DOCKETED

Docket Number:	17-IEPR-07
Project Title:	Integrated Resource Planning
TN #:	217665
Document Title:	Joint POU Comments on the Proposed Transportation Electrification Guidelines for POU IRPs
Description:	N/A
Filer:	System
Organization:	CMUA/SCPPA/NCPA
Submitter Role:	Public Agency
Submission Date:	5/19/2017 4:31:17 PM
Docketed Date:	5/19/2017

Comment Received From: Jonathan Changus
Submitted On: 5/19/2017
Docket Number: 17-IEPR-07

Joint POU Comments on the Proposed TE Guidelines for POU IRPs

Additional submitted attachment is included below.

BEFORE THE CALIFORNIA ENERGY COMMISSION

In the Matter of: ***Integrated Resource Planning***	**Docket No. 17-IEPR-07** **RE: Proposed Transportation Electrification Guidelines for Publicly Owned Utilities' Integrated Resource Plans**

JOINT PUBLICLY OWNED UTILITIES' COMMENTS ON THE PROPOSED TRANSPORTATION ELECTRIFICATION GUIDELINES FOR PUBLICLY OWNED UTILITIES INTEGRATED RESOURCE PLANS

The California Municipal Utilities Association ("CMUA"), Southern California Public Power Authority ("SCPPA"), and Northern California Power Agency ("NCPA") (collectively, "Joint POUs") appreciate the opportunity to provide these comments to the California Energy Commission ("Commission") on the proposed Transportation Electrification Guidelines for Publicly Owned Utilities Integrated Resource Plans ("proposed guidance"), released on April 14, 2017. The proposed guidance has since been superseded by *DRAFT Publicly Owned Utility Integrated Resource Plan Submission and Review Guidelines*[1] ("Staff Guidelines"), docketed on May 15, 2017. These comments were initially intended to address concerns with the proposed guidance; however, the Commission staff incorporated many of the Joint POU oral comments from the April 18 2017 workshop, into the new Staff Guidelines, which the Joint POUs very much appreciate. As such, these comments primarily address the portion of Staff Guidelines related specifically to transportation electrification.

I. OVERVIEW

The Joint POUs strongly agree that widespread market transformation of the

[1] California Energy Commission, May 2017, *DRAFT Publicly Owned Utility Integrated Resource Plan Submission and Review Guidelines*, Document #: CEC-200-2017-004-D.

transportation sector to zero/low carbon fuels and zero/near zero emission vehicles is essential to achieving a 40 percent reduction in greenhouse gas emissions below 1990 levels by 2030. To this end, the Joint POUs continue to pursue initiatives to support Executive Order B-16-2012 and the Governor's goal of 1.5 million zero emission vehicles ("ZEV") on the road in California by 2025. Furthermore, the Joint POUs support implementation of the Cleaner Technology and Fuels Scenario of the California Air Resources Board ("CARB") *Mobile Source Strategy*, which envisions, among other things, 4.3 million zero emission vehicles and plug-in hybrid electric vehicles by 2030.[2]

The challenge of reaching these goals cannot be overstated. Success will depend on the ability of state agencies, automakers, third-party charging networks, electric utilities, and a broad coalition of stakeholders to work collaboratively to promote customer adoption of electric vehicles ("EVs"). POU integrated resource plans ("IRP") should describe the contributions by POU transportation electrification programs to this historic collaboration, and, as such, can inform the kinds of assistance that state agencies should provide. Thus, while not explicitly required in Senate Bill 350 (De León, Chapter 547, Statutes of 2015) ("SB 350"), the Joint POUs support the Commission's efforts to develop the Staff Guidelines with the intention of incorporating information from POU IRPs into the Commission's own transportation electrification planning efforts.

As the Staff Guidelines recognizes, SB 350 requires POU IRPs to address procurement of transportation electrification.[3] Given this simple requirement, and the reaffirmation in SB 350 of the exclusive authority of each POU Governing Board to adopt its own IRP and authorize procurement, the statute gives POUs the broadest possible discretion in *how* each will address

[2] California Air Resources Board, May 2016, *Mobile Source Strategy*.
[3] Cal. Pub. Util. Code § 9621(c)(1))

transportation electrification in resource planning.

Given the wide range in sizes of "IRP POUs", some POUs have more well-developed EV programs and have incorporated EV load into their resource planning activities. For other POUs, the level of EV adoption, and load from EV charging, is *de minimis* in their service territories, and has therefore not warranted consideration in resource planning activities to date. Either way, quantitative resource planning for EV load over more than a decade (out to 2030) is highly variable depending on the POU service territory and individual utility plans will require flexibility depending on evolving EV market conditions.

