1. What criteria does SDG&E use to determine eligibility for the interim demand charge discount?

**SDG&E response:** SDG&E proposes that separately-metered DCFC and MD/HD EV charging be eligible for the interim demand charge discount.
	* How will SDG&E validate that customers are eligible for the interim demand charge discount?

	**SDG&E response:** Customers who receive the interim demand charge discount will be required to sign an affidavit or other form of confirmation verifying their eligibility.
2. Regarding SDG&E’s proposed interim demand charge discount:
	* Please provide any workpapers supporting SDG&E’s interim demand charge discount.

	**SDG&E response:** N/A.
	* Has SDG&E estimated the magnitude of the potential revenue shortfall associated with the interim discount? What assumptions does SDG&E use to estimate the size of the revenue shortfall?

	**SDG&E response:** The revenue shortfall associated with the interim discount, as defined as the revenue SDG&E would have earned from customers receiving the discount on their un-discounted rate, will depend on customer uptake of the EV-HP rate, their usage patterns, and EV adoption scenarios. SDG&E did not estimate this revenue shortfall due to uncertainty around these factors.

	SDG&E will track revenue shortfalls associated with the interim discount through the proposed EV-HP Incentive Balancing Account.
	* Please provide any projections of EV customer growth over the interim period used in projecting the scope of the interim discount.

**SDG&E response:** SDG&E did not perform these projections.

* + How quickly does SDG&E anticipate it can implement the proposed interim demand charge discount were the Commission to authorize it to do so?

	**SDG&E response:** SDG&E anticipates that it can implement the proposed interim demand charge discount one to three months after receiving Commission authorization to do so.
1. Does SDG&E intend to migrate customers receiving the interim discount from its current general service rate to EV-HP when the rate becomes available?

**SDG&E response:** SDG&E does not plan to migrate customers receiving the interim discount from their current rate to EV-HP when the rate becomes available, as EV-HP is proposed as an optional rate that some customers may not wish to enroll in. The interim discount will be eliminated six months after the EV-HP rate is opened to customer enrollment.
	* If yes, what is SDG&E’s migration plan?

	**SDG&E response:** N/A.
	* If yes, will customers be notified of the migration and given an opportunity to choose other rate options?

	**SDG&E response:** Yes, customers receiving the interim discount will be notified that the interim discount will be eliminated six months after the EV-HP rate is opened to customer enrollment and given the opportunity to choose other rate options.
	* Would there be incremental costs involved in migrating customers from a general service rate receiving the interim discount to EV-HP? If yes, please quantify.

	**SDG&E response:** No, there will be no incremental costs as SDG&E does not propose to migrate customers to the EV-HP rate.
2. Please provide any analysis and results of research conducted by SDG&E that supports the interim demand charge discount. SDG&E’s response should answer but not be limited to answering the following sub-questions:
	* Please provide any quantitative or qualitative research showing whether the proposed interim rate discount supports incremental EV adoption.

	**SDG&E response:** Without the interim demand charge discount, we estimate that customers’ electricity costs on current rates can be higher than a carbon fuel as illustrated in Chapter 3. Offering an interim demand charge discount increases the opportunity to utilize electricity as a fuel at a more competitive cost as compared to carbon fuel operation. Competitive costs for electricity as a fuel is stated as a benefit of operating an EV by the CEC[[1]](#footnote-2) and the Department of Energy[[2]](#footnote-3).
	* Has SDG&E considered that possible delays in the Commission Decision may shorten the interval of the interim time period between program approval and rollout of the EV-HP?

**SDG&E response:** Yes, SDG&E has considered that delays in the Commission Decision may shorten the interval of the interim time period. If the interim demand charge discount is approved later than December 2019 then the revenue required to fund the manual billing process for applying the interim demand charge discount may be reduced to account for the duration between interim rate approval and the new EV-HP rate becoming available.

* + What would SDG&E consider the minimum duration threshold for the interim demand discount? For example, if the Commission were to authorize the interim demand charge discount in December of 2020, would SDG&E still intend to implement the discount?

**SDG&E response:** Yes, if the Commission decision is overly delayed we would have to consider not moving forward with the interim discount.

