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

Order Instituting Rulemaking to Modernize the Electric Grid for a High Distributed Energy Resources Future.	Rulemaking 21-06-017 (Filed June 24, 2021)

REPLY COMMENTS OF THE VEHICLE-GRID INTEGRATION COUNCIL ON ADMINISTRATIVE LAW JUDGES' RULING SETTING A WORKSHOP, ADMITTING INTO THE RECORD PART 1 OF THE ELECTRIFICATION IMPACTS STUDY AND RESEARCH PLAN, AND SEEKING COMMENTS

Zach Woogen
Senior Policy Manager

Albert Tapia
Policy Analyst

VEHICLE-GRID INTEGRATION COUNCIL
10265 Rockingham Dr.
Suite #100-4061
Sacramento, California 95827
Telephone: (510) 665-7811
Email: vgicregulatory@vgicouncil.org

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In accordance with the Rules of Practice and Procedure of the California Public Utilities Commission ("Commission"), the Vehicle-Grid Integration Council ("VGIC") hereby submits these reply comments on the *Administrative Law Judges' Ruling Setting a Workshop, Admitting into the Record Part 1 of the Electrification Impacts Study and Research Plan, and Seeking Comments* ("EIS Part 1 Ruling"), issued by Administrative Law Judge ("ALJ") Manisha Lakhanpal and Kelly A. Hymes on May 9, 2023.

I. SEVERAL PARTIES IDENTIFY THE IMPORTANCE OF MODELING VARIOUS ELECTRIC VEHICLE CHARGING LOAD SHAPE CASES IN EIS PART 2.

In opening comments, Cal Advocates' expert overview on the ratepayer risks of over-building distribution infrastructure underscores the importance of VGIC's previous recommendation to assess various transportation electrification ("TE") load shape cases in the

EIS Part 2 Study.[1] Pacific Gas and Electric Company's ("PG&E") also supports the use of different scenarios for electric vehicle ("EV") load, stating "scenarios should assess various levels of energy management, for example, unmanaged vehicle charging based on static TOU rates vs. Real-Time Pricing rates, dynamic management and vehicle integration. Alternate forecast scenarios can also help assess the differing inputs and assumptions that various forecasts may include."[2]

VGIC reiterates that baseline EV load management, mid EV load management, high EV load management, and high EV load management + EV charger export cases can help the Commission and utilities better understand the different potential TE policy-driven load outcomes and associated cost impacts.[3] Critically, to help mitigate the potential ratepayer burden highlighted by Cal Advocates, VGIC recommends the EIS Part 2 Study assess and determine key policy recommendations that promote the use of customer solutions that right-size infrastructure investments (i.e., according to the low, mid, high, or high+EV export cases).

II. THE OVERALL VALUE OF SECONDARY DISTRIBUTION INVESTMENT DEFERRAL OPPORTUNITIES SHOULD BE DULY CONSIDERED AND QUANTIFIED BY THE COMMISSION.

In opening comments, SDG&E asserts the following:

> "There is no reason to incorporate secondary infrastructure planning in the utilities' DPPs. Because secondary infrastructure needs can be determined outside the traditional

[1] Response Of The Public Advocates Office To Opening Comments On Administrative Law Judges' Ruling Setting A Workshop, Admitting Into The Record Part 1 Of The Electrification Impacts Study And Research Plan, And Seeking Comments, CalAdvocates, pg. 1-3.

[2] Responses To Comments And Questions On The Electrification

Impacts Study Part 1 By Pacific Gas And Electric Company (U 39 E), pg. 7.

[3] Comments Of The Vehicle-grid Integration Council On Administrative Law Judges' Ruling Setting A Workshop, Admitting Into The Record Part 1 Of The Electrification Impacts Study And Research Plan, And Seeking Comments, pg. 3-4.

distribution planning environment, and because solutions for these needs tend to be relatively low cost with comparatively short lead-times, there is no benefit in incorporating secondary infrastructure planning in the DPP. For the same reasons, secondary infrastructure upgrades are unsuitable for deferral by Distributed Energy Resources (DERs) through the Distribution Investment Deferral Framework (DIDF)."[4]

VGIC acknowledges SDG&E's concerns and similar reasoning provided by PG&E[5] about including secondary infrastructure planning in the DPP. However, it is also critical to not only underplay the importance of secondary distribution deferral opportunities as California seeks to achieve its TE goals while managing ratepayer costs.