The recommended information described in the Staff Guidelines assumes a level of analysis that some POUs may consider unwarranted or premature, given the penetration of EVs to date and the localized adoption patterns in the numbers of EVs and associated EV load over the next 10-15 years. To the extent the EV market grows, such data will be used by POUs in developing their IRPs.

The Joint POUs appreciate the recognition by Commission staff that the detailed transportation electrification data listed in the Staff Guidelines should be provided "to the extent possible,"[4] given the variability of EV load and the broad discretion afforded by the statute to POUs in conducting resource planning for that load. The Joint POUs also appreciate that the new Staff Guidelines do not prescribe the data that POUs should analyze nor how to conduct their analyses of transportation electrification. The Joint POUs welcome the advice provided in the Staff Guidelines on the information or data that would be helpful to prudently plan for future loads from transportation electrification, as well as the calculator tool described in Appendix C.

The following sections expand upon the above broad positions, as well as the oral

[4] California Energy Commission, May 2017, *DRAFT Publicly Owned Utility Integrated Resource Plan Submission and Review Guidelines*, Document #: CEC-200-2017-004-D, pg. 9.

comments provided by Joint POU representatives during the Commission workshop on April 18 and 27, 2017, in response to the proposed guidance.

II. RECOMMENDED INFORMATION, DATA, AND REPORTS

In general, the Joint POUs believe that given the anticipated expansion in EV model types, improvements in battery technology, increase in EV programming and planning activities, volatility of gas prices, competition from fuel-cell vehicles, and advancement of autonomous vehicle technology, there is a great deal of variability regarding future EV adoption projections, associated load, and the design of appropriate tariffs, especially out to 2030. While some POUs may have assessed some or all of these factors, many have not to date, nor will they prior to submission of their IRP on January 1, 2019.

a. Concerning forecasts of the number and types of Electric Transportation and charging infrastructure

While some POUs have engaged in projecting the number of resident EVs for load planning purposes, the automakers and dealerships are better positioned to provide estimates of the EV sales forecasts. Coordinating programs with local dealerships and automakers is one of many strategies that POUs will consider as they develop their transportation electrification programs. In the future, this collaboration with local car dealerships and automakers may equip some POUs with the information necessary to align utility programs with forecasted EV sales, but for many POUs, EV adoption in their specific service territory has been so small as to not warrant developing a detail forecast model at this time. Thus, providing quantitative information should depend upon whether forecasted EV sales are otherwise a part of a POU's IRP process.

POUs are in the process of developing strategies to collect information on EV supply

equipment ("EVSE"). In most cases, utilities do not provide the EVSE for residential and/or workplace charging, and residential EV charging does not occur on a dedicated meter. POUs can provide information on the number and type of public charging stations deployed to date by the utility. However, many POUs are still determining the cost-effectiveness of developing future public charging stations as utilization rates, in many situations, do not currently support the investment of public funds in these stations. Additionally, private charging networks have the information on non-utility owned and operated EVSE infrastructure.

b. Concerning the associated load of transportation electrification

The Staff Guidelines require POUs to provide an accounting of increased electrical load from transportation electrification through 2030.[5] To the extent POUs incorporate transportation electrification into their future supply and demand forecasts and can speak to this in their IRP, the Joint POUs support providing this information on a case-by-case basis.

c. Concerning Effect on Cross-Sector Greenhouse Gas and Air Pollution Emissions

The accounting for increased electricity sector and decreased transportation sector GHG emissions remains an unresolved issue at CARB, in large part because of the difficulty in quantifying the increase in electricity demand due to transportation electrification.[6] CARB has committed to working with agencies, such as the Commission, and stakeholders to develop an accurate methodology to account for the cross-sector shift in emissions for purposes of allowance allocation. The Joint POUs support this effort and will work with CARB, the Commission, and stakeholders to develop a methodology that accounts for GHG and air pollution emissions in a manner that does not create regulatory disincentives for POU support of transportation

[5] *Ibid*, pg.10.
[6] See CARB, Proposed Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms Regulation, Attachment C [2021-2030 Allowance Allocation to Electrical Distribution Utilities], p. 4 (December 21, 2016).

electrification. The Joint POUs appreciate the collaborative efforts of the Commission and CARB to develop the GHG calculator in Appendix C as a tool that POUs may use to account for the GHG emissions from their transportation electrification efforts. The Joint POUs also support the flexibility to use other accounting tools and methodologies.

III. CONCLUSION

The Joint POUs appreciate the opportunity to provide these comments to the Commission, and look forward to continue working with staff ahead of the May 25, 2017workshop.

Respectfully submitted,

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