BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Consider Alternative-fueled Vehicle Programs, Tariffs, and Policies	Rulemaking 13-11-007 (Filed November 22, 2013)

REPLY COMMENTS OF PACIFIC GAS AND ELECTRIC COMPANY (U 39E) ON ALTERNATIVE-FUELED VEHICLE RULEMAKING

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Dated: December 20, 2013

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Pursuant to the Ordering Instituting Rulemaking (R.13-11-007) (Rulemaking), Pacific Gas and Electric Company (PG&E) provides its reply comments on the Rulemaking. PG&E's reply comments respond briefly and on a preliminary basis to parties' comments on: (1) whether rate design issues should be considered in the Rulemaking, (2) how the role of utilities in supporting EV adoption should be considered in the Rulemaking, and (3) how issues related to vehicle-to-grid integration (VGI) should be considered in the Rulemaking.

PG&E will supplement these comments with additional details on each of the key topics as the Rulemaking moves forward.

I. RATE DESIGN ISSUES NEED NOT BE CONSIDERED IN THE AFV RULEMAKING BECAUSE RATE DESIGN ISSUES HAVE BEEN AND ARE BEING CONSIDERED IN OTHER PROCEEDINGS

Several parties comment at some length on various issues relating to the design of electric rates to PEV customers.[1] These rate design comments focus uniformly on the design and availability of time-of-use or other time-variant electric rates which would incent energy efficient charging behavior by PEV customers. However, as discussed in PG&E's opening comments,[2]

1 See, e.g., Opening Comments of the Natural Resources Defense Council (NRDC), pp. 9- 13; Opening Comments of California Center for Sustainable Energy (CCSE), pp. 7- 8; Opening Comments of Office of Ratepayer Advocates (ORA), pp. 6- 13; Opening Comments of The Utility Reform Network (TURN), pp. 4- 7; and Opening Comments of General Motors (GM) pp. 8- 12.

2 PG&E Opening Comments, pp. 7- 9.

the availability and design of time-variant electric rates is a much broader issue that has been and is currently pending in the Commission's general rate case proceedings, including R.12-06-013 and the utilities' General Rate Case Phase 2 proceedings. Moreover, as mandated by the Commission's prior EV decision, PG&E's current PEV-specific rates meet the needs of current PEV customers; the off-peak periods provide the appropriate signals and adequate time to charge off-peak.[3] PG&E also offers two additional non-PEV-specific rates, which offer PEV customers choices that may be more suitable for their particular circumstances.

Likewise, on the commercial side, PG&E already offers Commission-approved time-variant rates that meet customer needs; these rates include non-tiered time-of-use (TOU) rates with and without demand charges. These existing, Commission-approved rates support workplace PEV charging on a cost-of-service and non-discriminatory basis without the need for reconsideration in this PEV-specific proceeding. As the Commission previously determined in its prior PEV decision, the design of time-variant rates for PEV charging purposes should be reviewed in the utilities' GRC Phase 2 proceedings.[4]

Based on PG&E's experience with PEV customers, to the extent that general time-variant rates are sustainable, easily explainable to customers, and provide a simple understanding of incentives included in the rates, then those time-variant rates are not an impediment to PEV adoption and in fact incent off-peak PEV charging in the same way they incent off-peak electricity usage generally. PG&E's existing time-variant rates meet these needs and there is no need at the current time in this proceeding to consider additional PEV rates.

II. THE RULEMAKING SHOULD BE NARROWED TO CONSIDER HOW THE UTILITY'S TRADITIONAL INFRASTRUCTURE ROLE CAN EFFECTIVELY HELP ACCELERATE THE ADOPTION OF PLUG-IN ELECTRIC VEHICLES

Parties' Opening Comments offered varying perspectives on the role of utilities in supporting the PEV market. Some parties suggest that market adoption be left to private entities,

[3] D.11-07-029, July 14, 2001, pp. 14- 32.

