STATE OF CALIFORNIA GAVIN NEWSOM, *Governor*

PUBLIC UTILITIES COMMISSION

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TO PARTIES OF RECORD IN RULEMAKING 18-12-006:

This is the proposed decision of Commissioner Clifford Rechtschaffen. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's July 15, 2021 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

/s/ ANNE E. SIMON

Anne E. Simon
Chief Administrative Law Judge

AES:avs

Attachment

Decision **PROPOSED DECISION OF COMMISSIONER RECHTSCHAFFEN**
(Mailed 6/1/2021)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Continue the Development of Rates and Infrastructure for Vehicle Electrification.	Rulemaking 18-12-006

DECISION SETTING NEAR-TERM PRIORITIES FOR TRANSPORTATION ELECTRIFICATION INVESTMENTS BY THE ELECTRICAL CORPORATIONS

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DECISION SETTING NEAR-TERM PRIORITIES FOR TRANSPORTATION ELECTRIFICATION INVESTMENTS BY THE ELECTRICAL CORPORATIONS

Summary

This decision adopts guidance and a streamlined advice letter process for the Electrical Corporations, Pacific Gas Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Liberty Utilities LLC, Bear Valley Electric Service, and PacifiCorp, regarding near-term priority transportation electrification investments and addresses issues of equity as they relate to transportation electrification. Party comment is invited on whether equity considerations are appropriately addressed. This decision also provides guidance to the Electrical Corporations in the event that they choose to submit proposals for transportation electrification investments prior to the time Transportation Electrification Plans are filed, to avoid gaps in existing program offerings to support meeting state goals for electric vehicle charging facilities for the year 2025.

This proceeding remains open.

1. Background

The Commission opened this rulemaking to, among other things, provide a forum for the development and implementation of policies to guide the Commission's review of investments proposed by the Electrical Corporations[1] in pursuit of transportation electrification (TE). The Assigned Commissioner's Scoping Memo and Ruling (scoping memo) stated that the Commission's Energy Division staff would draft a Transportation Electrification Framework (TEF) to

[1] For the purpose of this proceeding, "Electrical Corporations" refer to the investor-owned utilities Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), Liberty Utilities (CalPeco Electric) LLC, Bear Valley Electric Service, and PacifiCorp d/b/a Pacific Power – are considered investor-owned utilities.

allow for such review, aligned with the goals of Senate Bill (SB) 350 (Ch. 547, Stats. 2015) (SB 350).[2] The scoping memo stated that the draft TEF would address a multitude of issues related to investments in TE, including establishing targets specific to certain state policy goals, cost-effectiveness metrics, marketing, education, and outreach efforts, and rate design principles.[3]

A proposed TEF was circulated to parties for their review and comment on February 3, 2020. Comments were received on certain sections of the proposed TEF at different times. On March 6, 2020, several parties filed opening comments on Sections 2, 3.1, 3.2, 3.3, 4, and 5 of the proposed TEF: Vehicle-Grid Integration Council (VGIC), PacifiCorp, Southern California Edison Company (SCE), the Public Advocates Office at the California Public Utilities Commission (Cal Advocates), California Energy Storage Alliance (CESA), Tesla, Inc. (Tesla), Environmental Defense Fund (EDF), Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), Liberty Utilities (CalPeco Electric) LLC (Liberty), BNSF Railway, California Independent System Operator (CAISO), jointly by Community Environmental Council and Green Power Institute (CEC/GPI), Energy Producers and Users Coalition (EPUC), City of Long Beach (Long Beach), Small Business Utility Advocates (SBUA), San Diego Association of Governments (SANDAG), California Large Energy Consumers Association (CLECA), Connect California LLC, Envoy Technologies, Inc. (Envoy), Electrify America LLC (Electrify America), jointly by Center for Biological Diversity, East Yard Communities for Environmental Justice, Sierra Club, Union of Concerned Scientists, Center for Community Action and Environmental Justice (Joint

[2] Scoping memo at 2.

[3] Scoping memo at 2-5.

Commenters), California Transit Association, EVgo Services LLC (EVgo), ChargePoint, Inc. (ChargePoint), Enel X North America, Inc. (Enel X), the Utility Reform Network (TURN), Utility Consumers' Action Network (UCAN), jointly by Greenlots and Siemens eMobility (Greenlots), jointly by Natural Resources Defense Council, the Coalition of California Utility Employees, Enel X, Greenlots, EVBox Inc., and Siemens (NRDC), Advanced Energy Economy, Alliance for Transportation Electrification (ATE), and jointly by General Motors, LLC, Kia Motors Corporation, Ford Motor Company, Alliance for Automotive Innovation, and Hyundai Motor Company (Joint Automakers).

Concurrently on March 6, 2020, a *Joint Motion to Stay the Draft Transportation Electrification Framework to Revise the Procedural Schedule and Provide for Alternative Proposals* (Joint Motion) was served on behalf of NRDC, Coalition of California Utility Employees, Sierra Club, EDF, Center for Community Action and Environmental Justice, East Yard Communities for Environmental Justice, Union of Concerned Scientists, Center for Biological Diversity, Alliance for Automotive Innovation, Honda Motor Co. Inc, San Diego Airport Parking Company, Cruise LLC, CALSTART, Advanced Energy Economy, ATE, Enel X, VGIC, Siemens, Greenlots, Nuvve Corporation, ChargePoint, SCE, and SDG&E (collectively, the Joint Movants).

The Joint Motion requested that the Commission stay the schedule for considering the proposed TEF and revise the procedural schedule to provide for the development and consideration of alternatives to the TEF. The Joint Motion was denied on March 24, 2020 by email ruling. The ruling of March 24, 2020 clarified that alternatives to the proposed TEF were welcome within party comment on the proposed TEF itself. The ruling of March 24, 2020 also extended

the deadline for reply comments on Sections 2, 3.1, 3.2, 3.3, 4, and 5 of the proposed TEF to April 27, 2020.

Reply comments were filed by the following parties on April 27, 2020: TURN, SDG&E, PG&E, EVgo, SCE, Silicon Valley Leadership Group, EDF, SBUA, California Hydrogen Business Council, ChargePoint, jointly by National Diversity Coalition and National Asian American Coalition (NDC), Alliance for Automotive Innovation, Plug In America, VGIC, Cal Advocates, jointly by City of San Jose, California Choice Energy Authority, Sonoma Clean Power Authority, Marin Clean Energy, Silicon Valley Clean Energy Authority, Redwood Coast Energy Authority, Monterey Bay Community Power, East Bay Community Energy (Joint CCAs), Tesla, Center for Sustainable Energy (CSE), Siemens, ATE, CALSTART, Peninsula Clean Energy, Sacramento Municipal Utility District (SMUD), BNSF Railway, Enel X, UCAN, CEC/GPI, Joint Commenters, Electrify America, Greenlots, NRDC, the Greenlining Institute (Greenlining),[4] and Ecology Action.[5]

Comments on sections of the proposed TEF other than Sections 2, 3.1. 3.2, 3.3, 4, and 5 were received later in 2020. This decision does not consider those later-filed comments, and instead relies on the party comments filed on March 6 and April 27, 2020 for its findings, conclusions, and orders related to Section 5 of the proposed TEF related to near-term priorities for TE investments. Guidance related to other sections of the proposed TEF will be issued by the Commission

[4] The reply comments of Ecology Action were filed on May 6, 2020; but deemed filed on April 27, 2020.

[5] The reply comments of Ecology Action were filed on May 8, 2020; but deemed filed on April 27, 2020.

at a later date. The comments on the proposed TEF filed after April 27, 2020 may be considered in subsequent Commission decisions in this proceeding.

2. Issues Before the Commission

As noted by the scoping memo, the issue before the Commission in this decision is whether to adopt a TEF for the Electrical Corporations.[6] As this decision considers whether to adopt elements of Section 5 of the proposed TEF, this decision specifically considers guidance regarding near-term priorities for TE investments by the Electrical Corporations.

Some issues contemplated by the scoping memo that are related to the implementation this decision, such as ensuring equitable TE investments, are also considered. However, a comprehensive revised draft TEF will not be issued at this time. Rather, the proposals set forth in Section 5, only, will be finalized here.

3. Context for Decision on Near-Term Priorities in Light of State Policy Goals

The proposed TEF recommended that the Commission adopt a TEF for the Electrical Corporations. The TEF was intended to be "a common comprehensive framework for review of proposed investments by the [Electrical Corporations] to stimulate [TE], aligned with the goals of [SB 350]."[7] More specifically, the proposed TEF provided a framework for Electrical Corporations to plan TE investments and activities through 2030, including emerging trends, and included more detailed guidance for action the Electrical Corporations should take through 2025.

[6] Scoping memo at 2-5.

[7] Proposed TEF at 13.

The Commission is still considering party comment on the proposed TEF's requirements for Transportation Electrification Plans (TEPs) to be filed by each of the Electrical Corporations. While party comments support the Commission requiring Electrical Corporations to submit TEPs and we intend to require the Electrical Corporations to develop and submit TEPs, the details of the contents and timing of the TEPs will be addressed in a future Commission decision. As proposed, the TEPs would allow for more streamlined approval of Electrical Corporation investments in TE infrastructure, after the completion of a planning process by the Electrical Corporations to determine the appropriate scope and scale of those investments. As noted by several parties in their comments, the timeline for future TE investments by the Electrical Corporations depends largely on when the TEPs and program applications are approved. At this time, although the Commission aims to consider TEPs and Electrical Corporation proposals based on those TEPs as soon as possible, it is prudent to provide guidance on possible interim investments for Electrical Corporations and expedited processes for reviewing certain proposals to help ensure that the important state zero-emission vehicle (ZEV) policy goals are met in a timely fashion.

California has established several critical TE policy goals to accelerate the adoption of ZEVs and increase access to charging stations. In March 2012, former Governor Jerry Brown issued Executive Order B-16-12, establishing a target of reaching one million ZEVs on the road by 2025. The passage of SB 350 (de Leon, 2015) directed the CPUC to work with the California Energy Commission (CEC) and the California Air Resources Board (CARB) to require the Electrical Corporations to develop proposals to accelerate widespread TE. Former Governor Brown later increased the state's ZEV deployment goal via

Executive Order B-48-18 which sets a goal of five million ZEVs by 2030, and 250,000 light-duty or passenger ZEV chargers (hereinafter "light-duty chargers" or "light-duty EVSE"[8]), including 10,000 direct current fast chargers (DCFCs), in place in California by 2025.

More recently in September 2020, Governor Newsom issued Executive Order N-79-20, which sets multiple additional ZEV goals: 1) 100 percent of in-state sales of new passenger cars and trucks be ZEVs by 2035; 2) 100 percent of medium- and heavy-duty (MD/HD) vehicles in the state be ZEVs by 2045, for all operations where feasible and by 2035 for drayage trucks; and 3) 100 percent of zero-emission off-road vehicles and equipment be ZEVs by 2035, where feasible.

According to the CEC's Assembly Bill (AB) 2127 Electric Vehicle Charging Infrastructure Assessment staff report (AB 2127 staff report), California has nearly 67,000 public and shared light-duty EV chargers installed, including over 5,000 DCFCs, as of September 30, 2020. The AB 2127 staff report found that an approximately 121,000 additional chargers are currently planned or under development. This leaves a gap of approximately 60,000 light-duty chargers—59,000 Level 2[9] and 500 DCFC--needed between now and 2025.[10] Although the AB 2127 staff report identifies additional needed light-duty chargers to meet the 2030 goal of five million ZEVs, and a preliminary projection of the light-duty chargers required to support Executive Order N-79-20's goal of all new

[8] EVSE stands for Electric Vehicle Service Equipment.

[9] Level 2 chargers are EV chargers that use between 208 and 240 volts of alternating current (AC) electricity to charge EVs at a rate of up to 19.2 kilowatts (kW).

[10] AB 2127 staff report at 12. Pursuant to Rule 13.9, this decision takes notice of the findings of the AB 2127 staff report that are referred to in this decision, and relies upon them for the findings, conclusions, and orders of this decision. Parties that dispute the accuracy of the findings of the AB 2127 staff report that are relied upon by this decision should make that known in their comments on the proposed version of this decision.

passenger vehicles being ZEVs by 2030, this decision focuses on the report's 2025 projections of light-duty charger needs as this decision specifically considers near-term investments.

The AB 2127 staff report also provides early analysis on projected MD/HD charging infrastructure needs to support Executive Order N-79-20. Through the CEC's HEVI-LOAD[11] model, the CEC staff report estimates that 157,000 chargers will be needed in 2030. This includes a total of approximately 157,000 DCFCs—141,000 of which would be 50 kilowatts (kW) and 16,000 would be 350kW. These modeling results are based on early CARB analysis that estimates that 180,000 MD/HD ZEVs will be needed in 2030 to meet Executive Order N-79-20. Although these MD/HD targets are focused on 2030, in the absence of earlier quantified targets for this sector, these are the most relevant for this decision focused on near-term TE investments. It is important to note that some of these numbers, as well as the light-duty numbers, may shift as the CEC finalizes the data in the final CEC report and subsequent updates.

