

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

Order Instituting Rulemaking to Consider
the Development of Rates and
Infrastructure for Vehicle Electrification.

Rulemaking 18-12-006
(Filed December 13, 2018)

**COMMENTS OF THE CALIFORNIA ENERGY STORAGE ALLIANCE ON THE
ADMINISTRATIVE LAW JUDGE'S RULING ADDING STAFF PROPOSAL FOR A
DRAFT TRANSPORTATION ELECTRIFICATION FRAMEWORK TO THE RECORD
AND INVITING PARTY COMMENTS**

Alex J. Morris
Executive Director

Jin Noh
Senior Policy Manager

CALIFORNIA ENERGY STORAGE ALLIANCE
2150 Allston Way, Suite 400
Berkeley, California 94704
Telephone: (510) 665-7811 x110
Email: cesa_regulatory@storagealliance.org

March 6, 2020

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In accordance with Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the California Energy Storage Alliance (“CESA”) hereby submits these comments on the *Administrative Law Judge’s Ruling Adding Staff Proposal for a Draft Transportation Electrification Framework to the Record and Inviting Party Comments* (“Ruling”) issued by Administrative Law Judge (“ALJ”) Patrick Doherty on February 3, 2020. Pursuant to *E-Mail Ruling Setting Updated Schedule for Party Comment on the Draft Transportation Electrification Framework* (“E-Mail Ruling”) issued by ALJ Patrick Doherty on February 14, 2020 and the modified schedule adopted therein, CESA is timely submitting these opening comments on the relevant sections of the Staff Proposal on March 6, 2020.

I. INTRODUCTION.

CESA recognizes the ambitious transportation electrification (“TE”) goals in 2025 and 2030, as well as the challenges of ensuring that the state achieves its broader environmental goals of the state to not only reduce emissions in the electric sector but also in the buildings and transportation sectors. The monumental yet still important and achievable nature of these goals requires bold action today to make near-term no-regrets investments, especially in the

transportation sector, which constitutes 41% of total state emissions.¹ By encouraging TE investments and related purchases, the transportation sector will be able to take advantage of an increasingly decarbonized fuel source and help reduce the costs of ratepayer investments of decarbonizing the electric grid. CESA is thus encouraged to see a thorough Transportation Electrification Framework (“TEF”) Staff Proposal that covers a wide range of issues and areas that need to be developed or resolved to better support the state’s TE and decarbonization objectives. CESA appreciates the staff’s efforts. While not having yet fully reviewed the entire Staff Proposal, CESA believes that the initial proposed TEF represents a reasonable and good starting point for developing a long-term vision, framework, and process.

However, CESA has a major concern with one aspect of the TEF related to the proposed bridge strategy for program and investment proposals prior to the finalization and adoption of the TEF and the subsequent filing of Transportation Electrification Plans (“TEPs”). Though CESA understands the intent, the proposed interim guidance limits the scope and range of TE investments that could be made to continue efforts to decarbonize the transportation sector. Given the product life cycle of vehicles, every missed year to encourage fuel switching from fossil-based to electric-powered vehicles likely locks in a decades-worth of emissions for the vehicle, where no-regrets near-term investments today would have otherwise played an important role of keeping the state on its decarbonization trajectory, even as the state works through a more comprehensive and efficient long-term framework for making TE investments.

The comments below are structured pursuant to the direction in the Ruling on how to organize and title responses to questions. Our responses can be summarized as follows:

¹ See *Joint Agency SB 100 Scoping Workshop* at the California Energy Commission (“CEC”) on September 5, 2019.

- The Commission should more comprehensively address standardization and streamlining of the EV service connection process as a topic area and include customer experience as a criterion for all components of the TEF.
- Coordination with other planning processes, including with the de-energization guidelines and events, will inform strategic siting, alignment with long-term policy goals, consideration of resiliency needs, and synergies with other distributed energy resource (“DER”) deployment.
- Pre-TEP program proposals should be inclusive of all potential TE investment areas, with staff’s identified priority areas being used as evaluation criteria for whether pre-TEP program proposals are reasonable and aligned with the state’s goals and priorities.
- Pre-TEP program proposals should be submitted and reviewed through the current application process in the interim and be reviewed in accordance with existing Senate Bill (“SB”) 350 guidance, as adopted in a 2016 Ruling in R.13-11-007.

