**SUBJECT: “PROPOSED EV-HP RATE DESIGN”**

**1. Please recalculate the proposed EV HP commodity rates using the following time-of-use (TOU) periods and using San Diego Gas and Electric Company’s (SDG&E) 2019 marginal generation costs:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Summer Weekdays** | **Summer Weekends** | **Winter Weekdays** | **Winter Weekends** |
| **Peak** | **6 PM – 10 PM** | **6 PM – 10 PM** | **6 PM – 10 PM** | **6 PM – 10 PM** |
| **Off-Peak** | **10 PM – 9 AM,**  **4 PM – 6 PM** | **10 PM – 9 AM,**  **4 PM – 6 PM** | **10 PM – 9 AM,**  **4 PM – 6 PM** | **10 PM – 9 AM,**  **4 PM – 6 PM** |
| **Super Off-Peak** | **9 AM – 4 PM** | **9 AM – 4 PM** | **9 AM – 4 PM** | **9 AM – 4 PM** |

**SDG&E Response:** Per discussions with Benjamin Gutierrez, SDG&E will not be providing a response to this question at this time.

**2. Please re-calculate the proposed EV-HP commodity rates using the same TOU periods as in question 1 without including a critical peak pricing (CPP) adder. That is, there should be no reduction in volumetric rates due to inclusion of a CPP adder.**

**SDG&E Response:** See response to question 1 above.

**3. Does San Diego Gas and Electric Company (SDG&E) foresee any problems implementing new TOU periods for the proposed EV-HP rate in its billing system following completion of its customer service re-platforming (CSRP)?**

**SDG&E Response:** SDG&E has not investigated the technical feasibility of implementing new TOU periods for the proposed EV-HP rates, as it did not propose alternative TOU periods for the EV-HP rate.

**4. Has SDG&E considered implementing a distribution critical peak price (D-CPP) adder?**

**SDG&E Response:** SDG&E is currently assessing a commercial EV rate that includes a distribution critical peak price adder in the Green Shuttles Priority Review Project.

**5. Does SDG&E plan to update the EV-HP subscription charge if the Commission approves**

**changes to the split in SDG&E’s distribution non-coincident and coincident demand charges**

**in the 2019 General Rate Case (GRC) Phase 2?**

**SDG&E Response:** The EV-HP subscription charge presented in SDG&E’s Application will be updated anytime there are changes in distribution revenue requirements and/or changes in the distribution demand charge structure to recover the allocated distribution revenues from the Medium/Large Commercial & Industrial (“M/L C&I”) customer class. Therefore, the EV-HP subscription charge will be updated to reflect any changes to non-coincident and coincident demand charges adopted in SDG&E 2019 GRC Phase 2 (A.19-03-002).

**6. In its response to the Public Advocates Office’s DR 4 question 4, SDG&E states the**

**following:**

**“Once SDG&E has the information on customers being served on EV-HP, SDG&E will incorporate this information into its next GRC Phase 2 proceeding to reflect the load and resulting cost information to serve EV-HP customers. Until such EV-HP information is included in SDG&E’s GRC Phase 2 proceedings, distribution on-peak revenue undercollections or over-collections that result under the EV-HP distribution rates will be handled in SDG&E’s two-way distribution balancing account based on the authorized allocation for distribution revenues.”**

**What does SDG&E mean when it says it will reflect “load and resulting cost information to serve EV-HP customers” in the next GRC Phase 2? Does this mean SDG&E will incorporate EV HP customers’ usage characteristics into the cost of service of the medium/large commercial class as a whole? Will any annual distribution revenue under-collections/overcollections be compensated for (brought to zero) by adjusting the rate design of the medium/large commercial class as a whole, or of only the EV-HP rate?**

**SDG&E Response:** GRC Phase 2 proceedings develop marginal distribution costs based on the usage and demand characteristics of the customers SDG&E serves. For this reason, as stated by “load and resulting cost information to serve EV-HP customers” in the above quotation SDG&E will incorporate the load characteristics (energy and demand data) of EV-HP customers SDG&E is serving at the time of the GRC Phase 2 filing. The treatment of the distribution on-peak under-collections/overcollections due to the EV-HP rates will be decided in the GRC Phase 2 filing that incorporates the EV-HP load and resulting cost information.

