCE's Charge Ready 2 program, per D.21-07-028, including use of the data and collection reporting templates posted by Energy Division. PG&E shall implement its metrics, reporting, and evaluation proposal for EVC2 phase 1, within the budget discussed below. We authorize Energy Division to modify the data and collection reporting templates as new or different data needs arise.

### 3.9. Safety

PG&E states that in addition to the Commission's TE Safety Checklist, it will apply the following safety considerations, protocols, and practices to each EVC2 project:

- Programmatic Safety Plan;
- COVID-19 Site Specific Safety Plan;
- Daily Tailboards (Job Safety Analysis);
- Worksite Sign In/Check In;
- Required Personal Protective Equipment;
- Adherence to Electric Operation Utility Standards; and
- Qualified Electrical Worker Inspector presence and validation or work procedures.[242]

PG&E states that these provisions demonstrate its commitment to promote public safety.[243]

Statute mandates that PG&E show its proposal is in the "interests of ratepayers" by demonstrating direct ratepayer benefits that provide "[s]afer, more reliable, or less costly gas or electrical service."[244] Ensuring utilities provide

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[242] PG&E Opening Brief at 14-15 (referencing California Public Utilities Commission, Safety Requirements Checklist for CPUC-Approved Transportation Electrification Programs, available at: https://www.cpuc.ca.gov/-/media/cpuc-website/files/legacyfiles/s/6442458882-safety-requirements-checklist-final-draft-.pdf).

[243] *Ibid.*

[244] Pub. Util. Code Section 740.8.

safe and reliable service is also an overarching focus in the emerging TE industry. The Commission's TE Safety Checklist consolidates current standards and requirements to ensure the IOUs install and operate TE infrastructure safely and reliably. We find that PG&E's EVC2 proposal sufficiently addresses safety considerations.

No later than 18 months after the issuance date of this decision, PG&E shall file a Tier 1 Advice Letter that describes its compliance with the TE Safety Checklist and contains an attestation of compliance with these requirements. PG&E should outline any efforts that go beyond the TE Safety Checklist along with an explanation as to why these are appropriate and necessary. PG&E should file a final safety attestation, using the same template developed for the priority and standard review TE projects in D.18-05-040, or an updated checklist, along with its annual EVC2 program report. PG&E shall maintain all safety compliance documentation. Commission staff may order inspections or audits to confirm PG&E's compliance.

### 3.10. Non-Infrastructure Costs

PG&E's proposed EVC2 phase 1 budget contains non-infrastructure costs, including funding to develop or upgrade the following tools: EV Savings Calculator, EV Site Prioritization Tool, and Grid Visibility Tool.[245] The table below summarizes specific non-infrastructure costs PG&E proposed for phase 1 of the EVC2 program.[246]

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[245] Ex. PG&E-06 at 2-6.

[246] *Id.* at 2 (noting estimates account for escalation and contingency, if applicable).

**Table 5: Summary of PG&E's Proposed Phase 1 Non-Infrastructure Costs**

| Description | Estimate |
|---|---|
| Equity Initiatives | $3,230,000 |
| EV Savings Calculator | $730,000 |
| EV Site Prioritization Tool | $1,220,000 |
| Grid Visibility Tool | $900,000 |
| ME&O | $7,580,000 |
| **Total** | **$13,660,000** |

PG&E proposes funding to upgrade the EVCN program's EV Savings Calculator, which "is a centralized place where customers can go to understand the total cost of ownership of an EV."[247] The proposed EV Site Prioritization Tool is "a site suitability screening tool to assess and prioritize potential charger locations based on their ability to support program objectives."[248] Finally, the proposed Grid Visibility Tool "is intended to provide additional functionality compared to the existing [Integration Capacity Analysis (ICA)] maps as well as make the information already provided by the ICA maps more user-friendly and understandable."[249]

Cal Advocates, SBUA, and TURN claim that PG&E does not provide adequate justification for its proposed non-EV infrastructure costs, amounting to roughly 17 percent of requested EVC2 funding.[250] SBUA argues that administrative costs for the CEC's CALeVIP program amount to about

[247] Ex. PG&E-01 at 4-4.

[248] *Id.* at 4-5.

