BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Continue the Development of Rates and Infrastructure for Vehicle Electrification.	Rulemaking 18-12-006 (Filed December 13, 2018)

COMMENTS OF THE VEHICLE-GRID INTEGRATION COUNCIL ON THE PROPOSED DECISION SETTING NEAR-TERM PRIORITIES FOR TRANSPORTATION ELECTRIFICATION INVESTMENTS BY THE ELECTRICAL CORPORATIONS

Edward Burgess
Senior Policy Director

Zach Woogen
Policy Specialist

VEHICLE-GRID INTEGRATION COUNCIL
2150 Allston Way, Suite 400
Berkeley, California 94704
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") [1] hereby submits these comments on the *Proposed Decision Setting Near-Term Priorities for Transportation Electrification Investments by the Electrical Corporations*, issued on June 1, 2021.

I. INTRODUCTION.

VGIC is a 501(c)6 membership-based advocacy group committed to advancing the role of electric vehicles ("EV") and vehicle-grid integration ("VGI") through policy development, education, outreach, and research. VGIC supports the transition to a decarbonized transportation and electric sector by ensuring the value from EV deployments and flexible EV charging and

[1] The views expressed in these Comments are those of VGIC, and do not necessarily reflect the views of all of the individual VGIC member companies or supporters. (https://www.vgicouncil.org/).

discharging is recognized and compensated in support of achieving a more reliable, affordable, and efficient electric grid.

VGIC is generally supportive of the Proposed Decision ("PD"), including the five near-term priorities and the three forms of near-term requests for transportation electrification ("TE") investments. VGIC is especially encouraged by the proposed application process for extensions of existing programs, as it is critical to minimize the gap in program offerings. With this in mind, VGIC offers several key recommendations in these comments, summarized below:

- All three forms of near-term requests should be subject to certain provisions of Decision ("D.") 20-12-029.
- The Commission should further clarify the process, definitions, and requirements for extending existing pilots.
- The Commission should take additional steps to promote automated load management ("ALM") in the context of near-term priority TE investments.
- The Commission should consider TE programs, pilots, and rates that do not separate EV load from other behind-the-meter loads and resources.

II. ALL THREE FORMS OF NEAR-TERM REQUESTS SHOULD BE SUBJECT TO CERTAIN PROVISIONS OF D.20-12-029.

VGIC believes that it is prudent to implement VGI strategies, including those identified in D.20-12-029, alongside broader TE investment strategies, rather than after TE infrastructure investments have been made. This proactive approach can support future-proofing of infrastructure, deployment of VGI technologies, customer awareness of VGI strategies, and right-sizing of TE infrastructure, which each have the potential to support significant reductions in ratepayer costs compared to adding VGI after TE investments have already been made. With the unanimous adoption of D.20-12-029, VGIC commended the Commission's leadership in promoting and facilitating a more pro-active approach to VGI policy. Ordering Paragraphs ("OP") 5 of D.20-12-029 directed each IOU to take specific actions related to ALM, "in all of its future applications for TE programs, or rule or tariff to support TE infrastructure installation." [2] Additionally, OP 8 of D.20-12-029 directed each IOU to take specific actions related to VGI, "in all of its future applications for TE programs." [3] The directives in these OPs are critical to enabling VGI *alongside* – rather than *after* – TE infrastructure investments. Meanwhile, the PD details three forms of near-term requests for TE programs:

- Advice letter process for near-term priority categories
- Application process for extensions of existing programs
- Other applications outside of the near-term priorities, above advice letter budget cap, and/or outside of existing program extensions.[4]

VGIC believes the TE programs proposed in the advice letters should be considered "applications for TE programs" pursuant to OP 5 and OP 8 of D.20-12-029. Notably, the PD itself refers to the near-term priority advice letter proposals as "programs." [5] VGIC recommends the Commission require near-term priority advice letters be subject to OP 5 and OP 8 of D.20-12-029, which represent substantive directives with a high likelihood of supporting the goals of SB 676. VGIC notes the IOUs may have previously erred in regards to their compliance with OP 5 of D.20-12-029, and we remain concerned this may happen again as IOUs seek approval for TE programs

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[2] D.20-12-029 at OP 5.
[3] D.20-12-029 at OP 8.
[4] PD at 25.
[5] *See, for example,* PD at 25 and 35.

authorized by the PD. [6] To ensure consistency with previous Commission decisions and to increase the likelihood of achieving the goals of both SB 676 and SB 350, VGIC recommends the PD be revised to require that all three forms of near-term requests authorized by the PD, including the advice letter process, must comply with the relevant provisions of D.20-12-029 (including OP 5 and OP 8 of D.20-12-029).

