

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

Order Instituting Rulemaking Regarding Policies,
Procedures and Rules for the Self-Generation
Incentive Program and Related Issues.

Rulemaking 20-05-012
(Filed May 28, 2020)

**COMMENTS OF THE VEHICLE-GRID INTEGRATION COUNCIL ON
THE PROPOSED DECISION REVISING SELF-GENERATION
INCENTIVE PROGRAM RENEWABLE GENERATION TECHNOLOGY
PROGRAM REQUIREMENTS AND OTHER MATTERS**

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May 19, 2021

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In accordance with Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the Vehicle-Grid Integration Council (“VGIC”)¹ hereby submits these comments on behalf of its members to the *Proposed Decision Revising Self-Generation Incentive Program Renewable Generation Technology Program Requirements and Other Matters* (“Proposed Decision”) issued by Commissioner Rechtschaffen on April 29, 2021.

I. OVERVIEW OF VGIC.

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

¹ VGIC member companies and supporters include American Honda Motor Co., Inc., Enel X North America, Inc., Fermata, LLC., Ford Motor Company, General Motors Company, Nissan North America, Inc., Nuvve Corporation, Stellantis, The Mobility House, Toyota Motor North America, Inc., and Ossiaco, Inc. 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.

II. COMMENTS RELATING TO EV/EVSE IN SGIP.

A. Bidirectional EV/EVSE technology is commercially available today and deployed in California.

VGIC would like to emphasize that bidirectional EV/EVSE is already a commercially available technology configuration. V2G-capable vehicles on California's roads today include 26,000 Nissan LEAFs, over 2,000 Mitsubishi EVs (including the i-MiEV and Outlander PHEV), and over 100 Blue Bird electric school buses, together totaling almost 900 MWh of energy storage capacity.² Several EVSE manufacturers sell bidirectional chargers that fit these vehicles, and there exists a clear interconnection pathway as clarified in Decision ("D.") 20-09-035.³ There is a critical need to leverage these potential bidirectional EV/EVSE for the benefit of California's customers, grid, and decarbonization goals, and VGIC respectfully urges the Commission to continue and accelerate, where possible, the incorporation of bidirectional EV/EVSE applications into California's DER toolkit.

B. California risks falling behind the curve on promoting bidirectional charging just as the need for customer-sited backup power grows.

² *Comments of the Vehicle-Grid Integration Council on the Proposed Decision Directing Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company to Take Actions to Prepare for Potential Extreme Weather in the Summers of 2021 and 2022* filed March 15, 2021 in R.20-11-003. <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M370/K905/370905757.PDF>

³ See *Decision Adopting Recommendations from Working Groups Two, Three, and Subgroup D.20-09-035* in R.17-07-007 Ordering Paragraphs 39, 40, and 41 at 218-219. <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M347/K953/347953769.PDF>

Experts have detailed that California’s fire season is becoming more disruptive each year, and PSPS events may even become a year-round phenomenon.⁴ Meanwhile, the use of EVs as backup power is growing around the country, and California risk falling behind other states as it passes on the opportunity to provide funding support for this critical use case. Currently, there are no direct incentives for bidirectional EVs/EVSE or make-ready funding dedicated to installing bidirectional EVSE. Bidirectional EVSE are not currently eligible for CALeVIP incentives, and EV discharging is not compensated under existing demand response programs.

Additionally, VGIC believes bidirectional EV/EVSE deployment can also support California’s equity goals, including those central to SGIP. The use of bidirectional EV/EVSE to provide backup power is a cost-effective solution and supports energy equity goals by providing a lower cost and higher energy storage capacity alternative to the existing fleet of stationary energy storage used to provide backup power.

C. The Commission should continue to explore incentive programs for VGI, including in R.18-12-006 (“DRIVE OIR”).

The Proposed Decision declines to establish SGIP budget categories or incentives for bidirectional EV/EVSE due to limited SGIP program funding as well as the recent allocation of \$35 million for VGI Pilots as part of the DRIVE OIR.⁵ VGIC appreciates the Commission’s authorization of the VGI Pilot funds in DRIVE OIR as a strategy to maximize VGI pursuant to SB 676 (Bradford, 2019). At the time that VGIC submitted its comments on SGIP eligibility for

⁴ <https://www.latimes.com/california/story/2021-05-17/palisades-fire-and-evacuations>

⁵ Proposed Decision at 78-82 and 91.

EV/EVSE, it was unclear if and when any funding might become available for VGI at all.⁶ However, given the Proposed Decision’s determination to not make bi-directional EV/EVSE eligible for SGIP funding, VGIC respectfully requests stronger clarification from the Commission that the DRIVE OIR will in fact be the primary venue for any future consideration of direct incentives or other funding support specifically for VGI. VGIC believes this will aid stakeholders in focusing their efforts on the appropriate venue. VGIC looks forward to working with the Commission and other stakeholders to ensure that the VGI Pilots authorized in the DRIVE OIR are successful and achieve full-scale program implementation.

EV technology is a distributed energy resource (“DER”), as codified in PUC 769, and the Commission previously clarified in D.20-09-035 that V2G systems are energy storage.⁷ As such, VGIC urges the Proposed Decision be revised to accurately reflect this finding and specify that – although the Commission has determined V2G is energy storage – it is not an eligible form of energy storage for the purposes of SGIP. VGIC believes this potential inconsistency and absence of a level playing field was clearly demonstrated in the record of this proceeding and should be reflected in revisions to the Proposed Decision. Additionally, to the extent that funding for V2G is provided through the VGI Pilots, the Commission should ensure going forward that it is not being placed at any sort of disadvantage relative to stationary storage systems.

⁶ VGIC submitted *Joint Comments of the VGIC and BMW of North America to the Assigned Commissioner’s Scoping Memo and Ruling* on September 16, 2020 and subsequent *Reply Comments of the VGIC to the Assigned Commissioner’s Scoping Memo and Ruling* on October 23, 2020. The Commission issued the *Proposed Decision Concerning Implementation of Senate Bill 676 and Vehicle-to-Grid Integration Strategies* on November 13, 2020 and later adopted *Decision 20-12-029 Concerning Implementation of Senate Bill 676 and Vehicle-Grid Integration Strategies* on December 17, 2020.

⁷ See Public Utilities Code 769 (a)

https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=PUC§ionNum=769 and *Decision Adopting Recommendations from Working Groups Two, Three, and Subgroup D.20-09-035* in R.17-07-007 Ordering Paragraphs 39, 40, and 41 at 218-219.

<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M347/K953/347953769.PDF>

D. VGI should be eligible for panel upgrade incentives, similar to those offered to heat pump water heaters.

The April 16, 2021 *Administrative Law Judge's Ruling* in the SGIP proceeding proposed to provide incentives of \$2,800-\$3,600 for electrical panel upgrades required by heat pump water heater installations. VGIC believes that for future considerations, similar incentive eligibility should be offered to panel upgrades for VGI system installations at the customer's premise. Considering the higher-power EVSE coming to the market in the next few years, such incentives would substantially ease the consumer adoption hurdle for EVs in general as well as expand customer access to VGI technologies that provide grid benefits.

III. CONCLUSION.

VGIC appreciates the opportunity to submit these comments to the SGIP Proposed Decision. We look forward to further collaboration with the Commission and stakeholders on this initiative.

Respectfully submitted,

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Date: May 19, 2021