

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Consider  
Alternative-Fueled Vehicle Programs, Tariffs,  
and Policies.

Rulemaking No. 13-11-007  
(Filed November 14, 2013)

**THE JOINT MINORITY PARTIES' OPENING COMMENTS ON PHASE I**

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CHAMBER OF COMMERCE

August 25, 2014

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*“There will be vehicles for sale by next year that will cost less than the present combined federal  
and state tax subsidies for electric vehicles.”<sup>1</sup>*

-Mark Whitlock, Senior Pastor, Christ Our Redeemer AME Church, Executive Director,  
Ecumenical Center for Black Church Studies, Chair of Corporate Partnerships for all U.S.  
African Methodist Episcopal Churches

**I. INTRODUCTION**

Pursuant to the Assigned Commissioner’s Scoping Memo and Ruling, the National Asian American Coalition, the Ecumenical Center for Black Church Studies, the Jesse Miranda Center for Hispanic Leadership, and the Los Angeles Latino Chamber of Commerce (collectively, the “Joint Minority Parties”) hereby submit these Opening Comments on Phase I in the Order Instituting Rulemaking to Consider Alternative-Fueled Vehicle Programs, Tariffs, and Policies.

Given the rapidly evolving energy efficiency technologies available and the present lack

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<sup>1</sup> Elio Motors of Troy, Michigan plans to sell a \$6,800 vehicle with an unlimited driving range that gets 84 miles to the gallon on the highway. See Forbes, “The Tiny-Three Wheel Car That Could Be The Next Big Thing,” June 24, 2014, *available at*: <http://www.forbes.com/sites/jimgorzalany/2014/06/24/the-tiny-three-wheel-car-that-could-be-the-next-big-thing/>.

of adequate low- and moderate-income and minority participation in electric vehicle (“EV”) ownership, the Joint Minority Parties respectfully urge the Commission to delay any actions in pending EV pilot programs, specifically, SDG&E’s proposed EV pilot program.

With a greater number of auto manufacturers announcing the launch of more affordable, energy efficient vehicles, the Joint Minority Parties question the need for such large, relatively expensive, EV pilot programs at this time. For example, Toyota’s recent announcement of a hydrogen fuel-cell vehicle, and Elio Motors announcement of a three-wheel, 84 mile-per-gallon vehicle at a truly affordable cost of \$6,800, could revolutionize the market for energy efficient vehicles, particularly for families in minority and low- and moderate-income communities, who spend a disproportionate amount of their household income on transportation-related costs.<sup>2</sup>

Furthermore, there is little evidence to suggest that SDG&E’s EV pilot program, as currently planned, will benefit low- and moderate-income families, in effect, rendering Governor Brown’s laudable goal of 1.5 million EVs by 2025 only a distant possibility. In addition, the SDG&E EV pilot program may not be the preferred pilot program of the two larger utilities, who are more likely through this OIR to produce ideas for truly innovative pilot programs that will include all potential energy efficient auto-vehicle models, and will be more likely to be purchased by low- and moderate-income families. For example, if PG&E and/or Edison embarked on an EV pilot program that was successful, there would be a greater likelihood that numerous manufacturers—given these utilities’ larger markets—would make adjustments to their vehicles in order to meet this demand, including lower costs. Moreover, since EVs are presently subsidized by taxpayers, it is quite possible that a more meaningful pilot program could

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<sup>2</sup> See Brandon Roberts, Deborah Povich and Mark Mather, “Low-Income Working Families: The Growing Economic Gap,” The Working Poor Families Project, 2012-2013, p. 3, *available at*: [http://www.workingpoorfamilies.org/wp-content/uploads/2013/01/Winter-2012\\_2013-WPFP-Data-Brief.pdf](http://www.workingpoorfamilies.org/wp-content/uploads/2013/01/Winter-2012_2013-WPFP-Data-Brief.pdf).

produce legislative efforts to increase taxpayer subsidies on low-cost vehicles more likely to be purchased by the typical Californian.

## **II. ADOPTION OF THE GUIDING PRINCIPLES**

Generally, the Joint Minority Parties are very supportive of the Alternative-Fueled Vehicle (“AFV”) Guiding Principles proposed for adoption in this proceeding. However, if Governor Brown’s goal of having 1.5 million EVs on California roadways by 2025 is to be realized, it is imperative to stress the importance of the first Guiding Principle—“promot[ing] 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 (emphasis added). Indeed, at the present time, it is far from all utility customers who reap the economic and social benefits of EVs and accelerated deployment of EV infrastructure. This is most notable in minority and low- and moderate-income communities, where the cost of purchasing an EV is still a tremendous barrier to EV adoption for many families. Moreover, without sufficient EV infrastructure on-site at multi-unit dwellings (“MuD”) in low- and moderate-income neighborhoods, these communities will be further prevented from participating in California’s alternative vehicle future. Thus, while recognizing the importance of all the AFV Guiding Principles, the Joint Minority Parties respectfully asks that this Commission move forward on the OIR with a special focus on Guiding Principle No. 1.

