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 NRG ENERGY, INC. ON ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

Kevin Lee
NRG Energy, Inc.
11390 W. Olympic Blvd, Suite 250
Los Angeles, CA 90064
Telephone: 310.954.2905
Email: Kevin.Lee@nrgenergy.com

Attorney for
NRG ENERGY, INC.

August 29, 2014

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 NRG ENERGY, INC. ON ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

Pursuant to the Rules of Practice and Procedure of the California Public Utilities Commission ("Commission"), NRG Energy, Inc. ("NRG") submits these comments on the Assigned Commissioner's Scoping Memo and Ruling issued on July 16, 2014 ("Scoping Memo"). The transportation sector accounts for approximately 38% of greenhouse gas ("GHG") emissions,[1] and the conversion of California's transportation fleet to alternate fuels will play a substantial role in determining whether California meets its GHG reduction goals. NRG applauds California's market success in leading the nation with policies that have produced the highest number of electrical vehicles on its roads and the most extensive electric vehicle infrastructure.[2]

[1] *See* Climate Change Scoping Plan (December 2008), prepared by California Air Resources Board, p. 11.
[2] California represents approximately 33% of plug-in electric vehicle sales in the United States. *See* PEV Market Briefing: May 2014, UC Davis Plug-In and Hybrid Electric Vehicle Research Center of the Institute of Transportation Studies, p. 1.

California's aggressive goals for EVs on the road[3] mean that EV charging must not become an impediment to achieving those goals. Conceptually, IOUs may have a role to play to expedite deployment of EV charging infrastructure.

I. BACKGROUND

NRG's electric vehicle ("EV") charging subsidiary, eVgo, currently offers electric EV charging services in markets around the United States, including Washington DC, Baltimore, Houston and Dallas/Ft. Worth. In California, eVgo operates in the San Francisco Bay Area, San Diego and Los Angeles. Pursuant to an agreement with the Commission, eVgo is committed to delivering the following by the end of 2016:

•200 Freedom Station sites in convenient retail locations with Level 2 (240v) and DC fast charging.

•10,000 parking spaces with Level 2 (240v) infrastructure in multi-family communities, offices, schools and hospitals.

Ideally, policies adopted in this rulemaking will help facilitate eVgo to meet these infrastructure obligations, but at a minimum, any such policies should not hinder eVgo's ability to meet those obligations. In any event, NRG is committed to the deployment of significant EV charging infrastructure to help California achieve its goal of 1.5 million ZEVs by 2025, which in turn furthers California's mandate to reduce GHG emissions to 1990 levels by 2020.

II. GUIDING PRINCIPLES

NRG generally supports the Commission's articulation of proposed Guiding Principles in the Scoping Memo. However, the Commission should explicitly acknowledge the influence that

[3] In March 2012, Governor Brown issued an Executive Order setting the goal of 1.5 million zero-emission vehicles by 2025. *See* Executive Order B-16-2012 (March 23, 2012). The 2013 ZEV Action Plan issued by the Governor's Interagency Working Group on Zero-emission Vehicles identified strategies for achieving that goal.

California's policies, both with respect to GHG emissions and ZEV deployment, will play in the formulation of policies directed at ZEVs. For this reason, NRG suggests the following change to the first bullet Guiding Principle:

- Promote the deployment of safe and reliable AFV grid infrastructure designed to meet transportation and energy service needs and achieve State goals while maximizing ratepayer benefits and minimizing costs to all utility customers.

This change would clarify that infrastructure deployment is not simply about supporting currently existing charging needs, but also about accelerating infrastructure deployment to accommodate California's aggressive policy goals for alternate fueled vehicles.

III. ROLE OF UTILITIES IN EV INFRASTRUCTURE

Question 2: Should the Commission consider an increased role for the utilities in PEV infrastructure deployment and, if so, what should that role be? If the Commission should consider utility ownership of PEV charging infrastructure, how should the Commission evaluate "underserved markets" or a "market failure" pursuant to D.11-07-029? What else should the Commission consider when evaluating an increased role for utilities in EV infrastructure deployment?

