

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

Application of SAN DIEGO GAS & ELECTRIC
COMPANY (U 902-E) for Approval of Electric Vehicle
High Power Charging Rate

Application 19-07-006

**PREPARED REBUTTAL TESTIMONY OF
WILLIAM G. SAXE
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY**

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

FEBRUARY 20, 2020



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1 (i.e., costs that do not vary based on customer usage or load, or the number of customers) rather
2 than pushing a disproportionate share of these costs onto some customers while exempting or
3 mitigating other customers' share of revenue responsibility.”²

4 SDG&E understands that certain changes to the proposed EV-HP rate development may
5 be needed to achieve the State policy goal to accelerate transportation electrification (“TE”). For
6 this reason, as addressed in the rebuttal testimony of SDG&E’s witness Brittany Applestein Syz,
7 SDG&E is proposing changes to the EV-HP subscription charge proposed in its direct testimony
8 to address the issue raised by other parties in this proceeding regarding the level of costs to
9 recover in EV-HP rates.³ Specifically, under SDG&E’s revised subscription charge proposal,
10 SDG&E will initially set the subscription charge to only recover marginal distribution costs and
11 phase-in recovery of EPMC distribution costs in the subscription charge over ten years.
12 Attachment A, page 2, presents the illustrative proposed subscription charges over the ten-year
13 period under this proposal based on recovery of distribution costs currently recovered in
14 SDG&E’s February 1, 2020 rates.

15 **III. CPP-D RATES**

16 Electrify America and SDAP argue that CPP-D is not appropriate for EV-HP customers
17 because these customers will have difficulty responding to CPP Events. These parties
18 recommend that EV-HP customers be allowed to take commodity service on an all energy rate
19 without being subject to the higher prices during CPP Events.⁴

² Cal PA Prepared Testimony of Ben Gutierrez, p. 1-14, lines 15-19.

³ SDG&E Rebuttal Testimony of Brittany Applestein Syz, Section I.C.

⁴ Electrify America Prepared Direct Testimony of Jigar J. Shah, pp. 5 and 22; and SDAP Opening Testimony of Robert D. Levin, pp. 13 and 63.

1 Consistent with the Medium/Large Commercial & Industrial (“M/L C&I”) customer
2 class, SDG&E proposes that CPP-D be the default rate for EV-HP customers, which means EV-
3 HP customers have the option to opt-out to the standard non-CPP commodity rate for M/L C&I
4 customers, which are the Schedule EECC, Electric Energy Commodity Cost (“EECC”) rates for
5 Schedule AL-TOU customers. Unlike the standard non-CPP commodity rates for M/L C&I
6 customers, CPP-D does not have a demand charge since the higher CPP-D Event Day \$/kWh
7 energy prices are designed to recover the same commodity capacity costs recovered in the EECC
8 on-peak demand charge. For this reason, any EV-HP customer on CPP-D that chooses to have
9 100% of their load served on CPP-D rates (i.e., chooses 0% for the Capacity Reservation Charge
10 [“CRC”]), will have their load served on 100% commodity energy charges, as parties are
11 requesting.

12 Electrify America and SDAP argue that the CPP-D rate will be problematic for EV-HP
13 customers since it will force these customers not to charge during CPP Events to avoid the higher
14 energy prices. While SDG&E understands this concern, the number of CPP Event hours is very
15 minimal. As stated in Schedule EECC-CPP-D, Special Condition 12, CPP-D Events can be
16 called a maximum of 18 times per calendar year and the CPP-D Event hours only cover four
17 hours from 2 p.m. to 6 p.m. This means that the EV-HP customers, like all M/L C&I customers
18 on CPP-D, would need to respond to a maximum of 72 hours per calendar year, or 0.82% of total
19 annual hours, when SDG&E calls CPP-D Events to maintain reliability on SDG&E’s electric
20 system. Moreover, since CPP-D was first introduced in 2008, the number of CPP-D Events that
21 have been called per calendar year has ranged between 0 and 8 and averaged around 4 CPP-D
22 Events per calendar year, equating to approximately 14 CPP-D Event hours a calendar year,
23 which is 0.16% of total annual hours.

