June 20, 2023

CPUC Energy Division Tariff Unit
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Re: Response of the Vehicle Grid Integration Council to Advice Letter 4233-E of San Diego Gas and Electric Company: Near-Term Priority Proposal for Transportation Electrification Advisory Services Program Pursuant to Decision 21-07-028

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 4233-E of San Diego Gas and Electric Company ("SDG&E"), *Near-Term Priority Proposal for Transportation Electrification Advisory Services Program Pursuant to Decision 21-07-028* ("Advice Letter") on May 31, 2023.

VGIC commends SDG&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 SDG&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 SDG&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 diminishes 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 RECENT COMMISSION GUIDANCE, SDG&E SHOULD CLARIFY THAT ELIGIBLE AUTOMATED LOAD MANAGEMENT SOLUTIONS INCLUDE BOTH SOFTWARE-BASED SOLUTIONS AND CO-LOCATED ENERGY STORAGE TECHNOLOGIES.

The Advice Letter states that "The TEAS program will offer customized advisory services, planning, education, and support to help customers take advantage of opportunities to electrify their fleet, as well as to educate customers and operating costs, EVSE operation and maintenance, and ALM strategies."[1] VGIC supports increased education and implementation of ALM, including both software solutions optimizing power sharing across multiple chargers at a single point of connection and co-located or integrated energy storage solutions. In either case, the goal is to avoid or defer distribution capacity upgrades if a customer configures the solution to limit the site's maximum demand. Thus, both types of ALM solutions should be communicated to customers.

The Commission recently directed Pacific Gas and Electric Company ("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."[2] Although SDG&E's Advice Letter does not preclude any specific type of ALM technology from eligibility, it also does not explicitly define which ALM solutions will be presented to customers. VGIC recommends SDG&E ensures 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 the Commission's recent guidance on ALM.

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

The TEAS program presents an opportunity for SDG&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."[3]

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[1] Advice Letter at 15.

[2] *Decision Authorizing PG&E's Electric Vehicle Charge 2 Program.* Decision 22-12-054. December 19, 2022. Page 54.

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

EV service providers (e.g., EV fleet management companies) already conduct these assessments with their customers. Through the TEAS program, SDG&E could augment these assessments with data related to utility-side infrastructure. VGIC recommends that the Commission direct SDG&E to develop and incorporate a technology-neutral standard methodology for ALM site assessment for implementation in the TEAS program. As part of this site assessment, SDG&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. Ultimately, the customer must be given the opportunity to decide whether to implement an ALM solution in exchange for cost reductions or non-monetary benefits (i.e., backup power through a co-located energy storage system). If a site host decides to elect an ALM solution, they must also be free to choose which customer-side ALM technology they would like to install and use.

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 SDG&E's proposal may represent core competency areas for an IOU. For example, the "Site review and analysis" offering relies on SDG&E's "years of experience and expertise."[4] However, given that this is a relatively nascent industry, VGIC questions whether more safeguards or monitoring should be used to facilitate SDG&E's proposed expanded role in the TE advisory market. It is important to avoid compromising the formation of innovative new competitive offerings and limiting customer choice. VGIC's primary concern is that SDG&E's well-intentioned implementation may inadvertently hinder VGI market development through misinformation or the imposition of unnecessary constraints. For example, Section I above flags one area where SDG&E could limit the market for VGI solutions via improper customer education. 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 using 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*,[5] 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

[4] Advice Letter at 27.
[5] *Decision on Transportation Electrification Policy and Investment*. Decision 22-11-040. November 21, 2022. Ordering Paragraph 11 at pg 231.

Decision.[6] We also encourage the Commission to consider how best to allow ALM solution providers to engage with customers directly in concert with SDG&E's TEAS program implementation. At a minimum, SDG&E should consult VGI industry stakeholders and service providers, particularly providers of V2X solutions and other new technologies, about best practices for site evaluation, installation, customer education, and interconnection. This is a nascent but growing field, and the industry stakeholders and service providers have the most experience deploying real-world installations and implementing these customer solutions.

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
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VEHICLE GRID INTEGRATION COUNCIL

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[6] *Decision Concerning Implementation of Senate Bill 676 and Vehicle-Grid Integration Strategies.* Decision 20-12-029. December 21, 2020.