* + Has SDG&E evaluated whether the switch from the interim discount to the EV-HP may cause customer confusion. How does SDG&E propose to alleviate any potential customer confusion?

**SDG&E response:** The DCFC and MD/HD EV customers receiving the discount are likely to be a small set of customers as the market is still nascent and they will typically have assigned Account Executives. SDG&E will work with customers receiving the interim discount in order to help them understand the interim discount and new EV-HP rate.

1. Please provide any analysis and results of research conducted by SDG&E that supports that the phased-out discount to the subscription charge on the EV-HP rate will incent additional EV adoption compared to an EV-HP rate without the phased-out discount. SDG&E’s response should answer but not be limited to answering the following sub-questions:
	* Provide any analysis or research SDG&E performed to support that a phased-out discount structure incents early EV adoption.

	**SDG&E response:** SDG&E did not perform an analysis to determine the extent that a discount will incent early EV adoption but believes that a cheaper operating cost will incent adoption while that cheaper cost is available.
	* In four out of five of SDG&E’s use cases, SDG&E’s phase-out discount increases estimated savings from 40-48% to 53-62%.[[3]](#footnote-4) Please provide any analysis showing that a discount of 53-62% will incent greater EV adoption than 40-48%.

	**SDG&E response:** SDG&E did not perform this analysis.
2. Please explain how sites with both Level 2 (L2) and DCFC chargers, or sites with both light-duty and MD/HD EVs would be eligible for the EV-HP rate.
	* Would such sites be eligible for the EV-HP rate?

**SDG&E response:** Yes, a separately-metered EV charging site with both L2 and DCFCs located behind the same meter would be eligible for the EV-HP rate. Similarly, a separately-metered site charging MD/HD EVs as well as light-duty EVs as part of their fleet would also be eligible for the EV-HP rate.

* + Would such sites need to meter any DCFC and MD/HD chargers separately from the L2 and non-DCFC light-duty chargers to be eligible for the EV-HP rate?

**SDG&E response:** No, such sites would not need to meter DCFC and MD/HD EV chargers separately from L2 and non-DCFC light-duty chargers to be eligible for the EV-HP rate.

1. Please explain how SDG&E will validate that customers use EV-HP separate meters only for DCFC and MD/HD EV-related loads.

**SDG&E response:** SDG&E will require that customers enrolling in the EV-HP rate sign an affidavit or other form of confirmation affirming that the meter only serves EV load and includes at least one DCFC or MD/HD EVs.
2. Please state all time-of-use (TOU) rates that all MUDs within SDG&E’s service territory are eligible for (i.e. excluding program-specific rates).

**SDG&E response:** If the above question refers to rates that EV charging equipment located at MUDs can be served on, the following commercial and industrial Utility Distribution Company (UDC) rates are available, though subject to applicability criteria:
	* TOU-A
	* TOU-A2
	* TOU-A3
	* TOU-M
	* AL-TOU
	* AL-TOU2
	* DG-R
	* A6-TOU

Chargers located at deeded parking spots at MUDs may be served on residential EV rates (e.g. EV-TOU) depending on the layout of the specific site.

1. Please provide an order of magnitude estimate of the number of EV MD/HDs currently in SDG&E’s service territory.

**SDG&E response:** Data from the 2017 CARB Mobile Source Emissions Inventory estimates that as of 2019 there are approximately337 electric Class 2-8 vehicles in San Diego County, which roughly aligns with SDG&E service territory.
2. Please provide an annual, order of magnitude estimate of the MD/HD EV adoption within SDG&E’s service territory from 2019-2030. In this estimate, exclude any adoption attributable to SDG&E’s proposed A.18-01-012 MD/HD program.

**SDG&E response:** MD/HD EV adoption is a nascent market, and SDG&E has not prepared an estimate of likely MD/HD EV adoption from 2019-2030.
3. If the analysis requested in Q.10 is unavailable, provide any available forecast of EV adoption and load growth within SDG&E’s service territory for at least 10 years. If available, please also provide 5 years of historical data.

