

April 5, 2023

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**Re: Response of the Vehicle Grid Integration Council to Advice Letter 6883-E of Pacific Gas and Electric Company: Transportation Electrification Advisory Services – PG&E’s Near-Term Priority Proposal, Pursuant to D.21-07-028**

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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 6883-E of Pacific Gas and Electric Company (“PG&E”), *Transportation Electrification Advisory Services – PG&E’s Near-Term Priority Proposal, Pursuant to D.21-07-028* (“Advice Letter”) on April 5, 2023.

VGIC commends PG&E’s efforts in developing a thoughtful near-term priority proposal focused on offering transportation electrification (“TE”) advisory services. VGIC believes more TE and fleet advisory services are critical to advancing vehicle-grid integration (“VGI”) and transportation decarbonization. As proposed, the TE Advisory Services (“TEAS”) program would significantly increase the scope of PG&E’s relationship with the electric vehicle (“EV”) owner or operator. Learning from the last decade of TE infrastructure program applications, VGIC believes the Commission must strike a careful balance when defining the role of the investor-owned utility (“IOU”) in supporting TE while enabling third-party actors to engage with customers in a competitive marketplace. A foundational principle in utility regulation is to avoid or limit monopoly firms’ entry into the provision of services that can be provided through competitive markets.

In the case of the TEAS program, VGIC believes many of PG&E’s proposed service offerings are, in fact, appropriate for IOU implementation. However, VGIC is also concerned that well-intentioned customer education efforts, if not implemented in an unbiased and transparent manner, could ultimately result in “gatekeeping” that limits customer choice, hinders the market for certain VGI solutions, and diminish opportunities for competitive TE offerings from emerging. With this in mind, VGIC provides additional context for the Commission’s consideration and recommends that the Commission approve the Advice Letter with the below modifications.

**I. TO REMAIN CONSISTENT WITH GUIDANCE IN DECISION 22-12-054, THE COMMISSION SHOULD DIRECT PG&E TO EXPAND ITS LIST OF ELIGIBLE AUTOMATED LOAD MANAGEMENT SOLUTIONS TO INCLUDE CO-LOCATED AND INTEGRATED ENERGY STORAGE TECHNOLOGIES.**

The Advice Letter states that “TEAS will educate customers about ALM and provide guidance to customers about ALM software installation services available from third party vendors.”<sup>1</sup> VGIC supports increased education and implementation of software-based ALM, or optimizing power sharing across multiple chargers at a single point of connection to avoid or defer distribution system capacity upgrades. However, co-located or integrated energy storage solutions can also avoid or defer distribution capacity upgrades if a customer configures the solution to limit the site’s maximum demand. Thus, ALM solutions should be interpreted more broadly than just software-based solutions.

The Commission recently directed PG&E to “not prohibit the use of BTM storage or other hardware as acceptable ALM or load management solutions, as this is an unnecessary constraint.”<sup>2</sup> VGIC strongly recommends the Commission modify the Advice Letter to ensure customers receive education about both software-based ALM (i.e., power sharing across multiple EV supply equipment or “EVSE”) and hardware-based ALM (i.e., co-located and integrated energy storage) to promote consistency with its recent guidance on ALM.

**II. TO REMAIN CONSISTENT WITH GUIDANCE IN DECISIONS 20-12-029 AND 22-12-054, THE COMMISSION SHOULD DIRECT PG&E TO DEVELOP A TECHNOLOGY-NEUTRAL STANDARD METHODOLOGY FOR ALM SITE ASSESSMENT.**

The TEAS program presents an opportunity for PG&E to not only educate customers on ALM solutions, but also conduct site assessments to recommend ALM solutions to a customer when it would be most beneficial to save on infrastructure costs while still meeting customer mobility needs. The landmark December 2020 VGI Strategies and SB 676 Implementation decision (D.20-12-029) directed utilities, “in all of its future applications for TE programs” to “describe its standard evaluation criteria to determine host sites where ALM would benefit ratepayers by reducing costs while meeting host site needs for electric vehicle charging.”<sup>3</sup> Additionally, PG&E’s EV Charge 2 program implements a similar “opportunistic ALM” approach, which informs customers based on early site designs whether ALM could be a good fit.