VGIC respectfully requests that the Commission consider how best to evaluate these secondary distribution needs, which were indicated in the EIS Part 1 Study to be a significant share of overall distribution system costs. Regarding quantifying these secondary distribution needs and costs, PG&E supports "providing an aggregated estimate range for secondary distribution needs and costs, analogous to what was provided in the EIS Part 1 Study."[6] VGIC believes this approach helps establish a base justification and overall cost imperative for promoting deferral opportunities, yet the Commission must consider more actionable measures to unlock secondary distribution deferral opportunities.

VGIC agrees with SDG&E's recommendation that these upgrades are "unsuitable for deferral by DERs **through the DIDF process**" (emphasis added) and urges the Commission to explore existing processes, other than the DIDF, that can be used to support secondary

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[4] San Diego Gas & Electric Company's (U 902-e) Response To Second Set Of Questions In Administrative Law Judge's Ruling Setting A Workshop, Admitting Into The Record Part 1 Of The Electrification Impacts Study And Research Plan, And Seeking Comments, pg. 9.

[5] Responses To Comments And Questions On The Electrification Impacts Study Part 1 By Pacific Gas And Electric Company (U 39 E), pg. 5.

[6] *Ibid.*

distribution deferral by DERs. This can include, for example, utility managed charging programs, revisions to TE make-ready and infrastructure funding program design, and flexible service connection/interconnection tariffs.

III. VGIC AGREES THAT A WORKSHOP ON COORDINATING THE EIS PART 2 STUDY WITH EVOLUTION IN DER ECONOMICS MAY BE NECESSARY TO SUPPORT THE HIGH DER OIR GOALS.

In their Part 1 Study comments, the Utility Consumers' Action Network ("UCAN") highlighted the need for a workshop in order to "confirm and discuss how Kevala proposes to incorporate technology cost curves into the adoption forecasts".[7] As noted by UCAN in their comments, the Part 1 Study results are based on "assuming that rates, DER prices, and DER payback periods remain constant through the forecast horizon based on 2022 values."[8]

Considering that DERs will play a key role in mitigating the impacts of transportation electrification, VGIC believes that it is important to understand how the Commission and Kevala staff can incorporate future changes in DER prices and customer rates into the EIS Part 2 Study. Given that the implementation of specific policies can lead to a decrease in costs for some resources such as DERs, coupled with the fact that the EIS Part 2 Study will develop scenarios based on state policy goals, it is essential that the EIS Part 2 Study try to find a way to incorporate future changes in DER prices in order to accurately assess how much ratepayer value could be created through the deployment of DERs. Failing to incorporate future changes in DER prices and customer rates could lead to a missed opportunity when assessing the potential value and cost effectiveness of certain DERs (e.g., V2G technologies) and the pivotal role they can

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[7] Comments of the Utility Consumers' Action Network On Administrative Law Judges' May 9, 2023 Ruling Setting A Workshop, Admitting Into The Record Part 1 Of The Electrification Impacts Study And Research Plan, And Seeking Comments, pg. 1.

[8] *Ibid*, pg. 3.

play when developing mitigation strategies for transportation electrification impacts. With this being said, VGIC agrees with UCAN's recommendation of convening a workshop to coordinate the EIS Part 2 Study with the evolution in DER economics in order to support the High DER OIR goals.

IV. CONCLUSION.

VGIC appreciates the opportunity to submit these reply comments on the EIS Part 1 Study. We look forward to further collaboration with the Commission and stakeholders on this initiative.

Respectfully submitted,

/s/ Zach Woogen
Zach Woogen
Senior Policy Manager
VEHICLE-GRID INTEGRATION COUNCIL

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