Unless SDG&E proposes separate treatment in the GRC Phase 2 filing or any other rate design filing to allocate the resulting distribution on-peak under-collections/overcollections to only the EV-HP customers, the distribution on-peak under-collections/overcollections will be recovered from the M/L C&I customer class through the development of the M/L C&I distribution rates to recover the allocated distribution on-peak revenues.

**7. In the next GRC Phase 2, will SDG&E update the EV-HP rates using billing determinants**

**unique to the EV-HP rate schedule?**

**SDG&E Response:** As explained in the Prepared Direct Testimony of William G. Saxe, because EV-HP customers represent customers in the M/L C&I customers class the proposed EV-HP rates are based on modifications to standard M/L C&I rate (Schedule AL-TOU). Since rate design is based on billing determinants of customer classes and not specific rate schedules, the EV-HP rates in SDG&E’s next GRC Phase 2 will be updated to reflect billing determinants of the M/L C&I class as a whole.

The EV-HP rate will not be updated using billing determinants unique to the EV-HP rate schedule unless the decision is made to propose a separate commercial EV charging customer class.

**8. Is it accurate to say that any revenue overcollections or under-collections will be handled**

**using balancing accounts and the appropriate allocators (e.g. generation or distribution)**

**between GRC Phase 2s, but that during the GRC Phase 2 SDG&E will adjust the EV-HP**

**rate design (based on new billing determinants) to eliminate any such revenue**

**overcollections or under-collections?**

**SDG&E Response:** As mentioned in response to Question 7 above, the EV-HP rate design is based on recovery of Schedule AL-TOU allocated revenues and thus, the EV-HP rates will always reflect under-collections/overcollections based on differences between the revenues collected from the customers under EV-HP rates versus the revenues that would have been collected from the customers if billed under Schedule AL-TOU rates. The way the under-collections/overcollections will be eliminated is if EV-HP was a separate customer class and the EV-HP rates were designed to fully recover the revenues allocated to the EV-HP customer class.

**9. In SDG&E’s response to the Public Advocates Office’s DR 4 question 2, SDG&E provided**

**the system net energy billing determinants of AL-TOU. The Public Advocates Office used**

**these billing determinants and the non-coincident demand billing determinants found in cells**

**B8:B9 of SDG&E’s chapter 2 workpaper, tab “EV-HP Rate Design Modifications,” to**

**calculate theoretical AL-TOU load factors. The Public Advocates Office used the following**

**equation: total annual usage / (total non-coincident demand x 24 x 365) to find the following**

**load factors:**

|  |  |
| --- | --- |
|  | **AL-TOU** |
| **Secondary Load Factor** | **0.0410** |
| **Primary Load Factor** | **0.0459** |

**Please confirm that these are the AL-TOU load factors based on SDG&E’s distribution billing determinants. If not, please provide the correct load factors.**

**SDG&E Response:**

The non-coincident demand determinants you used to calculate load factors in the table above reflect annual non-coincident demand billing determinants, which is the non-coincident demand determinants billed over a 12-month period. To get the maximum demand to use in the load factor calculation divide the annual non-coincident demand determinants by 12. The table below shows the calculations of the forecasted load factors for AL-TOU Secondary and Primary of 49.25% and 55.11%, respectively, based on the maximum demand.



**10. Do the VGI transmission rates implemented per SDG&E Advice Letter 3377-E account for commercial EV customers’ lower load factor than for non-EV commercial customers? For instance, when converting from non-coincident demand charges to volumetric rates, if the HP-EV load factors are five times lower than the commercial class’ average load factor, then the volumetric rates would need to be five times higher to collect the same revenues. How does SDG&E plan to deal with any revenue shortfalls of HP-EV transmission revenues in the short term and in the long term?**

**SDG&E Response:**

The VGI transmission rates implemented per SDG&E Advice Letter 3377-E do not account for differences in load factors for commercial EV customers. The VGI volumetric transmission rate assumes that all M/L C&I customers pay volumetric rates instead of demand charges to recover transmission costs and thus, the VGI volumetric transmission rate is calculated by simply dividing the M/L C&I allocated transmission revenues by the M/L C&I forecasted annual kWh sales. Any difference in transmission revenues collected from VGI customers from paying for transmission costs through volumetric rates versus demand charges will be handled in the transmission revenue true-up that occurs each January 1st when SDG&E’s transmission rates are updated to recover the currently adopted transmission revenues.