## **III. THE ROLE OF UTILITIES IN PEV INFRASTRUCTURE DEPLOYMENT**

The Joint Minority Parties are generally supportive of increasing the role of major utilities in PEV infrastructure deployment, as the Commission would then be able to regulate utility efforts in promoting EV adoption among minority and low- and moderate-income

communities. In effect, the Commission's regulation of PEV infrastructure deployment efforts could ensure that EV charging stations are installed in a way that targets *all* customers, and not just those in white, affluent neighborhoods. However, if the Commission does approve an increased role for utilities in PEV infrastructure deployment, it is important to consider the utilities' behavior in the wake of potential financial incentives. That is, the prospect of increased revenue from EV infrastructure deployment could generate an unrecognized bias in favor of EVs over other, more viable, energy efficient vehicles that could benefit far more Californians at far lesser net costs; in effect, reaching a greater number of low- and moderate-income consumers.

**a. Evaluating “Underserved Markets”**

It is clear that Governor Brown's overarching goal is to have 1.5 million truly energy efficient vehicles on California's roadways by 2025. However, this will never happen given past and present purchasing habits unless median-income and low- and moderate-income families purchase such vehicles. Therefore, all analysis should be related, in part, to whether underserved communities (markets) are likely to purchase energy efficient vehicles and under what circumstances. Therefore, the Commission's question in the Scoping Memo may be too narrowly drawn when it asks what the Commission should consider “when evaluating an increased role for utilities in EV infrastructure deployment.” Perhaps, the Commission could help reach underserved markets by posing the question slightly differently so that utilities, if necessary, could have an increased role in alternative infrastructure deployment. This could include the installation of hydrogen fuel-cell stations, which might accelerate the purchase of other, more affordable, energy efficient vehicles like the Toyota FCV, which is expected to be launched in 2015.<sup>3</sup>

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<sup>3</sup> See Eric Pfanner, *Toyota Accelerates Roll-Out of Fuel-Cell Cars*, WALL ST. J., Jun. 25, 2014, available at: <http://online.wsj.com/articles/toyota-accelerates-rollout-of-fuel-cell-cars-1403700630>.

#### **IV. EDUCATION AND OUTREACH ACTIVITIES**

As noted in the Joint Minority Parties' Motion for Party Status, Governor Brown's February 2013 Zero Emission Vehicle (ZEV) Action Plan acknowledges that many consumers are unaware of the availability of ZEVs, or the benefits of owning such vehicles. In order to catalyze the mass adoption of EVs in California, consumers—particularly those in minority and low- and moderate-income communities—must know the benefits of operational cost-savings, off-peak charging, and the availability of government-offered incentives that make EVs more affordable. Moreover, as part of ensuring consumer awareness about EV pricing, availability, and associated benefits, utilities should provide in-language education and marketing materials to ratepayers in their respective service areas. These outreach efforts could also be bolstered by coordinating marketing activities with ethnic media, which is readily capable of targeting hard-to-reach customers in minority and low- and moderate-income communities.

#### **V. REQUIRED DATA AND ANALYSIS FOR VGI PROJECTS**

Lastly, in terms of the data and analysis that should be required of VGI pilot projects, utilities should be mandated to separately report on the levels of EV adoption among minority and low- and moderate-income communities. This could include, but is not limited to, the number of EV charging stations deployed in minority and low- and moderate-income neighborhoods, the number of EVs purchased by minority and low- and moderate-income families, and the amount of EV infrastructure deployed on site at low- and moderate-income MuDs. By evaluating data that primarily focuses on underserved markets (as we have defined “underserved markets” in section III), the utility companies and this Commission will be in a better position to gauge the progress of EV adoption in California, and the extent to which additional PEV infrastructure may, or may not, be needed. Thus, the Joint Minority Parties are

of the opinion that this type of reporting is critical to evaluating the success of any present or future VGI pilot project.

## **VI. CONCLUSION**

To conclude, the Joint Minority Parties would like to re-emphasize their enthusiastic support for Governor Brown's goal of having 1.5 million energy efficient vehicles in California by 2025, and their optimism for California's alternative-fueled vehicle future. However, in accord with this OIR's first proposed Guiding Principle, the Joint Minority Parties would also like to stress that these goals require the active participation of, and the extension of benefits to, all customers—not merely those who can presently afford them. Thus, the Joint Minority Parties respectfully urge this Commission to consider delaying any decisions on currently pending EV pilot programs until the issues raised above and in this OIR have been clearly resolved.

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Respectfully submitted,

/s/

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