[249] Ex. PG&E-06 at 5.

[250] Cal Advocates Opening Brief at 40; Ex. SBUA-01 at 38-42; Ex. TURN-01-C at 49.

seven percent of total program funding.[251] Cal Advocates supports reducing non-infrastructure EVC2 costs to the proportion recommended by the Energy Division staff proposal in R.18-12-006, or eight percent of total program funding.[252] For the phase 1 budget, Cal Advocates supports PG&E's request for the full development of the three tools "because it appears PG&E may not be able to partially implement these tools."[253]

We approve PG&E's proposed phase 1 budget for the three tools but agree that PG&E fails to sufficiently justify the administrative, information technology (IT), and evaluation portion of its requested budget. We find that a cap of roughly 10 percent on the budget for administrative, IT, and evaluation costs is more appropriate and more closely aligns with other TE programs. We summarize the final approved costs in the section below.

### 3.11. Approved Phase 1 Costs

The table below summarizes approved EV infrastructure spending for phase 1 of PG&E's EVC2 program.

[251] Ex. SBUA-01 at 38.

[252] Cal Advocates Opening Brief at 40 (citing R.18-12-006, assigned Commissioner's Ruling Adding Staff Proposal to the Record and Inviting Party Comments at 15 (Feb. 25, 2022)).

[253] *Id.* at 24.

**Table 6: Approved EVC2 Phase 1**
**Program Infrastructure Costs**

| Segment | Port Deployment Target | Average Per-Port Cost Target | Total Ratepayer Cost |
|---|---|---|---|
| DCFC Public Destinations | 187 | $67,000 | $12,529,000 |
| L2 MFH in Prioritized Communities | 91 | $15,000 | $1,365,000 |
| L2 MFH in Non-Prioritized Communities | 319 | $12,000 | $3,828,000 |
| L2 New Construction MFH | 778 | $3,500 | $2,723,000 |
| L2 Public Destinations and Workplaces in Prioritized Communities | 435 | $12,000 | $5,220,000 |
| L2 Public Destinations and Workplaces in Non-Prioritized Communities | 1,012 | $10,000 | $10,120,000 |
| **Total** | **2,822** | **n/a** | **$35,785,000** |

We authorize a total EVC2 phase 1 budget of $52,248,000. The table below summarizes the approved EVC2 phase 1 budget.

**Table 7: Approved EVC2 Phase 1 Program Budget**

| Cost Category | Budget |
|---|---|
| Infrastructure Costs | $35,785,000 |
| Equity Initiatives | $3,230,000 |
| ME&O | $3,790,000 |
| EV Savings Calculator | $730,000 |
| EV Site Prioritization Tool | $1,220,000 |
| Grid Visibility Tool | $900,000 |
| Contingency Costs | $960,000 |
| Project Management Costs | $560,000 |
| Other (*e.g.*, Administration, IT, Evaluation) | $5,073,000 |
| **Total** | **$52,248,000** |

### 3.12. Estimated Rate Impacts

The table below summarizes PG&E's revenue requirements under its EVC2 phase 1 proposal.[254] This decision makes a number of changes to PG&E's proposed budget. The table below is therefore illustrative as the actual revenue requirement for the program is unknown.

**Table 8: PG&E's Proposed Phase 1 Revenue Requirement**

| 2023 | 2024 | 2025 | Total |
|---|---|---|---|
| $6,727,618 | $15,374,551 | $25,969,947 | $48,072,116 |

Resolving Issue 4 in the Scoping Memo, the table below displays PG&E's estimated ratepayer bill impacts for its EVC2 phase 1 proposal. The actual rate impacts are unknown because we authorize a different phase 1 budget than PG&E proposed, as summarized in the above section.[255]

[254] Ex. PG&E-04 at 21, Table 2.

[255] *Id.* at 22, Table 3.