II. RESPONSES TO SECTION 2 QUESTIONS AND RECOMMENDATIONS.

Section 2 of the Staff Proposal provides an overview of the scope of the TEF proposal. The scope appears to be wide ranging and comprehensive,² with our response below only focusing on the need to add a couple topics to the scope of the TEF. Other important topics may be raised that are not considered here at this time, so the TEF development process should be nimble to allow for the inclusion of additional topics as necessary and justified.

Question 1: Identify any additional topics that should be addressed in the Transportation Electrification Framework (TEF), and why the TEF is the appropriate venue to address these topic(s).

CESA recommends the inclusion of two additional topics.

First, the TEF should more comprehensively address the standardization and streamlining of the EV service connection process for load-only EV charging installations. While Section 8 of the TEF addresses this issue somewhat, it does not also encompass streamlined permitting. Similar

² Staff Proposal at 15.

to the interconnection process for DERs, the service connection process for EV charging infrastructure plays an important role in streamlined and scaled deployment. The Commission should consider how the service connection process can be standardized for Level 2 and 3 EV chargers.

Second, customer experience factors are not explicitly mentioned in the TEF proposal, though this will play an important factor in the state’s TEF vision and goals. While this may not need an explicitly section or process to finalize, customer experience should be one of the deciding factors or criteria to evaluate all aspects of the TEF, including around marketing, education, and outreach (“ME&O”), consumer protections, rate design, EV charging siting, etc. As with any customer-sited resource, customer experience and considerations play a key role in adoption.

Question 2: Recommend whether a full California Public Utilities Commission vote is necessary to approve each TEF update, or whether Energy Division staff guidance is appropriate for each five-year update going forward.

CESA has no comment at this time.

III. RESPONSES TO SECTION 3.1 QUESTIONS AND RECOMMENDATIONS.

Section 3.1 of the Staff Proposal focuses on the goals and process of the proposed TEPs to be developed by each of the investor-owned utilities (“IOUs”). CESA generally does not have comments at this time but looks forward to reviewing and potentially responding to other parties’ responses and comments.

IV. RESPONSES TO SECTION 4 QUESTIONS AND RECOMMENDATIONS.

Section 4 of the Staff Proposal outlines a process to support IOU TEP development and defines the role of the IOUs in accelerating transportation electrification infrastructure deployment. Overall, the proposed process appears to be initially reasonable and we look forward

to further refining them. In our responses below, we focus on key coordination areas that could support robust and comprehensive planning involved in the IOUs' TEPs.

Question 1: Do you agree that the investor-owned utilities' (IOU) Transportation Electrification Plans (TEP) should evaluate opportunities to address each of the barriers identified in Table 3?

- a. If not, what barriers should be excluded, or are missing, and why?
- b. Do you agree with the types of IOU roles that are appropriate to address each market barrier during the market and technology development lifecycle?

CESA believes the barriers identified in Table 3 represents a good starting point. We may offer additional comments at a later time on this important aspect of the Staff Proposal.

Question 2: Will the California Energy Commission's Infrastructure Deployment Strategy analysis and Assembly Bill AB 2127 (Ting, 2018) implementation process, the California Air Resources Board's Mobile Source Strategy, and the IOUs' existing planning processes provide a complete foundation for defining IOU infrastructure roles to be included in TEPs (What, When, How, How Much and Where)?

- a. If not, what are the gaps and how should they be filled?

CESA generally agrees with the Staff Proposal's recommendations and observations around coordinating the IOUs' distributed resource planning ("DRP") and integrated resource planning ("IRP").³ Combined with the California Energy Commission ("CEC") infrastructure assessment, the DRP planning tools will support the development of optimal siting of EV charging infrastructure with available loading capacity and advance the vehicle-grid integration efforts to avoid/defer costs and/or provide additional grid services via tariffs, rates, or contracts. As part of the regular process of evaluating the Distribution Investment Deferral Framework ("DIDF") for potential improvement areas, stakeholders in the DRP proceeding are also considering how to

³ Staff Proposal at 21-23.

defer resiliency investments as well from distributed energy resources (“DERs”).⁴ While the IOUs have yet to propose resiliency investments that could be deferred, the process may feed into how transportation resiliency can factor into any distribution investment.

