

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

Application of SAN DIEGO GAS &
ELECTRIC COMPANY (U 902-E) for Approval of
Commercial Electric Vehicle Dynamic Rate

Application 21-12-_____

**APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E)
FOR APPROVAL OF COMMERCIAL ELECTRIC VEHICLE DYNAMIC RATE**

Ross R. Fulton
8330 Century Park Court
San Diego, CA 92123
Telephone: (858) 654-1861
Facsimile: (619) 699-5027
Email: rfulton@sdge.com

Attorney for
SAN DIEGO GAS & ELECTRIC COMPANY

December 17, 2021

TABLE OF CONTENTS

I. INTRODUCTION 1

II. SUMMARY OF APPLICATION..... 2

III. SUMMARY OF PREPARED TESTIMONY 5

IV. STATUTORY AND PROCEDURAL REQUIREMENTS..... 5

 A. Rule 2.1 (a) – (c)..... 5

 1. Rule 2.1 (a) - Legal Name..... 5

 2. Rule 2.1 (b) Correspondence 6

 3. Rule 2.1 (c)..... 6

 B. Rule 2.2 – Articles of Incorporation 7

 C. Rule 3.2 (a) – (d)..... 7

IV. SERVICE..... 8

V. CONCLUSION AND SUMMARY OF RELIEF REQUESTED 8

OFFICER VERIFICATION

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

Application of SAN DIEGO GAS &
ELECTRIC COMPANY (U 902-E) for Approval of
Commercial Electric Vehicle Dynamic Rate

Application 21-12-_____

**APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E)
FOR APPROVAL OF A COMMERCIAL ELECTRIC VEHICLE DYNAMIC RATE**

I. INTRODUCTION

Pursuant to Senate Bill (“SB”) 350,¹ including California Public Utilities Code (“P.U. Code”) sections (“§”) 237.5, 740.8, 740.12; P.U. Code § 740.3; Decision (“D.”) 20-12-023; and California Public Utilities Commission (“CPUC” or “Commission”) Rules of Practice and Procedure, San Diego Gas & Electric Company (“SDG&E”) submits this application for Approval of a Commercial Electric Vehicle Dynamic Rate (“Application”). The proposed rate, which SDG&E is referring to as Vehicle-to-Grid Commodity Export (“V2G-Export”), is an optional commodity credit-for-export rate that offers compensation for energy exports from electric vehicles (“EVs”) to the grid. It is available for EV customers taking distribution service on SDG&E’s Schedule EV-High Power (“EV-HP”) rate, which becomes effective January 1, 2022.²

SDG&E’s V2G-Export rate proposal is consistent with Ordering Paragraph (“OP”) 9 of D.20-12-023, which directs SDG&E “to file an application for an optional dynamic rate designed to encourage commercial EV charging within 12 months of the decision.”³ Because the

¹ SB 350, Stats. 2015-2016, Ch. 547 (Cal. 2015).

² See D.20-12-023 (approving the EV-HP rate).

³ *Id.*, OP 9 at 38.

commodity credit-for-export rate offers compensation to grid exports from commercial EVs customers—thus offering additional financial benefits from operating EVs adoption—the proposed V2G-Export rate encourages EV adoption and fulfills D.20-12-023’s requirement.

Moreover, SDG&E’s proposal supports California’s aggressive transportation electrification (“TE”) and climate goals. Specifically, the benefits provided by the V2G-Export rate to EV customers that export energy back to the grid supports numerous state and Commission directives to incentivize V2G. And the V2G-Export rate can potentially increase reliability by sending appropriate price signals to incentivize grid exports during periods of peak electricity demand.

As discussed in greater detail in the accompanying testimony, SDG&E specifically requests approval of the proposed V2G-Export rate that will:

- Provide compensation for grid exports *only*, as an optional rate available to bundled customers for separately metered EV charging outside of single-family homes taking distribution service on Schedule EV-HP;
- Incorporate the California Independent System Operator (“CAISO”) day-ahead hourly market price as an energy compensation (\$/kilowatt-hour[kWh]) rate that would be provided to customers on a day-ahead basis based on the hourly Locational Marginal Prices (“LMP”) at SDG&E’s Default Load Aggregation Point (“DLAP”), derived from the CAISO Open Access Same-time Information System (“OASIS”) website;⁴ and
- Also incorporate the Peak Energy Payment (“PEP”) as volumetric energy compensation (\$/kWh) based on marginal commodity costs applicable during peak grid events corresponding with the Critical Peak Pricing (“CPP”) events.

