

**R.13-10-007**

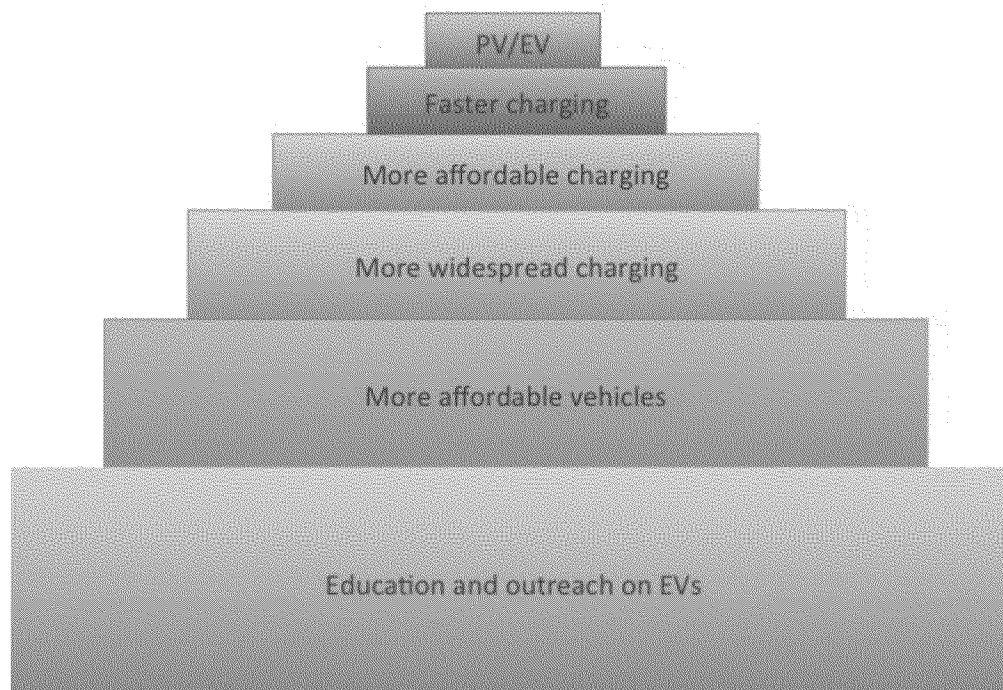
**PROTEST OF THE GREEN POWER INSTITUTE AND COMMUNITY ENVIRONMENTAL COUNCIL ON ADVICE LETTERS 2993-E, 4343-E, AND 2566-E**

Feb. 10, 2014

The Green Power Institute (GPI) and Community Environmental Council (CEC, combined "GPI/CEC") respectfully submit this protest of SCE Advice Letters 2993-E, 4343-E, and 2566-E.

In general, we are taken aback by the over \$10 million proposed budget for the submetering pilots. This is a large sum that could perhaps be spent more productively elsewhere. We don't deny that Vehicle-Grid Integration and submetering are highly important components of California's effort to electrify transportation. We do, however, question whether the proposed pilots are worth the proposed \$10+ million budget. We address further below our objections to the lack of detail in the proposed budgets, but we also urge the Commission to question whether this is the most productive use of available funding to promote EVs at this time in California. We include here again our "prioritization ziggurat" that was part of our opening comments on the Order Instituting Rulemaking. We urge the Commission to re-consider its approval of funding for specific programs and it seems that the proposed pilots could achieve their goals with a 50-80% budget reduction, freeing up funds for other much-needed programs.

Figure 1. GPI/CEC “prioritization ziggurat” for R.13-11-007.



### *Inclusion of NEM customers*

The utilities call in the joint Advice Letter for reducing the required 25% level of NEM customer inclusion to just 10%. As we have noted many times previously, data show that up to 50% of EV owners in California are also NEM customers.<sup>1</sup> Accordingly, the proposed pilots may be severely limited in potential participants if only 25% of the total can be NEM customers, let alone only 10%. We can accept the 25% figure as a reasonable compromise but we strongly urge the Commission to stay with this 25% figure and to reject the IOU call for reducing it to 10%.

The IOUs argue that costs are far higher for including NEM customers in the pilots,

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<sup>1</sup> The recently-released Joint Load Research Report shows numbers substantially below 50%, but as the report itself notes the data presented is only for EV owners who have chosen an EV rate schedule and this itself is a fraction of all EV owners.

proposing outlandish figures for the costs required to hand-bill NEM customers. As we describe below, however, the IOU budgets seem to have little correspondence to what is truly required and we urge the Commission to look with a closer eye at the proposed numbers.