**Table 9: PG&E's Proposed Phase 1 Rate Impacts**

**Illustrative Electric Revenue Increase and Class Average Rates**
**January 1, 2025**

| Customer Class | Proposed Revenue Increase (Thousands of Dollars) | Present Rates ($/kilowatt hour) | Proposed Rates ($/kilowatt hour) | Percentage Change |
|---|---|---|---|---|
| **Bundled Service** | | | | |
| Residential | $4,235 | $0.29155 | $0.29191 | 0.1% |
| Small Commercial | 1007 | 0.31931 | 0.31975 | 0.1% |
| Medium Commercial | 764 | 0.29747 | 0.29782 | 0.1% |
| Large Commercial | 904 | 0.25734 | 0.25763 | 0.1% |
| Streetlights | 101 | 0.35567 | 0.35709 | 0.4% |
| Standby | 73 | 0.19253 | 0.19280 | 0.1% |
| Agriculture | 1391 | 0.29186 | 0.29217 | 0.1% |
| Industrial | 760 | 0.20079 | 0.20099 | 0.1% |
| **Total** | **$9,236** | **$0.27756** | **$0.27789** | **0.1%** |
| **Direct Access and Community Choice Aggregation Service** | | | | |
| Residential | $6,530 | $0.18419 | $0.18459 | 0.2% |
| Small Commercial | 2412 | 0.19056 | 0.19103 | 0.2% |
| Medium Commercial | 1961 | 0.15297 | 0.15334 | 0.2% |
| Large Commercial | 3288 | 0.11832 | 0.11864 | 0.3% |
| Streetlights | (4) | 0.18566 | 0.18563 | 0.0% |
| Standby | 15 | 0.16674 | 0.16707 | 0.2% |
| Agriculture | 472 | 0.15792 | 0.15825 | 0.2% |
| Industrial | 2292 | 0.07587 | 0.07610 | 0.3% |
| **Total** | **$16,966** | **$0.14415** | **$0.14450** | **0.2%** |

Within 30 days of the date of issuance of this decision, PG&E shall file a Tier 2 Advice Letter to update the rate and bill impacts associated with the authorized investments for phase 1 of the EVC2 program, including the full revenue requirement associated with the approved program.

### 3.13. Cost Recovery and Balancing Account

PG&E proposes to track and record the revenue requirements associated with actual program costs in a new one-way EVC2 subaccount within its Transportation Electrification Balancing Account (TEBA).[256] Should the adopted amounts exceed actual costs, PG&E proposes to refund excess funds to customers at the end of the rate case cycle in distribution rates through the next Annual Electric True-Up (AET) Advice Letter, or through another Advice Letter as approved by the Commission.[257] PG&E states that it will not record excess funds in the new EVC2 subaccount.[258]

At the end of the rate case cycle, PG&E proposes to transfer any over-collected balance in the new subaccount to the Distribution Revenue Adjustment Mechanism (DRAM) as part of the AET process at the end of the year for rates effective January 1 of the following year.[259] PG&E proposes to include in distribution rates the forecast revenue requirement approved in this proceeding beginning in 2023, and thus its distribution rates will recover EVC2 program revenues, which it will record to the DRAM.[260]

PG&E asserts its EVC2 proposal contains a reasonable cost recovery mechanism through, in part, establishing a cost cap for total incremental EVC2

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[256] PG&E Opening Brief at 10.

[257] Ex. PG&E-01 at 8-3.

[258] *Ibid.*

[259] *Id.* at 8-4.

[260] PG&E Opening Brief at 11.

spending.[261] PG&E argues that because the Commission is reviewing the scope and forecasted costs in this proceeding, the Commission should deem reasonable actual direct capital, operations and maintenance, ME&O, and other expenditures that are consistent with the approved scope and within the adopted budget, and therefore no after-the-fact reasonableness review is necessary.[262]

Resolving Scoping Memo Issue 5, we find PG&E's proposal is a reasonable cost recovery mechanism, as required by Public Utilities Code Section 740.12(b). We find it reasonable to allow PG&E to create a new subaccount to record EVC2 program costs within its existing TEBA. We authorize the new one-way balancing subaccount for PG&E to record revenues, costs, and participation payments associated with the EVC2 program. Within 30 days of the issuance date of this decision, PG&E shall file a Tier 2 Advice Letter to establish the new one-way EVC2 subaccount within its TEBA. PG&E shall record all capital and direct costs, as well as participation payments made throughout the course of the EVC2 phase 1 program.