II. SUMMARY OF APPLICATION

The proposed V2G-Export rate Application satisfies D.20-12-023, reflects SDG&E’s commitment to accelerating TE, and supports state TE policy. In D.20-12-023, the Commission

⁴ California ISO, Oasis, available at <http://oasis.caiso.com/mrioasis/logon.do>.

approved EV-HP, an optional SDG&E rate intended to reduce the cost of charging for EV customers outside of single-family homes. SDG&E plans to open the EV-HP rate to customer enrollment by January 1, 2022.

D.20-12-023, OP 9 directs SDG&E to file an application for a dynamic rate option for commercial EV customers within 12 months of the decision. That decision was issued December 17, 2020. SDG&E's proposed V2G-Export rate satisfies that mandate, as it supports increased EV adoption by offering compensation for V2G grid exports.

The V2G-Export rate is also consistent with California state policy and prior Commission decisions that encourage expanding V2G exports. For example, SB 676⁵ states that it is the policy of the state and the intent of the Legislature to accelerate electric vehicle grid integration ("VGI"). Similarly, in D.20-12-029, the Commission found that incentivizing the export of energy from EVs to the grid would help develop technologies and programs to support the grid, and that it is reasonable to explore credit-for-export compensation for V2G as a near-term objective for advancing VGI.⁶

In supporting those goals, SDG&E's proposed V2G-Export rate is an optional commodity credit-for-export rate that sets compensation for grids exports. V2G-Export does not set rates for energy *imports* from the grid. Instead, enrolled customers will be billed for energy imports on their existing SDG&E commodity rates. Likewise, Utility Distribution Company ("UDC") rates (non-commodity rates) for V2G-Export rate enrolled customers will continue to be billed through EV-HP. An enrolled commercial EV fleet's exports will thus be compensated

⁵ SB 676, Stats. 2019-2020, Ch. 484 (Cal. 2019).

⁶ See also D.20-09-035 (clarifying that interconnection applicants from V2G customers with bidirectional direct current EV Supply Equipment ("DC EVSE") may request permission to switch to bidirectional mode after completing the utility Rule 21 interconnection process).

by the V2G-Export rate, while they will be billed for their electricity grid imports on EV-HP and an existing SDG&E commodity rate such as Schedule Energy Electric Commodity Cost Critical Peak Pricing Default (“EECC-CPP-D”).

SDG&E proposes two basic components to compensate EVs for energy exported to the grid: 1) Variable Pricing using CAISO’s day-ahead hourly market to provide customers sufficient time to determine whether to export to the grid; and 2) Peak Energy Payments (“PEP”) to incentivize exports during peak events. The PEP rates of approximately \$0.91 per kWh are equal to the CPP Event Day Adders implemented for Schedule EV-HP customers effective January 1, 2022, as shown in Schedule EECC CPP-D (Critical Peak Pricing Default) for EV-HP customers.

The V2G-Export rate is only open to bundled customers taking distribution service on Schedule EV-HP. As noted, EV-HP is an optional rate open to separately metered EV charging outside of single-family homes. The proposed V2G-Export rate is not open to customers of other Load Serving Entities (“LSE”) such as Community Choice Aggregators (“CCAs”) or Direct Access (“DA”) providers, as SDG&E cannot reasonably purchase energy commodity from customers who themselves purchase energy commodity from another provider. CCAs and other LSEs in SDG&E’s service territory can choose to offer their customers a commodity credit-for-export rate similar to the proposed SDG&E V2G-Export. SDG&E looks forward to working with local CCAs to ensure that the benefits of V2G credit-for-export rates are available to all utility customers, including those served by CCAs.

Under D.20-09-035, EV customers who wish to export energy to the grid must complete a Rule 21, Generating Facility Interconnections agreement before having the bidirectional mode on their EVSE enabled. To avoid unduly complex billing, an electric meter serving EV load

participating in V2G-Export is not permitted to enroll in Net Energy Metering (“NEM”).

Bundled customers who wish to engage in V2G grid exports are not required to be compensated under V2G-Export and may instead receive compensation under other programs or rates offered by SDG&E.

III. SUMMARY OF PREPARED TESTIMONY

In support of this Application, including the requests outlined above, SDG&E provides the prepared testimony of two witnesses. The testimony is summarized below:

- Taylor Marvin describes the policy justifications for the proposed VG2-Export rate and the mechanics of the proposed rate; and
- Ray Utama describes the proposed VG2-Export rate design in detail.

IV. STATUTORY AND PROCEDURAL REQUIREMENTS

A. Rule 2.1 (a) – (c)

This Application is made pursuant to SB 350,⁷ including P.U. Code § 237.5, 740.8, 740.12; and P.U. Code § 740.3, and relevant decisions, orders, and resolutions of the Commission, including D.20-12-023. In accordance with Rule 2.1 (a) – (c) of the Commission’s Rules of Practice and Procedure, SDG&E provides the following information.