#### *Qualifying as a submeter MDMA*

Page 29 of the Joint Advice Letter contains instructions for qualifying as a submeter MDMA. GPI/CEC feel that the timeline proposed is too short for MDMA's to optimally comply. Specifically, the letter calls for MDMA's to submit a notice of participation by April 1, 2014, that declares their intent to participate as well as how many submetered customers they either already have under contract or that they plan to include. It is the latter requirements that cause us concern because it will be very hard for MDMA's to sign up customers before the program has even been approved, which will likely not happen until March, or to estimate how many they will have signed up. That leaves far too little time for MDMA's to sign up customers or to offer a reasonable estimate of how many customers they may be able to include. Accordingly, we recommend that these requirements (notifying the IOU of how many customers the MDMA has signed up or plans to include) be removed. Instead, the IOUs and MDMA's should work together as the program proceeds to enroll customers and reach the 500 limit for each IOU.

#### *EVSP participation*

EVSPs have very minimal incentive to take part in the pilot in the structure proposed by the IOUs. There is no payment mechanism for EVSPs (there is for MDMA's) and it seems that there is little to no financial incentive for EVSPs to take

part in the pilot without such payments to EVSPs. We recommend that the Commission work with the IOUs and EVSPs to identify an appropriate level of funding for EVSPs.

### *Budgets*

Our strongest protest of the proposed pilots concerns the proposed budgets. The utilities do not provide hourly rates, an explanation of the appropriate of proposed rates, or expected hours required for their pilots. Rather, they provide line items with dollar amounts. For example, the “Customer Experience Evaluation” for Phase I of SCE’s pilot is expected to cost \$500,000, with another \$500,000 for evaluating customer experience for Phase II. “Manual NEM Billing Data” is expected to cost \$300,000. No explanation of these figures is offered in terms of hours or personnel required.

GPI/CEC feel that these and other figures are exorbitant and the IOUs should, at the very least, be required to provide hourly rates, with explanations of why the proposed rates are reasonable, and the hours required, for each line item. The submetering pilot includes many tasks that are clerical and data entry in nature, as well as more specialized engineering and legal tasks, so we will assume an average cost of \$75/hour is reasonable (this is equivalent to a salary of \$120,000 per year). This produces the following projected hours for the combined IOU budgets.

- Total costs: \$10.6 million
- Total hours required: 128,343
- Total man-years equivalent at 2,000 hours per year: 64.2

That is, the three IOUs are suggesting that it will take the equivalent of 64 full-time

personnel a complete year of full-time labor to run these three pilots for 1,500 customers in total. Again, this seems exorbitant.

SCE's proposed budget breaks down as follows, with hourly rates assumed and hours required imputed from hourly rates:

Task	Total	Hourly	Hours	Man-years equivalent
Phase				
IT	\$388,000	\$75	5106.7	2.6
Program management	\$846,000	\$75	11266.7	5.6
Enrollment processing	\$439,000	\$75	5853.3	2.9
Manual bill	\$427,000	\$75	5693.3	2.8
Manual NEM bill	\$600,000	\$75	8000.0	4.0
Training development/delivery	\$256,000	\$75	3413.3	1.7
Incentives	\$320,000	NA	NA	NA
Customer experience	\$1,000,000	\$75	13333.3	6.7
Total	\$4,270,000			26.3

PG&E is as follows:

Task	Total	Hourly	Hours	Man-years equivalent
Phase				
Project management	\$336,000	\$75	4466.7	2.2
Process enrollment	\$357,000	\$75	466.7	0.2
Setup	\$266,000	\$75	3533.3	1.8
Setup	\$95,000	\$75	1266.7	0.6
Handle customer	\$207,000	\$75	266.7	0.1
Incentives	\$320,000	NA	NA	NA
Identify evaluator	\$607,000	\$75	800.0	0.4
Evaluator contract	\$1,000,000	\$75	13333.3	6.7
Automation of processes	\$857,000	\$75	1133.3	0.6
Automation for	\$300,000	\$75	4000.0	2.0
Contingency	\$506,000	\$75	6733.3	3.4
Total	\$3,070,000			18.0

SDG&E, with the least detailed budget of all, is as follows:

Task	Cost	Hourly Rate	Hours	Man-years equivalent
Phase I	\$1,978,000	\$75	26373.3	13.2
MDMA	\$320,000	\$A	NA	NA
Share	\$1,000,000	\$75	13333.3	6.7
Total	\$3,298,000			19.9

It is not clear how the \$1 million third party evaluation projected costs for each utility is derived. Again, this seems exorbitant in an era when free or low-cost websites like SurveyMonkey can be used to great effect by contracted third parties or by the IOUs themselves. Using this website could likely reduce the \$3 million projected customer evaluation costs by about 90% or more. A \$300,000 third-party contract for evaluating this pilot still seems high but far more in keeping with market rates.

We strongly recommend that the Commission, at the very least, require the IOUs to provide hourly rates, explain why the proposed rates are reasonable, and justify hourly time requirements, before approving the submetering pilots.

Dated: Feb. 10, at Berkeley, California.

Respectfully Submitted,



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