Similarly, the IRP modeling and portfolios will inform the TEP development to align strategic TE investments that advance the state’s system-wide greenhouse gas (“GHG”) emission reduction goals. With this TEP-IRP coordination, each planning process will also be able to feed more insightful and accurate assumptions into the other. Furthermore, considering the state has broader decarbonization goals where transportation-related emissions plays one but not the only factor, TEP-IRP coordination will inform the Commission and stakeholders on the importance of very long-term planning to the SB 100 goals of the state. As a result, this could inform the scale, timing, and areas of TE investments that supports cross-sectoral emission reductions and the importance of staying on a trajectory that meets not only our 2030 but also our 2045 goals. In coordinating these planning processes, CESA also recommends that the TEP differentiate between push and pull programs to identify areas that require strategic investments that support broader goals that may not be met by an existing market already well-served and competitively provided by third parties.

One additional planning process for consideration in the TEF and TEP development is the de-energization proceeding, where the Commission is assessing the IOUs’ public safety power shutoff (“PSPS”) event criteria and process and identifying areas that may be at increased risk of

⁴ *Administrative Law Judge’s Ruling Requesting Comments on Possible Improvements to the 2020 Distribution Investment Deferral Framework* issued by ALJ Robert M. Mason on November 8, 2019 in R.14-08-013, *et al.* at 3-4.

<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M319/K132/319132099.PDF>

PSPS events going forward.⁵ Additional and modified guidance is being developed in R.18-12-005 that may be of relevance to the TEPs and was even identified in the Staff Proposal as a near-term investment priority. The new guidance, if adopted, would also establish a Transportation Resiliency Task Force, which should closely coordinate with the TEP efforts. Considering one of the successes of ensuring the success of TE in the state is to ensure a reliable supply of electricity to charge EVs, developments in R.18-12-005 should be closely tracked and coordinated.

Furthermore, additional coordination areas include the Microgrids (R.19-09-009) and Self-Generation Incentive Program (“SGIP”) proceedings, where energy storage and microgrid deployments are being supported, which could be coordinated with EV infrastructure buildout to ensure their resiliency. Solar and storage deployments when strategically sited and configured can enhance the resiliency of EV charging stations. Since the prioritization process in TEPs can depend on definitions, for example, for “critical facilities and infrastructure”, it will be important to align these planning activities.⁶

Question 3: Market Maturity Assessment:

- a. Will the proposed metrics for determining the level of market competition provide the appropriate information to evaluate market maturity across various TE industries and business models?**
- b. What resources can be used to provide data for these market maturity metrics, and what is the best way to collect this data?**
- c. Should the Market Maturity Assessment be developed by a third-party consultant or workshopped and finalized by**

⁵ Attachment A of *Administrative Law Judge’s Ruling Requesting Comments on Proposed Additional and Modified De-Energization Guidelines* issued by ALJ Brian R. Stevens on January 30, 2020 in R.18-12-005 at 5-6. <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M325/K985/325985221.PDF>

⁶ See, for example, *Reply Comments of the California Energy Storage Alliance to Administrative Law Judge’s Ruling Requesting Comments on Proposed Additional and Modified De-Energization Guidelines* filed on February 26, 2020 in R.18-12-005 at 2-3.

<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M328/K765/328765749.PDF>

**Energy Division staff for CPUC consideration in the final
Transportation Electrification Framework**

CESA has no comments at this time.

V. RESPONSES TO SECTION 5 QUESTIONS AND RECOMMENDATIONS.

Section 5 of the Staff Proposal details guidance to the IOUs on pre-TEP program applications that an IOU can file until the Commission finalizes the TEF. CESA has major concerns with the staff's proposed bridge strategy whereby TEPs will effectively not be adopted until 2022 based on staff's timeline, causing major TE investments identified and approved in the TEP to not take effect and lead to actual initial deployments and infrastructure buildout until 2023 or later.⁷ Assuming the possibility of some regulatory delays, this could cause TEPs to not lead to actual TE investments and deployments even later (2025). While pre-TEP program proposals are allowed, the criteria and interim guidance limits the scope and scale of TE investments that can be made. CESA instead proposes using the current application process, with some modifications to support more expedited review in certain circumstances, as the bridge process for pre-TEP proposals until the TEF is finalized and adopted.

