**A.17-01-020**

**SDG&E Electric Vehicle Infrastructure and Education Senate Bill 350 Transportation Electrification Program**

**TURN Data Request**

**Data Request Number:** TURN-04

**Date Sent: July 24, 2017**

**Response Due: August 2, 2017 (or as soon as available)**

Please provide an electronic response to the following question. A hard copy response is unnecessary. The response should be provided on a CD sent by mail or as attachments sent by e-mail to the following:

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| --- | --- | --- |
| Haley de Genova  The Utility Reform Network  785 Market Street, Suite 1400  San Francisco, CA 94103  [legalassistant@turn.org](mailto:legalassistant@turn.org) | Elise Torres  The Utility Reform Network  785 Market Street, Suite 1400  San Francisco, CA 94103  [etorres@turn.org](mailto:etorres@turn.org) | Garrick Jones  InfraSMART Energy, LLC  3104 “O” Street, Suite 191  Sacramento, CA 95816  [gfj@](mailto:eborden@turn.org)infrasmartenergy.com |

For each question, please provide the name of each person who materially contributed to the preparation of the response. If different, please also identify the SDG&E witness who would be prepared to respond to cross-examination questions regarding the response.

For any questions requesting numerical recorded data, please provide all responses in working Excel spreadsheet format if so available, with cells and formulae functioning.

For any question requesting documents, please interpret the term broadly to include any and all hard copy or electronic documents or records in SDG&E’s possession.

Chapter 5

1. Regarding the Commercial Grid Integration Charge (GIC) fixed, monthly incentive that SDG&E discusses at on pp. CF-24 – CF-25 (starting at line 5) of the Chapter 5 testimony:
   1. What would incentivize commercial customers to limit their demand during the incentive period, given that the cost is limited to an amount lower than SDG&E’s calculation of the cost caused by demand? Please identify and explain each item that will incentivize customers to limit demand during the incentive period.
   2. Once the incentive period is closed, what would prevent a commercial customer from changing to a different rate? Please provide SDG&E’s complete rationale for the response.
   3. Please reconcile the fact of SDG&E’s rate design incentive proposal with the following passage from p.CF-20 (lines 4-10):  
        
      “In addition, SDG&E proposes a transitional direct and transparent incentive in the near term is appropriate in order to support the State’s TE goals as well as encourage the election of the GIR rates more broadly ensure. The direct and transparent incentive in the form of a monthly payment ($/month) reduces the GIC for a period of 5 years while it transitions to cost-based levels. **When incentives or subsidies have been deemed necessary to further public policy objectives, it is only when they are applied separately (i.e., outside of rate design) and can be transparently identified, that cost-causation principles can still be maintained**.” (Emphasis added)
   4. Would the incentive, in the form of a reduction to the Commercial Grid Integration Charge, represent a reduction to the revenue that would be collected from customers who select the Commercial Grid Integration Rate, or would the Commercial Grid Integration Rate be restructured to be revenue neutral with and without the incentive? Please explain.
2. Regarding Table 5-2 on p. CF-25 of the Chapter 5 testimony:
   1. Please identify and provide a detailed explanation of the basis for the amount of the fixed, monthly incentives.
   2. The table implies that the following are the year-1 incentives for each demand interval (i.e., the GIC at Year 1 with Incentive minus the GIC without Incentive):  
        
      
      1. What is the basis for proposing incentives that vary on the basis of demand, where a customer who reaches 500+ kW of demand receives a year-1, monthly subsidy of as much as $40,000 but a customer who reaches a demand of between 0-20 receives $130.59?
      2. Please identify the number of EVs that would need to be charged by a fleet manager for a commercial fleet to reach each of the demand ranges in the table.
   3. Please disaggregate the Commercial Grid Integration Charge at each incentive level (including without incentive) for each kW range into amounts for the customer and demand charges.
   4. Please provide detailed workpapers that support the amounts of the monthly incentives (for each kW of demand) with full working cells and all assumptions identified and supported.
   5. Please identify the cost to the system of the incentive at each kW range and incentive level, disaggregated between customer and demand charges. In responding to this request, please identify the number of EVs and/or fleets that SDG&E assumes to make each of the cost calculations and provide the workpaper that SDG&E uses to develop the forecasted, maximum demand that customers will generate.
3. Regarding the Residential Grid Integration Charge (GIC) fixed, monthly incentive that SDG&E discusses at lines 6-10 on p. CF-26 of the Chapter 5 testimony:
   1. What would incentivize residential customers to limit their demand during the inventive period, given that the cost is limited to an amount lower than SDG&E’s calculation of the cost caused by demand? Please identify and explain each item that will incentivize customers to limit demand during the incentive period.
   2. Once the incentive period is closed, what would prevent a residential customer from changing to a different rate? Please provide SDG&E’s complete rationale for the response.
   3. Please reconcile the fact of SDG&E’s rate design incentive proposal with the following passage from p. CF-20 (lines 4-10):  
        