**SDG&E response:** The California Energy Commission 2018 California Energy Demand Updated (CEDU) Forecast mid-case light-duty EV forecast shows approximately 318,000 plug-in electric vehicles in SDG&E service territory in 2030. Hourly load forecasts in the CEDU are available here: <https://ww2.energy.ca.gov/2018_energypolicy/documents/cedu_2018-2030/2018_demandforecast.php>
4. Please provide SDG&E’s target for the number of customers that will subscribe to the EV-HP rate. If available, provide SDG&E’s annual target number for each of the years 2021-2030.

**SDG&E response:** SDG&E does not have annual target enrollment numbers for the EV-HP rate.
5. Please state whether the DCFC and MD/HD EV charging loads, both current and projected future loads, are included in SDG&E’s A.19-03-002 load forecast. If they are, please identify the workpapers in A.19-03-002.

**SDG&E response:** SDG&E A.19-03-002 used load forecasts from the California Energy Commission 2018 Integrated Energy Policy Report (IEPR). The 2018 IEPR incorporated light-duty EV load forecasts but did not include MD/HD EV load. Workpapers from SDG&E A.19-03-002 that used the load forecast from the California Energy Commission’s 2018 IEPR report can be found at the following link: https://www.sdge.com/rates-and-regulations/proceedings/2019-grc-phase2 (Please see “Workpapers” and “Chapter 4” in the files labeled “Ch\_4\_Attachment A Sales Forecast\_Public.xlsx”)
6. Regarding any potential revenue shortfalls associated with the EV-HP rate:
	* Please provide SDG&E’s projections for any revenue shortfalls associated with the proposed EV-HP rate. Include active workpapers which show the derivation of these projections.

	**SDG&E response:** The revenue shortfall associated with the EV-HP subscription charge discount will depend on customer uptake of the EV-HP rate, their usage patterns, and EV adoption scenarios. SDG&E did not estimate this revenue shortfall due to uncertainty around these factors.

	SDG&E did not estimate revenue shortfall associated with the EV-HP rate, as defined as revenue SDG&E would have earned from customers who opt for the EV-HP rate as compared to the existing rates these customers otherwise would have taken service on, since EV-HP customers are expected to primarily be new load and uncertainty around these future customer’s load characteristics and which existing rates these customers would have taken service on, if at all.
	* How is SDG&E proposing to recover potential revenue shortfalls?

	**SDG&E response:** SDG&E proposes to recover revenue shortfalls associated with the EV-HP subscription charge discount through PPP charges.
	* How does SDG&E propose to monitor revenue shortfalls from the EV-HP rate?

	**SDG&E response:** SDG&E will track revenue shortfalls associated with the EV-HP subscription charge discount through the proposed EV-HP Incentive Balancing Account.
7. Please confirm that SDG&E is not proposing any incremental funding for marketing, education, and outreach (ME&O) for either the EV-HP or for the interim existing rate discount.

**SDG&E response:** SDG&E is not proposing any incremental funding ME&O for either the EV-HP rate or the interim existing rate discount. SDG&E plans to education customers about the EV-HP rate and interim discount through existing ME&O programs for the MD/HD Program and through customer Account Executives.
	* If SDG&E is proposing an ME&O with incremental funding, please state the source and amount of funding for both the EV-HP ME&O, as well as for the interim existing rate discount ME&O.

	**SDG&E response:** N/A.
	* If SDG&E is proposing an ME&O program, please elaborate on the extent of ME&O SDG&E will conduct for both the EV-HP, as well as for the interim existing rate discount.

	**SDG&E response:** N/A.

**END OF REQUEST**

1. *See* California Energy Commission, “Electric Vehicles & Charging Infrastructure,” *at* <https://ww2.energy.ca.gov/transportation/altfueltech/electric.html> [↑](#footnote-ref-2)
2. *See* US Department of Energy Office of Energy Efficiency & Renewable Energy, “Savings on Fuel and Vehicle Costs,” *at* <https://www.energy.gov/eere/electricvehicles/saving-fuel-and-vehicle-costs> [↑](#footnote-ref-3)
3. SDG&E Testimony Ch. 3, pp. PK-3 to PK-9. [↑](#footnote-ref-4)