

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

Application of San Diego Gas & Electric
Company (U902E) for Approval of Real Time
Pricing Pilot Rate.

Application No. 21-12-006
(Filed December 13, 2021)

Application of San Diego Gas & Electric
Company (U902E) for Approval of Commercial
Electric Vehicle Dynamic Rate.

Application No. 21-12-008
(Filed December 17, 2021)

RESPONSE OF THE VEHICLE GRID INTEGRATION COUNCIL

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July 26, 2023

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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 this response to reply briefs in the consolidated *Application of San Diego Gas & Electric Company (“SDG&E”) for Approval of Real Time Pricing Pilot Rate (“Application”)*, pursuant to the *Procedural Email Granting Extension Request for Briefs and Email Ruling to Provide Directions for Reply Briefs and Allow Responses to Reply Briefs (“Email Ruling”)* issued by Administrative Law Judge (“ALJ”) Stephanie Wang on May 16, 2023, and June 19, 2023, respectively.

In reply briefs, several parties incorrectly assert that implementing a distribution component within the export rate pilot is unsupported by the record of this proceeding.¹ In fact, VGIC and EDF have repeatedly presented an unassailable case for a distribution export component in opening testimony, reply testimony, opening briefs in response to ALJ questions, and reply briefs in response to ALJ questions.² VGIC even proposes a specific recommended D-CPP value

¹ Joint Reply Parties Reply Brief, pg 5; Cal Advocates Opening Brief, pg 4.

² VGIC-01, pg 28; VGIC-02, pg 9; EDF-01, pg 2; EDF-02, pg 2. VGIC Opening Brief, pg 7; VGIC Reply Brief pg 3; EDF Opening Brief, pg 6; EDF Reply Brief, pg 2.

(\$0.79549/kWh) and a fully-developed and implementable methodology for applying the adder (i.e., top 200 annual hours of the circuit), which are based on the existing methodology used by SDG&E in two other rate pilots, Schedule VGI and Public GIR, that collectively have over 3,000 enrolled customers.³

In Reply Briefs, SDG&E states that “VGIC fails to address any of SDG&E’s reasons for excluding the Schedule VGI and Schedule Public GIR distribution component from the Export Compensation Rate Pilot.”⁴ SDG&E lists the “two significant challenges” initially attached to Cal Advocate’s direct testimony as *circuit assignments* and *customer fairness*. In its own Reply Brief, VGIC addresses the first challenge, circuit assignments, by detailing the inherently limited nature of this export pilot due to the exclusion of non-bundled customers, NEM customers, demand response customers, and other customer types.⁵ The export rate may, therefore, see even less participation than the current Schedule VGI, which has 3,381 enrolled customers. Moreover, while SDG&E states circuit tracking is a challenge, they do not present any evidence regarding the cost or resources required to address this challenge in their existing implementation. Without these incremental costs quantified, VGIC concludes that, although circuit tracking may be challenging to implement, it requires no additional cost incremental to what was initially approved for those VGI and GIR rate pilots. Regarding the second challenge, customer fairness, VGIC specifically addresses this concern in its rebuttal testimony, testifying that this issue is much less salient for export credits than it is for an import rate, as was initially contemplated in this proceeding.⁶ In fact, VGIC explains that a D-CPP export credit would help reduce both participating customer costs

³ VGIC-02, pg 7-10.

⁴ SDG&E Reply Brief, pg 8.

⁵ VGIC Reply Brief, pg 3-5.

⁶ VGIC-02, pg 9-10.

(through credits) and overall grid costs for all ratepayers (through reduced distribution capacity needs).⁷

Additionally, although VGIC is a relative newcomer to proceedings of this nature, we have observed that the process attached to this application has seemed somewhat unusual in nature. Namely, the ALJ has asked parties to present additional information in both Opening and Reply Briefs, long after testimony and rebuttal testimony was filed. VGIC believes this was appropriate and prudent direction from the ALJ considering the importance of these issues. However, the additional information provided in opening and reply briefs in response to the ALJ's questions represents substantive, critical input needed to make an informed decision on the export rate design. With this in mind, VGIC respectfully requests the Commission give adequate consideration to the arguments presented not only in the initial round of opening and reply testimony, but also the substantive opening and reply briefs filed in response to the ALJ's key export rate design questions.

VGIC aims to ensure the export rate pilot ultimately offered to customers is a success so that ratepayer funds and SDG&E's specialized personnel resources are not wasted and so that the findings of such a pilot can meaningfully inform forthcoming rate design and VGI market development. Within the broader California rate design and VGI market development context, it's important to reiterate that only one other EV export rate design pilot has been approved: PG&E's Day-Ahead Hourly Real-Time Pricing export pilot. Rather than offering a distribution export component, this rate design offers additional upfront and ongoing fixed incentives to customers, in recognition that marginal energy and marginal generation capacity credits alone do not

⁷ *Id.*

adequately value exports and would not adequately incentivize customer participation. While PG&E's approach offers one path to understanding EV charging customer response to an export rate design, VGIC strongly recommends SDG&E's export rate be leveraged as a different rate design experiment. Specifically, SDG&E's design should include a distribution component rather than a separate participation incentive. These two pilots, taken together, will offer important points of comparison and unearth insights into customer participation under two different export compensation mechanisms for EV charging customers (one with distribution component and one with fixed customer incentives). With the ultimate goal of increasing system reliability benefits, greenhouse gas reduction, and ratepayer cost reductions in mind, VGIC strongly recommends the Commission consider the case made by VGIC and EDF for a distribution export component that sufficiently attracts customers, supports distribution capacity benefits, and, in turn, yields real-world ratepayer benefits.

VGIC appreciates the opportunity to submit this response to reply briefs on SDG&E's proposed export rate application. We look forward to further collaboration with the Commission and stakeholders on this initiative.

Respectfully submitted,

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Date: July 26, 2023