## 4. Outstanding Procedural Matters

We affirm all rulings made by the assigned Commissioner and the assigned ALJ. The motions for leave to file under seal filed by Cal Advocates on August 24, 2022, and November 28, 2022, and by FreeWire on August 25, 2022, and September 16, 2022, are granted. We deny all other motions not previously ruled upon in this proceeding.

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[261] *Id.* at 10.

[262] *Ibid.*

We plan to address phase 2 of this proceeding following the instant decision. We may find it unnecessary to extend the EVC2 program past the period authorized here.

## 5. Summary of Public Comment on the Docket Card

As of October 31, 2022, 18 public comments were posted to the Commission's docket card webpage for this proceeding. Pursuant to Rule 1.18(b) of the Commission's Rules of Practice and Procedure, the following summary of relevant written comment is provided. Every commenter but one opposed PG&E's application and the associated rate increase. Many commenters argued that ratepayers should not fund EV infrastructure. The commenter who did not oppose the EVC2 proposal provided several recommendations for the program, including that MFH customers should not pay more for EV charging than customers in single-family homes.

## 6. Comments on Proposed Decision

The proposed decision of ALJ Brian Korpics 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. On November 28, 2022, the following parties filed opening comments: Cal Advocates, ChargePoint, CLECA, Electrify America, EVgo, FreeWire, GPI, NDC, PG&E, SBUA,[263] Tesla, TURN, and NRDC, CUE, and Enel X, jointly. On December 5, 2022, the following parties filed reply comments: Cal Advocates, ChargePoint, CLECA, Electrify America, GPI, NDC, PG&E, SBUA, TURN, VGIC, and NRDC, CUE, Enel X, and ATE, jointly. We have considered parties' comments and made modifications to the decision as appropriate.

[263] SBUA late filed its opening comments on November 29, 2022.

## 7. Assignment of Proceeding

Clifford Rechtschaffen is the assigned Commissioner, and Brian Korpics is the assigned ALJ in this proceeding.

## Findings of Fact

1. Bifurcation of the proceeding will provide near-term TE funding, while ensuring that longer-term spending considers future funding sources.
2. On November 21, 2022, the Commission issued D.22-11-040, which addresses the Energy Division staff proposal and TEF and creates a long-term EV infrastructure rebate program beginning in 2025.
3. Authorizing phase 1 of the program provides sufficient market and regulatory certainty to bridge the near-term TE infrastructure gap between 2023 and 2025.
4. Four years is an appropriate program period.
5. There is significant time to consider future TE needs before a possible phase 2 would begin in 2026.
6. Additional support for L2 and DCFC ports is necessary to achieve California's near-term TE and GHG reduction goals.
7. The MFH market segment is currently underserved.
8. Additional DCFC and workplace ports will help low-income residents without a dedicated home charger, as well as satisfy unmet demand.
9. Prioritizing public destination ports over workplace ports aligns with projected EV charger needs and recognizes that workplace ports may not be publicly accessible.
10. The adopted port deployment targets will help satisfy the near-term need for TE infrastructure and appropriately address barriers to TE.

11. The 24/7 access requirement for public destination ports will ensure that these chargers are always available to the public.

12. Eliminating PG&E's proposed 20-port minimum threshold will prevent the program from excluding certain small business and MFH sites.

13. Prohibiting Fortune 1000 companies from receiving any program funding will promote cost-effective use of ratepayer funds and accelerate EV adoption in locations needing support.

14. Expanding the new construction category to include existing buildings subject to CALGreen EV Capable requirements will help to capture additional cost-effective opportunities to deploy EV chargers.

15. Lowering new construction rebates to an average of $3,500 per port aligns with the Charge Ready 2 decision, pursuant to direction provided in D.21-07-028, and serves to support a larger number of MFH sites.

16. The adopted average per-port cost targets, and associated cost-sharing assumptions, are appropriate and align with guidance in D.21-07-028 and the Charge Ready 2 and PYD2 decisions, analysis from EVCN and EV Fast Charge, and data on EV charging installation costs.

17. Adopting an average L2 per-port cost target of $15,000 for MFH sites in Prioritized Communities, and only authorizing recovery after a reasonableness review—if average per-port costs exceed $15,000—for the difference between a baseline of $15,000 and the actual direct costs up to $16,500 per port, will limit program costs.