1. Rule 2.1 (a) - Legal Name

SDG&E is a corporation organized and existing under the laws of the State of California. SDG&E is engaged in the business of providing electric service in a portion of Orange County and electric and gas service in San Diego County. SDG&E’s principal place of business is 8330 Century Park Court, San Diego, California 92123.

⁷ SB 350, Stats. 2015-2016, Ch. 547 (Cal. 2015).

2. Rule 2.1 (b) Correspondence

Correspondence or communications, including any data requests, regarding this

Application should be addressed to:

Brittany A. Malowney
Regulatory Case Manager
San Diego Gas & Electric Company
8330 Century Park Court, #CP32F
San Diego, California 92123
Telephone: (619) 676-6601
Facsimile: (858) 654-1788
Email: BMalowney@sdge.com

with copies to:

Ross R. Fulton
San Diego Gas & Electric Company
8330 Century Park Court, CP32D
San Diego, CA 92123
Telephone: (858) 654-1861
Facsimile: (619) 699-5027
Email: rfulton@sdge.com

3. Rule 2.1 (c)

a. Proposed Category of Proceeding

In accordance with Rule 7.1, SDG&E requests that this Application be categorized as ratesetting because the costs associated with the proposed new VGC-Export Rate described in this Application rate will impact SDG&E's rates.

b. Need for Hearings

SDG&E does not believe that approval of this Application will require hearings. SDG&E has provided ample supporting testimony, analysis, and documentation that provide the Commission with a sufficient record upon which to grant the relief requested.

c. Issues to be Considered

The issues to be considered are described in this Application and the accompanying testimony and exhibits. SDG&E does not believe there are any issues related to safety considerations that need to be considered in this Application.

d. Proposed Schedule

SDG&E proposes the following schedule:

<u>ACTION</u>	<u>DATE</u>
Application filed	December 17, 2021
Approx. End of Response Period (including Applicant Reply)	January 26, 2022
Prehearing Conference	January 31, 2022
Intervener Testimony	February 14, 2022
Rebuttal Testimony	February 28, 2022
Evidentiary Hearings (if needed)	March 14, 2022
Concurrent Opening Briefs	March 28, 2022
Concurrent Reply Briefs	April 11, 2022
Commission Final Decision	June 7, 2022

B. Rule 2.2 – Articles of Incorporation

A copy of SDG&E’s Restated Articles of Incorporation as last amended, presently in effect and certified by the California Secretary of State, was previously filed with the Commission on September 10, 2014 in connection with SDG&E Application 14-09-008, and is incorporated herein by reference.

C. Rule 3.2 (a) – (d).

Approval of the application will not result in a rate increase or a request for revenue, rendering Rule 3.2 inapplicable to the present Application.

IV. SERVICE

This is a new application. No service list has been established. Accordingly, SDG&E will serve this Application, testimony and related exhibits on parties to the service list for the Order Instituting Rulemaking to Continue the Development of Rates and Infrastructure for Vehicle Electrification (R.18-12-006) and Application of San Diego Gas & Electric Company for Approval of Electric Vehicle High Power Charging Rate (A.19-07-006). An electronic copy will also be sent to Chief ALJ Simon.

V. CONCLUSION AND SUMMARY OF RELIEF REQUESTED

San Diego Gas & Electric Company requests that the Commission grant SDG&E's Application.

Respectfully submitted,

/s/ Ross R. Fulton

Ross R. Fulton
8330 Century Park Court
San Diego, CA 92123
Telephone: (858) 654-1861
Facsimile: (619) 699-5027
Email: rfulton@sdge.com

Attorney for
SAN DIEGO GAS & ELECTRIC COMPANY

SAN DIEGO GAS & ELECTRIC COMPANY

/s/ Miguel Romero

Miguel Romero
San Diego Gas & Electric Company
Vice President – Energy Innovation

DATED at San Diego, California, this 17th day of December 2021

OFFICER VERIFICATION

I, Miguel Romero, declare the following:

I am an officer of San Diego Gas & Electric Company and am authorized to make this verification on its behalf. I am informed and believe that the matters stated in the foregoing **APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) FOR APPROVAL OF ELECTRIC VEHICLE HIGH POWER CHARGING RATE** are true to my own knowledge, except as to matters which are therein stated on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on December 17, 2021 at San Diego, California.

/s/ Miguel Romero

Miguel Romero
San Diego Gas & Electric Company
Vice President – Energy Innovation