

**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)

**COMMENTS OF PACIFIC GAS AND ELECTRIC
COMPANY (U 39E) IN RESPONSE TO FEBRUARY 5,
2014, ADMINISTRATIVE LAW JUDGE'S RULING**

CHRISTOPHER J. WARNER

Pacific Gas and Electric Company
77 Beale Street, B30A
San Francisco, CA 94105
Telephone: (415) 973-6695
Facsimile: (415) 972-5220
E-Mail: CJW5@pge.com

Dated: February 19, 2014

Attorney for
PACIFIC GAS AND ELECTRIC COMPANY

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Pursuant to the February 5, 2014, Administrative Law Judge's Ruling Setting Prehearing Conference and Requesting Comments (ALJ Ruling), Pacific Gas and Electric Company (PG&E) provides its comments in response to the three questions in the ALJ Ruling.

PG&E supports the California Public Utilities Commission's (Commission) next phase of considering public policies, rules, and tariffs applicable to alternative-fueled vehicles. PG&E recommends that the Commission focus this proceeding on actions that will help support and accelerate the plug-in electric vehicle (PEV) market. Thus, the Commission should only pursue VGI activities to the extent that they remove barriers to PEV market adoption. Based on PG&E's research and analysis, 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.

PG&E supports the Commission's intent to evaluate whether financing opportunities can accelerate PEV adoption and infrastructure deployment.^{1/} PEV financing opportunities should

^{1/} Workshop Summary, p. 2.

be aimed at removing the barriers to PEV adoption, namely reducing the upfront cost of PEVs and the cost of PEV charging infrastructure. While PG&E continues to support strategies to reduce the upfront cost of PEVs, there are existing pilots in progress that address the high upfront cost of PEVs.^{2/} The Commission should also explore potential roles that leverage the utilities' expertise in infrastructure investment to reduce the cost and increase the availability of PEV charging infrastructure.

I. RESPONSES TO SPECIFIC QUESTIONS IN THE ALJ RULING

1. *Question: What programmatic changes can be made to support VGI as a resource within existing or proposed state energy programs and policies, such as demand response, resource adequacy requirements, energy storage, interconnection, and net energy metering?*

PG&E Response: There are no programmatic changes needed to allow VGI as a resource within existing or proposed state energy programs and policies, other than the need to determine the entities obligated to provide the operational grid services, the entities entitled to the revenue for the provision of such services, and the method of measurement to verify compliance with uniform standards applicable to providing the operational grid services. Existing and proposed state energy programs and policies currently have fewer participants than VGI as a potential resource ultimately may have, so a determination on these three issues will support efforts to make VGI available on a commercial scale.

Improvements should be considered in identifying the types of VGI that can be counted under energy storage program protocols. Not all forms of VGI were explicitly allowed to count for the utility energy storage goals established in the Commission's energy storage proceeding. The Commission should consider updating

^{2/} See PG&E's Demand Response Plug-In Electric Vehicle Pilot, approved in Advice Letter 4077-E-B.

its energy storage rulemaking to allow for all forms of VGI described in the Energy Division VGI whitepaper to be eligible to be counted for utility energy storage goals.^{3/}

2. **Question:** *What immediate, near-term actions should the Commission undertake to support the development and implementation of VGI use cases and applications?*

PG&E Response: PG&E recommends that the Commission focus on those VGI applications that have the highest potential commercially-scalable value and lowest utility operational complexity. PG&E recommends that the Commission and stakeholders first evaluate lessons learned from the on-going PEV-related pilots in the utilities' respective service territories, such as the demand response plug in electric vehicle pilot in PG&E's service territory.

3. **Question:** *In consideration of the Use Case prioritization proposed in the Whitepaper, are there near-term actions that the Commission should avoid in order to not preclude progress on Use Cases considered to be more complex?*

PG&E Response: PG&E recommends that the Commission not attempt to force integration of demand side management resources, including PEVs, into the CAISO wholesale market. The CAISO market provides short term pricing signals to market participants and is useful in understanding where there may be a grid need. However, the interaction between the CAISO wholesale markets and retail customers is not fully developed yet and therefore premature integration would add additional complexity and may hinder the understanding of all market participants on the value and costs of different VGI use cases. To ensure that near term VGI programs and pilot are useful to the CAISO initiatives, the existing wholesale market product constraints on VGI applications should first be understood and used to establish the basis for any new VGI programs or offerings made by the utilities.

^{3/} See Energy Division Staff's Vehicle-Grid Integration Whitepaper, p. 17.

II. CONCLUSION

PG&E appreciates and supports the Commission's efforts in supporting the PEV market, and looks forward to contributing toward evaluation of new PEV policies and initiatives in this proceeding.

Respectfully Submitted,

CHRISTOPHER J. WARNER

By: /s/ Christopher J. Warner
CHRISTOPHER J. WARNER

Pacific Gas and Electric Company
77 Beale Street, B30A
San Francisco, CA 94105
Telephone: (415) 973-6695
Facsimile: (415) 972-5220
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