18. PG&E sufficiently consulted with CBOs in developing its proposal.

19. For the higher MFH rebates in Prioritized Communities, requiring that median rent be below Fair Market Rent, as defined by the U.S. Department of Housing and Urban Development, or that the median resident income be at or

below 400 percent of the Federal Poverty Level, will directly target MFH rebates to customers who would most benefit from the additional assistance.

20. A higher minimum Prioritized Communities spending requirement is necessary and consistent with AB 841's directive that a minimum of 35 percent of the investments be made in underserved communities.

21. The 65 percent Prioritized Communities spending requirement aligns with prior Commission direction and will serve to promote EV charger deployment in communities most in need.

22. Limiting utility ownership of EVSE and BTM make-ready infrastructure will lower program costs.

23. A third-party ownership model is permissible because it will allow customers to choose their preferred ownership option and promote market competition to ensure a long-term sustainable TE market.

24. PG&E's proposed equity initiatives will promote equity and help meet the goals of the Commission's Environmental and Social Justice Action Plan.

25. PG&E's proposed ME&O budget is excessive because PG&E should coordinate with ongoing statewide EV awareness efforts.

26. D.22-08-024 adopts a Plug-In Electric Vehicle Submetering Protocol and EVSE communication protocols, which apply to the EVC2 program.

27. Instructing PG&E to streamline approval of equipment and services already eligible under its EVCN and EV Fast Charge programs, as long as they continue to meet relevant program requirements, will promote efficient administration of the program.

28. AB 2061 requires the CEC, in consultation with the Commission, to develop uptime recordkeeping and reporting standards for EV chargers and charging stations by January 1, 2024.

29. Utilization of ALM will help lower program costs and promote efficient use of electric grid infrastructure.

30. Passing through TOU or real-time price signals as the default arrangement—with an option to opt out—aligns with prior Commission decisions and will encourage EV load management, improve utilization of the electric grid, deliver fuel cost savings to customers, and preserve flexibility for site hosts.

31. PG&E's proposed 50 kW DCFC minimum charging capacity will accommodate deployment of DCFC chargers at a variety of locations, including sites where 50 kW provides a reasonable alternative to higher capacity DCFCs.

32. PG&E's proposed metrics, reporting, and evaluation align with prior Commission requirements in SCE's Charge Ready 2 program, per D.21-07-028, including use of the data and collection reporting templates posted on the Commission's website by Energy Division.

33. PG&E's EVC2 proposal sufficiently addresses safety considerations because it will utilize Commission's TE Safety Checklist, which consolidates current standards and requirements to ensure the IOUs install and operate TE infrastructure safely and reliably.

34. PG&E's proposed budget for administrative, IT, and evaluation costs is excessive because it does not align with other TE programs and PG&E fails to sufficiently justify the budget.

35. PG&E provides estimated rate and bill impacts, associated with its EVC2 phase 1 proposal, that do not account for the program modifications in this decision.

36. To track and record the revenue requirements associated with actual program costs, PG&E proposes a new one-way EVC2 subaccount within its TEBA.

**Conclusions of Law**

1. As the applicant, PG&E has the burden to demonstrate that its proposal is just and reasonable and that it will effectively and efficiently provide ratepayer benefits.
2. The Commission has clear statutory authority to modify IOU TE proposals under Public Utilities Code Section 740.12(b).
3. The Commission should authorize phase 1 and later evaluate the need for phase 2 in order to account for ongoing TE activities within R.18-12-006 and throughout California.
4. Approving limited funding in phase 1 satisfies applicable statutory requirements and previous Commission direction by minimizing costs, maximizing benefits, and advancing California's near-term EV adoption and GHG reduction goals, without placing an undue burden on ratepayers.
5. Phase 1 of the EVC2 program as modified by this decision is just and reasonable, as required by Public Utilities Code Section 451, in ratepayers' interests, as required by Public Utilities Code Section 740.12, and complies with all relevant Commission requirements.
6. PG&E should eliminate the proposed 20-port minimum threshold.
7. PG&E should expand the new construction category to include existing buildings subject to CALGreen EV Capable requirements.
8. PG&E should exclude Fortune 1000 companies in all contexts from the program.