      “In addition, SDG&E proposes a transitional direct and transparent incentive in the near term is appropriate in order to support the State’s TE goals as well as encourage the election of the GIR rates more broadly ensure. The direct and transparent incentive in the form of a monthly payment ($/month) reduces the GIC for a period of 5 years while it transitions to cost-based levels. **When incentives or subsidies have been deemed necessary to further public policy objectives, it is only when they are applied separately (i.e., outside of rate design) and can be transparently identified, that cost-causation principles can still be maintained**.” (Emphasis added)
   4. Would the incentive, in the form of a reduction to the Residential Grid Integration Charge, represent a reduction to the revenue that would be collected from customers who select the Residential Grid Integration Rate, or would the Residential Grid Integration Rate be restructured in order to be revenue neutral with and without the incentive? Please explain.
4. Regarding Table 5-3 on p. CF-26 of the Chapter 5 testimony:
   1. Please identify and provide a detailed explanation of the basis of the amount of the fixed, monthly incentives.
   2. The table implies that the following are the year-1 incentives for each demand interval (i.e., the GIC at Year 1 with Incentive minus the GIC without Incentive):  
        
      
      1. What is the basis for proposing incentives that vary on the basis of demand, where a customer who reaches 9+ kW of demand receives a year-1, monthly subsidy of $62.42 but a customer who reaches a demand of between 0-3 receives $19.49?
      2. Does SDG&E believe that a residential customer with demand of 9+ kilowatts is more likely than a customer with demand of between 0 and 3kW to require a larger incentive in order to incentivize an EV purchase? Please provide the complete rationale for the response.
      3. Does SDG&E believe that an incentive of $19.49 per kW is not sufficient to incentivize a prospective residential EV purchaser to purchase an EV? Why or why not?
      4. Please identify the number of EVs that would need to be charged for a residential fleet to reach each of the demand ranges in the table.
   3. Please disaggregate the Residential Grid Integration Charge at each incentive level (including without incentive) for each kW range into amounts for the customer and demand charges.
   4. Please provide detailed workpapers that support the amounts of the monthly incentives (for each kW of demand) with full working cells and all assumptions identified and supported.
   5. Please identify the cost to the system of the incentive at each kW range and incentive level, disaggregated between customer and demand charges. In responding to this request, please identify the number of EVs that SDG&E assumes to make each of the cost calculations and provide the workpaper that SDG&E uses to develop the forecasted, maximum demand that customers will generate.
5. In what proceeding will SDG&E assign the cost of the incentive program to the general body of ratepayers?
6. Does an incentive that effectively reduces the demand charge increase the risk that SDG&E would need to make distribution investments that the company would not otherwise need to make, all else equal, in the absence of the demand-charge-based incentive payment?   
     
   If so, please describe and quantify the risk and provide SDG&E’s rationale for the reasonableness of enabling such risk.  
     
   If not, please provide SDG&E’s complete rationale for such.
7. Please provide all studies, analysis, etc. that SDG&E has produced to:
   1. Support the proposal for providing an incentive to its customers to purchase EVs for both the residential and commercial customers.
   2. Support the proposal for including the incentive in SDG&E’s GIR for both the residential and commercial customers.
   3. Support the proposal for including the incentive in the GIR’s proposed customer and distribution fee for both the residential and commercial customers.
   4. Justify that the specific amount of each of the incentives that SCE is proposing is sufficient to induce a transportation consumer to purchase an EV without being more than is necessary for both the residential and commercial customers.
   5. Conclude that the amount incentive is sufficient but necessary to induce the number of EVs that will satisfy state transportation-electrification goals, to the level they are allocated to SDG&E’s service territory.