BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Approval of its Electric Vehicle Charge 2 Program. (U39E)	Application No. 21-10-010 (Filed October 26, 2021)

REPLY COMMENTS OF THE VEHICLE GRID INTEGRATION COUNCIL ON PROPOSED DECISION AUTHORIZING PACIFIC GAS AND ELECTRIC COMPANY'S ELECTRIC VEHICLE CHARGE 2 PROGRAM

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December 5, 2022

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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") hereby submits these reply comments on the *Proposed Decision* ("PD") *Authorizing Pacific Gas and Electric Company's* ("PG&E") *Electric Vehicle Charge 2* ("EVC2") issued on November 4, 2022.

I. VGIC APPRECIATES PG&E'S CONTINUED EFFORTS AND LEADERSHIP IN PROMOTING ALM BUT BELIEVES THAT CUSTOMERS ELECTING ALM SHOULD RECEIVE A FAIR PORTION OF THE RESULTING COST SAVINGS.

VGIC appreciates PG&E's continued efforts to advance the use of Automated Load Management ("ALM") solutions that allow EV customers the option to choose behind-the-meter technologies that allow for charger installation while avoiding or deferring utility-side or additional customer-side infrastructure costs. VGIC believes that the EVC 2 approach to "opportunistic ALM" could unlock increased use of ALM for some customers that would have otherwise been unaware of ALM options. While ALM has many benefits, its strongest impact on the customer experience and broader transportation electrification ("TE") effort will be to accelerate the energization timeline for customers that elect it. To the extent ALM avoids the need to install new customer or utility-side infrastructure at a site, it can shorten the construction timeline, especially for utility-side upgrades that are out of the customer's controls.

To incentivize ALM in EVC 2, PG&E states that "if costs per port come in below the program cost thresholds, savings will be shared with the host customer via the cost share methodology and tiered incentive structure of EVC 2."[1] VGIC believes this shared savings model, paired with PG&E taking on the role of alerting customers to ALM opportunities, may result in increased use of ALM. However, VGIC remains concerned that many host customers may not be adequately incentivized to adopt ALM solutions, as EVC 2 host customers choosing an ALM solution would only benefit from the savings from the "Realm of EVC 2" and not the "Realm of Rule 29." [2] Under EVC 2, both the host customer and PG&E will benefit from savings on behind-the-meter ("BTM") make-ready infrastructure costs. However, under Rule 29, the host customer would not realize the savings on to-the-meter ("TTM") infrastructure costs that could be a direct result of their choice to implement ALM solutions. For example, consider a hypothetical EVC 2 workplace charging customer outside of an AB 841 Prioritized Community with BTM make-ready infrastructure costs of $12,500 per port without ALM solutions and $10,000 per port with ALM solutions. Without ALM, this customer would pay 20% or $2,500 of per port make-ready costs, and with ALM the customer would pay $2,000 per port in make-ready costs. If this customer believes an ALM solution is appropriate and desirable in their situation, they could implement ALM to save $500 on their BTM make-ready costs. Meanwhile, the resulting cost savings on TTM costs (e.g., service transformer, service/network upgrades[3]) that are in the realm of Rule 29 are not realized by that customer. In addition, implementing power-sharing capabilities and other ALM

[1] *Id.*
[2] PG&E Prepared Testimony Ch 4-8, Figure 4-1.
[3] PG&E Prepared Testimony Ch 5-AtchA-3.

solutions may require customers to incur incremental costs (i.e., in partnership with their EV service provider or "EVSP"). Therefore, certain EVC 2 customers may have relatively little incentive to select an ALM solution, even if it would lead to reduced total EVC 2 program costs and/or increased ports deployed under EVC 2.

VGIC has on several occasions flagged the lack of incentive for customers to choose ALM when it is well-suited for them.[4] Meanwhile, the sweeping Transportation Electrification Policy and Investment Decision ("TEPID") fails to adopt an incentive or overarching strategy for implementing ALM. In fact, TEPID *repeals* the critical guidance issued in D.20-12-029 that requires utilities to implement ALM in TE programs, rates, rules, and tariffs. TEPID states this is done to "reduce ambiguity," and provides no further justification. TEPID therefore significantly undermines SB 676, and we urge the Commission to reconsider how to advance ALM broadly. ALM remains the only VGI strategy that can:

- Streamline the energization experience for customers;
- Alleviate congested service connection queues;
- Mitigate against increased ratepayer impact of TE; *and*,
- Deploy technologies that yield critical co-benefits, including batteries that support charger uptime during outages.