III. **THE COMMISSION SHOULD FURTHER CLARIFY THE PROCESS, DEFINITIONS, AND REQUIREMENTS FOR EXTENDING EXISTING PILOTS.**

The PD states: "In response to party comment seeking clarity on the status of existing pilots, the Electrical Corporations may request an extension of existing pilots, per the application pathway described above." [7] As a threshold matter, the PD should be revised to clarify whether "the pathway described above" is pathway 1) Advice Letter Process or 2) Application Process for Extensions of Existing Programs. Additionally, it is unclear what is considered a "pilot" for the purposes of requesting an extension. The IOUs are expected to file advice letters by July 15, 2021 requesting approval of up to $35 million to support VGI pilots pursuant to D.20-12-029. VGIC believes the Commission should establish a pathway for IOUs to request extension or scaling of VGI pilots in the interim period between the completion of a given VGI pilot and the implementation of an IOU's first TE Plan ("TEP"). As such, VGIC recommends the PD be revised to define "existing pilots" broadly to include both pilots authorized pursuant to SB 350 as well as VGI pilots authorized pursuant to SB 676.

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[6] *See* Response of the Vehicle-Grid Integration Council to PG&E Advice Letter 6102-E, SCE Advice Letter 4429-E, and SDG&E Advice Letter 3705-E.
[7] PD at 26.

The PD also states: "Any application for an extension to a pilot should demonstrate that 1) there is outstanding demand to participate in the expiring or soon expiring program, 2) the extension makes modifications to align with the Vehicle-Grid Integration (VGI) Working Group's load management guidance…" [8] VGIC is generally supportive of the Commission's intent to require that pilot extension applications promote and enable VGI. VGIC participated alongside dozens of other key stakeholders in the year-long VGI Working Group, which ultimately produced a VGI Working Group Final Report detailing its outcomes and recommendations.[9] While the VGI Working Group Final Report contains a classification of key policy recommendations, it does not include "load management guidance." As such, VGIC recommends the PD be revised to clarify what is required for a pilot extension application "to align with the VGI Working Group's load management guidance."

IV. <u>THE COMMISSION SHOULD TAKE ADDITIONAL STEPS TO PROMOTE ALM IN THE CONTEXT OF NEAR-TERM PRIORITY TE INVESTMENTS.</u>

The PD would require IOUs to address the following in near-term priority advice letters:

> "An estimate of the total site-level funding that will be paid by ratepayers and amount paid by the site host (percentages or dollar amount). To encourage development of EV charging at a lower cost to ratepayers, programs should be designed to ensure non-ratepayer funding sources are leveraged." [10]

VGIC notes that utilizing ALM is a promising strategy to develop EV charging infrastructure at a lower cost, as it can help to stretch each TE program budget by reducing utility-side infrastructure costs. This application is referred to as "Type 2 ALM." As noted above in Section II, the IOUs

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[8] PD at 26.
[9] *Final Report of the California Joint Agencies Vehicle-Grid Integration Working Group* (June 30, 2020) https://gridworks.org/wp-content/uploads/2020/07/VGI-Working-Group-Final-Report-6.30.20.pdf.
[10] PD at 36.

should be required in each advice letter and application authorized by this PD to (a) identify how it will deploy customer-side ALM where appropriate and (b) describe standard evaluation criteria to determine host sites where ALM would be beneficial.[11] While VGIC recommends ALM be considered and promoted in each TE program proposal authorized under the PD, the IOUs should not impose ALM as a required arrangement for all customers. Rather, VGIC recommends ALM be promoted through a "carrot" rather than a "stick" approach." Notably, Type 2 ALM may be particularly well-suite for workplace charging locations, which aligns with the proposed near-term priority to address customers without access to home charging.

