1. Please explain whether SDG&E intends that ancillary and auxiliary equipment associated with the EV chargers (e.g., lighting, billing equipment) could be included in the EV-HP load, or whether those loads would need to be metered separately or included in another metered account.

**SDG&E Response:** The EV-HP rate is intended to be used for EV charging equipment load. If the ancillary and auxiliary equipment is required and necessary for the operation of the charging stations then they will be allowed to be on the same meter and use the EV-HP rate. Examples of this may include lighting that is necessary for safety or operations directly associated with the charging stations. However, other lighting such as general parking lot lighting may not be included.

1. Please explain how SDG&E selected the peak and off-peak hours for the TOU rate.

**SDG&E Response:** The TOU periods for the proposed EV-HP rate are the TOU periods adopted for SDG&E customers in Decision 17-08-030.

1. Please explain how SDG&E selected the TOU energy rate differentials.

**SDG&E Response:** The starting point for the EV-HP TOU energy rate differentials are the TOU rate energy rate differentials adopted for Schedule AL-TOU. However, as explained on pages WS-3 through WS-6 of the Prepared Direct Testimony of William G. Saxe, the energy rate differentials for EV-HP were modified to eliminate demand charges by: (a) recovering allocated distribution on-peak demand costs through on-peak distribution energy charges rather than on-peak distribution demand charges; (b) recovering allocated base transmission and RS costs through transmission and RS energy charges rather than transmission and RS demand charges; and (c) reducing the super off-peak commodity energy charges by $0.03/kWh with the revenues not collected in super off-peak energy charges being collected instead through on-peak commodity energy charges, resulting in increases to on-peak commodity energy charges of approximately $0.04/kWh.

1. Please explain how SDG&E selected the CPP energy rate.

**SDG&E Response:** The CPP energy rate for the proposed EV-HP rate are the CPP rates for Schedule AL-TOU, which are the Schedule EECC-CPP-D rates.

1. Please explain the conditions under which SDG&E would declare a CPP event.

**SDG&E Response:** As stated in Special Condition 12 of Schedule EECC-CPP-D,

“A CPP Event may be triggered if the day-ahead system load forecast for the potential event day is greater than 4,000 MW. Events may also be triggered in response to high forecasted temperatures, extreme conditions, and emergencies. Whenever the California Independent System Operator has issued an alert or warning notice, the California Independent System Operator shall be entitled to request that the utility, at its discretion, call a program event pursuant to this Schedule. Events may be triggered for testing/evaluation purposed.”

* 1. How much notice would SDG&E give customers of a CPP event?

**SDG&E Response:** As stated in Special Condition 12 of Schedule EECC-CPP-D. “Customers will be notified no later than 3 p.m. the day before a CPP Event will be in effect. When conditions exist that indicate a potential CPP Event would occur on a Sunday, Monday or a day immediately following a holiday, the Utility may provide an informational notice to customers by 3 p.m. on the business day immediately preceding the Sunday, Monday or holiday. If, on Saturday, Sunday or a holiday, conditions exist that cause the triggering of a CPP Event for the next day, the Utility will provide firm notification to customers no later than 3 p.m. on that Saturday, Sunday or holiday. Customers may elect to be notified of a CPP Event by email message or text message. Notice will also be posted on the Utility’s website.”

1. Please provide SDG&E’s estimate of the number of occasions and the number of hours per year that it would declare to be CPP events.

**SDG&E Response:** As stated in Special Condition 12 of Schedule EECC-CPP-D, “A maximum of eighteen (18) CPP Events can be triggered on any day of the week, year round. CPP Events shall be effective from 2:00 p.m. – 6:00 p.m.”

1. Please provide SDG&E’s estimate of the average LMP by hour for whatever period SDG&E has projected LMPs.

**SDG&E Response: [As noted below, portions of the attached worksheet (redacted in black) are CONFIDENTIAL and considered Protected Material subject to the applicable NDA.]**

See attached worksheet SBUA-SDG&E-DR-03-01 (Redacted).

Please note that the LMP data provided in the attached worksheet, referenced above, is considered Confidential pursuant to Section II.A.2 of the IOU Confidentiality Matrix, adopted as Appendix 1 of D.06-06-066.

1. Please provide SDG&E’s estimate of the marginal distribution costs by hour of the day for whatever period SDG&E has estimated the pattern of those costs.

**SDG&E Response:** Marginal distribution costs are either driven by the number of customers (marginal distribution customer costs) or the maximum kW demand of the customers (marginal distribution demand costs). As stated in SDG&E’s 2016 General Rate Case (GRC) Phase 2 workpapers, SDG&E’s marginal distribution demand costs is $80.40 per kW on an annual basis or approximately $6.70 per kW-month. SDG&E’s marginal distribution demand costs are based on the customer’s maximum demand and thus, the marginal distribution costs on an hourly basis for the SDG&E system would also be $6.70 per kW.

1. Please provide the derivation of the following rate components
	1. The capacity-reservation demand charge.

**SDG&E Response:** The commodity capacity-reservation demand charge that will apply under the proposed EV-HP rate will be the Capacity Reservation Charge presented in Schedule EECC-CPP-D.

* 1. The subscription demand charge.

**SDG&E Response:** As explained on page WS-2 of the Prepared Direct Testimony of William G. Saxe, the proposed EV-HP subscription charge is based on non-coincident distribution demand costs allocated to Schedule AL-TOU.

* 1. The CPP event adder.

**SDG&E Response:** The CPP event adder that will apply under the proposed EV-HP rate will be the CPP Event Day Adders presented in Schedule EECC-CPP-D.

1. Please explain whether SDG&E intends to charge the capacity-reservation demand charge based on maximum hourly consumption, maximum 15-minute consumption, or something else.

