

**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 14, 2013)

**COMMENTS OF THE CONSUMER FEDERATION OF CALIFORNIA  
ON THE PROPOSED GUIDING PRINCIPLES AND CURRENT  
PROGRAM ISSUES**

**I. INTRODUCTION**

The effects of alternative fuel vehicles (AFV) have the potential to both benefit and injure Californians. For these reasons, it is important to develop policies in the formation stages of this proceeding which guide the emerging market and clarify and resolve certain issues. The *Vehicle-Grid Integration: A Vision for Zero-Emission Transportation Interconnected throughout California's Electricity System*, written by the California Public Utility Commission Energy Division Staff, ("ED White Paper" or "White Paper") enumerated many issues in need of discussion such as costs, benefits, needs and protections of vehicle owners, and a lack of authoritative definitions when it comes to resources.<sup>1</sup> These uncertainties, if not resolved, could largely impact overall cost-effectiveness, reliability and stability of the grid, and customers' electric rates.

Clear guiding principles will prevent decisions resulting in wasteful and injurious actions, prevent avoidable increases in ratepayers' rates, prevent avoidable negative impacts on the electric infrastructure, prevent avoidable privacy violations, and prevent avoidable negative impacts on an emerging industry.

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<sup>1</sup> Vehicle-Grid Integration: A Vision for Zero-Emission Transportation Interconnected throughout California's Electricity System. October 2013. California Public Utility Commission Energy Division Staff. ("ED White Paper" or "White Paper"). p.23, 24, 26.

Therefore, pursuant to the Assigned Commissioner's Scoping Memo and Ruling, the Consumer Federation of California (CFC) hereby submits these Opening Comments on Phase I in the Order Instituting Rulemaking to Consider Alternative-Fueled Vehicle Programs, Tariffs, and Policies.

**II. ADDITION TO GUIDING PRINCIPLES: Focus on the Needs and Protections of the Owner/Driver.**

- Ensure the protection of the privacy and ownership rights of vehicle owners and drivers.

Without owners, there are no vehicles. Without vehicles, there is no AFV infrastructure. Without the AFV infrastructure, there is no chance of a policy. Without a chance of policy, there is no proceeding. The most integral elements of any AFV policy will be the vehicles and, through the vehicles, the owners themselves. Yet, in the OIR and the White Paper, the drivers and owners are given very little consideration beyond their mobility and, perhaps, their education. At some point in the future, vehicle owners will be asked to agree to become involved with utilities, third party aggregators, and AFV programs because it is their property which will be the focus. Therefore, the ownership rights of the owner in their own vehicle and their privacy in relation to their use of that vehicle must be considered when developing policy is developed. For these reasons, the CFC recommends this fifth guiding principle focused on the needs and protections of vehicle owners.

More and more, AFVs are behaving like computers on wheels. They allow the gathering of data that was heretofore easily kept private. Within a number use cases, remote access to vehicles and internally gathered data about the use of the vehicle would be accessible. These are similar, if not the same, concerns voiced in the Smart Grid proceeding R. 08-12-009.<sup>2</sup> Should AFV and PEV programs

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<sup>2</sup> Rulemaking 08-12-009: Order Instituting Rulemaking to Consider Smart Grid Technologies Pursuant to Federal Legislation and on the Commission's own Motion to Actively Guide Policy in California's Development of a Smart Grid System; and Decision D1405016: Adopts rules to provide access to energy usage and usage-related data while protecting privacy of personal data.

progress, safeguards must be put into place allowing the continued protection of energy usage and other data stored in onboard AFV and PEV computers.

Although, considering the use of Plug-in-Electric Vehicles (PEVs) as part of the electric infrastructure, energy storage, or a demand response resource are attractive ideas, it is important to remember that these vehicles, typically, are not owned by utilities, are not owned by third party aggregators, and are not a part of the electric infrastructure of California. These vehicles are bought and owned by individuals in the state. If the California objective is met, they will be roughly a minimum of 1.5 million separate privately owned vehicles. None of these vehicles are a part of the electric grid infrastructure automatically so the owner's cooperation is essential for the use of the vehicle for any grid application.

Because of their import to this proceeding, the AFVs and their owners should be a pervasive element to this proceeding. This can be done by making the concerns of owners one of the guiding principles of this proceeding.

