

Concurrence of Commissioner Mark J. Ferron on Decision discussing Alternative Fuel Vehicles, Item #46 (D11-07-029)

As some of you may know, I was an early adopter of EVs like President Peevey. I owned and commuted using a first-generation all electric vehicle when I lived in London. (REVAi, AKA the G-wiz, a four-seat quadricycle equipped with lead-acid batteries, which has a nominal range of 80 km (50 mi) per charge and a top speed of 80 km/h (50 mph).). I am extremely interested in progressing the market for electric and other alternative fueled vehicles. I will support this decision, but I do have one concern that I would like to highlight.

In building a new market such as this, we, as regulators, need to find the appropriate balance between protecting the interests of ratepayers against the desire to encourage the growth of this new market until it is able to sustain itself. This decision appropriately balances several key issues, including the extent to which we socialize the costs of line upgrades, the ownership model of the meter, the data that we gather to streamline the process of the EV deployment. But this is a very new market that will evolve rapidly, and we must be prepared to revisit this decision as the market matures.

I am very concerned about one particular aspect of this proposed decision.

Recently, I had the chance to meet with Smart City San Diego, a broad public-private collaboration comprising the City of San Diego, General Electric, the University of California San Diego, CleanTECH and San Diego Gas & Electric. This group is creating NOW the infrastructure for electric vehicles for use in and around the campus of UCSD. This group is TODAY producing a fully-functional prototype on a scale which is big enough to flesh out the future issues that the rest of the state will soon address - - e.g., Grid reliability, the impact of Distributed Generation, the use of micro-grids and smart grid technology, measuring consumer behavior toward private and public charging, integrating storage and solar to vehicle charging etc.

It is evident that SDG&E is a true partner in this effort and without their enlightened and substantial contribution, there is little doubt that this very

important prototype would not exist. I applaud the management and staff involved at SDG&E.

As President Peevey pointed out, this decision prohibits a regulated utility from owning public charging equipment (except for the use to charge its own fleet as now reflected in the final version on the Escutia table) and does so out of a number of concerns. In principle, I agree that we must be careful that we do not create an unfair competitive advantage to utilities in this emerging market place.

However, I am concerned that a full prohibition of utility ownership of public charging infrastructure may act to discourage the kind of partnership witnessed in Smart City San Diego and that we may be removing from the outset a viable participant in a future competitive market. I am comforted by the language in the Decision which states that the Commission will revisit this prohibition should utilities present evidence of underserved markets or market failure as a result. We should be alert to evidence of such a market failure and should be prepared to act accordingly.

I wish to thank Judge DeAngelis and the staff for all of their hard work. With that, I will support this item and reserve my right to file a concurrence.

Dated July 14, 2011 at San Francisco, CA

/s/ Mark J. Ferron
Commissioner