**SDG&E Response:** As stated in Special Condition 9 of Schedule EECC-CPP-D, “Customers shall be provided with the option to self-select and reserve a level of generation capacity, specified in kW, that would protect that portion of their load from the CPPD Event Day Adder applicable during a CPP Event.” Therefore, the customer will choose the level of kW demand that will be billed under the Schedule EECC-CPP-D Capacity Reservation Charge.

* 1. Please explain why SDG&E believes that this billing interval is appropriate for this charge.

**SDG&E Response:** See response to Question 10.

1. Please explain what costs SDG&E intends to reflect or recover through the capacity-reservation demand charge (e.g., distribution capacity, generation capacity).

**SDG&E Response:** The Schedule EECC-CPP-D Capacity Reservation Charge is designed to recover the generation capacity costs that would be recovered from Medium/Large Commercial & Industrial (M/L C&I) customers in Maximum On-Peak Demand Charges from customers that opt out of Schedule EECC-CPP-D and take commodity service on Schedule AL-TOU standard EECC rates.

1. Please explain whether SDG&E intends to charge the capacity-reservation demand rate based on the customer’s maximum non-coincident peak load in any interval in the month, or only in designated peak periods.

**SDG&E Response:** See response to Question 10 above.

* 1. Please explain why SDG&E is proposing this billing rule.

**SDG&E Response:** Schedule EECC-CPP-D is an existing commodity rate option that is available to M/L C&I customers like EV-HP customers.

1. Please explain why SDG&E believes that a capacity-reservation demand charge is preferable to TOU or CPP energy charges to recover the costs reflected in the capacity-reservation demand charge.

**SDG&E Response:** As explained in response to Question 10, the Schedule EECC-CPP-D Capacity Reservation Charge is an option available to customers taking commodity service on Schedule EECC-CPP-D that allows customers to avoid paying high charges for energy usage during CPP events by reserving a level of their load to be protected from CPP rates. It is intended to provide an option to reduce bill instability for CPP customers.

1. Please explain what costs SDG&E intends to reflect or recover through the subscription demand charge (e.g., distribution feeder capacity, substation capacity, generation capacity).

**SDG&E Response:** As explained on page WS-2 of the Prepared Direct Testimony of William G. Saxe, the proposed EV-HP subscription charge recovers non-coincident distribution demand costs allocated to Schedule AL-TOU.

1. Please explain whether SDG&E intends to charge the subscription demand charge based on maximum hourly consumption, maximum 15-minute consumption, or something else.

**SDG&E Response:** The proposed EV-HP subscription charge is selected by the customer based on their anticipated maximum non-coincident 15-minute demand.

* 1. Please explain why SDG&E believes that this billing interval is appropriate for this charge.

**SDG&E Response:** The proposed EV-HP subscription charge recovers non-coincident distribution demand costs allocated to Schedule AL-TOU, which are billed to customer’s based on their maximum non-coincident monthly demand.

1. Please explain why SDG&E has proposed to charge the same subscription charge for a customer using 26 kW and one using 49 kW.

**SDG&E Response:** Delineating the EV-HP subscription charge in 25 kW increments is intended to reduce bill instability and simplify the customer experience. In the example presented in Q 16, both customers’ subscription charges are based on the middle of the second 25 kW tranche or 37.5 kW.

* 1. Please explain why SDG&E believes this rate design is equitable.

**SDG&E Response:** As explained above in response to Question 16, the reason for using 25 kW demand ranges in the proposed EV-HP subscription charge is to simplify the customer experience. This rate design is equitable to the EV-HP class because the subscription charge is designed to recover the non-coincident demand costs allocated to Schedule AL-TOU.

* 1. Please explain why SDG&E believes this rate design is efficient.

**SDG&E Response:** Please see responses to Question 16 and 16a.

1. Please explain whether SDG&E intends to charge the subscription demand rate based on the customer’s maximum non-coincident peak load in any interval in the month, or only in designated peak periods.

**SDG&E Response:** The subscription charge is selected by the customer based on their anticipated maximum non-coincident demand in any TOU period.

* 1. Please explain why SDG&E is proposing this billing rule.

**SDG&E Response:** The subscription charge recovers non-coincident distribution demand costs incurred regardless of when a customer consumes energy.

1. Please explain why SDG&E believes that a subscription demand charge that the customer pays every month regardless of usage level is preferable to a normal demand charge (assessed each month as a function of customer non-coincident peak load) to recover the costs reflected in the subscription demand charge.

**SDG&E Response:** The subscription charge is intended to provide greater bill stability and a simpler customer experience than existing demand charges.

1. Please explain why SDG&E believes that a subscription demand charge that the customer pays every month regardless of usage level is preferable to TOU or CPP energy charges to recover the costs reflected in the subscription demand charge.

**SDG&E Response:** Distribution demand costs are incurred based on a customer’s power demand and not their energy consumption, and to align with the principles of cost causation should be recovered via demand, fixed, or subscription charges. Including non-coincident distribution demand costs in CPP or TOU energy charges would not align with the principles of cost causation.

1. Please provide a comparison of bills under the proposed EV-HP rate to bills for the same load under the TOU-M rate, in a manner similar to the Chapter 3 workpapers.

**SDG&E Response:** See attached workpaper SBUA-SDG&E-DR-03-02.

1. Regarding the response to Cal PA-SDG&E-DR-03 Question 6, which states that “SDG&E tracks costs regarding upgrades relating to EV infrastructure installations for the reoccurring Joint Investor-Owned Utility (IOU) Load Research Reports.”
	1. Please explain where in those reports SDG&E (or any of the utilities) reports upgrade costs, other than for residential EV installations.

**SDG&E Response:** The Joint IOU Load Research Report did not track distribution upgrade costs related to non-residential EV installations.