

From: Phillips, Paul S.  
Sent: 7/23/2014 5:03:42 PM  
To: Horner, Trina (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=TNHC)  
Cc: Allen, Peter (peter.allen@cpuc.ca.gov); Randolph, Edward F. (edward.randolph@cpuc.ca.gov)  
Bcc:  
Subject: RE: legislative language - proposed changes

Trina,

Thanks for sharing the proposed language for the EDR scenario that we recently discussed in person. We've made a few suggested changes in red that we hope will serve to narrow the scope/intent, while providing consistency that this is aimed at eligible customers with both EV and battery manufacturing facilities up to a specific cap. Certainly you should feel free to add, subtract, or clarify any of our additions, as we haven't had the benefit of further dialogue with you to evaluate the specifics. Speaking of which, we're happy to discuss via conference call or in person if need be.

Thanks for taking the lead on this, and let us know if you have questions!

**740.5.** In furtherance of the State's policies pursuant to sections 740.2 and 740.4 in support of deployment and use of electric vehicles and the economic development benefits provided to all utility customers, the commission shall authorize electrical corporations to establish electric rates and tariffs for **customers with facilities that manufacture electric vehicles and batteries** for electric vehicle and stationary uses, located within the State, and that meet the following criteria:

(a) The **otherwise applicable** electric rates and tariffs for **customers with facilities that manufacture electric vehicles and electric vehicle batteries for electric vehicles and stationary uses** ~~factories~~ (NAICS Code     ) shall include ~~a~~ reductions ~~not to exceed x percent (x%) to be determined by the commission for the first ten~~ **not to exceed x percent (x%)** ~~for years eleven through fifteen, and not to exceed z percent (z%) for years sixteen through twenty, compared relative to the revenues that would have been produced for the same billed usage in the absence of the~~ **for the first twenty** years of operation of the facilities subsequent to January 1, 2015, ~~not to exceed y percent (y%) for years eleven through fifteen, and not to exceed z percent (z%) for years sixteen through twenty, compared relative to the revenues that would have been produced for the same billed usage in the absence of the~~ **not to exceed y percent (y%) for years eleven through fifteen, and not to exceed z percent (z%) for years sixteen through twenty, compared relative to the revenues that would have been produced for the same billed usage in the absence of the**

discount.

(b) The electric rates and tariffs in subdivision (a) shall only be available to a customer that was manufacturing electric vehicles in the State as of January 1, 2013 and is manufacturing both electric vehicles and batteries for electric vehicles and stationary uses in the service territory of the same electrical corporation, **and shall only be available to eligible customers until a cap of 400 MW of total demand is reached.**

(c) An electrical corporation shall file a request for approval of such rates and tariffs by advice filing on behalf of an eligible customer no later than March 1, 2015. The commission shall determine the electric rates and tariffs applicable to an eligible customer by no later than ninety (90) days after the electrical corporation files a request for approval of such rates and tariffs by advice filing on behalf of an eligible customer.

(d) The commission shall allow an electrical corporation to recover **any revenue shortfall as well as** the reasonable expenses incurred to provide the electric rates and tariffs authorized by this section **from non-participating customers.**

(e) **An electrical corporation that establishes electric rates and tariffs as described in (a) shall track and account for all revenues and expenses in a balancing account to ensure transparency.**

Best,

Paul

**From:** Horner, Trina [<mailto:TNHc@pge.com>]  
**Sent:** Friday, July 18, 2014 11:38 AM

**To:** Randolph, Edward F.  
**Cc:** Kauss, Kent  
**Subject:** legislative language

Hi Ed,

Apologies for the late follow up – I thought I had sent this earlier in the week and just realized it was in my “drafts” box. Here’s a stab at language relating to economic development rate for battery facilities. This tries to be specific enough to limit participation and detailed enough to give the CPUC guidance. Happy to discuss at your convenience. One note: we have bracketed the language relating to any rate reduction for the electric vehicle manufacturing facilities (as opposed to battery manufacturing), since as we had discussed this raises the complexity of any proposal.

740.5. In furtherance of the State’s policies pursuant to sections 740.2 and 740.4 in support of deployment and use of electric vehicles and the economic development benefits provided to all utility customers, the commission shall authorize electrical corporations to establish electric rates and tariffs for facilities that manufacture [electric vehicles or ] batteries for electric vehicle and stationary uses located within the State that meet the following criteria:

(a) The electric rates and tariffs for electric vehicle battery factories (NAICS Code \_\_\_) shall include a reduction not to exceed x percent (x%) for the first ten years of operation of the facilities subsequent to January 1, 2015, not to exceed y percent (y%) for years eleven through fifteen, and not to exceed z percent (z%) for years sixteen through twenty, compared to the revenues that would have been produced for the same billed usage in the absence of the discount.

(b) The electric rates and tariffs in subdivision (a) shall only be available to a customer that was manufacturing electric vehicles in the State as of January 1, 2013 and is manufacturing both electric vehicles and batteries for electric vehicles and stationary uses in the service territory of the same electrical corporation.

(c) An electrical corporation shall file a request for approval of such rates and tariffs by advice filing on behalf of an eligible customer no later than March 1, 2015.

The commission shall determine the electric rates and tariffs applicable to an eligible customer by no later than ninety (90) days after the electrical corporation files a request for approval of such rates and tariffs by advice filing on behalf of an eligible customer.

(d) The commission shall allow an electrical corporation to recover in full in rates the reasonable expenses incurred to provide the electric rates and tariffs authorized by this section.

Trina

*Trina Horner*

*Vice President, Regulatory Proceedings and Rates, PG&E*

*(415) 973-6490 (office)*

*(415) 722-6504 (mobile)*

*[Trina.Horner@pge.com](mailto:Trina.Horner@pge.com)*

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