As described above, CEC staff have quantified a numerical target for light-duty EV charger deployment across the state to achieve the Executive Order B-48-18 infrastructure targets, a numerical target for light-duty EV charging to achieve the additional required infrastructure necessary to support Executive Order B-48-18's target of five million ZEVs by 2030, and numerical targets for both light-duty and MD/HD EV charger deployment to put the State on the trajectory to achieve the 2035 and 2045 goals set forth in Executive Order N-79-20. CEC staff have further found that additional TE investments by the Electrical Corporations and other public sources are necessary to meet the target,

[11] HEVI-LOAD refers to Medium- and Heavy-Duty Electric Vehicle Infrastructure Load, Operations and Deployment.

but note that private investment will be critical as ratepayers and the public cannot bear all of the costs associated with needed charging throughout the state. While an absence of Electrical Corporation investments would not prevent the installation of some new chargers between now and 2025 – due to state-funded incentive programs, publicly-owned utility programs, and private investments – the AB 2127 staff report is clear that some measure of Electrical Corporation investment is needed. According to CEC staff, "[w]hile companies have demonstrated success in deploying charging solutions requiring little or no ratepayer or public funding support, at present, many charging service providers have not found a self-sustaining business model operable at the scale for California to achieve widespread electrification."[12] However, the AB 2127 staff report identifies necessary structural changes so that the market could operate more independently such as an continued coordinated government and regulatory approach towards making investments aimed at solving EV charging industrywide constraints to minimize startup costs and barriers and encourage investments beyond first-movers.

While the AB 2127 staff report models the charger deployment targets for the whole state, it is the role of the Commission to determine the level of support ratepayers should provide to help the state to ensure that an additional 59,000 Level 2 chargers and 500 DCFCs are operational by 2025. State-funded programs, publicly owned utility investment, private investments, and other sources of funding will lead to the deployment of some additional chargers by 2025. However, this decision finds that some level of Electrical Corporation

[12] AB 2127 staff report at 75.

investments in TE infrastructure beyond that already approved by the Commission will be required for the state to meet its 2025 charger goals.

The Commission expects that a subsequent decision on the TEF will make a determination on how the Electrical Corporations will play a role in meeting these state targets in the long run. If Electrical Corporations submit proposals for near-term investments they should provide rationale for how the programs will help California meet these targets without placing the full burden on ratepayers.

For context, the Commission has authorized the Electrical Corporations to spend more than $720 million[13] on light-duty charging alone to build approximately 52,000 chargers – $44 million for SCE's Charge Ready Pilot and Bridge, $45 million for SDG&E's Power Your Drive, $130 million for PG&E's EV Charge Network, $22.4 million for PG&E's DCFC make-ready program, $436 million for SCE's Charge Ready 2, and $43 million for SDG&E's Power Your Drive 2. The Commission has authorized a total spending of $1.5 billion in TE expenditures when the medium- and heavy-duty sector is accounted for.

This decision does not establish a particular quantity of chargers that should be incented through customer-side TE investments by the Electrical Corporations. However, based on the discussion above, this decision does find that some incremental investments by the Electrical Corporations beyond what has already been authorized over the next four years for light-duty EV charging and medium- and heavy-duty EV charging will be necessary to meet the State's policy goals, and this decision aims to give the Electrical Corporations reasonable guidance for helping the state to achieve those goals. This decision also incorporates by reference holdings from Decision (D.) 20-09-025, where the

[13] This does not include some of the smaller pilots authorized as Priority Review Programs.

Commission concluded that it is the Legislature's intent that the Commission establish policy and authorize reasonable utility investment that attracts private investment in EV charging services, makes charging infrastructure more available to Californians, and increases adoption and usage of EVs across all classes and weights, including light-, medium-, and heavy-duty electric vehicles, and off-road electric vehicles or off-road electric equipment.[14]

Because of the time needed to plan, permit, construct, and operate EVSE installations, any proposals that the Electrical Corporations submit to address the near-term investments should be filed with the Commission soon to ensure that they are supporting the state in meeting its 2025 policy goals. To that end, this decision provides guidance for proposals from the Electrical Corporations to incent deployment of charging solutions in the near-term priority areas identified by this decision and to allow for extensions of existing programs for efficiency and to avoid gaps in program offerings that would inhibit the state from meeting these targets.

An advice letter process for these proposals is discussed further in this decision, based on the near-term priorities section (Section 5) of the proposed TEF and party comments on the same. However, if choosing not to use the advice letter process, Electrical Corporations are not restricted to proposals that meet the near-term priority areas identified by this decision, and may file applications for TE infrastructure beyond those proposals up to the time that their TEPs are approved.

[14] D.20-09-025 at 16-17.

3.1. AB 841 Provisions

On September 30, 2020, the Governor signed AB 841 (stats. 2020, Ch. 372), which, among other things, amended Pub. Util. Code § 740.12 (effective January 1, 2021) to require that at least 35 percent of TE investments made by the large Electrical Corporations be made in "underserved communities." This legislation was passed and chaptered subsequent to party comment on the draft TEF.

AB 841 defines an underserved community as a community that meets one of the following criteria:

1. A community with a median household income less than 80 percent of the statewide average.[15]
2. Census tracts with median household incomes at or below 80 percent of the statewide median income or with median household incomes at or below the threshold designated as low income by the Department of Housing and Community Development's list of state income limits adopted pursuant to Health and Safety Code § 50093.[16]
3. Is within an area identified as among the most disadvantaged 25 percent of the state according the California Environmental Protection Agency and based on the most recent California Communities Environmental Health Screening Tool, also known as CalEnviroScreen.[17]
4. A community in which at least 75 percent of public school students in the project area are eligible to receive free or

[15] Pub. Util. Code § 1601(e)(1), citing Pub. Resources Code § 75005(g). As noted by comments to the proposed decision, there appears to be a misapplication of the concept of median income when compared with average income and ambiguity in the use of the term "community;" but this language is directly from statute and cannot be modified by this decision. The electrical corporations should use good faith efforts to reasonably apply this definition.

[16] Pub. Util. Code § 1601(e)(2), citing Health & Saf. Code § 39713(d)(2).

[17] Pub. Util. Code § 1601(e)(3).

reduced-price meals under the National School Lunch Program.[18]

5. A community located on lands belonging to a federal recognized California Indian tribe.[19]

AB 841 also requires that the Electrical Corporations seek Commission approval of "a new tariff or rule that authorizes each Electrical corporation to design and deploy all Electrical distribution infrastructure on the utility side of the customer's meter for all customers installing separately metered infrastructure to support charging stations…"[20] As of the time of this decision, Energy Division staff are reviewing the advice letter filings that each Electrical corporation submitted to establish this new policy. However, it is important to note that since AB 841 and the establishment of these new tariffs or rules covers all of the costs on the utility-side of the meter for infrastructure related to the deployment of EV charging, any proposal for near-term investment pursuant to this decision should only be for customer-side infrastructure.

AB 841 further provides additional directives on the Electric Vehicle Infrastructure Training Program (EVITP) applicable to this decision. Pub. Util. Code § 740.20(a)(1) requires that EV charging infrastructure and equipment located on the customer-side of the Electrical meter that is funded or authorized, in whole, or in part, by the Commission shall be installed by a contractor with the appropriate license classification, as determined by the Contractors' State

[18] Pub. Util. Code § 1601(e)(4). There is some ambiguity in the use of the term "community;" but this language is directly from statute and cannot be modified by this decision. The electrical corporations should use good faith efforts to reasonably apply this definition.

[19] Pub. Util. Code § 1601(e)(5). There is some ambiguity in the use of the term "community;" but this language is directly from statute and cannot be modified by this decision. The electrical corporations should use good faith efforts to reasonably apply this definition.

[20] Pub. Util. Code § 740.19(c).

License Board, and at least one electrician on each crew, at any given time, who holds an EVITP certification. Pub. Util. Code § 740.20(a)(2) requires that projects installing charging ports supplying 25 kilowatts (kWh) or more to a vehicle have at least 25 percent of the total electricians working on the crew for the project, at any given time, hold EVITP certification. These provisions apply to all Commission authorized programs adopted after January 1, 2021 and all work performed on or after January 1, 2022.

Pub. Util. Code § 740.20(b)(1) clarifies that § 740.12(a) does not apply to EV charging infrastructure installed by employees of an Electrical Corporation or local publicly owned electric utility.

4. Near-Term Priority Investments

The proposed TEF stated that Electrical Corporations should provide clear justification for ratepayer investment in any applications filed prior to the adoption of their TEPs and outlined several priority areas for TE investments for the Electrical Corporations between the present and the time their TEPs are approved by the Commission, if the Electrical Corporations choose to request funding. The proposed TEF referred to these as "near-term priorities" and this decision adopts the use of that term. The proposed TEF also recommended the Commission adopt a streamlined advice letter process for review of smaller TE investments "to effectively address key barriers to widespread TE."[21] Electrical Corporations may choose to propose investments in the near-term priority areas via advice letter, as described below, and can submit applications for extensions of existing programs in order to avoid any gaps in program offerings. They also

[21] Proposed TEF at 24.

have the option to submit programs that do not fit the parameters above via traditional applications, pursuant to SB 350.

The proposed TEF reasoned that the near-term priorities were justified by the "current state of the market, state regulatory deadlines, and other TE barriers that could be addressed through 'no-regrets' investments."[22]

The proposed TEF recognized that, with potentially two years between issuing of the TEF and approval of the Electrical Corporations' TEPs and program proposals, there may be barriers and priorities that require electric corporation investment in the near-term. The proposed TEF suggested that the Electrical Corporations could consider filing applications before approval of their TEPs that address the following near-term priorities:

- Resiliency;[23]
- Customers without access to home charging;[24]
- Medium and heavy-duty EV adoption;[25] and
- New building construction.[26]

The proposed TEF recommended that the following conditions apply to any near-term priority proposal:

- Completed within two years of the initial application.

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[22] Proposed TEF at 42.

[23] Consisting of programs that support the installation of EV charging at evacuation/emergency response centers; and/or piloting technologies and programs that use EVs as backup power resources to enhance resiliency in communities that may face power shut-offs due to weather, wildfire risk or other emergencies.

[24] Consisting of programs that address the cost of fueling disparity through non-infrastructure approaches; and/or create charging options for customers that lack access to home EV charging.

[25] Consisting of programs that support regulatory mandates to electrify transit under CARB's Innovative Clean Transit regulation, and/or implement strategies to electrify high-emitting medium- and heavy-duty fleets.

[26] Consisting of programs that support lower-cost EVSE installation in new buildings.

- Should inform and be incorporated into the Electrical Corporation's longer-term TE planning.
- Minimize long-term commitments that may be inconsistent with the Electrical Corporation's TEP.[27]
- Address equity.
- Adhere to a total budget of $20 million for each Electrical Corporation for all near-term priority projects.
- Clear justification for ratepayer investment (*i.e.*, near-term priority proposal should not propose new investment in areas where the market shows signs of private sector engagement).

The proposed TEF recommended the Electrical Corporations address the following barriers and issues for near-term priority applications or advice letters for projects seeking to address TE resiliency:[28]

- Propose the inclusion of language in Public Safety Power Shutoff (PSPS) notifications suggesting customers fully charge their EV as soon as possible.
- Propose a process to identify and implement strategies to reduce customer's rates for electricity consumed as a transportation fuel between the announcement and enactment of a PSPS.
- Demonstrate proactive coordination with emergency services organizations, community-based organizations, local communities, planning agencies, and auto manufacturers to identify the infrastructure investments, utility IT system upgrades, and other technology

[27] For example, by avoiding irrevocable hardware commitments or market interventions that the Commission has not already authorized in a prior TE-related decision, and/or by including criteria for hardware and software that can be supported and implemented by multiple entities.

[28] Staff's discussion on resiliency focused on activities to prepare for, withstand, and recover from disturbances. While both the range of activities and the types of disturbances that are included in discussions about resilience can vary widely depending on the context, staff uses resilience to mean the ability and availability of EVs to provide and receive energy services during a grid outage.

developments necessary to enable vehicle-to-building functions to support resiliency efforts.

- Demonstrate alignment with the policy priorities of the microgrid proceeding Rulemaking (R.) 19-09-009 by designing appropriate pilots that test the use of EVs as backup power resources.
- Propose the deployment of off-grid EV charging solutions, placed in strategic locations such as Electrical Corporation Community Resource Centers with a demonstration of coordination with community organizations and representatives when choosing where to locate this charging.
- For TE assets that may be damaged by wildfire or other disaster, propose employing the Catastrophic Events Memorandum Account (CEMA) through which they are authorized to seek cost recovery of damaged investments in a declared emergency.
- In areas that have or will potentially suffer damage from a wildfire or other natural disaster, demonstrate partnership with local resources to ensure that new construction is compatible with the expected growth in EV adoption.
- Include forecasted distribution and transmission capacity upgrades necessary to support projected EV adoption in areas that have or will potentially suffer damage from a wildfire or other natural disaster, along with other needed EV infrastructure in new buildings.

The proposed TEF recommended that Electrical Corporations address the following barriers and issues for near-term priority advice letters or applications for projects seeking to address the needs of customers without access to home charging:

- Leverage lessons learned from existing Electrical corporation TE programs.
- Demonstrate an innovative approach to meeting the infrastructure needs of this segment, or a non-

infrastructure approach to address cost of fueling disparity.

- Seek community and stakeholder feedback in advance of submission to the Commission.
- Include a component to address environmental and social justice communities.
- Seek to share costs with non-ratepayer sources.
- Consider whether incentives could be designed to help offset the cost of public charging for customers that lack home charging options.

Since the release of the proposed TEF, the Commission issued a decision concerning the Low Carbon Fuel Standard (LCFS) holdback credit revenue.[29] This decision directed some of the funds not spent on equity projects to be spent on TE resiliency programs. This decision defined resiliency projects as:

1. Those that lead to the installation of EV charging facilities at evacuation/emergency response centers, or at other critical facilities and critical infrastructure, like those defined under the Self-Generation Incentive Program. This could include deployment of charging infrastructure at these locations, storage-supported charging, off-grid charging, or other innovative ways to support charging infrastructure and resiliency by providing EV owners with the ability to charge their vehicles in the event that grid outages prevent them from fueling their EVs where they would normally charge them; and/or
2. Those that pilot technologies that allow EV owners to use their EV to power electric equipment at their homes or businesses in the event of grid outages due to weather, wildfire risk, or other emergencies.