A. Market Failure

As stated above, California's determination to deploy EVs is a wildly successful story. While much work remains to be done to accomplish the aggressive goals for EVs, i.e., 1.5 million ZEVs on the road by 2025, the amount of EVs on the road in California has increased dramatically in the last several years, and the number of EVs continues to grow at a fast pace. California is leaps and bounds ahead of any other state in the country, representing over 40% of battery electric vehicle sales in the United States. The proliferation of EVs underscore the success of the policies to date and demonstrate that charging infrastructure has not been a barrier to adoption.

In fact, the market for EV charging services is alive and well. Several companies, including eVgo, provide a variety of charging options to serve multi-unit dwellings and

workplaces, and are actively marketing these products and services and continuing to refine them to best serve the needs of property owners and drivers. There are numerous companies in the charging space with different business models: Level 2 versus DC fast charging, public versus private networks, subscription versus pay-per-use pricing (or host-paid or advertising-supported free charging), services bundled with the sale of electric vehicles, as well as services combining charging with solar and/or energy storage. These areas are attracting significant investment dollars from venture funds, traditional energy companies, and institutional investors. It is inappropriate to declare a market failure in the EV charging industry with the evidence to the contrary in California.

Parties claiming market failure should provide evidence demonstrating that there is a present and unmet demand for charging services in such areas. However, it is a separate question whether further accelerating infrastructure deployment would help achieve California's policy goals, and NRG remains open and supportive of exploring new ways that IOUs can assist with deployment of infrastructure to help meet such goals while not sacrificing customer experience or market innovation.

B. IOU Role in Charging Deployment

IOUs continue to play an important, traditional role as partners to electric vehicle service providers. IOUs can help expedite permitting of EV charging installations or adopt sensible policies to keep the costs of installation low, especially with respect to DC fast charging. IOUs should continue to offer programs to spur adoption of EVs and the purchase of EVSEs. In addition, preferential rates for charging EVs, as well as time-of-use and other dynamic pricing can be used to shape charging behavior in important ways, and when coupled with technologies (both basic and sophisticated) can significantly lower EV operating costs.

NRG is open to exploring additional ways in which IOUs could expedite the deployment of EV charging infrastructure. Taking a page from the highly successful government support programs directed at EVs specifically, perhaps the IOUs could implement additional incentives that encourage ratepayers to deploy (and utilize) EV infrastructure and purchase electric vehicles. Certainly other proposals for IOU participation will be put forward in response to the Scoping Memo, and NRG looks forward to considering those proposals.

IV. DEMAND CHARGE REFORM

Question 4: How should the Commission mitigate the impact of demand charges, if at all, on entities pursuing transportation electrification?

NRG's subsidiary, eVgo, owns and operates the largest DC fast-charging network in California. Demand charges are one of the largest components of ongoing operating expense in operating a fast-charging network. NRG supports thoughtful and creative approaches to reforming demand charges to better reflect resource adequacy and other incremental reliability requirements imposed by the load. These may include additional tariff structures that take into account both peak load and aggregate load that would better match the usage profile of high-powered but intermittent DC fast charging. Such reform should be undertaken judiciously in order to maintain proper incentives for load management, energy storage, and to support other innovative measures that can help increase the overall reliability and resiliency of the grid.

V. CONCLUSION

NRG looks forward to participating in this rulemaking and identifying improvements that will help California meet its goals for the proliferation of alternate-fueled vehicles.

Respectfully submitted,

/s/ Kevin Lee

Kevin Lee
NRG Energy, Inc.
11390 W. Olympic Blvd, Suite 250
Los Angeles, CA 90064
Telephone: 310.954.2905
Email: Kevin.Lee@nrgenergy.com

Attorney for
NRG ENERGY, INC.

August 29, 2014