9. The Commission should authorize PG&E to own up to 33 percent of EVSE and BTM make-ready infrastructure in Prioritized Communities, in alignment with D.21-07-028 and the Charge Ready 2 and PYD2 programs.

10. Prior to offering a utility ownership option, PG&E should first provide program participants with the option to own the infrastructure, including an option for third-party ownership.

11. PG&E should spend at least 65 percent of infrastructure funding and at least 65 percent of ME&O funding in Prioritized Communities.

12. The Commission should not allow PG&E to exercise the option provided by D.21-07-028 to request a waiver to the limit on utility ownership of EVSE and BTM infrastructure.

13. PG&E's proposed equity initiatives, as modified, are reasonable and align with the goals of the Environmental and Social Justice Action Plan.

14. PG&E's proposed phase 1 equity initiatives budget is reasonable.

15. Authorizing 50 percent of PG&E's proposed ME&O budget is reasonable.

16. The Commission should authorize the deployment and average per-port cost targets summarized in Table 6 of this decision, with additional MFH new construction ports and a 60-/40-percent split between public destination and workplace ports.

17. The Commission should authorize PG&E to seek approval to deviate from the adopted port deployment targets by filing a Tier 2 Advice Letter that justifies any proposed modifications to the port deployment figures.

18. PG&E should limit average L2 per-port costs to $15,000 for MFH sites in Prioritized Communities; if average per-port costs for MFH sites in Prioritized Communities exceed $15,000, the Commission should only authorize recovery

for the difference between a baseline of $15,000 and the actual direct costs per port, up to $16,500 per port, following a reasonableness review.

19. PG&E should limit eligibility for the higher MFH rebates in Prioritized Communities to sites with median rent below Fair Market Rent, as defined by the U.S. Department of Housing and Urban Development, or with median resident income at or below 400 percent of the Federal Poverty Level.

20. PG&E should support higher DCFC charging capacities (*i.e.*, 100 kW and higher) but also have the discretion to support lower charging capacities (*i.e.*, below 100 kW) when reasonable. PG&E should file a Tier 2 Advice Letter proposing how to evaluate when deployment of below 100 kW DCFCs is appropriate.

21. PG&E should implement its proposed ALM and default rate requirements.

22. PG&E should collect program data and implement its metrics, reporting, and evaluation proposal for phase 1 of the program.

23. A cap of roughly 10 percent on the budget for administrative, IT, and evaluation costs is reasonable.

24. The Commission should authorize the EVC2 phase 1 budget summarized in Table 7 of this decision.

25. PG&E should implement the program consistent with the requirements in D.22-08-024.

26. PG&E should file a Tier 1 Advice Letter describing its safety compliance efforts.

27. PG&E's proposed cost recovery mechanism is reasonable, and the Commission should authorize PG&E to create a new one-way balancing subaccount to record EVC2 program costs within its existing TEBA.

28. PG&E should file a Tier 2 Advice Letter to update the rate and bill impacts associated with the authorized investments for phase 1 of the program.

29. All rulings of the assigned Commissioner and the assigned ALJ should be affirmed herein, and all motions not specifically addressed herein or previously addressed by the assigned Commissioner or assigned ALJ should be denied.

30. The proceeding should remain open to consider a possible phase 2 of the EVC2 program.

## O R D E R

**IT IS ORDERED** that:

1. Pacific Gas and Electric Company shall implement phase 1 of its Electric Vehicle Charge 2 program beginning on January 1, 2023, and accept program applications through December 31, 2026, pursuant to Decision 22-11-040 and the modifications detailed in this decision.

2. Pacific Gas and Electric Company (PG&E) shall implement phase 1 of the Electric Vehicle Charge 2 program according to the deployment and average per-port cost targets and the budget summarized in Appendix A. PG&E may seek approval to deviate from the adopted port deployment targets by filing a Tier 2 Advice Letter that justifies any proposed modifications to the port deployment figures.

3. Pacific Gas and Electric Company shall implement phase 1 of the Electric Vehicle Charge 2 program using a 60-/40-percent split between public destination and workplace ports.

4. Pacific Gas and Electric Company shall implement phase 1 of the Electric Vehicle Charge 2 program without the use of the proposed 20-port minimum threshold.