The proposed TEF recommended that Electrical Corporations address the following barriers and issues for near-term priority advice letters or applications

[29] D.20-12-027.

for projects seeking to bridge gaps between Commission authorized electric corporation medium- and heavy-duty programs and time-sensitive infrastructure needs:

- Describe how specific recently adopted State regulations require the immediate support of ratepayers prior to applications submitted based on approved TEPs.
- Describe how the Electrical Corporation coordinated with State agency(s) to identify unaddressed, time sensitive needs and how the near-term priority program addresses these needs.
- Explain why previously approved program funding levels will not be sufficient to meet these needs, or why previously approved programs will end before these needs are met.

The proposed TEF recommended the Electrical Corporations address the following barriers and issues for near-term priority advice letters or applications for projects seeking to support EV charging infrastructure in new construction:

- Leverage best practices from and coordinate outreach with existing Electrical Corporation energy efficiency programs while also addressing any specific unique needs for TE host sites.
- Coordinate with environmental and social justice communities, including affordable housing developers if not already included in outreach, during program development to ensure participation by a broad range of communities.
- Include outreach strategies for smaller building/facility types.
- Ensure that the program only applies to developments that exceed the minimum existing code in their local jurisdictions, including any local codes that exceed the existing CALGreen requirements.

- Ensure some level of developer buy-in and cost sharing, and be simple to understand and implement.

4.2. General Comments on Near-Term Priority Approach

Several parties broadly criticized the near-term priorities proposal, and the proposed $20 million budget cap in particular, arguing that it would delay the process for approving critical TE investments, constrain the funding necessary to meet the state's TE policy goals, and arbitrarily limit the scope of many TE infrastructure proposals.[30] Among these parties, NRDC predicted that the near-term priorities approach would result in "diminutive-scale pilots that are too small to provide any meaningful support for the identified 'near-term priorities.'"[31] SCE believed that the near-term priority categories were "arbitrarily prescribed" and did not "adequately address the numerous substantial barriers faced across EV sectors and segments."[32] SDG&E opposed the proposed near-term priorities process, claiming that it would unjustifiably circumscribe the scope and scale of applications to support state policy goals and would be contrary to legislative direction in SB 350.[33] The Alliance for Automotive Innovation made similar arguments with respect to near-term

[30] *See, e.g.*, VGIC opening comments at 3-4; EDF opening comments at 3 (characterizing the near-term priorities as "too narrowly defined and too small in scope to enable meaningful progress"); SMUD reply comments at 3 ("[t]he TEF limitations on the size, scope, and duration of [TE] applications and the overly prescriptive nature of the process proposed in the TEF for adoption of future TE programs detracts from achieving the necessary first step of defining the scope of transportation electrification over the next ten to twenty years, and will hinder the State's efforts to meet the its ambitious EV goals and, ultimately, [greenhouse gas] goals").

[31] NRDC opening comments at 4.

[32] SCE opening comments at 5.

[33] SDG&E opening comments, *passim*.

priority projects, and recommended simply accepting and reviewing any applications for TE investments in the near-term by applying SB 350.[34]

While noting that the list of near-term priorities had merit, PG&E argued that the overall approach "lacks the urgency necessary to support immediate TE needs."[35] PG&E sought flexibility for near-term TE investments with "sufficient justification and evidence to warrant consideration."[36] They proposed additional pathways for an Electrical Corporation to seek approval of near-term priority TE investments, including that the Commission "allow for streamlined, Commission approval via advice letter of proposals to extend any existing [Electrical Corporation] program already approved by the [Commission] subject to reasonable cost caps and implementation of lessons learned from the existing programs."[37] PG&E also sought clarification that workplace charging was not specifically excluded from near-term priority proposals.[38]

Greenlots and Siemens also opposed the near-term priorities approach on the basis that it artificially constrains the ability of the Electrical Corporations to propose TE investments, and therefore "impermissibly re-writes the roles that the legislature defined, while defining the scope and scale of utility programs in a manner that is fundamentally inconsistent with these roles."[39] ATE made a similar argument.[40]

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[34] Alliance for Automotive Innovation reply comments at 2.

[35] PG&E opening comments at 18.

[36] PG&E opening comments at 19.

[37] PG&E opening comments at 5.

[38] PG&E reply comments at 6.

[39] Greenlots and Siemens opening comments at 14.

[40] ATE reply comments at 10-11.

SCE proposed an alternative approach to selecting and funding applications for near-term priority projects. SCE recommended replacing the process proposed in the TEF with a more urgent process where 1) Electrical Corporation programs and activities are selected that are critical to meet the state policy goals related to TE, 2) avoid disruptions to those programs and activities, 3) accelerate the Commission's approval process, and 4) ensure funding is sufficient to support the state's TE policy goals.[41] ATE and Greenlots each supported SCE's proposal.[42]

CESA noted their support for the list of near-term priorities in general but did not believe they should be used to constrain applications by Electrical Corporations for TE investments before their TEPs are finalized. Instead, CESA argued that Commission should simply use the existing SB 350 framework to review proposals for TE investments before TEPs are approved, while perhaps using the near-term priorities list as potential grounds for an "expedited review" of a project proposal.[43] AEE, Liberty, Joint Automakers, Tesla, and ChargePoint urged the Commission to not limit pre-TEP applications to the near-term priority issues identified in the proposed TEF.[44] SBUA raised similar concerns,[45] and wished to see small business included in the near-term investments proposed by the Electrical Corporations.[46]

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[41] SCE opening comments at 7.

[42] ATE reply comments at 11; Greenlots reply comments at 11.

[43] CESA opening comments at 8.

[44] AEE opening comments at 15; Liberty opening comments at 4; Joint Automakers opening comments at 7; Tesla opening comments at 2; ChargePoint opening comments at 19.

[45] SBUA opening comments at 7.

[46] SBUA reply comments at 10-11.

Other parties supported the proposed near-term priorities approach. California Transit Association believed it was a useful way of focusing Electrical Corporation investments, so long as it did not halt progress toward widespread TE.[47] SANDAG also supported the list of near-term priorities.[48] Electrify America supported the near-term priorities list, and further supported the proposed TEF's recommendation that the Electrical Corporations avoid investments in areas where the private sector can make an investment in TE infrastructure.[49]

TURN agreed with the near-term priorities as proposed, and believed that proposals in the MD/HD sector should be reviewed to ensure they are not duplicative of existing MD/HD investments by the Electrical Corporations.[50]

Cal Advocates agreed with the proposed list of near-term priorities, and believed that pre-TEP applications should be limited to those priorities with the exception of extensions of existing programs.[51] Cal Advocates qualified their support by saying that a piloting phase should be conducted in each of the near-term priority areas before "full-scale" programs in these areas are proposed.[52]

4.3. Commission Guidance for Near-Term Priority Program Proposals

In light of the overwhelming interest of the parties in maintaining flexibility for Electrical Corporation TE investment proposals before the approval of a TEP, and the urgent need to meet the state's TE policy goals by 2025, this

[47] California Transit Association opening comments at 5.

[48] SANDAG opening comments at 3.

[49] Electrify America opening comments at 8.

[50] TURN opening comments at 16.

[51] Cal Advocates opening comments at 14.

[52] Cal Advocates opening comments at 21.

decision clarifies that Electrical Corporations may file three forms of near-term requests for TE investments:

1) Advice Letter Process: Proposals for TE investments in the near-term priority categories identified by the proposed TEF and discussed within this decision, and which are capped at $20 million per program and $80 million for each Electrical Corporation should be submitted in the form of a Tier 3 advice letter. The Commission's Energy Division staff will develop a template for these advice letters and serve the template on the service list for this proceeding, in addition to posting it to the Commission's TE webpage. Energy Division staff may periodically update the template and will review Electrical Corporation proposals based on the template. These programs should address areas of investment that are new or nearly new to the Electrical Corporations.
2) Application Process for Extensions of Existing Programs:[53] If the Electrical Corporations are to support the AB 2127 incremental infrastructure targets in the near-term, they will need to keep investing in charging infrastructure in all the sectors they are currently investing. As such, one of the goals of this decision is to avoid any gaps in program offerings that would inhibit the state from meeting these targets. The Electric Corporations must work with the CEC to provide any requested data to the CEC to inform the needs assessment in the AB 2127 report, and to identify the charging infrastructure needs on a service territory and/or local level. Given that proposals for extensions may be large and given the potential need for discovery for which an advice letter process will not allow, the Electrical Corporations should submit these proposals via application. However, due to party support to expedite this review process, this decision outlines some parameters

[53] This decision defines existing TE programs as the electrical corporations' large scale infrastructure programs: PG&E's EV Charge Network, SDG&E's Power Your Drive, SCE's Charge Ready and Charge Ready 2, PG&E's EV Fast Charge, PG&E's EV Fleet, SCE's Charge Ready Transport, and SDG&E's Power Your Drive for Fleets.

for inclusion in applications, which could lead to an expedited proceeding similar to the SB 350 process for the Priority Review Programs.[54]

3) Other Applications: Electrical Corporations may propose programs outside of the near-term priority areas, above the advice letter budget cap, and/or outside of the existing program extensions in the form of a formal application. This would be reviewed by the Commission in accordance with the requirements of SB 350, AB 841, the Commission's Rules of Practice and Procedure (Rules), and other applicable law.

Specific requirements for proposals in the form of a Tier 3 advice letter are detailed below for each of the near-term priority sectors. Any proposal for TE infrastructure investments, whether via advice letter or application, must meet certain universal requirements concerning equity and environmental justice. The Commission prefers utilities use the advice letter process, wherever possible. Once the Commission considers and approves an Electrical Corporation's TEP, these processes and requirements will likely be modified and post-TEP applications must be made in accordance with the approved TEP.

In response to party comment seeking clarity on the status of existing pilots, the Electrical Corporations may request an extension of existing pilots, per the application pathway described above. Any application for an extension to a pilot should demonstrate that 1) there is outstanding demand to participate in the expiring or soon expiring program, 2) the extension makes modifications to align with the Vehicle-Grid Integration (VGI) Working Group's load management guidance, 3) the Electrical Corporation clearly incorporates lessons learned from the pilot to maximize ratepayer benefits and reduce per port costs

[54] *See* A.17-01-020, et al. Scoping Ruling at 11.

relative to the existing program, 4) that any proposed per port costs remain below the average per port cost threshold the Commission has adopted in recent TE decisions, to the extent applicable, 5) the extension aligns with the equity and environmental justice requirements detailed in this decision, 6) the Electrical Corporation provides rationale for how the proposal will help California meet the state charging targets without ratepayers taking on the full burden, taking into account any updates to the CEC's AB 2127 report, 7) the Electrical Corporation proposes to own no more than 50 percent of the behind-the-meter infrastructure, 8) the Electrical Corporation proposes to limit utility ownership of the EVSE to sites located in an underserved community, 9) that proposals include competitive options for customer ownership of the behind-the-meter make-ready, and 10) the Electrical Corporation provides sufficient data to allow for the Commission and parties to evaluate the proposed costs of the program, the planned deployment of infrastructure, the number of sites and ports planned, the planned number of vehicles electrified (for MD/HD only), the planned data collection, and the specific marketing, education, and outreach (ME&O) actions and associated goals planned.

4.3.1. Equity and Environmental Justice Requirements for Near-Term Priority Program Proposals

This decision holds that as a matter of law, transportation electrification in California must be equitable.[55] Parties also recognized the critical importance of ensuring that Electrical Corporation investments in TE infrastructure are equitable and that they respect environmental justice concerns. No party

[55] *See* Pub. Util. Code § 740.12(b).

disputed that such considerations should be included as a condition of TE investments and integrated into program design from the start.

Numerous parties noted the need for greater equity in public charging. EVgo stated that "public charging infrastructure is especially crucial to reaching new demographics of EV drivers who many not have access to charging at home or the workplace."[56] Envoy "agree[d] with [the] TEF Staff Proposal that [the Electrical Corporations] have a role to play in expanding access to diverse clean transportation technologies across Environmental and Social Justice (ESJ) communities."[57] The Joint Commentators noted that "two large IOUs—[PG&E] and SDG&E—have not yet proposed large-scale programs to support the passenger vehicles of Californians without access to home charging."[58] Similarly, Greenlining "agree[d] with staff that there should be a greater expansion of strategies to ensure customers without access to home charging are able to receive it,"[59] recommending that staff "continue to highlight and center [equity] efforts to ensure a commitment to equitable access to clean transportation rather than having it be an afterthought."[60] Identifying access as one of its three bedrock objectives, Electrify America highlighted "ACCESS: First, there must be public vehicle charging options that are available ubiquitously to all drivers, especially for the significant population that will not have access to workplace or residential chargers."[61] Tesla stated "[o]ne strategy that continues to be

[56] EVgo opening comments at 11.

[57] Envoy opening comments at 5.

[58] Joint Commenters opening comments at 4.

[59] Greenlining reply comments at 22.

[60] Greenlining reply comments at 16.