EV service providers (e.g., EV fleet management companies) already conduct these assessments with their customers. Through the TEAS program, PG&E could augment these assessments with utility-side data. VGIC recommends that the Commission direct PG&E develop and incorporate a

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<sup>1</sup> Advice Letter at 13.

<sup>2</sup> *Decision Authorizing PG&E’s Electric Vehicle Charge 2 Program*. Decision 22-12-054. December 19, 2022. Page 54.

<sup>3</sup> *Decision Concerning Implementation of Senate Bill 676 and VGI Strategies*. Decision 20-12-029. December 21, 2020. Ordering Paragraph 5. Page 79.

technology-neutral standard methodology for ALM site assessment for implementation in the TEAS program. As part of this site assessment, PG&E can calculate avoided costs determining the value of avoiding or deferring an infrastructure upgrade. To the extent TEAS participants are also receiving make-ready incentives or other ratepayer-funded charging equipment rebates, the ALM site assessment should weigh the benefits and costs of different ALM solutions.

**III. THE COMMISSION SHOULD CONSIDER STRATEGIES TO MEASURE AND MONITOR ANY POTENTIAL NEGATIVE IMPACTS THE TEAS PROGRAM MAY HAVE ON SENATE BILL 676 VGI STRATEGY IMPLEMENTATION.**

VGIC recognizes that certain elements of PG&E’s proposal may represent core competency areas for an IOU. For example, the “Capacity Pre-Assessment” offering relies on internal PG&E service planning information. However, VGIC questions whether more safeguards or monitoring should be used to facilitate PG&E’s proposed expanded role in the TE advisory market without compromising the formation of innovative new competitive offerings and that would potentially limit customer choice. VGIC’s primary concern is that PG&E’s well-intentioned implementation may inadvertently hinder VGI market development through misinformation or the imposition of “unnecessary constraints.”<sup>4</sup> For example, Section I above flags one area where PG&E could significantly limit the market for VGI solutions via improper customer education. As another example, in 2022, VGIC was made aware of misinformation from the utility regarding Emergency Load Reduction Program participation rules for VGI aggregations. Lastly, VGIC has been informed by site developers and EV service providers of mixed signals from utilities over whether ALM solutions are permitted for use in their territories and which solutions would be deemed eligible to defer or avoid an infrastructure upgrade.

VGI represents a relatively new and complex set of solutions. Customer experience, EV load management, and the use of EVs as critical grid resources may be put at risk without sufficient oversight and guardrails for IOU implementation. VGIC believes the Commission should consider strategies to remain keenly informed about any potential negative impact the TEAS program may have on Senate Bill 676 VGI strategies implementation and the VGI market. Specifically, the annual VGI Forum, as established by the recent *Decision on Transportation Electrification Policy and Investment*,<sup>5</sup> should expressly consider whether the TEAS program – and any future IOU-implemented TE advisory service offerings – present any barriers to VGI market development and achieving the VGI strategies adopted in the 2020 SB 676 Implementation and VGI Strategies Decision.<sup>6</sup> We also encourage the Commission to consider how best to allow ALM solution providers to engage with customers directly in concert with PG&E’s TEAS program implementation.

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<sup>4</sup> *Ibid.*

<sup>5</sup> *Decision on Transportation Electrification Policy and Investment*. Decision 22-11-040. November 21, 2022. Ordering Paragraph 11 at pg 231.

<sup>6</sup> *Decision Concerning Implementation of Senate Bill 676 and Vehicle-Grid Integration Strategies*. Decision 20-12-029. December 21, 2020.

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**IV. CONCLUSION.**

VGIC appreciates the opportunity to submit this response to the Advice Letter and looks forward to collaborating with the Commission and stakeholders in this proceeding.

Respectfully submitted,

/s/ Zach Woogen

Zach Woogen

Senior Policy Manager

**VEHICLE GRID INTEGRATION COUNCIL**

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