5. Pacific Gas and Electric Company shall implement phase 1 of the Electric Vehicle Charge 2 program by expanding the new construction category to include existing buildings subject to the California Green Building Standards Code's Electric Vehicle Capable requirements.

6. Pacific Gas and Electric Company shall implement phase 1 of the Electric Vehicle Charge 2 program by lowering the new construction rebates to an average of $3,500 per port.

7. Pacific Gas and Electric Company shall implement phase 1 of the Electric Vehicle Charge 2 program by redirecting any excess new construction rebate funds resulting from lowering the average per-port rebate to other new construction sites.

8. Pacific Gas and Electric Company (PG&E) shall implement phase 1 of the Electric Vehicle Charge 2 program by limiting average Level 2 per-port costs to $15,000 for multi-family housing sites in Prioritized Communities. If average per-port costs for multi-family housing sites in Prioritized Communities exceed $15,000, PG&E may seek recovery for the difference between a baseline of $15,000 and the actual direct costs per port, up to $16,500 per port, following a reasonableness review. PG&E may not recover average per-port costs above $16,500.

9. Pacific Gas and Electric Company (PG&E) shall implement phase 1 of the Electric Vehicle Charge 2 program by spending at least 65 percent of program funds in Prioritized Communities. PG&E shall apply this Prioritized Communities spending requirement to both the infrastructure and marketing, education, and outreach components of the budget.

10. Pacific Gas and Electric Company shall implement phase 1 of the Electric Vehicle Charge 2 program by limiting eligibility for the higher multi-family

housing rebates available in Prioritized Communities to sites with median rent below Fair Market Rent, as defined by the U.S. Department of Housing and Urban Development, or with median resident income at or below 400 percent of the Federal Poverty Level. Multi-family housing that does not meet these requirements shall be treated the same as multi-family housing outside of Prioritized Communities.

11. Pacific Gas and Electric Company (PG&E) shall implement phase 1 of the Electric Vehicle Charge 2 program by owning no more than 33 percent of electric vehicle supply equipment and behind-the-meter make-ready infrastructure in Prioritized Communities. Before offering a utility ownership option, PG&E shall offer all participants the option to own the infrastructure, including a third-party ownership option.

12. Pacific Gas and Electric Company shall implement phase 1 of the Electric Vehicle Charge 2 program consistent with the requirements in Decision 22-08-024.

13. Pacific Gas and Electric Company (PG&E) shall implement phase 1 of the Electric Vehicle Charge 2 program by streamlining approval of equipment and services already eligible under PG&E's Electric Vehicle Charge Network and Electric Vehicle Fast Charge programs, if the equipment and services continue to meet relevant program requirements.

14. Pacific Gas and Electric Company shall implement phase 1 of the Electric Vehicle Charge 2 program by implementing its proposal to utilize automated load management.

15. Pacific Gas and Electric Company shall implement phase 1 of the Electric Vehicle Charge 2 program by implementing its proposed time-of-use or real-time

rate default requirement, with the ability to opt out if a participant submits a load management plan.

16. Pacific Gas and Electric Company shall implement phase 1 of the Electric Vehicle Charge 2 program by collecting program data and implement its metrics, reporting, and evaluation proposal for phase 1 of the program.

17. Within 30 days of the date of issuance of this decision, Pacific Gas and Electric Company shall file a Tier 2 Advice Letter to establish a new one-way balancing subaccount within its Transportation Electrification Balancing Account to record the revenue requirement, program costs, and participation payments associated with phase 1 of the Electric Vehicle Charge 2 program.

18. No later than 18 months after the date of issuance of this decision, Pacific Gas and Electric Company (PG&E) shall file a Tier 1 Advice Letter describing its safety compliance efforts. The Advice Letter shall contain an attestation of compliance with these requirements. PG&E shall maintain all safety compliance documentation.

19. Within 30 days of the date of issuance of this decision, Pacific Gas and Electric Company (PG&E) shall file a Tier 2 Advice Letter to update the rate and bill impacts associated with the authorized investments for phase 1 of the Electric Vehicle Charge 2 program, including the full revenue requirement associated with the approved program. PG&E shall provide updates to the rate impacts in its reports on the program.