[61] Electrify America opening comments at 2-3.

important to ensure there is equity in the cost of fueling is to provide greater access to charging where you park, which includes installing charging infrastructure at multi-unit dwellings (MUDs), workplaces (including beyond the traditional sense such as at retail stores) and around town. The utilities can and should continue to play a role in providing access to charging for these sites."[62] Additionally, CSE emphasized that "[w]hile multiple agencies have already prioritized Disadvantaged Communities (DACs) as preferred locations for siting EV infrastructure, additional efforts are necessary to ensure that the residents of these communities are aware of these resources and derive direct economic benefits from them."[63]

Parties recognized several barriers to accessible public charging, such as awareness, public education and proximity, and offered suggestions. GPI observed that "[many consumers] don't fully understand ZEV benefits such as . . . accessible public charging."[64] According to Siemens, "'Market maturity'" should be defined from a consumer perspective, reflecting availability of and access to charging services in ways that are attractive to consumers, including those in Disadvantaged Communities, and should be capable of being readily verified and quantified."[65] GPI/CEC suggested that "IOUs could survey their customers and install EVSE at publicly accessible workplace locations such as schools or government offices, and then do targeted outreach (such as mailers with information about the new chargers being accessible, and marketing

[62] Tesla opening comments at 11.

[63] CSE reply comments at 2.

[64] GPI opening comments at 9.

[65] Siemens reply comments at 1.

collateral on utility rebate programs and the benefits of EVs) to MDU complexes within a few blocks of the location."[66]

Greenlining recommended that the Commission operationalize equity to the maximum extent possible, including building off of existing equity efforts.[67] Referencing the SB 350 Barriers Study, Greenlining proposed building equity into the TE process through authentic and meaningful community engagement informed by community needs assessments, cultural considerations, and other efforts led by entities including community based organizations (CBOs).[68] CEC/GPI also stated that marketing, education and outreach (ME&O) for low-income and disadvantaged communities is important for increasing mid- and long-term EV adoption, as "low-income Californians could save thousands of dollars on gas each year if they knew about the affordability of 100+ mpge EVs. Lower income 'supercommuters' who live in outlying regions with more affordable housing, with 50+ mile commutes, have the most to save, and should be among the targets of deep ME&O efforts."[69] The Joint Commenters stated that "equity demands that all Californians have access to passenger vehicle chargers by the time electric vehicles are cheaper to purchase than combustion vehicles."[70]

This decision therefore holds that it is reasonable to integrate the following equity and environmental justice requirements for any proposals for TE infrastructure received prior to the Commission's approval of an Electrical

[66] GPI/CEC reply comments at 7; *see* GPI/CEC opening comments at 10.

[67] Greenlining reply comments at 16.

[68] Greenlining reply comments at 17-19.

[69] CEC/GPI reply comments at 5.

[70] Joint Commenters opening comments at 5.

Corporation's TEP. The requirements are further guided by the Commission's Environmental and Social Justice Action Plan (ESJ Action Plan) goals, including consistent integration of equity and access considerations throughout Commission proceedings; increased investment in clean energy resources to benefit environmental and social justice (ESJ) communities, especially to improve local air quality and public health; and the promotion of economic and workforce development opportunities for residents living in an ESJ community.[71] Recommendations for prioritizing and investing in community outreach and engagement from the Disadvantaged Communities Advisory Group 2019-2020 Annual Report[72] also informed the requirements below. Both documents were also referenced by Greenlining in their comments.[73] Accordingly, the Electrical Corporations should strive to integrate the following equity and environmental justice requirements for any proposals for TE infrastructure:

- Utilize a program specific infrastructure or expenditure target of at least 50 percent for customers living in underserved communities.[74]

[71] *See* the Commission's Environmental and Social Justice Action Plan webpage at https://www.cpuc.ca.gov/esjactionplan, and the final ESJ Action Plan as of May 2020 at http://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/UtilitiesIndustries/Energy/EnergyPrograms/Infrastructure/DC/Env%20and%20Social%20Justice%20ActionPlan_%202019-02-21.docx.pdf.

[72] *See* Disadvantaged Communities Advisory Group 2019-2020 Annual Report at p 8-12, available at https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/UtilitiesIndustries/Energy/EnergyPrograms/Infrastructure/DC/2019-2020%20DACAG%20Annual%20Report.pdf.

[73] Greenlining reply comments at 15.

[74] The term underserved communities is defined in D.20-12-027 at 11-16, and the electrical corporations should use that definition. This requirement would ensure compliance with AB 841's requirement that at least 35 percent of TE investments are in underserved communities. (Pub. Util. Code § 740.12(b).)

- If a proposal utilizes customer incentives or rebates, utilize larger incentives or rebates for customers located in underserved communities.
- Ensure program incentives reach customers in counties with high poverty rates or underserved community rates. Programs may include proposals to offset costs of upgrading residential service behind the customer's meter for a L2 EVSE installation.[75]
- Demonstrate that the Electrical Corporation coordinated with more than one CBO during the development of the proposal and has the support of local/regional/tribal governments and CBOs during program implementation.
- As a part of coordination with CBOs, Electrical Corporations must ensure that EV charging infrastructure deployed in underserved communities is accessible and tailored to community residents, addressing community specific needs such as language and Americans with Disabilities Act (ADA) accessibility, visibility, public education on EV compatibility, and cultural considerations of local history, and safety.[76] This is intended to increase awareness of available EV charging infrastructure for community members who may not have access to home or workplace EV charging facilities, and to ensure the infrastructure feels safe to access throughout hours of operation. In conjunction with filing proposals, the Electrical Corporations should submit a plan of how they are working to increase accessibility at any publicly accessible EV charging location, for sites located in an underserved community and non-underserved community sites, as safety and accessibility are not issues reserved to underserved communities. The plans should also discuss how the Electrical Corporations are working with CBOs to

[75] This proposal can assist "supercommuters" that have daily commutes that exceed the capability of L1 charging.

[76] *See* Greenlining reply comments at 17 ("Include Cultural Considerations such as language and local history").

develop these plans. The Electrical Corporations should ensure accessibility and safety are factored into all sites where EV charging infrastructure is installed.

- Coordinate ME&O to promote participating in an infrastructure program with CBOs and regional/local/tribal governments to encourage more equitable outreach and participation, and ensure that at least some portion of any proposed TE infrastructure budget is dedicated to ME&O and is primarily dedicated to CBOs to execute outreach to community residents.
- Include detail on how the proposal will address the barriers to equity identified in the Commission's Environmental and Social Justice Action Plan (ESJ Action Plan)[77] and Tribal Consultation Policy,[78] and/or Part B of CARB's Low-Income Barriers Study.[79]
- Further the principles of economic equity and promote access to high quality jobs for residents of underserved communities. The IOUs should articulate how each project incorporates any of the following priority provisions:
    - Job quality measures, such as wage and benefit standards and responsible contractor standards;
    - Job access measures, such as targeted hire requirements as well as specified targets for residents of underserved communities;
    - Comprehensive project agreements that address both job quality and job access, such as application of the

[77] Available at: https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/UtilitiesIndustries/Energy/EnergyPrograms/Infrastructure/DC/Env%20and%20Social%20Justice%20ActionPlan_%202019-02-21.docx.pdf.

[78] Available at: https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M212/K861/212861685.PDF.

[79] Available at: https://ww2.arb.ca.gov/sites/default/files/2018-08/sb350_final_guidance_document_022118.pdf.

Skilled & Trained Workforce requirement[80], and use of Community Workforce Agreements for large-scale TE projects;

- Funding directed to training partnerships that are guided in their programming to ensure that investments in training are connected to and result in placement in high-quality jobs.

4.3.2. CARB Mandates for the MD/HD Sector

CARB is currently implementing and promulgating a variety of regulations to promote the electrification of the MD/HD sector. This includes CARB's Mobile Source Strategy (MSS) and other rulemakings that seek to implement state policy goals related to TE.

In order to efficiently align state efforts in this sector, any Electrical Corporation proposal for near-term priority TE investments in the MD/HD sector, whether through the advice letter process or in an application, shall ensure that the investments proposed align with the CARB electrification mandates for the sector. For example, CARB has set or identified potential electrification goals for several vehicle segments for the next several years. If any gaps are identified in current programs, Electrical Corporations could consider whether to propose funding additional EV charging infrastructure as a near-term priority. Some examples include, but are not necessarily limited to:

- Large transit agencies must transition to 100% zero emission buses, starting with 25% for large transit in 2023.[81]

[80] Frequently Asked Questions on Skilled & Trained Workforce ("STW") Requirements, available at https://www.dir.ca.gov/Public-Works/ADA-Compliant-STW-FAQ.pdf.

[81] Innovative Clean Transit (ICT) Regulation Fact Sheet, May 16, 2019 at ww2.arb.ca.gov/resources/fact-sheets/innovative-clean-transit-ict-regulation-fact-sheet

- Transport Refrigeration Units must begin transitioning to full electrification beginning in 2024.[82]
- Delivery and drayage fleets are assumed to have 100 percent ZEV sales starting with model year 2024.[83]

4.3.3. Ratepayer Protections in the Advice Letter Process

The advice letter process for seeking approval of near-term priority program proposals for TE investments by the Electrical Corporations is intended to provide a streamlined mechanism to more quickly authorize expenditures to support the state's near-term EV policy goals. Nevertheless, SB 350 made clear the Legislature's intent that TE investment proposals from the Electrical Corporations "include performance accountability measures, and are in the interests of ratepayers."[84] As a result, this decision finds that it would be appropriate for the advice letter process to include structural protections for ratepayer interests so that the speed of the advice letter process, including the lack of evidentiary hearing and cross-examination, does not prejudice the interests of ratepayers in the proposed investments.

Energy Division staff will develop an advice letter template based on the one drafted within the proposed TEF and serve it to the DRIVE OIR service list once completed as well as post it on the Commission's TE webpage.[85] Near-term priority program proposals filed via advice letter must comply with this template. Additionally, the following must be addressed by an Electrical

[82] November 2020 draft Mobile Source Strategy, ww2.arb.ca.gov/sites/default/files/2020-11/Draft_2020_Mobile_Source_Strategy.pdf, Table 3 - at 33

[83] November 2020 draft Mobile Source Strategy, ww2.arb.ca.gov/sites/default/files/2020-11/Draft_2020_Mobile_Source_Strategy.pdf, at p89

[84] Pub. Util. Code § 740.12(b).

[85] www.cpuc.ca.gov/zev.

Corporation in proposals for near-term priority TE investments filed using the advice letter process:

- An estimate of the total site-level funding that will be paid by ratepayers and amount paid by the site host (percentages or dollar amount). To encourage development of EV charging at a lower cost to ratepayers, programs should be designed to ensure non-ratepayer funding sources are leveraged. An Electrical Corporation should track and update the expected ratepayer funding level needed to install EV charging infrastructure throughout the proposal's implementation.
- A clear justification for why additional ratepayer investment prior to TEP approval is necessary for a given proposal.
- A description of the specific barriers to TE that the proposal seeks to overcome and why immediate ratepayer funding is needed to address these barriers.
- A proposal implementation duration of no longer than three years from Commission approval of the proposal.
- Electrical Corporations must also include a provision within any customer agreements and within its agreement with qualified participating vendors, including EV Service Providers, regarding giving the electric corporation and any contracted evaluator data needed for program evaluation.
- Each near-term priority program proposal using the advice letter process must have a budget that does not exceed $20 million.
    - The Electrical Corporations must establish a new one-way Near-Term Priority (NTP) TE balancing account using the advice letter process. Each NTP TE balancing account will have a cap of $80M.
    - Within the NTP TE balancing account, the Electrical Corporations must establish subaccounts for each near-

term priority program. Each program will be limited to $20 million.

- Each near-term priority program must recover authorized program funding through distribution rates allocated to customer classes on an equal cents per kWh basis.

- Each Electrical Corporation's aggregated budget for near-term priority program proposals using the advice letter process shall not exceed $80 million.
- To qualify for the advice letter process, utility proposals must not include utility ownership of any customer-side infrastructure (EVSE and/or make-ready) except for sites located in underserved communities. Electrical Corporations are limited to owning no more than 50 percent of the customer-side infrastructure per program proposal.
- Any expedited applications for extensions of existing programs submitted pursuant to this PD must not include utility ownership of any customer-side infrastructure (EVSE and/or make-ready) except for sites located in underserved communities. Electrical Corporations are limited to owning no more than 50 percent of the customer-side infrastructure per program proposal.

Energy Division staff shall review the advice letters based on the following reasonableness criteria:

- Is the proposed program within a near-term priority sector as defined by this Decision?
- Is the proposed program within the budget limit as defined by this Decision?
- Does the proposed program demonstrate the electric corporation incorporated lessons learned from previous programs or, if a "first of its kind" program, reflects input from stakeholders with expertise in the targeted sector?

- Are the costs of the proposed program reasonable when compared to the program benefits and costs of similar programs?
- Do the proposed per port costs remain below the average per port cost threshold the Commission has adopted in recent TE decisions, to the extent applicable?
- Does the proposed program demonstrate efforts to develop a private TE charging market and lead to a reduction in market dependence on ratepayer funding?
- Does the program comply with the advice letter template?

This decision authorizes the Commission's Energy Division staff to summarily reject any advice letter submitted under this mechanism that fails to comply with any of the above. No resolution is required for such rejection; a non-standard disposition letter per General Order (GO) 96-B shall suffice.

4.3.4. Budgetary Cap of $20 Million for Advice Letter Proposals

With respect to the budgetary cap on advice letter proposals of $20 million, and $80 million in the aggregate for each Electrical Corporation, this decision reviews party comment on this issue as proposed by staff and describes its reasoning for adopting the cap for advice letter proposals.

