

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

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

Application 19-07-006

**PREPARED REBUTTAL TESTIMONY OF
BRITTANY APPLESTEIN SYZ
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY**

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

FEBRUARY 20, 2020



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1 **PREPARED REBUTTAL TESTIMONY OF**

2 **BRITTANY APPLESTEIN SYZ**

3 **OVERVIEW AND PURPOSE**

4 The purpose of my rebuttal testimony is to respond to the opening testimony submitted
5 by intervening parties in the Application (“A.”) of San Diego Gas & Electric Company
6 (“SDG&E”) for the Approval of Electric Vehicle High Power Charging Rate (A.19-07-006).
7 SDG&E appreciates the input from parties, especially since the proposed Electric Vehicle High
8 Power (“EV-HP”) rate was designed to respond to customer needs and is intended to support
9 customer choice. My rebuttal testimony addresses recommendations and concerns presented by
10 the intervening parties and clarifies other issues. Further, my rebuttal testimony proposes
11 modifications to SDG&E’s original proposal in response to parties’ testimony.

12 **I. PROPOSED CHANGES TO EV-HP APPLICATION**

13 **A. Removal of Proposed Interim Existing Rate Discount**

14 As described in the Application, due to SDG&E’s Customer Information System (“CIS”)
15 replacement program, SDG&E is unable to open the proposed EV-HP rate to customers until the
16 new CIS program is installed and stabilized (this period is commonly known as a “freeze
17 period”). However, to avoid delay in offering a rate that is designed to result in costs that are
18 competitive with the cost of fossil fuel, SDG&E proposed to offer customers (who will be
19 eligible for the proposed EV-HP rate) an interim demand charge discount on existing rates. The
20 proposed interim discount would have been applied until the EV-HP rate was approved and
21 opened to customers. SDG&E estimated that implementing such an interim demand charge
22 would have required manual billing at a cost of approximately \$1.1 million in revenue
23 requirement, as described in the prepared direct testimony of SDG&E witness Woo-Jin Shim.

24 As directed by the Assigned Commissioner’s Scoping Memo and Ruling,¹ on October 18,
25 2019, SDG&E submitted a straw proposal describing the proposed interim demand charge
26 discount. On November 5, 2019 SDG&E hosted a workshop with parties to discuss the straw
27 proposal, at which, in response to party feedback, SDG&E revised its interim discount proposal.

¹ Assigned Commissioner’s Scoping Ruling and Memo at 5.

1 In place of the interim demand charge discount, SDG&E proposed to temporarily waive the
2 demand limit in the existing TOU-M Small Commercial rate (“interim rate waiver”) so that any
3 customers eligible for the EV-HP rate can temporarily enroll in this existing rate. By leveraging
4 an existing rate, the revised interim rate waiver avoids the need for manual billing and the
5 associated revenue requirement.

6 The interim rate waiver was described in a Joint Motion filed by SDG&E on behalf of all
7 parties on December 17, 2019. Accordingly, SDG&E is no longer requesting incremental
8 revenue as part of this Application nor the associated EV Implementation Balancing Account
9 (“EVIBA”) described in the prepared direct testimony of Jenny Phan. Further, this Application
10 now has no customer monthly bill impact associated with a revenue requirement request as
11 described in the prepared direct testimony of William Saxe. This assumes that the interim rate
12 waiver is approved by the Commission as submitted or in a manner that does not require manual
13 billing.

14 **B. Revision to EV-HP Eligibility**

15 The Application proposed that the EV-HP rate would be an optional rate available for
16 separately-metered direct current fast charging (“DCFC”) and medium-duty/heavy-duty
17 (“MD/HD”) electric vehicle (“EV”) loads. The prepared testimony of the Public Advocate’s
18 Office suggests that the EV-HP rate be opened to light-duty vehicle charging at multi-unit
19 dwellings and workplaces.² Similarly, the opening testimony of Natural Resources Defense
20 Council, the Coalition of California Utility Employees, Sierra Club, Plug In America, Siemens,
21 and Enel X North America, Inc. (“Joint Parties”) and the opening testimony of Tesla
22 recommends that the EV-HP rate should also be available to light-duty EV Level 2 charging.³

23 In response to this feedback SDG&E proposes that the EV-HP rate be optionally
24 available to all separately-metered EV charging loads with an aggregated maximum demand of
25 20 kilowatts (“kW”) or greater, excluding single-family home residential customers. Otherwise
26 applicable existing commercial rates will remain available to customers who choose not to enroll
27 in the EV-HP rate.