[4] D.11-07-029, pp. 31- 32.

while others suggest that utilities should have a greater role in market adoption.[5] These comments seem to highlight a common underlying threshold question regarding the utility's role in the PEV market.

Accordingly, if the goal of the Rulemaking is to accelerate market adoption of PEVs, which PG&E fully supports, the Rulemaking should more narrowly focus on what role the electric utility can effectively play to help remove the major barriers to PEV adoption. From the research that PG&E has conducted, the major barriers to PEV adoption are:

(1) The upfront cost of the PEV;

(2) The range and associated amount of retail PEV charging infrastructure available; and

(3) Consumer knowledge and awareness of the benefits and costs of PEVs.

Many parties recognize that there are barriers to PEV adoption and suggest possible roles for the utilities to remove those barriers in the PEV space, particularly in the deployment of additional PEV charging infrastructure. General Motors suggests exploring utilities' rate-basing a responsible amount of charging infrastructure, citing DTE's rebate for charging infrastructure as an example.[6] SDG&E comments that the utilities should be allowed to actively participate in all aspects of transportation electrification including owning and operating grid-integrated charging facilities.[7] SCE comments that "Utilities may play a role in reducing the total cost of PEV ownership…."[8]

PG&E agrees with those parties that recommend that this Rulemaking focus on the appropriate role that utilities can play to accelerate PEV adoption through traditional utility

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[5] See, e.g., Opening Comments of TURN, pp. 9- 12; Opening Comments of SDG&E, pp. 5- 6; Opening Comments of ChargePoint, Inc., pp. 6- 10; Opening Comments of SCE, pp. 26- 29; Opening Comments of ORA, pp. 14- 17; and Opening Comments of GM, pp. 11-12.

[6] Opening Comments of GM, p. 12.

[7] Opening Comments of SDG&E, pp. 5- 6.

[8] Opening Comments of SCE, p. 27.

deployment and investment in utility infrastructure, such as PEV charging facilities. Unlike on-bill financing of PEV purchases, direct utility investment in PEV charging infrastructure is consistent with the utilities' traditional role in supporting and enabling the safe, reliable and affordable delivery of electricity, from the point of generation to the point of consumption by retail customers. Under existing rules and tariffs for utility infrastructure, the Commission has the discretion to determine the extent of the role of the utilities in accelerated deployment of infrastructure necessary to support more convenient and available PEV charging facilities. Accordingly, PG&E recommends that, early in this proceeding, the Commission and stakeholders address the appropriate role and guidelines for utilities to invest in and deploy traditional utility PEV charging infrastructure to accelerate PEV adoption.

III. THE RULEMAKING SHOULD ADOPT UP-FRONT GUIDING PRINCIPLES FOR PILOTING VGI APPLICATIONS BEFORE DETERMINING POLICIES FOR VGI COMMERCIALIZATION

Some parties proposed the adoption of guiding principles and strategies for the purposes of prioritizing VGI activities.[9] PG&E supports this suggestion and recommends that the Rulemaking adopt upfront a technology-neutral methodology for evaluating VGI technologies and applications through initial piloting that aligns with established piloting methodologies in the Demand Response, Distributed Generation, and Energy Storage proceedings. This methodology should prioritize the most cost-effective hypothetical use cases of VGI before piloting those technologies; ensure that the VGI pilots are customer-focused; and provide objective performance metrics for evaluating the results of the pilots and subsequent policies for scaling up the technologies for commercial use. This methodology is well-established in the Commission's Demand Response and Smart Grid proceedings, and should be applied consistently to the evaluation of VGI technologies and applications in this Rulemaking.

[9] See, e.g., Opening Comments of ORA, p. 2; Opening Comments of GM, pp. 1, 3-5; Opening Comments of NRDC, pp. 2-4.

IV. CONCLUSION

PG&E appreciates and supports the Rulemaking, and recommends that it be structured to support the acceleration of PEV and other AFV markets consistent with these comments.

Respectfully Submitted,

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