Cal Advocates supported the proposed cap of $20 million, noting that the cap was similar to mechanisms already used by the Commission to limit spending on certain expedited applications for TE investments.[86] TURN also supported the proposed cap, arguing that the Electrical Corporations already received authorization to spend several hundred million dollars on TE infrastructure. Their reasoning is that the Electrical Corporations do not require authorization for substantial TE investments at this time given that their

[86] Cal Advocates opening comments at 14.

previously authorized budgets will continue to be spent over the next several years.[87]

CESA opposed any attempt to limit the budget of pre-TEP applications by the Electrical Corporations, while noting that a budget cap for certain expedited pilot proposals may be warranted.[88] ATE agreed that the $20 million cap should not be imposed.[89] EDF also opposed the $20 million cap.[90] Joint Automakers opposed the cap as "insufficient" to meet state policy goals.[91]

With respect to the MD/HD sector, BNSF asserted that the $20 million cap would be inadequate to fund near-term projects in that sector. They cited an experience of installing four pieces of electrified equipment across three of their sites at a total cost of $3.5 million, demonstrating the need for a higher sector-wide budget for MD/HD investments.[92]

Joint Commenters argued that the proposed $20 million cap was unreasonable. They reasoned that the time until TEPs are approved is unknown, and it may take several years. As a result, imposing a cap would constrain TE investments for potentially several years. They further noted that the Commission has no basis for determining if the $20 million cap is appropriate in the first instance when the investment needs of the near-term priority sectors are uncertain.[93] CALSTART made similar arguments, noting that the infrastructure

[87] TURN opening comments at 17.

[88] CESA opening comments at 10.

[89] ATE opening comments at 4.

[90] EDF opening comments at 16.

[91] Joint Automakers opening comments at 6. (*See also* SCE opening comments at 6.)

[92] BNSF reply comments at 5.

[93] Joint Commenters opening comments at 20-21.

needs for the MD/HD sector were so uncertain that the $20 million cap was unreasonably restrictive for that near-term priority.[94]

VGIC opposed the proposed $20 million cap,[95] reasoning that the large increase in TE investments required to meet state policy goals would be constrained by the proposed $20 million cap.[96] PG&E made similar arguments, noting figures showing that a $20 million budget would only support the addition of only 1,000 to 1,300 Level 2 EVSE.[97] ChargePoint expressed concerns about the proposed $20 million cap given uncertainties in the needed investments through 2024.[98]

GPI/CEC also opposed a cap on near-term priority projects and recommended a cap on the order of $80 million if a cap was to be imposed.[99] SBUA did not think a fixed $20 million cap was appropriate and recommended adopting a "soft cap" that could increase if circumstances warranted.[100]

As noted previously, this decision only imposes the proposed budgetary cap of $20 million on individual proposals submitted via the advice letter process, with an aggregate cap for each Electrical Corporation of $80 million for all near-term priority program proposals submitted via the advice letter process.

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[94] CALSTART opening comments at 6 ('$20 million would likely be a drop in the bucket of [MD/HD sector] make-ready needs, if this situation arises").

[95] VGIC opening comments at 3.

[96] VGIC opening comments at 12, noting that at current levels the $20 million cap would only fund the equivalent of five pilot programs.

[97] PG&E opening comments at 19.

[98] ChargePoint opening comments at 20, reply comments at 7.

[99] GPI/CEC opening comments at 15-16, reply comments at 10.

[100] SBUA opening comments at 8.

This decision imposes these budgetary caps in order to safeguard the interests of ratepayers, as required by SB 350 and as argued by Cal Advocates and TURN.

However, in light of overwhelming party interest in maintaining flexibility for Electrical Corporation proposals for TE investments, and the urgency of meeting the state's policy goals related to TE, this decision holds that there should not be an *ex ante* budgetary cap imposed on near-term priority program proposals outside of the advice letter process and filed with the Commission as a formal application. For clarity, this holding in no way diminishes the authority of the Commission to ensure that the approved budgets of near-term priority program proposals submitted via formal applications are reasonable and in the interests of ratepayers. Additionally, staff should review the budgets and per port costs within Electrical Corporation proposals filed by advice letter to ensure the costs are reasonable for the programs proposed, considering cost limitations the Commission has previously approved for TE programs. While this decision does not establish a specific dollar amount cost containment measure for proposals filed through an advice letter, the Electrical Corporations must demonstrate effort toward keeping per port costs low and reasonable. Staff will have discretion in reviewing the advice letters to evaluate whether the Electrical Corporation's proposal sufficiently demonstrates this effort towards lowering per port costs and/or reduce total, site-level ratepayer expenditures to install TE infrastructure.

4.4. Potential Additions to the List of Near-Term Priorities

Many parties recommended additions to the proposed list of four near-term priority areas. BNSF argued for more general categories of "EV infrastructure to support all State agency TE-related regulations,"

"transportation refrigeration units," and "cargo-handling equipment."[101] CALSTART recommended that "corridor charging" be included as a near-term priority to incentivize fast-charging in rural areas along statewide transit networks.[102] EVgo posited that the Electrical Corporations should look to improve their internal processes supporting TE infrastructure investments as a near-term priority.[103] ChargePoint believed that charging for light-duty fleets, such as rideshare services, could be considered as a near-term priority.[104]

GPI/CEC recommended including a separate near-term priority area for ME&O,[105] and included descriptions for several potential "deep ME&O" projects to be considered for near-term priority consideration.[106] EDF also proposed a separate track for ME&O proposals, as well as fleet engagement and load management guidance.[107] UCAN recommended that "grid stewardship," or planning for TE infrastructure build-out, qualify as a near-term priority.[108] SBUA recommended including small businesses and shared parking facilities as particular near-term priorities.[109]

CSE proposed including equity as a formal near-term priority.[110] NDC similarly argued that near-term priority investments should target substantive

[101] BNSF opening comments at 7.

[102] CALSTART opening comments at 7-8.

[103] EVgo opening comments at 9.

[104] ChargePoint opening comments at 19.

[105] GPI/CEC opening comments at 12.

[106] GPI/CEC reply comments at 6-8.

[107] EDF opening comments at 21.

[108] UCAN opening comments at 19.

[109] SBUA opening comments at 7.

[110] CSE reply comments at 2.

near-term investments (*e.g.,* 50 percent of total investments) toward underserved communities.[111]

VGIC generally argued for more flexibility and a removal of limitations on pre-TEP applications by the Electrical Corporations.[112] They cited various VGI policy initiatives as potential additions to a near-term priorities list.[113] SANDAG argued that funding for emerging technologies should be included in the near-term priority applications.[114]

Joint CCAs proposed the following additions to the list of near-term priorities: fast charging programs, programs for MUDs, programs for new low-income housing developments, resiliency projects, and ME&O.[115] PCE also supported the addition of fast charging, Level 1 charging,[116] and advanced load management solutions to the list of near-term priorities.[117]

Plug In America believed that all existing TE investment areas approved by the Commission should be included as near-term priorities eligible for pre-TEP approval. This would include workplaces, MUDs, disadvantaged communities, DCFC stations, and single-family residences.[118] SVLG also recommended including DCFC, workplace charging, and fleet electrification as near-term priorities.[119]

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[111] NDC reply comments at 9-10.

[112] VGIC opening comments at 10.

[113] VGIC opening comments at 11.

[114] SANDAG opening comments at 3-4.

[115] Joint CCAs reply comments at 2.

[116] Generally, charging that utilizes a standard NEMA 5-15 outlet at 120 volts.

[117] PCE reply comments at 18-24.

[118] Plug In America reply comments at 5.

[119] SVLG reply comments at 5.

PG&E sought the inclusion of a broad near-term priority that would allow for any proposals to consider the "adoption of mechanisms… that would offer broad support to entities adopting TE." Specifically, PG&E proposed that these mechanisms could include supplemental allowances to help customers offset the cost of make-ready infrastructure, alternative financing mechanisms, inclusion of utility-side make-ready as part of standard utility business, and other tools and initiatives to support both utility-side and customer-side TE infrastructure at reasonable cost.[120] SCE wished to ensure that Level 1 and Level 2 charging for workplaces could be included in near-term priority proposals.[121] SDG&E recommended that the near-term priority applications allow for any public, MD/HD, MUD, and/or workplace program applications without program size limitations.[122]

As noted previously, the Electrical Corporations may submit applications to the Commission for TE investment proposals that do not qualify under one of the near-term priority categories. Specifically, the Electrical Corporations are encouraged to minimize any gaps in their current program offerings. However, applications outside of this would be formal applications and would not qualify for the advice letter process. Parties should also note that some of the proposed additions to near-term priorities, such as ME&O, may be proposed for inclusion in projects serving one of the near-term priorities (*e.g.*, ME&O may support a program to encourage away-from-home charging).

[120] PG&E reply comments at 7-8.

[121] SCE reply comments at 2.

[122] SDG&E reply comments at 7.

4.5. Proposed Resiliency Near-Term Priority

Several parties generally supported the inclusion of resiliency as a near-term priority, including Joint Commenters,[123] CALSTART,[124] Connect California,[125] EVgo,[126] EDF,[127] and VGIC.[128] While supporting a focus on resiliency in general, Tesla sought flexibility in how to approach resiliency noting that the proposed TEF did not appear to allow for proposals to make existing infrastructure more resilient.[129]

SCE supported the execution of pilots to test the ability of EVs to provide grid power, as well as technology to ensure EV charging in areas affected by emergencies. SCE argued that these pilots should be revised on an annual basis.[130]

VGIC recommended prioritizing projects that test and validate resiliency strategies that utilize EVs as grid resources.[131] EDF supports validating and offering services which would enable EVs to operate as a grid resource for both normal and critical grid operations.[132]

TURN supported well-targeted pilots in this area and urged the Commission to focus on areas subject to very high or extreme fire threat. TURN

[123] Joint Commenters opening comments at 21.

[124] CALSTART opening comments at 7.

[125] Connect California opening comments at 5.

[126] EVgo opening comments at 9-10.

[127] EDF opening comments at 17.

[128] VGIC opening comments at 13.

[129] Tesla opening comments at 7-8.

[130] SCE opening comments at 17.

[131] VGIC opening comments at 13.

[132] EDF opening comments at 17.

also argued that the Commission should focus on a wide variety of forms of resiliency, including mobile charging solutions.[133]

PG&E opposed a focus on resiliency in this proceeding, noting that the issue of Electrical system resiliency is currently under review in a number of other Commission proceedings.[134] Cal Advocates did not oppose the inclusion of resiliency as a near-term priority, but recommended coordination with other Commission proceedings on this issue to avoid duplication.[135]

UCAN supported a modified version of resiliency for a near-term priority. They did not believe that EVs should be used as backup sources of grid power; but did recommend "quick wins" for EV drivers finding themselves in emergencies, including PSPS notifications, emergency rate discounts, and distributed backup charging facilities.[136] SBUA concurred that a focus of resiliency should be on ensuring that charging is available during emergencies.[137]

BNSF did not support using railyard electric off-road equipment, such as hostlers, cranes, and side picks, as grid resources for resiliency projects.[138] California Transit Association also had concerns about this proposed category, stating that transit buses should not be regarded as a resiliency resource. They claimed that if buses were used as a resource, then transit agencies "would be unable to carry out their disaster response function, possibly causing unnecessary loss of life." Instead of focusing on emphasizing the use of an EV

[133] TURN opening comments at 17-18.

[134] PG&E opening comments at 20.

[135] Cal Advocates opening comments at 15.

[136] UCAN opening comments at 20.

[137] SBUA opening comments at 8.

[138] BNSF opening comments at 7.

for providing energy services, they argued that this near-term priority category should, with respect to transit agencies, focus on resources to allow for the charging of transit vehicles during emergencies.[139]

Since parties provided comments on the proposed TEF, the Commission has adopted a number of decisions to address the barriers or further explore issues related to TE resiliency identified by staff in the draft TEF.[140] In light of the Commission taking these steps, this decision finds it reasonable to include resiliency as a near-term priority for Electrical Corporation TE investments. Electrical Corporations must show that any programs they propose avoid duplication of resiliency efforts ordered in D.20-05-051, D.20-06-017, D.20-12-029, D.20-12-029, and D.21-01-018.

In D.20-05-051, the Commission adopted electric investor-owned utilities' (IOUs) de-energization guidelines that expanded upon those adopted in Resolution ESRB-8 and D.19-05-042.[141] The decision directs IOUs to work with the appropriate governing authorities to identify critical transportation, water, and communications infrastructure.[142]

In D.20-06-017, the Commission adopted short-term actions relating to the acceleration of microgrid deployment and related resiliency strategies pursuant to SB 1339 (Stern, 2018).[143] The decision adopted solutions to accelerate interconnection of resiliency projects, modernize tariffs to maximize social

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[139] California Transit Association opening comments at 6-7; (*see also* CALSTART opening comments at 7).

[140] *See* D.20-05-051, D.20-06-017, D.20-12-029, and D.21-01-018

[141] D.20-05-051 at 2.

[142] D.20-05-051 at 54.

[143] D.20-06-017 at 2.

resiliency benefits, promote collaborative engagement between large IOUs and local and tribal governments, and several PG&E and SDG&E resiliency proposals.[144]

In D.20-12-027, the Commission adopted guidance relating to the use of the utilities' Low Carbon Fuel Standard holdback proceeds. The decision directed the large IOUs to use up to 20 percent of the annual LCFS holdback proceeds not spent on equity towards resiliency programs, as discussed earlier in this decision.

In D.20-12-029, the Commission adopted strategies and metrics to further the integration of EVs as electrical grid resources, fulfilling the Commission's obligations under SB 676 (Ch. 484, Stats. 2019)[145] and advancing the use of Vehicle Grid Integration (VGI) for resiliency purposes.[146]

In D.21-01-018, the Commission adopted microgrid rates, tariffs and rules for large IOUs that facilitate the commercialization of microgrids pursuant to SB 1339.[147] The decision also created a Resiliency and Microgrids Working Group.[148]

To keep with the Commission's core mission to ensure the state has safe and reliable electricity, and to identify TE resiliency efforts already underway by the Electrical Corporation to comply with the five decisions listed above, within 120 days of approval of this decision, each Electrical Corporations must conduct a review of existing EV charging infrastructure funded through Commission

[144] D.20-06-017 at 2-3.