² Prepared testimony of Public Advocates Office at 2-6.

³ Opening testimony of Max Baumhefner and Melissa Whited at 14, and Opening testimony of Patrick Bean on behalf of Tesla at 16.

1 **C. Proposed Changes to Rate Design**

2 In their opening testimony several parties suggested modifications to the EV-HP rate
3 design proposed by SDG&E. In response, SDG&E proposes the following two changes to the
4 EV-HP rate design.

5 **1. Revisions to the EV-HP Subscription Charge**

6 The EV-HP rate levels proposed in the Application and described in the testimony of
7 William Saxe are based on existing SDG&E Medium/Large Commercial & Industrial (“M/L
8 C&I”) electric rates. In order to incentivize transportation electrification SDG&E proposed a
9 policy discount to the EV-HP subscription charge, which would be funded through Public
10 Purpose Program (“PPP”) charges and phase down over ten years.

11 The opening testimony of the Joint Parties suggests that the EV-HP rate should only
12 recover the marginal cost of serving new EV customers.⁴ EVgo further suggests that EV-HP
13 distribution rates should initially be set at marginal cost with the full distribution rates phased in
14 over three 3-year General Rate Case Phase 2 cycles.⁵

15 As described in the rebuttal testimony of William Saxe, the rates to serve all load should
16 be based on SDG&E’s total authorized revenue requirements. However, California state policy
17 calls for transportation electrification and Senate Bill (“SB”) 350 directs that electric utilities
18 should provide the opportunity to access electricity as a fuel that is cleaner and less costly than
19 gasoline or other fossil fuels, a requirement incorporated into Public Utilities Code (“P.U.
20 Code”) section (“§”) 740.12(a)(1)(H).⁶ Accordingly, SDG&E proposes to revise the EV-HP
21 subscription charge to initially recover only marginal costs. The full EV-HP subscription charge
22 will be phased in linearly over ten years. This gradual phase-in of the full subscription charge is
23 intended to incentivize early adoption of EVs, avoid rate shock and customer confusion, and
24 provide a predictable estimate of the future cost of electricity as a fuel.

25 The ten-year phase-in period for the full subscription charge would begin when the EV-
26 HP rate is opened to customer enrollment and would not vary depending on when an individual

⁴ Opening testimony of Max Baumhefner and Melissa Whited at 10.

⁵ Prepared direct testimony of R. Thomas Beech of behalf of EVgo at ii.

⁶ SB 350, Stats. 2015-2016, Ch. 547 (Cal. 2015).

1 customer enrolled in the rate. If the EV-HP rate is opened to customer enrollment in 2021, as
2 expected, the full subscription charge would be entirely phased in for all customers by 2031.

3 This revision replaces the proposed PPP-funded subscription charge discount and
4 associated EV-HP Incentive Balancing Account (“EVHPIBA”) described in the prepared direct
5 testimony of Jenny Phan.

6 **2. Revisions to the EV-HP Subscription Charge Increments**

7 SDG&E’s Application proposed that the EV-HP subscription charge should be
8 incremented in blocks of 25 kW for all customers. The opening testimony of Tesla suggests that
9 these 25 kW subscription charge increments may be burdensome for customers with very large
10 demand.⁷ As the EV-HP rate design is intended to offer customers a simpler billing experience
11 than existing M/L C&I rates, SDG&E proposes that the EV-HP subscription charge be
12 incremented in 10 kW increments for customers with maximum demand of 150 kW or less, and
13 100 kW increments for customers with maximum demand over 500 kW. The subscription
14 charge for customers with maximum demand over 150 kW and less than or equal to 500 kW will
15 be incremented in 25 kW increments, as proposed in the Application.

16 To avoid undue complexity in the subscription charge structure SDG&E proposes to
17 remove the separate 0-25 kW subscription charge rate level as proposed in the Application.

