

April 27, 2023

CPUC Energy Division Tariff Unit
505 Van Ness Avenue
San Francisco, California 94102
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Re: Response of the Vehicle-Grid Integration Council to Advice Letter 6909-E of Pacific Gas and Electric Company

Dear Sir or Madam:

Pursuant to the provisions of General Order 96-B, the Vehicle-Grid Integration Council (“VGIC”) hereby submits this response to the above-referenced Advice Letter 6909-E of Pacific Gas and Electric Company (“PG&E”), *Request for Budget Transfer for VGI Dynamic Rate Implementation* (“Advice Letter”), submitted on April 7, 2023.

I. INTRODUCTION.

With the unanimous approval of Decision (“D.”) 20-12-029 on December 17, 2020, VGIC commended the Commission for implementing vehicle-grid integration (“VGI”) strategies pursuant to SB 676 and other VGI strategies deemed reasonable by the Commission. D. 20-12-029 (the “VGI Strategies Decision”) also strove to implement some of the primary recommendations and outcomes of the lengthy and resource-intensive VGI Working Group process, which produced a Final Report of the California Joint Agencies Vehicle-Grid Integration Working Group, as well as subsequent formal party comments on VGI issues. VGIC was encouraged by Ordering Paragraphs (“OPs”) 13, 14, and 15 directing each investor-owned utility (“IOU”) to develop with stakeholder input VGI pilots. Subsequently, PG&E filed Advice Letter 6259-E requesting approval for four VGI pilots. The Commission then issued Resolution E-5192, which approved with modifications three of PG&E’s four proposed pilots. Notably, Resolution E-5192 authorized PG&E to file a Tier 3 advice letter to request to transfer some or all of the unapproved pilot #4 funding (i.e., \$2.3 million) to support the approved pilots #1, #2, and #3.

The launch of PG&E’s VGI pilots in late 2022 represented a significant step toward more widespread VGI products and services that can benefit both EV and non-EV customers. These pilots represent an encouraging reflection of stakeholder feedback in the four years since SB 676 became law. VGIC appreciates PG&E’s continued good faith efforts to design and implement timely, customer-centric VGI pilots and support various VGI business models – an appropriate approach

given the relatively nascent state of the VGI market. PG&E’s VGI pilots remain an important set of activities to move the market forward and are not duplicative of existing pilots.

Based on these factors, VGIC largely supports the Advice Letter as filed and believes it aligns with the Commission’s intent in Resolution E-5192 and OPs 13, 14, and 15 or D.20-12-029. Moreover, evolving PG&E’s pilots to incorporate dynamic pricing is an important stepping stone toward the suite of full-scale VGI programs needed to achieve California’s decarbonization and energy affordability goals.

II. DISCUSSION.

VGIC believes the Advice Letter is ready for Commission approval. In considering PG&E’s proposed approach, it is important for the Commission to recognize that these pilots are the *only* active efforts in California aiming to leverage integrations with VGI aggregators to unlock both load flexibility and exports from residential and commercial customers in response to an advanced dynamic price signal (i.e., real-time rate equivalent that incorporates a dynamic distribution component). While PG&E’s Emergency Load Reduction Program EV/VGI Aggregation customer group is open to VGI aggregators, it utilizes an event-based structure to induce demand reduction and exports from EV chargers rather than a dynamic price signal and, as such, only provides opportunities to reduce net peak demand during limited emergency hours from May through October. Meanwhile, PG&E’s forthcoming Day-Ahead Hourly Real-Time Pricing (“DAHRTP”) export rate pilot is open only to commercial EV charging customers, does not offer a dynamic distribution component, and aims to publish a day-ahead price signal but does not aim to integrate directly with EV/EVSE service providers and aggregators. In contrast, the implementation of dynamic pricing in PG&E’s VGI pilots, as proposed in Advice Letter 6694-E: *Rate Structures for Vehicle Grid Integration Pilots*, would combine the most beneficial components of ELRP and the DAHRTP export rate pilot – year-round dynamic pricing that includes a dynamic distribution component, broad customer eligibility, and technical integrations with solution providers to support a better customer experience.

Increased funding for PG&E’s VGI pilots will not only reaffirm the technical readiness of VGI technologies, which are already well-understood, but also will pilot programmatic and rate design approaches for harnessing VGI technologies at a larger scale. By implementing dynamic pricing in PG&E’s VGI pilots, California can meaningfully experiment with customer incentive levels, marketing, education, outreach, and acquisition methods. PG&E’s VGI pilots are an opportunity to explore greater coordination across the power and transportation sectors, and the control architecture needed to advance scalable customer interaction models for hardware providers, third-party aggregators and service providers, and other solution providers. Each of PG&E’s VGI pilots represents a promising candidate to be scaled to full program implementation in the near- and mid-term. With this in mind, VGIC stresses the criticality of ensuring the VGI pilots are successful and, in turn, yield key data and learnings to inform future VGI program and rate development.

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PG&E's requested budget transfer will be used to supplement PG&E's proposed pilot budgets for pricing engine development, shadow billing, ME&O and enrollment, technology integration, internal labor, and additional customer incentives. VGIC believes this request will meaningfully increase the scale and level of effort that can be supported in pursuit of a successful pilot. VGIC believes that PG&E's pilots are ambitious in the sense that they each attempt to tackle multiple objectives using a limited budget. Thus, additional funding will be useful to ensure that all of these objectives are met.

VGIC thus respectfully urges that the Commission issue a timely Resolution approving the Advice Letter as filed. VGIC offers its time and resources to Energy Division staff, Commissioners, PG&E, and other stakeholders to support addressing any related issues in a timely manner to ensure authorization of the budget transfer is not unduly delayed.

III. CONCLUSION.

VGIC appreciates the opportunity to submit this response to PG&E's Advice Letter. 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

cc: Sidney Bob Dietz II, PG&E, c/o Megan Lawson (PGETariffs@pge.com)
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