1 SDG&E believes that all customers, including EV-HP customers, should be provided
2 incentives to manage their electric loads during high cost periods to reduce their bills and to help
3 maintain the reliability on SDG&E’s electric system. This is the reason that CPP-D was
4 introduced as a commodity rate option for M/L C&I customers. The EV-HP rate design
5 proposed in this proceeding eliminated demand charges since SDG&E understands that demand
6 charges could hinder the acceleration of TE adoption in SDG&E’s service territory, and it is
7 important to provide incentives at this stage of TE. Since customers on CPP-D that select zero
8 CRC will avoid commodity demand charges, SDG&E believes that CPP-D is a rate option with
9 reasonable incentives for EV-HP customers. In addition, like all M/L C&I Customers, EV-HP
10 customers will also have the option to opt out of CPP-D and take commodity service on
11 Schedule EECC (AL-TOU rates), which has on-peak demand charges to recover commodity
12 capacity costs. Consistent with SDG&E’s proposal for the Schedule EECC-CPP-D commodity
13 rates, SDG&E proposes that the optional Schedule EECC (AL-TOU) commodity rates for EV-
14 HP customers also reflect a \$0.03/kWh reduction in the super off-peak energy charge and around
15 a \$0.04/kWh increase in the on-peak energy charge to provide an additional incentive for EV-HP
16 customers to charge during the super off-peak period.⁵

17 **IV. PROPOSED CHANGES TO SDG&E’S TOU PERIODS**

18 EDF, SBUA and SDAP proposed new TOU periods for EV-HP customers.⁶ As stated in
19 SDG&E’s witness Brittany Applestein Syz’s rebuttal testimony, SDG&E does not support the
20 creation of new TOU periods for EV-HP customers due to the potential for customer confusion.⁷

⁵ Prepared Direct Testimony of William G. Saxe, p. WS-5, line 2 through p. WS-6, line 5.

⁶ EDF Opening Testimony of James Fine, pp. 10-11; SBUA Direct Testimony of Paul L. Chernick, pp. 3 and 13; and SDAP Opening Testimony of Robert Levin, pp. 12-14.

⁷ SDG&E Rebuttal Testimony of Brittany Applestein Syz, Section II.A.

1 TOU period changes are normally handled in General Rate Case (“GRC”) Phase 2 proceedings
2 where marginal commodity costs studies are performed to support the proposed TOU periods
3 and the resulting commodity costs based on those TOU periods. SDG&E’s current TOU periods
4 were adopted in Decision (“D.”) 17-08-030 for SDG&E’s 2016 GRC Phase 2, which was
5 implemented on December 1, 2017. Accordingly, SDG&E disagrees with proposals to change
6 TOU periods in this proceeding without having the proper cost study support for the proposed
7 TOU periods and the commodity costs based on those TOU periods.

8 **V. DYNAMIC PRICING RATES**

9 EDF recommends that SDG&E be required to develop and propose a new dynamic
10 pricing rate option for SDG&E’s commercial EV customers in a future Application.⁸ SDG&E
11 agrees with EDF that commercial EV customers should have the option to take electric service
12 on a dynamic pricing rate. For this reason, SDG&E agrees to propose a dynamic pricing rate for
13 commercial EV customers in a future SDG&E GRC Phase 2 or Rate Design Window (“RDW”)
14 Application filed after the Commission issues a decision adopting the Final Transportation
15 Electrification Framework (“TEF”).

16 **VI. UPDATED PROPOSED EV-HP RATES**

17 Attachment A presents the updated illustrative EV-HP proposed rates. The updated
18 illustrative EV-HP rates are based on SDG&E’s current rates⁹ and the revision to the proposed
19 EV-HP subscription charge and subscription increments as proposed by SDG&E witness
20 Brittany Applestein Syz¹⁰ and discussed in Section II above.

