

August 4, 2014

Edward Randolph, Director
Energy Division, ED Tariff Unit
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102

Re: Comments of the California Energy Storage Alliance on Draft Resolution E-4628

Dear Mr. Randolph:

This provides the comments of the California Energy Storage Alliance (“CESA”) on the above-referenced Draft Resolution E-4628. CESA strongly supports Pacific Gas and Electric Companies (“PG&E’s”) request for approval to provide Rate Option B for three years to the SJRTD because it is consistent with and carries forward the Commission’s findings in a previous resolution¹, which approved a comparable pilot program request by Southern California Edison Company (“SCE”). There the Commission stated: “We believe that eliminating the demand charge but retaining time-of-use rates for a limited period of three years strikes a balance between ensuring electric bus demonstration projects move forward, but not unduly providing an advantage to any particular electric transit battery technology and energy storage strategy.” (p. 7). CESA also takes this opportunity to suggest a few clarifications for the Commission’s consideration in its final resolution.

Draft Resolution 4628 properly notes that the Commission’s approval will occur against the backdrop of the Commission’s Alternative Fueled Vehicle rulemaking proceeding.² “The Commission’s Alternative-Fueled Vehicle proceeding, Rulemaking Proceeding 13-11-007, includes electric vehicle tariffs in its scope. The Order Instituting Rulemaking recognized the need to address tariff issues for medium- and heavy-duty vehicles, including electric buses. Given the need for long-term policies that address competing goals of assigning costs to users and encouraging PEV adoption, this rate treatment should be limited to three years while the Commission designs long-term policies through its Alternative-Fueled Vehicle proceeding.” (p. 5). CESA concurs with PG&E in this regard, and thus limits its comments here to points of clarification.

CESA agrees with the statement in, Draft Resolution 4628 that treatment of the tariff should be “specific to each bus operator, taking affect when the bus operator begins using electric buses.” (p. 5). PG&E should accordingly be required to clarify that its proposed tariff will also be made equally available to other (non-SJRTD) PEV bus operators operating in PG&E’s

¹ *Resolution E-4514: Southern California Edison Company (SCE) Advice Letter (AL) 2699-E*, issued November 8, 2012.

² *Order Instituting Rulemaking to Consider Alternative-Fueled Vehicle Programs, Tariffs, and Policies*, R.13-11-007, filed November 14, 2013 (“AFV proceeding”).

service territory as an opt-in option. PG&E should also be required to clarify that any PEV bus operator can start a 3-year clock running for its fleet when it begins operating any time between September 30, 2013 and September 30, 2016. In other words, if a PEV bus operator starts the 3-year clock on September 29th, 2016 they will remain on the tariff until 2019.

PEV bus technologies are rapidly progressing and offer a tremendous opportunity to increase Electric Vehicle Miles Travelled (“EVMT”) on California roadways. To increase EVMT and encourage innovation, Option B should be available *as an option* for both public and privately operated buses. In addition, it suits all interests insure the definition of a “bus” is well understood and that they all qualify. For example, school bus type classifications range from categories “A” through “D” while shuttle and bus applications may be served by Class 2 through Class 8 commercial vehicles.

CESA also agrees with the statement in Draft Resolution E-4628 that “a long-term solutions is needed,” and that long-term policies will be addressed through the AFV proceeding. CESA agrees in addition with the comments of the Green Power Institute and Community Environmental Council filed in the AFV proceeding (“GPI-CEC”³ that in the near term, the Commission should “include in the final resolution possible outcomes/next steps of the proposed pilot rate program in order to give longer-term assurances to transit agencies.” (p. 3)⁴. Furthermore, CESA suggests that a similar tariff approach should be considered for the electric vehicle pilot program proposed by San Diego Gas & Electric Company⁵.

Lastly, CESA believes it should be made clear in the final Commission’s final resolution approving PG&E’s proposed tariff is in line with the Guiding Principles stated in the Scoping Memo for the AFV Proceeding⁶:

- “Promote the deployment of safe and reliable AFV grid infrastructure designed to meet transportation and energy service needs while maximizing ratepayer benefits and minimizing costs to all utility customers.
- Target near-term solutions that complement the use of preferred energy resources and utilize the grid efficiently.
- Incorporate and enhance policies from other, related Commission proceedings to promote efficient program implementation and use of ratepayer funding.

³ *Comments of the Green Power Institute and Community Environmental Council on Draft Resolution E-4628 (Electric Bus Pilot)*, filed July 22, 2014.

⁴ Parenthetically, CESA agrees in general terms with the statement of GPI-CEC encouraging the Commission “to open a new track in this proceeding to consider whether incentivizing on-peak charging is now warranted due to the existence and likely future growth of high negative pricing for excess solar power during peak periods.” (p. 7).

⁵ *See, Application of San Diego Gas & Electric Company for Authority to Implement a Pilot Program for Electric Vehicle-Grid Integration*, A.14-04-014, filed April 11, 2014.

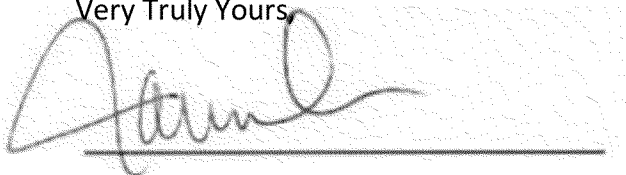
⁶ *Assigned Commissioner’s Scoping Memo and Ruling*, issued July 16, 2014.

- Enable and incorporate the full range of values from VGI in a new program as part of the Commission’s overall AFV efforts while remaining technology neutral and allowing for business model innovation.” (p. 6).

It may also be useful for the Commission’s final resolution to signal that certain other related forward-looking policy issues will be taken up by the Commission in the AFV Proceeding. These could include: (a) clarification of the definition of “bus” beyond traditional transit districts to include school buses, shuttle buses, charter buses, employee shuttles and buses because of these have significant eVMT multipliers and are live projects around the country; (b) fast track interconnection of buses that are equipped with bi-directional chargers; and (c) providing a clear pathway for buses taking service under new tariffs to provide grid services.

CESA thanks the Commission for the opportunity to provide these comments on Draft Resolution E-4628.

Very Truly Yours,



Janice Lin, Executive Director

cc: Commission President Michael Peevey
Commissioner Michel Florio
Commissioner Carla Peterman
Commissioner Michael Picker
Commissioner Catherine Sandoval
Adam Langton, Energy Division, CPUC
Damon Franz, Energy Division, CPUC
Karen Clopton, Chief Administrative Law Judge, CPUC
Timothy Sullivan, Acting General Counsel, CPUC
Service List for R.12-03-014