As noted above in Section III, the PD outlines parameters for the extension of existing pilots, including "the Electrical Corporation clearly incorporates lessons learned from the pilot to maximize ratepayer benefits and reduce per port costs."[12] VGIC emphasizes the importance of this parameter to facilitate the expedited approval of previously approved TE programs (in addition to pilots). For example, Pacific Gas and Electric's ("PG&E") EV Charge Network ("EVCN") program utilized ALM solutions at 20 MUD and workplace host sites as of Q4 2020. PG&E saved $30,000 to $200,000 per project by implementing ALM with three different EV service providers at these 20 sites.[13] VGIC is encouraged by PG&E's leadership in leveraging ALM as a tool to save on utility-site infrastructure costs, effectively stretch authorized TE program budgets, and achieve a lower cost per port. VGIC believes that Type 2 ALM can reduce cost per port in other TE programs (as well as non-TE program EV infrastructure). Thus, VGIC is encouraged by the Commission's intent to authorize IOUs to extend and scale existing programs and pilots on an expedited basis, including programs and pilots that incorporate ALM and other VGI strategies.

[11] Per OP 5 of D.20-12-029.
[12] PD at 26.
[13] *See* PG&E's Presentation during January 29, 2021 ALM/EV EMS Workshop, Panel 2.

VGIC recommends that any additional application parameters and/or advice letter templates produced by Energy Division staff to support expedited review of existing programs and pilots should provide IOUs the opportunity to (1) detail the impact of using VGI strategies (including ALM) and (2) propose expanded use of these VGI strategies.

V. THE COMMISSION SHOULD CONSIDER TE PROGRAMS, PILOTS, AND RATES THAT DO NOT SEPARATE EV LOAD FROM OTHER BEHIND-THE-METER LOADS AND RESOURCES.

Separating EV load from other behind-the-meter loads and resources limits customers' ability to leverage EVs and EV supply equipment ("EVSE") to support customer bill management, demand response, and backup power/resiliency. The need for customer-sited backup power solutions is at an all-time high as California finds itself amid yet another perilous fire season.[14] VGIC commends the Commission for establishing resiliency as a targeted near-term priority. However, existing TE programs have made access to make-ready funding conditional on the presence of a separate EV meter. This effectively places TE program funding in competition with the VGI priorities listed above (i.e., customer bill management and demand response) as well as the resiliency priority's focus on using EVs to provide backup power. In light of the recent announcement of the Ford Intelligent Backup Power Solution[15], VGIC believes it is timely to modify TE programs to ensure customers can take advantage of TE funding without having to forgo the opportunity to use their EVs as backup power supply. Furthermore, supporting customers that do not wish to take service for their EV under a separate meter would help level the playing

[14] Wall Street Journal. *PG&E Warns of More Blackouts During California's Wildfire Season.* June 11, 2021. https://www.wsj.com/articles/pg-e-warns-of-more-blackouts-during-californias-wildfire-season-11623414658
[15] Ford Intelligent Backup Power Solution could provide backup power for up to 10 days. https://www.ford.com/trucks/f150/f150-lightning/2022//?intcmp=hp-bb-f150-lightning

field with other distributed energy resources (i.e., stationary energy storage), which receive dedicated funding support through the Self-Generation Incentive Program. By take steps today to ensure EVs can interact with other behind-the-meter loads and resources, the Commission can help to future-proof TE programs as both resiliency priorities and broader VGI implementation continue to grow in importance. As such, VGIC strongly recommends the Commission explore how to ensure TE programs include more pathways for customers that do not wish to install EVSE under a separate meter.

VI. CONCLUSION.

VGIC appreciates the opportunity to submit these comments on Near-Term Priorities for TE. We look forward to further collaboration with the Commission and stakeholders on this initiative.

Respectfully submitted,

Edward Burgess

Senior Policy Director

VEHICLE-GRID INTEGRATION COUNCIL

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