⁸ EDF Opening Testimony of James Fine, pp. 6-10.

⁹ SDG&E current electric rates effective February 1, 2020, per SDG&E Advice Letter 3500-E.

¹⁰ SDG&E Rebuttal Testimony of Brittany Applestein Syz, Section I.C.

1

This concludes my prepared rebuttal testimony.

ATTACHMENT A

ILLUSTRATIVE PROPOSED EV-HP RATES

**ATTACHMENT A
EV-HP PROPOSED RATES**

Line No.	DESCRIPTION (A)	UNITS (B)	TRANSMISSION RATE (C)	DISTRIBUTION RATE (D)	PPP RATE (E)	NUCLEAR DECOMMISSION RATE (F)	CTC RATE (G)	LGC RATE (H)	RS RATE (I)	TRAC RATE (J)	GHG RATE (K)	TOTAL UDC RATE (L)	DWR BOND RATE (M)	EECC RATE (N)	DWR Credit (O)	TOTAL RATE (P)
1	SCHEDULE EV-HP															
2	<u>Subscription Charge (≤150 kW maximum demand): 10 kW Increments - Year 1</u>															
3	Secondary	\$/Month		\$37.79												\$37.79
4	Primary	\$/Month		\$37.55												\$37.55
5																
6	<u>Subscription Charge (151 - 500 kW maximum demand): 25 kW Increments - Year 1</u>															
7	Secondary	\$/Month		\$94.48												\$94.48
8	Primary	\$/Month		\$93.89												\$93.89
9																
10	<u>Subscription Charge (>500 kW maximum demand): 100 kW Increments - Year 1</u>															
11	Secondary	\$/Month		\$377.92												\$377.92
12	Primary	\$/Month		\$375.54												\$375.54
13																
14	<u>Basic Service Fee</u>															
15	Less than or equal to 500 kW															
16	Secondary	\$/Month		\$186.30												\$186.30
17	Primary	\$/Month		\$50.24												\$50.24
18																
19	Greater than 500 kW															
20	Secondary	\$/Month		\$744.64												\$744.64
21	Primary	\$/Month		\$59.77												\$59.77
22																
23	<u>Energy Charges</u>															
24	On-Peak Energy: Summer															
25	Secondary	\$/kWh	\$0.02227	\$0.19055	\$0.01356	\$0.00005	\$0.00089	\$0.00720	\$0.00004	\$0.00000	\$0.00000	\$0.23456	\$0.00580	\$0.17710	-\$0.00008	\$0.41738
26	Primary	\$/kWh	\$0.02227	\$0.17541	\$0.01356	\$0.00005	\$0.00089	\$0.00720	\$0.00004	\$0.00000	\$0.00000	\$0.21942	\$0.00580	\$0.17624	-\$0.00008	\$0.40138
27																
28	Off-Peak Energy: Summer															
29	Secondary	\$/kWh	\$0.02227	\$0.00068	\$0.01356	\$0.00005	\$0.00089	\$0.00720	\$0.00004	\$0.00000	\$0.00000	\$0.04469	\$0.00580	\$0.11079	-\$0.00008	\$0.16120
30	Primary	\$/kWh	\$0.02227	\$0.00068	\$0.01356	\$0.00005	\$0.00089	\$0.00720	\$0.00004	\$0.00000	\$0.00000	\$0.04469	\$0.00580	\$0.11028	-\$0.00008	\$0.16069
31																
32	Super Off-Peak Energy: Summer															
33	Secondary	\$/kWh	\$0.02227	\$0.00068	\$0.01356	\$0.00005	\$0.00089	\$0.00720	\$0.00004	\$0.00000	\$0.00000	\$0.04469	\$0.00580	\$0.05489	-\$0.00008	\$0.10530
34	Primary	\$/kWh	\$0.02227	\$0.00068	\$0.01356	\$0.00005	\$0.00089	\$0.00720	\$0.00004	\$0.00000	\$0.00000	\$0.04469	\$0.00580	\$0.05460	-\$0.00008	\$0.10501
35																
36	On-Peak Energy: Winter															
37	Secondary	\$/kWh	\$0.02227	\$0.19055	\$0.01356	\$0.00005	\$0.00089	\$0.00720	\$0.00004	\$0.00000	\$0.00000	\$0.23456	\$0.00580	\$0.15070	-\$0.00008	\$0.39098
38	Primary	\$/kWh	\$0.02227	\$0.17541	\$0.01356	\$0.00005	\$0.00089	\$0.00720	\$0.00004	\$0.00000	\$0.00000	\$0.21942	\$0.00580	\$0.15001	-\$0.00008	\$0.37515
39																
40	Off-Peak Energy: Winter															
41	Secondary	\$/kWh	\$0.02227	\$0.00068	\$0.01356	\$0.00005	\$0.00089	\$0.00720	\$0.00004	\$0.00000	\$0.00000	\$0.04469	\$0.00580	\$0.10018	-\$0.00008	\$0.15059
42	Primary	\$/kWh	\$0.02227	\$0.00068	\$0.01356	\$0.00005	\$0.00089	\$0.00720	\$0.00004	\$0.00000	\$0.00000	\$0.04469	\$0.00580	\$0.09976	-\$0.00008	\$0.15017
43																
44	Super Off-Peak Energy: Winter															
45	Secondary	\$/kWh	\$0.02227	\$0.00068	\$0.01356	\$0.00005	\$0.00089	\$0.00720	\$0.00004	\$0.00000	\$0.00000	\$0.04469	\$0.00580	\$0.05610	-\$0.00008	\$0.10651
46	Primary	\$/kWh	\$0.02227	\$0.00068	\$0.01356	\$0.00005	\$0.00089	\$0.00720	\$0.00004	\$0.00000	\$0.00000	\$0.04469	\$0.00580	\$0.05582	-\$0.00008	\$0.10623
47																
48	CPP Adder															
49	Secondary	\$/kWh												\$1.97716		\$1.97716
50	Primary	\$/kWh												\$1.97503		\$1.97503
51																
52	CPP Capacity Reservation Charge															
53	Secondary	\$/kW												\$5.02		\$5.02
54	Primary	\$/kW												\$5.01		\$5.01