Question 1: Should the investor-owned utilities' pre-Transportation Electrification Plan (TEP) program proposals be limited to these identified priority areas? Why or why not?

CESA supports the identified priority areas for pre-TEP program proposals. CESA appreciates the addition of transportation resiliency and the consideration of using EVs as resiliency in the priorities list – ideas which we have raised in R.17-07-007, R.19-09-009, and

⁷ Staff Proposal at 26.

R.18-12-005.⁸ Medium- and heavy-duty EV adoption and EV charging access and equity represent important areas where additional focus. Finally, CESA supports the incorporation of new building construction, though it is unclear at this time whether this is a role that the IOUs should play and what role that would be.

However, CESA does not believe the pre-TEP program proposals should be limited to just these priority areas. Given the imminence of the state's TE goals and the long product shelf life of vehicles, key no-regrets TE investments need to be made as much and as soon as possible. While the Commission is still awaiting data and program evaluation results, there is some information coming in that could inform the Commission's bridge strategy to continue and scale TE investments in key early focus areas, such as for light-duty EVs, while ensuring priority focus on staff's recommended areas. In sum, CESA recommends that the pre-TEP program proposals be inclusive of all potential TE investment areas, with staff's identified priority areas being used as evaluation criteria for whether pre-TEP program proposals are reasonable and aligned with the state's goals and priorities.

Question 2: If not, identify any other program priorities that should be considered appropriate for pre-TEP programs and provide detailed information about why the investment would be "no regrets".

See our response to Section 5 Question 1 above .

Question 3: Is \$20 million per IOU an appropriate budgetary cap for pre-TEP programs? Why or why not?

⁸ See, for example, *Comments of the California Energy Storage Alliance on the Administrative Law Judge's Ruling Requesting Comments on Track 1 Microgrid and Resiliency Strategies Staff Proposal* filed on January 30, 2020 in R.19-09-009 at 11-13.

<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M326/K172/326172102.PDF>

No, CESA opposes any budgetary cap for pre-TEP programs at this time. Currently, TE investments are made on an application-by-application basis, which is not ideal, as pointed out by the Commission, but it ensures near-term investments to begin to be made. Through the application review, the Commission and stakeholders have due process to review any proposed program budgets, so checks and balances are in place in the interim. A budgetary cap could be established for pilot projects or other projects that seek expedited review, which is a smart means to enable expedited deployment at a small scale. However, CESA understands that such application review processes can consume time and resources that could be dedicated to developing and establishing a long-term and comprehensive TEF. As an alternative, the Commission may wish to consider allowing for applications that take some preliminary lessons learned and accelerate the best practices and scale existing programs and investments, such as what is being done for Southern California Edison Company's ("SCE") Charge Ready Phase 2 Application.

In the interim, until the TEF is finalized and adopted, CESA recommends the use of existing SB 350 guidance, as adopted in a 2016 Ruling in R.13-11-007.⁹ This guidance may not provide a long-term vision or assessment of the most effective and strategic TE investments, but CESA believes that this is a workable bridge guidance that enables a no-regrets strategy. Where possible, as proposed by staff, streamlined review of pilot projects through advice letter filings should be allowed upon meeting a set of upfront criteria.¹⁰

⁹ See Appendix A of *Assigned Commissioner's Ruling Regarding the Filing of the Transportation Electrification Applications Pursuant to Senate Bill 350* issued on September 14, 2016 in R.13-11-007.

<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M167/K099/167099725.PDF>

¹⁰ Staff Proposal at 25.

VI. CONCLUSION.

CESA appreciates the opportunity to submit these comments on the Ruling and Staff Proposal and looks forward to collaborating with the Commission and stakeholders in this proceeding.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Alex J. Morris".

Alex J. Morris
Executive Director
CALIFORNIA ENERGY STORAGE ALLIANCE

March 6, 2020