20. Pacific Gas and Electric Company (PG&E) shall support higher Direct Current Fast Charger (DCFC) capacities (*i.e.*, 100 kilowatt (kW) and higher) in the Electric Vehicle Charge 2 program. PG&E may support lower charging capacities (*i.e.*, below 100 kW) when reasonable. Within 30 days of the date of issuance of

this decision, PG&E shall file a Tier 2 Advice Letter proposing how to evaluate when deployment of below 100 kW DCFCs is appropriate.

21. Application 21-10-010 remains open.

This order is effective today.

Dated ____________________________, at San Francisco, California.

# APPENDIX A

Summary of Approved Electric Vehicle Charge 2
Phase 1 Program Details

**Table 1: Approved Phase 1 Deployment and Average Per-Port Cost Targets**

| Segment | Port Deployment Target | Average Per-Port Cost Target |
|---|---|---|
| DCFC Public Destinations | 187 | $67,000 |
| L2 MFH in Prioritized Communities | 91 | $15,000 |
| L2 MFH in Non-Prioritized Communities | 319 | $12,000 |
| L2 New Construction MFH | 778 | $3,500 |
| L2 Public Destinations and Workplaces in Prioritized Communities | 435 | $12,000 |
| L2 Public Destinations and Workplaces in Non-Prioritized Communities | 1,012 | $10,000 |

**Table 2: Approved Phase 1 Budget**

| Cost Category | Budget |
|---|---|
| Infrastructure Costs | $35,785,000 |
| Equity Initiatives | $3,230,000 |
| Marketing, Education, and Outreach | $3,790,000 |
| EV Savings Calculator | $730,000 |
| EV Site Prioritization Tool | $1,220,000 |
| Grid Visibility Tool | $900,000 |
| Contingency Costs | $960,000 |
| Project Management Costs | $560,000 |
| Other (*e.g.*, Administration, Information Technology, Evaluation) | $5,073,000 |
| **Total** | **$52,248,000** |

**(END OF APPENDIX A)**

# APPENDIX B

Glossary of Abbreviations and Acronyms

| | |
|---|---|
| 24/7 | 24-hour per day, 7-day per week |
| A. | Application |
| AB 841 | Assembly Bill 841 (Ting, 2020) |
| AB 2061 | Assembly Bill 2061 (Ting, 2022) |
| AB 2127 | Assembly Bill 2127 (Ting, 2018) |
| AET | Annual Electric True-Up |
| ALJ | Administrative Law Judge |
| ALM | automated load management |
| BTM | behind-the-meter |
| CALeVIP | California Electric Vehicle Infrastructure Project |
| CALGreen | California Green Building Standards Code |
| CARE | California Alternate Rates for Energy |
| CBO | community-based organization |
| CEC | California Energy Commission |
| CPUC or Commission | California Public Utilities Commission |
| D. | Commission Decision |
| DCFC | Direct Current Fast Charger |
| DR | demand response |
| DRAM | Distribution Revenue Adjustment Mechanism |
| EV | electric vehicle |
| EVC2 | Electric Vehicle Charge 2 |
| EVCN | EV Charge Network |
| EVSE | electric vehicle supply equipment |
| EVSP | electric vehicle service provider |
| Ex. | exhibit |
| GHG | greenhouse gas |
| IOU | investor-owned utility |
| IT | information technology |
| kW | kilowatt |
| L2 | Level 2 |
| ME&O | marketing, education, and outreach |

| | |
|---|---|
| MFH | multi-family housing |
| OP | Ordering Paragraph |
| PG&E | Pacific Gas and Electric Company |
| PYD2 | Power Your Drive 2 |
| R. | Rulemaking |
| SB 350 | Senate Bill 350 (de Leon, 2015) |
| SB 1000 | Senate Bill 1000 (Lara, 2018) |
| SCE | Southern California Edison Company |
| SDG&E | San Diego Gas & Electric Company |
| TE | transportation electrification |
| TEBA | Transportation Electrification Balancing Account |
| TEF | Transportation Electrification Framework |
| TOU | time-of-use |
| VGI | vehicle-grid-integration |

**(END OF APPENDIX B)**