Note: rates based on Schedule AL-TOU current rates effective February 1, 2020 per SDG&E Advice Letter 3500-E.

**ATTACHMENT A
SUBSCRIPTION CHARGE 10 YEAR PHASE-IN**

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>
<u>Subscription Charge (≤150 kW maximum demand): 10 kW Increments:</u>										
Secondary	\$37.79	\$44.37	\$50.95	\$57.54	\$64.12	\$70.70	\$77.28	\$83.86	\$90.45	\$97.03
Primary	\$37.55	\$44.10	\$50.65	\$57.19	\$63.74	\$70.29	\$76.84	\$83.39	\$89.94	\$96.48
<u>Subscription Charge (151 - 500 kW maximum demand): 25 kW Increments:</u>										
Secondary	\$94.48	\$110.94	\$127.39	\$143.85	\$160.30	\$176.76	\$193.21	\$209.67	\$226.12	\$242.58
Primary	\$93.89	\$110.26	\$126.63	\$143.00	\$159.37	\$175.74	\$192.11	\$208.48	\$224.85	\$241.22
<u>Subscription Charge (>500 kW maximum demand): 100 kW Increments</u>										
Secondary	\$377.92	\$443.74	\$509.57	\$575.39	\$641.21	\$707.03	\$772.85	\$838.67	\$904.49	\$970.31
Primary	\$375.54	\$441.02	\$506.50	\$571.99	\$637.47	\$702.95	\$768.43	\$833.92	\$899.40	\$964.88

Note: rates based on Schedule AL-TOU current rates effective February 1, 2020 per SDG&E Advice Letter 3500-E.