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California Energy Commission
Integrated Energy Policy Report, Volume 1
1516 9th Street
Sacramento, CA 95814

Re: Pacific Gas and Electric Company Comments on the Draft 2020 Integrated Energy Policy Report (IEPR) Update, Volume 1 (Docket No. 20-IEPR-01)

Pacific Gas and Electric Company (PG&E) appreciates the opportunity to provide feedback on the Draft 2020 Integrated Energy Policy Report (IEPR) Update, Volume 1 on California's transportation future and the transition to zero-emission vehicles.

PG&E supports the actions identified by the 2020 IEPR Update that the state and others can take to ensure a clean, affordable, and reliable energy system. PG&E also supports the California Energy Commission's (CEC) efforts to achieve the goals in Executive Order N-79-20, and agrees that these efforts will require continued programs and policies supporting the deployment of zero-emission vehicles (ZEVs), including passenger, medium-and heavy-duty, and off-road vehicles, and additional investment in fueling infrastructure.

PG&E offers the following comments in two sections of Chapter Four on charging infrastructure related to equity considerations and effective vehicle-grid integration (VGI).

1- **On charging infrastructure and equity considerations**, PG&E agrees that equity should be a prominent factor in developing infrastructure priorities. The Draft IEPR Update notes that "*stakeholders expressed the need for the state to provide charging subsidies for low-income families or those without access to home charging. The subsidies could be analogous to the state's California Alternate Rates for Energy (CARE) program, although not necessarily ratepayer-funded, and integrated with EVSPs across a wide range of public or private-shared charging stations, possibly with enhanced incentives to integrate with renewables*."[1] PG&E is in favor of exploring all options that will help low-income families or those without access to home charging have the ability to conveniently and affordably charge an electric vehicle. However,

[1] Draft 2020 Integrated Energy Policy Report (IEPR) Update, Volume 1, page 87.

PG&E believes that subsidization options should be evaluated carefully to ensure utility ratepayers aren't directly subsidizing private entities, who are able to set prices without regulatory oversight. PG&E wishes to highlight that although it may be more likely that customers charging at public sites pay more, there are entities today that allow for electric vehicle (EV) drivers to charge their vehicles at no cost for various reasons.[2] Given the nascent stage of the EV charging market, it is too early to know what type of business models will proliferate and therefore how much of a differential there may be in the future between home and public charging. Therefore, further discussion would be needed prior to the adoption of any new subsidization policies.

Additionally, PG&E requests clarity on the idea presented on page 95, described as analogous to the Federal Public Utility Regulatory Policies Act (PURPA), which required public utilities to buy power from independent operators that could produce power at a lower cost than what the utility would have paid. This idea is very complex and needs further explanation and exploration with the Investor Owned Utilities (IOUs) and other relevant stakeholders before being considered.

2- **On the section of the Draft IEPR Update regarding effective vehicle-grid integration (VGI)**, PG&E suggests that the CEC's VGI recommendations incorporate the results from the June 30, 2020 Joint Agency report commissioned by the CEC, California Public Utilities Commission (CPUC), Air Resources Board (CARB), and California Independent System Operator (CAISO) as part of the VGI-Working Group. The report is published here: Final Report of the California Joint Agencies Vehicle-Grid Integration Working Group.

PG&E also notes that while studies provided by the CEC's Draft IEPR Update provide valuable information, utilities will need pilots to gather more data on VGI use cases that help prove their reliability, safety and cost-effectiveness.

On the section that identifies the role of utility investments presented on page 92, PG&E supports continued exploration of VGI to enable utilities to better understand the costs and benefits of deploying VGI to reduce the need for infrastructure upgrades. However, PG&E disagrees with the Draft IEPR Update interpretation of AB 841 and its implications for VGI. AB 841 directs utilities to propose a tariff or rule that would allocate distribution infrastructure costs up to the meter to utility ratepayers. The Draft Update suggests that this tariff would disincentivize utilities and project developers from considering load management solutions to reduce capital expenditures in designing EV infrastructure. While AB 841 covers costs to the meter, it does not cover any behind-the-meter costs. As a result, project developers still are incentivized to use VGI solutions to reduce costs. Further, PG&E is committed to delivering safe, reliable and affordable electricity to all customers, including EV customers, and strives to keep rates affordable.

In addition to the above-mentioned recommendations on the Draft Update's definition of AB841, PG&E seeks to provide further clarification in this section. The description of limitations posed by separately metered EV charging sites needs clarification. PG&E customers may optionally choose to use PG&E's commercial EV rate, the Business EV (BEV) rate, if they have

[2] https://voltacharging.com/

separately metered EV infrastructure. However, they can choose to take service on other non-EV commercial rates as well. At no time are PG&E's EV customers "subject to EV-only rates." PG&E's BEV rate is designed to encourage load management, with time-of-use pricing and subscription charges that incentivize customers to manage demand. Additionally, PG&E submitted an application to the CPUC in October 2020 for an optional Day Ahead Hourly Real Time Price (DAHRTP) pilot rate to further incentivize load management for commercial EV customers. The application is pending at the CPUC. Further, EVs are not required to be separately metered. In many cases, a customer may choose to integrate their EV load with their site meter, or they may choose to have their EV load be separately metered. For example, in PG&E's EV Fleet Program, customers may choose to connect their load to the existing facility meter, or separately meter their EV charging equipment.

PG&E strongly supports the State's ZEV goals and appreciates the guidance the CEC provided in setting goals for California to construct 968,000 charging stations by 2030 to enable five million vehicles on California roads. PG&E believes that a focus on all options – VGI, behind-the-meter energy management and increasing the power capacity of the grid -- will be required to ensure the state meets ZEV goals. Additionally, PG&E agrees that IOUs' transportation electrification (TE) programs, private investment and public-private partnerships are all essential to meeting these infrastructure goals. In fact, PG&E currently leverages private investment in its existing TE programs by requiring participating customers to match a portion of PG&E's project funding for behind-the-meter expenditures. PG&E supports exploring and deploying cost-effective VGI and encouraging continued private investment. IOUs are continuously working on incorporating these items into TE programs and through CPUC proceedings, like the Development of Rates and Infrastructure for Vehicle Electrification (DRIVE) Order Instituting Rulemaking (OIR) R.18-12-006.

Finally, PG&E recommends that the language on page 101 of the Draft IEPR Update referencing the VGI Roadmap needs to be specific about the version/year to avoid confusion. Currently, the CEC website only contains the 2014 VGI Roadmap version.

PG&E appreciates the time and effort that the CEC took to organize the workshops and prepare this IEPR Draft Report, and the opportunity to comment on this. Please do not hesitate to contact me if you have any questions.

Sincerely,

Licha Lopez