[145] D.20-12-029 at 2.

[146] *See* D.20-12-029 at 21.

[147] D.21-01-018 at 2.

[148] D.21-01-018 at 2.

approved TE programs and serve a stocktake of the findings to the DRIVE OIR service list. The stocktake should provide a comprehensive overview of the Electrical Corporations' TE resiliency efforts and, at a minimum, seek to determine (1) whether there are any potential hazard(s) that pose a risk to the accessibility, safety, and/or functionality of the charging infrastructure, (2) whether the EV charging infrastructure is installed in a manner that complies with and furthers the Commission's safety and resiliency goals (3) what, if any, investments are needed to reinforce the installed infrastructure's ability to be resilient to a power disruption, and (4) if and how the Electrical Corporation will address these gaps in resiliency through near-term priority program proposals.

After submission of their stocktake to the DRIVE OIR service list, each Electrical Corporation may choose to propose near-term priority programs for TE resiliency that address the gaps identified within the stocktake. In addition to complying with the requirements for advice letter proposals that this decision adopts, the Electrical Corporations' proposals for TE resiliency projects filed via Tier 3 advice letter shall also comply with the following requirements:

- Any filing seeking approval of a TE resiliency proposal should specifically address topics including but not limited to: 1) loads, assets, facilities, and populations the proposed TE resiliency project is intended to benefit; 2) the types, locations, and probabilities of the hazard(s) that place the intended beneficiaries at risk and what the TE resiliency project is intended to mitigate; 3) the mechanism by which the project is expected to mitigate the identified risks; 4) the expected quantitative impact of the proposed project on the identified risks; 5) the expected impacts of the proposed project on equity and affordability; and 6) the cost of the proposal.
- Any TE resiliency proposal seeking to install battery storage backup through the Tier 3 advice letter pathway

for off-grid EV charging should prioritize sourcing the power for charging the EVSE battery from renewable energy resources or low-emitting sources.

- Any resiliency proposal shall demonstrate efforts to work with county/local and tribal governments, state emergency agencies, CCAs, local planning/transportation agencies, CBOs, and ESJ organizations to develop resiliency-focused programs. Due to relevant stakeholder presence and a core focus on resiliency planning, we encourage the utilities to use the semi-annual workshops as required by Ordering Paragraph 7 of D.20-06-017 to present their project plans to the above stakeholders and gather feedback. The proposal should specifically state in which of the semi-annual resiliency planning meetings described in Ordering Paragraph 7 of D.20-06-017 the Electrical Corporation discussed it, or provide a reasonable justification if the proposal was not discussed in any of those meetings. The proposal should demonstrate how the Electrical Corporation plans to continue working with these stakeholders throughout the implementation process.
- The Electrical Corporations shall record costs for ratepayer supported TE infrastructure deemed damaged during a state emergency within each Electrical corporation's Catastrophic Event Memorandum Account.

4.6. Proposed Near-Term Priority Programs to Address Customers Without Access to Home Charging

EVgo supported the proposal for a near-term priority focused on the needs of drivers without access to home charging, particularly for communities with a high density of MUDs.[149] EDF recommended thinking beyond public charging to consider incentives for MUD landlords to install EVSE, as well as potential incentives to lower the energy prices faced by EV drivers at public charging

[149] EVgo opening comments at 11.

locations.[150] PG&E cautioned against the use of vouchers to lower charging fees for non-home charging as a potentially unnecessary ratepayer subsidy given that there are a variety of pricing schemes for non-home charging, including some free charging.[151]

Greenlining expressed support for this near-term priority, but sought clarity on the customers being targeted by the investments and whether customers with certain income levels would be prioritized.[152]

ChargePoint expressed the view that workplace charging remained an important way for EV drivers to charge away from home, and recommended a focus on cost-effective solutions in that area for non-home charging programs.[153]

Several parties, including SBUA, asserted that the inequities in costs for those that charge at home as opposed to away from home results from rate design. As a result, they suggested the Commission review commercial EV rate designs to address the issue of charging cost equity.[154]

GPI/CEC recommended piloting dual workplace/MUD charging options to increase utilization of Level 2 EVSE at workplaces, with MUD tenants encouraged to use workplace charging infrastructure during non-business hours. TURN supported this proposal.[155]

In light of party comments on the proposed TEF, this decision finds it reasonable to establish as a near-term priority investment to support customers

[150] EDF opening comments at 19.

[151] PG&E opening comments at 21.

[152] Greenlining reply comments at 22.

[153] ChargePoint opening comments at 22.

[154] *See, e.g.,* SBUA opening comments at 9.

[155] TURN reply comments at 15.

without access to home charging. In response to party comment, this decision does not preclude workplace charging from being included within this category either, if such workplace programs pilot new use-cases and/or technologies (*e.g.*, VGI, mobile charging solutions, etc.). Since this decision lays out a pathway for expedited review of applications to extend existing programs, this category of near-term priority advice letter proposals should be reserved for approaches to addressing this customer segment that are outside of the Electrical Corporations' existing approaches. This decision also adopts the following requirements for any Electrical Corporation proposal for programs to address customers without access to home charging submitted as a Tier 3 advice letter:

- The proposal should demonstrate that the Electrical corporation leveraged lessons learned from any relevant existing and completed TE programs that targeted customers without access to home charging to either propose an innovative pilot approach to EV charging infrastructure deployment, or a non-infrastructure approach to address the costs of fueling disparity.
- The proposal shall clearly state how the proposed program fills a gap not currently addressed by an existing program.

4.7. Proposed Medium- and Heavy-Duty Near-Term Priority

Joint Commenters strongly supported the inclusion of MD/HD as a near-term priority, and believed that the current TE investments proposed in this area are inadequate.[156] Cal Advocates echoed this argument, citing the release of CARB's Innovative Clean Transit (ICT) regulation after the approval of most TE

[156] Joint Commenters opening comments at 23.

infrastructure plans as creating a need for near-term investments in this area before TEP approval.[157]

SCE noted the substantial state regulations driving TE adoption in the MD/HD sector and urged the Commission to increase the funding available for pre-TEP projects in this area. They argued that the substantial TE infrastructure needs in the MD/HD sector, as required by regulation, cannot be met with a $20 million cap on investments as proposed.[158]

UCAN supported projects that support transit fleet electrification, but expressed concern around ratepayer funds being used to support TE infrastructure for private sector fleet electrification.[159]

TURN did not object to the inclusion of the MD/HD sector as a near-term priority, but noted that there were several Electrical Corporation pilots related to the MD/HD sector already under development. TURN urged the Commission to wait until the results of the existing pilots are known to decide if further investments in the MD/HD sector were necessary.[160]

BNSF believed that the MD/HD category should be broadened to include "all mobile source strategy elements, including off-road electrification projects such as electric or hybrid electric cranes, electric top picks/side loaders, and electric hostlers."[161] Joint Commenters made a similar argument, urging the inclusion in the MD/HD definition of "off-road equipment, including other mobile sources of pollution for which CARB has proposed zero-emission

[157] Cal Advocates opening comments at 17-18.

[158] SCE opening comments at 19.

[159] UCAN opening comments at 21.

[160] TURN opening comments at 18-19.

[161] BNSF opening comments at 9.

regulations" that includes, for example, cargo handling equipment, forklifts, idling transportation refrigeration units and locomotives, and vessels at berth.[162] CALSTART sought clarification that the MD/HD category included "[z]ero-emission off-road equipment… such as forklifts, yard tractors, cargo handling equipment, etc."[163] Cal Advocates supported the inclusion of maritime and trainyard in the definition of MD/HD equipment covered by this near-term priority.[164]

BNSF argued for full funding for MD/HD near-term priority projects, even if the Electrical Corporation was not granted ownership of the make-ready TE infrastructure. BNSF asserted that many MD/HD entities may not allow the Electrical Corporation to own make-ready TE infrastructure.[165] BNSF also recommended that MD/HD near-term priority projects allow for only one EV to qualify for the project if the single EV utilizes a large battery (*e.g.*, 1 MWh or more).[166]

CALSTART recommended that the Commission adopt several specific goals for near-term applications from the Electrical Corporations in the MD/HD sector, including: educational guidance for fleet operators; preparing fleet operators and helping them understand the integration of TE infrastructure; flexibility in timelines for TE infrastructure ownership; and hydrogen ZEV deployment.[167] Liberty also believed that fleet operators should be incented to

[162] Joint Commenters opening comments at 19.

[163] CALSTART opening comments at 7.

[164] Cal Advocates reply comments at 11.

[165] BNSF opening comments at 7.

[166] BNSF opening comments at 7-8.

[167] CALSTART opening comments at 8-9.

electrify their fleets by, for example, allowing an Electrical Corporation to pay for installation costs and own the EVSE used by the customer.[168]

At the outset, this decision clarifies that the definition of the MD/HD sector includes all of the forms of transportation electrification that are required to meet the state's policy goals, as explained and defined by D.20-09-025. Therefore, the MD/HD sector as referred to in this decision includes medium-duty EVs, heavy-duty EVs,[169] off-road EVs, or off-road electric equipment.[170]

In light of party comments on the proposed TEF, this decision finds that it is reasonable to establish the MD/HD sector as a near-term priority for Electrical Corporation investments in TE infrastructure. Given the stated desire to avoid gaps in program offerings and the need to support the state goals to electrify the MD/HD sector, extensions of existing MD/HD programs should go through the expedited application process discussed above. For MD/HD sector programs addressing an area not currently addressed by the Electrical Corporations' existing MD/HD programs (*e.g.*, train electrification), proposals should go through the advice letter process. This decision adopts the following requirements for any Electrical Corporation proposal for investments to support the electrification of the MD/HD sector submitted as a Tier 3 advice letter:

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[168] Liberty opening comments at 5.

[169] Per 17 Cal. Code Regs. § 95481, a medium-duty EV is an EV that is rated between 8,501 and 14,000 pounds gross vehicle weight rating, and a heavy-duty EV is an EV that is rated at or greater than 14,001 pounds gross vehicle weight rating. *See* D.20-09-025 at 9-10.

[170] Off-road EVs or off-road electric equipment means "with the exception of trains or locomotives, any non-stationary device, powered by an electric motor or using an energy storage system, used primarily off the highways to propel, move, or draw persons or property, and used in, but not limited to, any of the following applications: Marine Vessels, Cargo Handling Equipment, Construction or Agricultural Equipment, Small Off-Road Engines, and Off-Highway Recreational Vehicles." (D.20-09-025 at 24.)

- The proposal must identify which State regulation(s) require the support of ratepayers prior to Commission approval of the Electrical Corporation's TEP.
- The Electrical Corporation must describe why previously approved MD/HD sector program(s) are not sufficient to meet the charging needs to comply with a State regulation(s) or gap(s) in their existing MD/HD program.
- The Electrical Corporation should describe how its proposed program addresses any barriers that have arisen within CPUC-approved programs (*e.g.,* vehicle electrification requirement, power level limitations, etc.).
- The proposal should describe how the Electrical Corporation coordinated with State (agencies), local and tribal governments, and/or regional organizations to develop the proposal and how coordination will continue throughout the implementation of the proposal.

4.7.1. Electrical Corporation Coordinator for the MD/HD Sector

BNSF supported the proposal for a single Electrical Corporation to coordinate statewide MD/HD TE infrastructure development.[171] CALSTART believed such a coordinator could be useful.[172] Liberty supported the use of a coordinator, and believed that the Electrical Corporations should propose a coordinator.[173] Cal Advocates believed a coordinator would be appropriate and recommended that the Electrical Corporations work with the Commission's Energy Division staff to select a coordinator. They note this process was used to select an administrator for the state's Clean Fuel Reward program.[174] SBUA

[171] BNSF opening comments at 8.

[172] CALSTART opening comments at 9.

[173] Liberty opening comments at 5.

[174] Cal Advocates opening comments at 18.

supported an Electrical Corporation coordinator role.[175] Greenlining argued that equity should be considered in the selection of a statewide coordinator.[176]

Joint Commenters did not support a statewide coordinator for MD/HD programs.[177] EDF also opposed appointing a single Electrical Corporation to coordinate the MD/HD sector, although they supported the Commission providing high-level coordination on MD/HD issues.[178] SCE also opposed a single statewide coordinator, and instead proposed that the Electrical Corporations generally coordinate their activities.[179]

In light of party comments on this issue, this decision finds that the Electrical Corporations should coordinate their MD/HD efforts to most effectively support CARB electrification mandates for the sector, and create consistency in program design where feasible. This decision does not designate a single Electrical corporation to act as the lead coordinator at this time.

4.8. Proposed New Building Near-Term Priority

Envoy supported the proposal for the inclusion of new buildings as a near-term priority for TE investments.[180] ChargePoint did not object to the near-term priority designation, but noted that building owners and developers may not know the use case of their future tenants. ChargePoint therefore recommended a focus on make-ready for these buildings rather than EVSE.[181] SBUA also

[175] SBUA opening comments at 10.

[176] Greenlining reply comments at 22.

[177] Joint Commenters opening comments at 23.

[178] EDF opening comments at 22.

[179] SCE reply comments at 2.

[180] Envoy opening comments at 8-9.