18 **II. RESPONSE TO COMMENTS**

19 **A. The EV-HP Time of Use (“TOU”) Periods Should Be Consistent with Other** 20 **SDG&E Rates**

21 In its Application, SDG&E proposed that the TOU periods for EV-HP customers should
22 be consistent with other SDG&E M/L C&I rates. Certain parties suggested that new TOU
23 periods should be created for EV-HP customers.⁸ SDG&E does not support the creation of new
24 TOU periods for the EV-HP customers due to the potential for customer confusion. For
25 example, if the TOU periods for the EV-HP rate differ from other SDG&E commercial rates,
26 then a fleet operator could have one peak period for vehicle charging and another peak period for
27 their building load. Confusing these two different TOU periods for different applications at the

⁷ Opening testimony of Patrick Bean on behalf of Tesla at 10.

⁸ Direct testimony of Paul L. Chernick on behalf of Small Business Utility Advocates at 3, and Opening testimony of Environmental Defense Fund at 10.

1 same facility could lead to unexpectedly high bills and customer dissatisfaction, defeating the
2 purpose of the EV-HP rate.

3 **III. CLARIFICATION OF CERTAIN ISSUES**

4 **A. The EV-HP TOU Differentials Are Sufficient to Encourage Off-Peak** 5 **Charging**

6 The opening testimony of EDF suggests that the total rate differential between the peak
7 and off-peak energy rate for EV-HP customers is approximately \$0.06 per kilowatt-hour
8 (“kWh”) in summer and that the differential between the peak and super off-peak rate is
9 approximately \$0.12 per kWh in summer.⁹ At the rate levels estimated in the prepared direct
10 testimony of William Saxe, the proposed total rate levels for SDG&E bundled commodity
11 customers is actually \$0.23 per kWh between summer on-peak and off-peak and \$0.28 per kWh
12 between summer on-peak and super off-peak.¹⁰ SDG&E believes this differential is sufficient to
13 incentivize off-peak and super off-peak charging.

14 **B. SDG&E Will Educate Customers About the EV-HP Rate Through Existing** 15 **Channels**

16 EDF requests further details on SDG&E’s marketing, education, and outreach (“ME&O”)
17 plans.¹¹ SDG&E plans to educate existing and potential MD/HD EV operators about the EV-HP
18 rate through ME&O activities associated with the SDG&E MD/HD EV Infrastructure Program
19 and customers’ SDG&E Account Executives, who are available to help customers in-person,
20 and through phone and email. SDG&E plans to educate DCFC operators through these
21 customers’ existing Account Executives, as well. Education for other non-residential charging
22 site operators will be conducted through SDG&E’s existing EV ME&O activities multilingual
23 staff experts, dedicated call center staff, and potentially through future EV infrastructure program
24 ME&O.

⁹ Opening testimony of Environmental Defense Fund at 11.

¹⁰ Prepared direct testimony of William Saxe at Appendix A.

¹¹ Opening testimony of Environmental Defense Fund at 13.

1 **C. Customers Will Be Able to Alter Their Subscription Level Easily**

2 The opening testimony of Tesla questions how customers will be able to submit requests
3 to change their subscription level.¹² After the EV-HP rate launches, customers will be able to
4 alter their subscription level by calling their Account Executive, the SDG&E call center, or
5 submitting an email request to SDG&E. In the future, SDG&E may offer customers the ability
6 to change their subscription level through their online SDG&E account.

7 **IV. CONCLUSION**

8 SDG&E proposes the following modifications to its original proposal:

- 9 • The removal of the original proposed interim rate demand charge discount and associated
10 \$1.1 million revenue requirement and EV Implementation Balancing Account;
- 11 • The removal of the proposed PPP-funded subscription charge discount and EV-HP
12 Incentive Balancing Account;
- 13 • Revision to the EV-HP rate applicability to be optionally available to separately-metered
14 EV charging loads with maximum aggregate demand of 20 kW or higher, excluding
15 single-family home residential customers;
- 16 • Revisions to the EV-HP subscription charge, with the phase-in of the full subscription
17 charge over ten years; and
- 18 • Changes to the size of the EV-HP subscription charge increments.

19 This concludes my prepared rebuttal testimony.

¹² Opening testimony of Patrick Bean on behalf of Tesla at 11.