With this in mind, VGIC reiterates that EVC 2 customers should be offered an additional incentive for electing ALM solutions that is commensurate with the full grid value they provide from TTM cost savings, rather than limiting this value to BTM cost savings.

[4] *See:* January 15, 2021 Pre-Workshop Comments in Advance of January 29, 2021 EV EMS Workshop;
VGIC Presentation during January 29, 2021 EV EMS Workshop;
Comments of VGIC on Assigned Commissioners Ruling on AB 841 Implementation on February 5, 2021 https://www.vgicouncil.org/s/Comments-of-VGIC-on-ACR-Regarding-Implementation-of-AB-841.PDF ;
Reply Comments of VGIC on Assigned Commissioners Ruling on AB 841 Implementation on February 19, 2021 https://www.vgicouncil.org/s/VGIC-Reply-Comments-on-ACR-for-AB-841-R18-12-006.pdf ;
Multi-Stakeholder Letter on ALM Circulated to Commissioners and Energy Division staff on June 16, 2021 https://www.vgicouncil.org/s/Enabling-ALM-Stakeholder-Letter-to-CPUC.pdf ;
VGIC Comments on EV Infrastructure Rules Resolution on August 25, 2021 https://www.vgicouncil.org/s/VGICs-Comments-on-Draft-Resolution-E-5167-R18-12-006.pdf ;

II. VGIC RECOMMENDS THE COMMISSION ADOPT A MORE SPECIFIC SET OF ALM DEFINITIONS AND TECHNICAL REQUIREMENTS.

The PD appropriately recognizes ALM as a set of solutions that includes software to share power across several chargers as well as co-located/integrated energy storage systems. VGIC appreciates the Commission's recognition of this expansive definition proposed by VGIC in the past. However, VGIC requests PG&E or the Commission establish clear technical standards for what constitutes an ALM system. As proposed, the PD does not clarify what a system needs to look like in order for PG&E to accept it as a trustworthy, eligible ALM. Without this, VGIC is concerned that ALM implementation will be limited and that general confusion over what is and isn't an eligible ALM solution will radiate out into the marketplace. Specifically, VGIC recommends PG&E establish either an approved vendor list or a set of minimum technical standards (e.g., UL standards) to provide a clear, consistent set of signals to technology and service providers, as well as customers.

III. THE PD SHOULD DIRECT PG&E's MARKETING, EDUCATION, AND OUTREACH PLAN TO INCLUDE COORDINATION WITH AUTHORITY HAVING JURISDICTIONS ON ALM.

Successful ALM implementation relies on appropriate utility program design and customer decision making, as well as – critically – the understanding and coordination of local authority having jurisdictions ("AHJs"). Specifically, VGIC believes that PG&E's opportunistic ALM approach must be paired with a concerted outreach campaign by PG&E to AHJs to confirm and coordinate approval of ALM systems. Without this step, the Commission risks approving an ALM framework in EVC 2 that could confuse and frustrate customers and installers as their ALM site designs may be rejected by AHJs. PG&E reaching out to AHJs to streamline the rollout of ALM technology is paramount to the success of ALM and, in turn, SB 676 and the (now repealed) directives in D.20-12-029.

IV. THE PD SHOULD CLARIFY THE DEFAULT RATE CONFIGURATIONS.

EVC 2 would also provide an opportunity for customers to learn about EV rate options. VGIC supports that PG&E will default participants to TOU or real-time rates, with the ability for participants to opt out if they submit a load management plan. However, VGIC requests the Commission clarify whether participants will be defaulted to static TOU rates, or real-time rates, given that the two choices offer significantly different customer experiences and values to the grid. Moreover, VGIC recommends the PD clarify whether or how this default rate requirement differs across market segments. VGIC posits that DCFC public destination may be a good candidate for default TOU rates. In contrast, Level 2 workplace or multi-family home sites may be a relatively more appropriate site type for default real-time rates. Lastly, VGIC strongly recommends that segments deemed appropriate for default real-time rates be provided with ample education about the rate, benefits and costs, and third-party providers that can help them respond to the rate.

V. CONCLUSION.

VGIC appreciates the opportunity to submit these reply comments to the PG&E EVC 2 PD. We look forward to further collaboration with the Commission and stakeholders on this initiative.

Respectfully submitted,

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Date: December 5, 2022