[181] ChargePoint opening comments at 23.

supported make-ready investments in new buildings, while allowing building owners to select their EVSE.[182]

UCAN did not support the identification of new buildings as a near-term priority, reasoning that TE infrastructure costs could increase the cost of new residential construction and therefore be controversial.[183]

BNSF recommended that the Commission adopt a "fixed voucher" for TE infrastructure design costs and a separate incentive for the actual construction costs.[184] Joint Commenters believed that the new building programs should be focused on make-ready upgrades for public housing and housing in disadvantaged or low-to-moderate income communities.[185] They also recommended that for affordable housing developments, "incentives may need to do more to fully ameliorate added costs and cover potentially 100 percent of added costs to being EV-ready."[186]

SCE believed that a fixed dollar-per-port incentive would be an efficient way to design programs related to new buildings. SCE proposed setting the incentive amount so that it would cover incremental costs beyond code requirements.[187] EVgo believed this approach had merit given its elegance, and proposed further evaluation.[188]

[182] SBUA opening comments at 10.

[183] UCAN opening comments at 23.

[184] BNSF opening comments at 8.

[185] Joint Commenters opening comments at 23-24.

[186] Joint Commenters opening comments at 24.

[187] SCE opening comments at 22.

[188] EVgo reply comments at 5.

Liberty also supported this near-term priority, and proposed that Electrical Corporations be allowed to develop and own EVSE to prioritize TE infrastructure in underserved communities.[189] Cal Advocates did not object to this near-term priority, but recommended a pilot approach be pursued initially before finalizing rebate and incentive levels.[190] Like Joint Commenters, Cal Advocates believed that a focus on ESJ communities was appropriate and supported higher incentive levels for new construction in those areas.[191]

Since stakeholders submitted comments on this section of the proposed TEF, the Commission has adopted a decision authorizing SCE to implement its Charge Ready 2 program.[192] One component of the Charge Ready 2 program is an authorized $54 million on the New Construction Rebate Program, which will provide up to $3,500 per port as a rebate for new construction multi-unit dwellings that exceed the state or local building codes for EV charging and "EV ready" installations.

In light of party comments on this issue, this decision finds that it is reasonable to establish the new building sector as a near-term priority for Electrical Corporation investments in TE infrastructure. This decision also adopts the following requirements for any Electrical Corporation proposal for investments to support the electrification of new buildings filed as a Tier 3 advice letter:

[189] Liberty opening comments at 5.

[190] Cal Advocates opening comments at 19.

[191] Cal Advocates opening comments at 21.

[192] D.20-08-045

- Proposals must exclusively support infrastructure that exceeds existing state and local EV infrastructure building code requirements.
- Proposals should demonstrate that the Electrical Corporation consulted with local jurisdictions to determine how much participating builders should exceed the local codes to be eligible for rebates.
- Proposals must demonstrate that they are filling a gap not addressed through another program, code, or agency.
- Proposals should include a mechanism for the Electrical Corporation to report to the Commission's Energy Division on any code updates that impact new construction programs, along with a procedural pathway to modify or halt the program if necessary.
- Proposals should include robust data collection requirements and be consistent with those adopted for the Charge Ready 2 program in D.20-08-045.
- Proposals for new construction programs shall limit expenditure to rebates for customer-owned infrastructure only, and the rebates for new construction infrastructure should be expensed (*i.e.,* not capitalized by the Electrical Corporation but recovered as an operations and maintenance cost).
- Rebates for sites located in an underserved community should cover 100 percent of the infrastructure and installation costs. Rebates for non-underserved community sites should cover no more than 50 percent of the infrastructure costs of building over the code minimum, with a cap of $2,000 per port over code plus an adder for publicly accessible parking areas that would require the installation of one or more accessible EVSE parking space.

4.9. Proposed Level 2 EVSE and Panel Upgrade for Low-Income Customers in Underserved Communities Near-Term Priority

As discussed above, additional TE investments in underserved communities and equity considerations are a top priority for this decision. While the Commission believes the four near-term priority categories (TE resiliency, customers without access to home charging, medium and heavy-duty, and new building construction) and the equity guidance for these investments encompass a wide range of areas for the Electrical Corporations to propose TE investments, we are convinced by party comments in favor of additional near-term priority categories, especially in light of the need for an additional 59,000 Level 2 EVSE in California, to meet the 2025 goals. Accordingly, this decision approves a fifth near-term priority category focused on providing single-family residential panel upgrades to support L2 charging to those in underserved communities.

Access to home charging for low-and moderate-income ratepayers may be functionally limited due to installation cost barriers, resulting in equity issues among residents in single-family homes. NDC noted that "in places such as the Inland Empire area, low-income residents are 50% more likely to reside in a single-family home than similar earners in the San Francisco and Los Angeles Areas," and recommended "robust deployment goals that specifically target underserved communities based on equity concerns."[193] ChargePoint recognized that "there may still be barriers to be addressed, including equity in home charging," and recommended a more flexible approach generally for near-term proposals.[194] Referencing the National Research Council report, "Overcoming

[193] NDC reply comments at 8.

[194] ChargePoint opening comments at 19, quoted in PG&E reply comments at 4-5.

Barriers to Deployment of Plug-in Electric Vehicles,"[195] GPI/CEC noted that a barrier to EV adoption included "complexities of installing home charging."[196] VGIC, SDG&E, and AAI strongly disagreed with excluding support for single-family home residential charging stations.[197] According to AAI, "there may still be compelling reasons for utility programs to accelerate infrastructure deployment and vehicle-grid integration in . . . residential settings, and other locations despite signs of private sector investment."[198]

Accordingly, as a fifth near-term priority category, the Electrical Corporations may propose a program focused on providing rebates to offset the cost of Level 2 installations (both the EVSE and necessary panel upgrades) for low-income customers in underserved communities. The Electrical Corporations may propose to offer rebates for the ordinary cost of upgrading residential service behind the customer's meter and installation of Level 2 EVSE if such rebates are not already being offered for services through an existing program.[199] The Electrical Corporations may propose such programs through the advice letter process outlined for the near-term priority areas. This proposal not only ensures the equitable distribution of charging infrastructure, but removes the financial barrier to Level 2 EVSE installation that many homeowners and renters of single family homes face in underserved communities. Moreover, this

[195] Available at https://www.nap.edu/catalog/21725/overcoming-barriers-to-deployment-of-plug-in-electric-vehicles.

[196] GPI/CEC opening comments, attachment at 10.

[197] VGIC opening comments at 10, VGIC reply comments at 11, SDG&E opening comments at 7, and AAI reply comments at 5.

[198] AAI reply comments at 3-4.

[199] Existing rebate programs in this instance may include programs of the electrical corporations, local jurisdictions, original equipment manufacturers, or other sources of funds available to customers for the purposes outlined here.

proposal can assist "supercommuters" that have daily commutes that exceed the capability of Level 1 charging.[200]

We encourage parties to provide remarks on this new near-term priority in their opening and reply comments to the proposed decision.

5. Interaction Between the Proposed TEF and SB 350

Several parties raised concerns that the Commission process for review of Electrical Corporation applications for TE investments, as proposed by the TEF, would inherently modify the requirements placed on the Commission by SB 350.[201] That law codified Section 740.12 of the Public Utilities Code, which states in pertinent part:

> The commission, in consultation with the State Air Resources Board and the Energy Commission, shall direct Electrical Corporations to file applications for programs and investments to accelerate widespread transportation electrification…. The commission shall approve, or modify and approve, programs and investments in transportation electrification, including those that deploy charging infrastructure, via a reasonable cost recovery mechanism, if they are consistent with this section, do not unfairly compete with nonutility enterprises as required under Section 740.3, include performance accountability measures, and are in the interests of ratepayers as defined in Section 740.8.

The premise of the argument provided by some parties is that the proposed TEF impermissibly modifies the requirement that the Commission "approve, or modify and approve" TE investment proposals by the Electrical Corporations by creating several new requirements for such proposals, including: cost caps for near-term applications, defined investment areas for

[200] *See* CEC/GPI reply comments at 5, Joint Commenters opening comments at 5.

[201] *See, e.g.*, SDG&E reply comments, *passim*.

near-term applications, defining market barriers for the Electrical Corporations to address in their future applications.

This decision finds that the language of SB 350 justifies the Commission's imposition of certain processes to regulate the *applications* by the Electrical Corporations for TE investments. Indeed, SB 350 is clear that it is the Commission's responsibility to "direct" those applications, and this decision holds that part of the duty to direct an application for TE investments may include setting parameters for the same. The proposed TEF is a form of Commission direction for TE investment applications – a power granted to the Commission by SB 350.

Furthermore, Public Utilities Code Section 701 allows the Commission to "do all things, whether specifically designated in this part or in addition thereto, which are necessary and convenient in the exercise of such power and jurisdiction" to "supervise and regulate every public utility." This decision finds that the authority of Section 701 extends to directing Electrical Corporations on the parameters of TE investment applications to be filed with the Commission, regardless of the merits of the arguments related to SB 350.

Finally, the parameters for Electrical corporation applications established by this decision are directly related to the Legislature's command that the Commission ensure that applications for TE investments do not unfairly compete with nonutility enterprises, include performance accountability measures, and are in the interests of ratepayers. Greenlots argued that the proposed TEF would be contrary to SB 350 if it expanded the Commission's role beyond simply evaluating TE infrastructure applications "based on the standards of review

codified by SB 350."[202] However, the TEF itself is an effective means of implementing SB 350 and ensuring the policy goals therein are achieved. It would be illogical to find that the Commission has the duty to apply certain standards of review to an application but not the authority to scope those standards into the applications themselves. It is not contrary to SB 350 for the Commission to adopt certain parameters for applications by the Electrical Corporations for TE investments that seek to enforce the Legislature's view of what constitutes an acceptable application for TE investments.

6. Comments on Proposed Decision

The proposed decision of Commissioner Clifford Rechtschaffen in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on _____, and reply comments were filed on _____ by _____.

In particular, the Commission seeks party comment on how the proposed decision may be further revised to adequately incorporate equity as an explicit commitment in Electrical Corporation proposals for TE infrastructure.

7. Assignment of Proceeding

Clifford Rechtschaffen is the assigned Commissioner and Patrick Doherty and Sasha Goldberg are the assigned Administrative Law Judges in this proceeding.

Findings of Fact

1. An additional 121,000 light-duty EV chargers are currently planned or under development, leaving a gap of 60,000 chargers to be planned, built, and electrified between now and 2025.

[202] Greenlots reply comments at 3.

2. Additional TE investments by the Electrical Corporations are necessary in order to meet the targets for EV chargers established by state policy.

3. Some level of Electrical Corporation investments in TE infrastructure beyond that already approved by the Commission will be necessary to support the state to meet its 2025 charger goals.

4. The Electrical Corporations cannot be responsible for the full burden of meeting the state's EV charger deployment goals.

5. Any proposals for additional TE infrastructure expenditures that the Electrical Corporations elect to propose should be filed in a timely manner with the Commission to ensure that the state's policy goals are met by 2025.

6. It is critically important to ensure that Electrical Corporation investments in TE infrastructure are equitable and that they address environmental justice concerns.

7. The Electrical Corporations should avoid gaps in their existing program offerings.

8. CARB is currently implementing and promulgating a variety of regulations to promote the electrification of the MD/HD sector.

9. The definition of MD/HD sector includes all of the forms of transportation electrification that are required to meet the state's policy goals, as explained and defined by D.20-09-025. Therefore, the MD/HD sector as referred to in this decision includes medium-duty EVs, heavy-duty EVs, off-road EVs, and off-road electric equipment.

10. The parameters for Electrical Corporation applications established by this decision are directly related to the Legislature's command that the Commission ensure that applications for TE investments do not unfairly compete with

nonutility enterprises, include performance accountability measures, and are in the interests of ratepayers.

Conclusions of Law

1. It is the Legislature's intent that the Commission establish policy and authorize reasonable utility investment that attracts private investment in EV charging services, makes charging infrastructure more available to Californians, and increases adoption and usage of EVs across all classes and weights, including light-, medium-, and heavy-duty electric vehicles, and off-road electric vehicles or off-road electric equipment.

2. Given the urgent need to meet the state's EV policy goals by 2025, it is reasonable to authorize proposals for TE investments in the near-term priority categories identified by this decision in the form of a Tier 3 advice letter to be reviewed by the Commission's Energy Division staff and disposed of via Commission resolution pursuant to General Order 96-B.

3. Given the urgent need to meet the state's EV policy goals by 2025, it is reasonable to allow expedited application proposals for TE investments to extend existing programs and avoid gaps in existing program offerings.

4. Electrical Corporations should be allowed to file near-term priority program applications for TE investments outside of the near-term priority categories adopted by this decision, or as a supplement to the Tier 3 advice letter proposals for TE investments to support the near-term priorities, in the form of a formal application, which will be reviewed by the Commission in accordance with the requirements of SB 350, the Commission's Rules, other applicable law, and in light of AB 841.

5. Transportation electrification in California should be equitable.

6. It is reasonable to apply equity and environmental justice requirements to near-term priority program proposals for TE infrastructure.

7. It is reasonable to efficiently align state efforts in the MD/HD sector.

8. It is the Legislature's intent that TE investment proposals from the Electrical Corporations include performance accountability measures, and are in the interests of ratepayers.

9. The Commission should adopt an advice letter process for proposals for TE investments to support near-term priorities. That process should include structural protections for ratepayer interests so that the speed of the advice letter process, including the lack of evidentiary hearing and cross-examination, does not prejudice the interests of ratepayers in the proposed investments.

10. Budgetary caps should be imposed on proposals filed via the advice letter process in order to safeguard the interests of ratepayers.

11. There should not be an ex ante budgetary cap imposed on near-term priority program proposals outside of the advice letter process and filed with the Commission as a formal application.

12. It is reasonable to establish resiliency as a near-term priority for Electrical Corporation TE investments.

13. It is reasonable to establish as a near-term priority programs to address customers without access to home charging.

14. It is reasonable to establish the MD/HD sector as a near-term priority for Electrical Corporation investments in TE infrastructure.

