

Application: A.19-10-012

Exhibit No.: _____

Witness: John Black

PREPARED REBUTTAL TESTIMONY OF

JOHN BLACK

ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



JUNE 19, 2020

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SDG&E reiterates the PYD Extension Program cost estimates are lower than the actual costs in the PYD Pilot and are primarily based on the actual cost data to implement the PYD Pilot program. The PYD Extension Program workpapers show a total cost per port to implement the program of \$21.6 thousand,⁵ before escalation and contingency. This is compared to actual costs of \$23.1 thousand for the PYD Pilot Program.⁶ The main driver of the difference in total costs of the PYD Pilot Program and the PYD Extension Program estimates are the IT billing system upgrade costs for the PYD Pilot Program. Since these were one-time costs, they should be excluded for a comparison of the two programs. The table below shows the adjusted comparison using the most recent PYD Pilot Semi-Annual report cost data.

Costs to Implement Program¹

| | PYD Pilot | PYD Extension |
|---|---------------|---------------|
| Total Cost/Estimate | 70,253,053 | 43,210,321 |
| Less: Billing System Upgrade ² | (3,935,040) | - |
| Adjusted Cost/Estimate | 66,318,013 | 43,210,321 |
| Program Ports | 3,040 | 2,000 |
| Adjusted Cost Per Port³ | 21,815 | 21,605 |

Notes:

- 1) Excludes ongoing maintenance costs
- 2) Includes direct costs and associated non-direct costs
- 3) PYD Extension costs before contingency and escalation

SDG&E’s proposed PYD Extension Program costs reflect the best practices and lessons learned while implementing the PYD Pilot.

⁵ Application of San Diego Gas & Electric Company (U 902 E) to Extend and Modify the Power Your Drive Pilot Approved by Decision 16-01-045, *Chapter 3 Workpapers*, see Summary Table, Cell Q39 (Per Port) (“Chapter 3 Workpapers”), available at <https://www.sdge.com/rates-and-regulations/proceedings/extend-modify-pyd-pilot>

⁶ Rulemaking 18-12-006, *Electric Vehicle-Grid Integration Pilot Program (“Power Your Drive”) Eighth Semi-Annual Report of SDG&E* (April 1, 2020), Attachment A at 11, Figure 10 (Fully Loaded, Program Cost per Port), available at <https://www.sdge.com/sites/default/files/regulatory/R.18-12-006%20SDG%26E%20April%201%2C%202020%20PYD%20Report.pdf>

1 **III. PROGRAM ENGINEERING COST ESTIMATES ARE REASONABLE AND**
2 **SHOULD NOT BE REDUCED**

3 Cal Advocates states that SDG&E should reduce its PYD Extension Program engineering
4 cost estimates by at least 10% and used an engineering design budget of \$4.938 million in their
5 analysis.⁷ The PYD Extension Program total engineering direct cost estimate is not \$4.938
6 million; instead it is \$3.2 million⁸ for 200 customer sites at a cost per site of \$16,000 per site.
7 The analysis by Cal Advocates included all costs on a line item⁹ in the workpapers called “Eng
8 Design and Construction Ext Implementation - E-398.20” for \$1.738 million. However, roughly
9 \$1.5 million of this line item is for construction costs not related to engineering.

10 The most recent PYD Pilot Semi-Annual report shows engineering design costs of
11 \$7,442,332 for an average actual direct cost per site across 254 sites of \$29,300. When compared
12 to the PYD Extension engineering cost estimate of \$16,000 per site, the reduction in engineering
13 costs by site is approximately 45% for the PYD Extension Program compared to the PYD Pilot.
14 The PYD Extension engineering design cost estimates are substantially lower than those of the
15 Pilot, refuting Cal Advocates’ assertion.

16 **IV. TURN’S RECOMMENDATION TO LIMIT THE EXTENSION TO A**
17 **\$15,000/PORT AVERAGE EXPENDITURE IS NOT REASONABLE**

18 The Commission should reject TURN’s recommendation that SDG&E adhere to a
19 \$15,000 per port average cost, a figure TURN argues is between the unit costs achieved by
20 Southern California Edison and Pacific Gas & Electric.¹⁰ TURN is not clear as to what types of

⁷ Cal Advocates (Bach) at 1-5-1-6.

⁸ Prepared Direct Testimony of John Black on behalf of SDG&E Testimony (October 28, 2019) (“Black Direct Testimony”) at JB-4, Table 3-3 (Site Engineering column).

⁹ Chapter 3 Workpapers, *see* Cost Estimate By Month, Cell D9.

¹⁰ TURN (Borden) at 10:22-27.

1 costs are included or excluded in their analysis for each California utility. TURN's per port
2 average cost comparison is potentially misleading, overly simplistic, and may not capture the
3 total cost to build out TE infrastructure. SDG&E's estimated cost per port of \$21,605 to
4 implement the program before escalation and contingency is based on the actual costs to
5 construct over 250 sites¹¹ and includes all estimated cost categories including indirect costs and
6 AFUDC. TURN's recommendation should be disregarded due to its lack of clarity and evidence.

7 This concludes my prepared rebuttal testimony.

¹¹ Black Direct Testimony at JB-2.