### **III. GUIDING PRINCIPLE ONE: The Role of IOUs and Development of Infrastructure.**

- 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.

Specifically, the Commission should consider the role of utilities in PEV infrastructure deployment in so far as the increased use of PEVs will impact the current infrastructure. IOUs should certainly take steps to mitigate any negative impacts of future electric vehicle use as well as adapt the electric infrastructure to address evolving customer needs.

When addressing this issue, CFC expects this principle to include the return of value to customers in concrete ways and discussing the use of rate payer funding to support developments to the grid and to

“mitigate system impacts resulting from the growth of electrified transportation.”<sup>3</sup> However, while PEV adoption will “hasten benefits to air quality, reduced GHG emissions, and the development of the industry,” CFC agrees with past Commission decisions that IOU involvement could also stifle growth.<sup>4</sup> Should the Commission approve IOU involvement, such as allowing the ownership of charging stations and the financing of cars, CFC agrees that it should only be allowed in underserved areas and after the IOUs make a demonstrated need in a rate case for the investment.

#### **IV. GUIDING PRINCIPLE TWO: Near Term Solutions, Education, and Outreach.**

- Target near-term solutions that complement the use of preferred energy resources and utilize the grid efficiently.

CFC has no comment as to the content or quality of educational or outreach materials. With any form of outreach or education, however, there does need to be measurability. To see that the approved education and outreach not only reaches its target audience but is sufficient to get the appropriate message across, there needs to be targets and a way to measure those targets.

#### **V. GUIDING PRINCIPLE THREE: Rate Payer Funding and Demand Charges.**

- Incorporate and enhance policies from other, related Commission proceedings to promote efficient program implementation and use of ratepayer funding.

As we start to discuss the costs and benefits of AFVs and the AFV infrastructure, it will be important to differentiate between benefits in the aggregate and benefits for individuals as well as try to resolve possible conflicts of interest early on between and among participants that is fair and just. This will help ensure that costs and benefits are distributed equitably.

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<sup>3</sup> White Paper, p.4

<sup>4</sup> White Paper, p.4

To know what mitigation efforts are necessary and how to best promote efficient program implementation, parties must first know which use cases will be applied and which elements of the AFV infrastructure will be defined as a demand response resource and how PEVs will impact the grid.

#### **VI. GUIDING PRINCIPLE FOUR: AFV Program Integration and Best Practices.**

- 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.

The Commission should identify and consider, through this proceeding, the best practices achieved and lessons learned from past and current California AFV pilot project results as well as experiences of other jurisdictions outside of California. In so doing, it is important the Commission develop realistic expectations to ensure the desired solution or procedure produce the appropriate outcome tailored to the specific problem. Once the expectations are decided, the Commission must identify and analyze the best or smart practices which clear and concrete behavior has shown solve the problem or achieve the desired goals. Ideally, from a consumer perspective, the best practices are those with low cost and little risk. Next, using existing pilots and programs in use in other jurisdictions, observe the best practice selected and identifying generic vulnerabilities. It is essential to give consideration to the potential vulnerabilities which could lead a best practice to fail; including both weaknesses in general management capacity and weaknesses inherent to the practice itself. Finally, and perhaps most importantly, is to ask: “Will it work here?” The final step is to ensure the practice is compatible with the context in which it will be applied. With the number of use cases presented in the Staff White Paper, it is possible one particular best practice policy may not fit all instances.

Recognizing that there is not a “one-size-fits-all” approach to assessing costs and quantifying benefits to particular AFV and associated technologies, it may be helpful to first identify specific

benefits and specific costs for particular technologies, assess which technologies will yield the most value for a particular application as well as assess technologies that may derive little or no value for a particular application. This may take a collaborative effort among stakeholders at early stages to factor key variables such as (1) an AFV system's size, system efficiency, and the frequency of how often the system is used, (2) identify the ways the particular AFV system might be used, serviced, and located, then (3) apply these factors to certain applications to determine costs and benefits.

## **VII. CONCLUSION**

To conclude, the CFC would like to reaffirm its support for the goal of 1.5 million energy efficient vehicles in California by 2025. However, the CFC would also like to stress that these goals require the active participation of, and the extension of benefits to, all customers and car owners. Thus, the CFC respectfully urges this Commission to consider the issues raised above and in this OIR.

Dated August 29, 2014 Respectfully Submitted,

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