15. The Electrical Corporations should coordinate their MD/HD sector efforts, and create consistency in program design where feasible.

16. It is reasonable to establish the new building sector as a near-term priority for Electrical corporation investments in TE infrastructure.

17. It is reasonable to establish Level 2 installations for low-income customers in underserved communities as a near-term priority for Electrical Corporation investments in TE infrastructure.

18. SB 350 justifies the Commission's imposition of certain processes to regulate the applications by the Electrical Corporations for TE investments.

19. SB 350 is clear that it is the Commission's responsibility to "direct" applications by the Electrical Corporations for TE investments, and this decision holds that part of that duty to direct an application for TE investments may include setting parameters for the same.

20. The TEF is an effective means of implementing SB 350 and ensuring the policy goals therein are achieved.

21. The authority granted to the Commission by Section 701 extends to directing Electrical Corporations on the parameters of TE investment applications to be filed with the Commission.

22. It is not contrary to SB 350 for the Commission to adopt certain parameters for applications by the Electrical Corporations for TE investments that seek to enforce the Legislature's view of what constitutes an acceptable application for TE investments.

O R D E R

IT IS ORDERED that:

1. Any proposal for transportation electrification (TE) investments by any of Southern California Edison Company, San Diego Gas & Electric Company, Liberty Utilities (CalPeco Electric) LLC, PacifiCorp d/b/a Pacific Power, Bear Valley Electric Service, and Pacific Gas and Electric Company shall comply with the following requirements, regardless of whether the proposal is filed as a Tier 3 advice letter to be considered under General Order 96-B or is filed as a

stand-alone application to be considered under the Commission's Rules of Practice and Procedure:

- Utilize a program specific infrastructure or expenditure target of at least 50 percent for customers located in underserved communities.
- If a proposal utilizes customer incentives or rebates, utilize larger incentives or rebates for customers located in underserved communities.
- Ensure program incentives reach customers in counties with high poverty rates or underserved community rates. Programs may include proposals to offset costs of upgrading residential service behind the customer's meter for a L2 EVSE installation.
- Demonstrate that the Electrical Corporation coordinated with more than one community based organization (CBO) during the development of the proposal and has the support of local/regional/tribal governments and CBOs during program implementation.
- As a part of coordination with community based organizations (CBOs), Electrical Corporations must ensure that EV charging infrastructure deployed in underserved communities is accessible and tailored to community residents, addressing community specific needs such as language and Americans with Disabilities Act (ADA) accessibility, visibility, public education on EV compatibility, and cultural considerations of local history, and safety. This is intended to ensure the infrastructure feels safe to access throughout hours of operation, and to increase awareness of available EV charging infrastructure for community members who may not have access to home or workplace EV charging facilities. In conjunction with filing proposals, the Electrical Corporations should submit a plan of how they are working to increase accessibility at any publicly accessible EV charging location, for sites located in an underserved community and non-underserved community sites, as safety and accessibility

are not issues reserved to underserved communities. The plans should also discuss how the Electrical Corporations are working with CBOs to develop these plans. The Electrical Corporations should ensure accessibility and safety are factored into all sites where EV charging infrastructure is installed.

- Coordinate Marketing Education & Outreach (ME&O) to promote participating in an infrastructure program with CBOs and regional/local/tribal governments to encourage more equitable outreach and participation, and ensure that at least some portion of any proposed TE infrastructure budget is dedicated to ME&O and is primarily dedicated to CBOs to execute outreach to community residents.
- Include detail on how the proposal will address the barriers to equity identified in the Commission's Environmental and Social Justice Action Plan (ESJ Action Plan)[203] and Tribal Consultation Policy,[204] and/or Part B of CARB's Low-Income Barriers Study.
- Articulate how each project incorporates any of the following priority provisions:
    i. Job quality measures, such as wage and benefit standards and responsible contractor standards;
    ii. Job access measures, such as targeted hire requirements as well as specified targets for residents of underserved communities;
    iii. Comprehensive project agreements that address both job quality and job access, such as application of the Skilled & Trained Workforce

[203] Available at: https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/UtilitiesIndustries/Energy/EnergyPrograms/Infrastructure/DC/Env%20and%20Social%20Justice%20ActionPlan_%202019-02-21.docx.pdf.

[204] Available at: https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M212/K861/212861685.PDF.

requirement[205], and use of Community Workforce Agreements for large-scale TE projects;

- Funding directed to training partnerships that are guided in their programming to ensure that investments in training are connected to and result in placement in high-quality jobs.

2. Any proposal for transportation electrification (TE) investments in a near-term priority area by any of Southern California Edison Company, San Diego Gas & Electric Company, Liberty Utilities (CalPeco Electric) LLC, PacifiCorp d/b/a Pacific Power, Bear Valley Electric Service, and Pacific Gas and Electric Company filed as a Tier 3 advice letter, shall comply with the following requirements:

- Information on funding avenues that are not sourced from ratepayers should be included in the proposal and be tracked/updated throughout the proposal's implementation.
- A clear justification for why additional ratepayer investment prior to Transportation Electrification Plan (TEP) approval is necessary for a given proposal.
- Clear demonstration of what barriers to widespread TE the proposal will address.
- A proposal implementation duration of no longer than three years after Commission authorization.
- Each near-term priority program proposal using the Tier 3 advice letter process must have an estimated budget that does not exceed $20 million.
    - The Electrical Corporations must establish a new one-way Near-Term Priority (NTP) TE balancing account

[205] Frequently Asked Questions on Skilled & Trained Workforce ("STW") Requirements, available at https://www.dir.ca.gov/Public-Works/ADA-Compliant-STW-FAQ.pdf.

using the advice letter process. Each NTP TE balancing account will have a cap of $80M.

  - Within the NTP TE balancing account, the Electrical Corporations must establish subaccounts for each near-term priority program. Each program will be limited to $20 million.
  - Each near-term priority program must recover authorized program funding through distribution rates allocated to customer classes on an equal cents per kWh basis.
  - Each Electrical Corporation's aggregate estimated budget for near-term priority program proposals using the Tier 3 advice letter process shall not exceed $80 million.

- To qualify for the advice letter process, proposals must not include utility ownership of any customer-side infrastructure (Electric Vehicle Service Equipment and/or make-ready) except for sites located in underserved communities. Electrical Corporations are limited to owning no more than 50 percent of the customer-side infrastructure per program proposal.
- Any expedited applications for extensions of existing programs submitted pursuant to this PD must not include utility ownership of any customer-side infrastructure (Electric Vehicle Service Equipment and/or make-ready) except for sites located in underserved communities. Electrical Corporations are limited to owning no more than 50 percent of the customer-side infrastructure per program proposal.
- Any Electrical Corporation proposal for near-term priority TE investments in the medium-duty and heavy-duty sector, whether through the advice letter process or in an application, shall ensure that the investments proposed align with the CARB electrification mandates for the sector.
- The proposal must identify which State regulation(s) require the support of ratepayers prior to Commission

approval of the Electrical Corporation's Transportation Electrification Plan.

3. Any proposal for transportation electrification (TE) investments to support the near-term priority of programs to address transportation electrification resiliency by any of Southern California Edison Company, San Diego Gas & Electric Company, Liberty Utilities (CalPeco Electric) LLC, PacifiCorp d/b/a Pacific Power, Bear Valley Electric Service, and Pacific Gas and Electric Company, and filed as a Tier 3 advice letter, shall comply with the following requirements:

- Within 120 days of approval of this decision, each electric corporation should conduct an assessment of existing EV charging infrastructure funded through Commission approved programs and serve a stocktake to the DRIVE OIR service list identifying (1) what potential hazard(s) pose a risk to the accessibility and/or functionality of the charging infrastructure, (2) how the infrastructure is installed in a manner that furthers the Commission's resiliency directives ordered through recent resiliency decisions, (3) what, if any, investments are needed to re-enforce the installed infrastructures ability to be resilient to a natural event caused power disruption, and (4) how the electric corporation will address these gaps in resiliency through near-term priority programs.
- Specifically address topics including but not limited to: 1) loads, assets, facilities, and populations the proposed TE resiliency project is intended to benefit; 2) the types, locations, and probabilities of the hazard(s) that place the intended beneficiaries at risk and what the TE resiliency project is intended to mitigate; 3) the mechanism by which the project is expected to mitigate the identified risks; 4) the expected quantitative impact of the proposed project on the identified risks; 5) the expected impacts of the proposed project on equity and affordability; and 6) the cost of the proposal.

- Any TE resiliency proposal seeking to install battery storage backup for off-grid EV charging should prioritize sourcing the power for charging the EVSE battery from renewable energy resources or low-emitting sources.
- Any resiliency proposal shall demonstrate efforts to work with county/local and tribal governments, state emergency agencies, CCAs, local planning/transportation agencies, CBOs, and ESJ organizations to develop resiliency-focused programs. Due to relevant stakeholder presence and a core focus on resiliency planning, we encourage the utilities to use the semi-annual workshops as required by Ordering Paragraph 7 of Decision (D.)20-06-017 to present their project plans to the above stakeholders and gather feedback. The proposal should specifically state in which of the semi-annual resiliency planning meetings described in Ordering Paragraph 7 of D.20-06-017 it was discussed, or provide a reasonable justification if was not discussed in any of those meetings. The proposal should demonstrate how the Electrical Corporation plans to continue working with these stakeholders throughout the implementation process.
- The Electrical Corporations shall record costs for ratepayer supported TE infrastructure deemed damaged during a state emergency within each Electrical Corporation's Catastrophic Event Memorandum Account.

4. Any proposal for transportation electrification (TE) investments to support the near-term priority of programs to address customers without access to home charging by any of Southern California Edison Company, San Diego Gas & Electric Company, Liberty Utilities (CalPeco Electric) LLC, PacifiCorp d/b/a Pacific Power, Bear Valley Electric Service, and Pacific Gas and Electric Company, and filed as a Tier 3 advice letter, shall comply with the following requirements:

- The proposal should demonstrate that the Electrical Corporation considered and incorporated lessons learned

from existing and completed TE programs that targeted customers without access to home charging to either propose innovative pilot approaches to electric vehicle charging infrastructure deployment, or a non-infrastructure approach to address the costs of fueling disparity.

- The proposal shall clearly state how the proposed program fills a gap not currently addressed by an existing program.

5. Any proposal for transportation electrification (TE) investments to support the near-term priority of support for the medium-duty and heavy-duty sector (MD/HD sector) by any of Southern California Edison Company, San Diego Gas & Electric Company, Liberty Utilities (CalPeco Electric) LLC, PacifiCorp d/b/a Pacific Power, Bear Valley Electric Service, and Pacific Gas and Electric Company, and filed as a Tier 3 advice letter, shall comply with the following requirements:

- The Electrical Corporation must describe why previously approved MD/HD sector programs are not sufficient to meet the charging needs to comply with State regulations or why there are gaps in their existing MD/HD program.
- The Electrical Corporation should describe how its proposed program addresses any barriers that have arisen within the Commission-approved programs (*e.g.,* vehicle electrification requirement, power level limitations, etc.).
- The proposal should describe how the Electrical Corporation coordinated with State agencies, local and tribal governments, and/or regional organizations to develop the proposal and how coordination will continue throughout the implementation of the proposal.

6. Any proposal for transportation electrification (TE) investments to support the near-term priority of new buildings by any of Southern California Edison Company, San Diego Gas & Electric Company, Liberty Utilities (CalPeco Electric) LLC, PacifiCorp d/b/a Pacific Power, Bear Valley Electric Service, and Pacific

Gas and Electric Company, and filed as a Tier 3 advice letter, shall comply with the following requirements:

- Any proposal must exclusively support infrastructure that exceeds existing state and local electric vehicle (EV) infrastructure code requirements.
- Any proposal should evidence that the Electrical Corporation consulted with local jurisdictions to determine how much participating builders should exceed the local codes to be eligible for rebates.
- Proposals must demonstrate that they are filling a gap not addressed through another program, code, or agency.
- Any proposal should include a mechanism for the Electrical Corporation to report to the Commission's Energy Division on any code updates that impact new construction, along with a procedural pathway to modify or halt the program if necessary.
- Any proposal should include robust data collection requirements and be consistent with those adopted for the Charge Ready 2 program in Decision 20-08-045.
- Any proposal for new construction programs shall limit expenditure to rebates for customer-owned infrastructure only.
- All incentives for new construction infrastructure should be rebates and therefore be expensed (*i.e.*, not capitalized by the Electrical Corporation but recovered as an operations and maintenance cost).
- Rebates for sites located in an underserved community should cover 100 percent of the infrastructure and installation costs. Rebates for non-underserved community sites should cover no more than 50 percent of the infrastructure costs of building over the code minimum, with a cap of $2,000 per port over code plus an adder for publicly accessible parking areas that would require the installation of one or more accessible Electric Vehicle Supply Equipment parking space.

7. Any proposal for transportation electrification programs to support Level 2 installations for low-income customers in underserved communities, by any of Southern California Edison Company, San Diego Gas & Electric Company, Liberty Utilities (CalPeco Electric) LLC, PacifiCorp d/b/a Pacific Power, Bear Valley Electric Service, and Pacific Gas and Electric Company, and filed as a Tier 3 advice letter shall comply with the advice letter requirements outlined in Ordering Paragraph 2. Additionally, the advice letter shall comply with the following:

   - The proposal shall clearly state how the proposed program fills a gap not currently addressed by an existing program.
   - The proposal should demonstrate that it avoids duplication with Level 2 funding available from Electrical Corporation programs, local jurisdictions, original equipment manufacturers or other sources of funding.

8. Rulemaking 18-12-006 remains open.

   This order is effective today.

   Dated _____, at San Francisco, California