

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

Order Instituting Rulemaking to  
Continue the Development of Rates  
and Infrastructure for Vehicle  
Electrification.

Rulemaking 18-12-006  
(Filed December 13, 2018)

**COMMENTS OF THE NATURAL RESOURCES DEFENSE COUNCIL, THE  
COALITION OF CALIFORNIA UTILITY EMPLOYEES, GREENLOTS, SIEMENS,  
EMOTORWERKS, EVBOX INC., THE ALLIANCE OF AUTOMOBILE  
MANUFACTURERS, ENVIRONMENTAL DEFENSE FUND, AND PLUG IN AMERICA  
ON THE CPUC WORKSHOP FOR “METRICS & METHODOLOGIES TO EVALUATE  
TRANSPORTATION ELECTRIFICATION PROGRAMS”**

May 30, 2019

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## **I. INTRODUCTION**

The CPUC held a workshop on May 9, 2019 to discuss the data collection, reporting, evaluation methodologies, and metrics being collected through the investor-owned utilities' transportation electrification programs, implemented pursuant to requirements established in Senate Bill 350. The goals of the workshop were to finalize the key research questions related to the utilities' initial SB 350 investments and identify evaluation metrics and methodologies that can best determine the most "successful" programs. The Natural Resources Defense Council (NRDC), the Coalition of California Utility Employees (CUE), Greenlots, Siemens, eMotorWerks, EVBox Inc., the Alliance of Automobile Manufacturers, Environmental Defense Fund (EDF), and Plug In America submit these comments on the workshop.

## **II. SB 350 REQUIRES MINIMIZING COSTS AND MAXIMIZING BENEFITS, AND DELIBERATELY AVOIDED SPECIFIC COST EFFECTIVENESS THRESHOLDS**

While it is critical to ensure that future transportation electrification investments are minimizing costs and maximizing benefits, miring review of future programs in required showings of specific cost-effectiveness thresholds would be inappropriate and would impede SB 350's goal of widespread transportation electrification. The Transportation Electrification Framework TEF (TEF) Scoping Memo sets out "consideration of cost-effectiveness metric(s)" within the scope of issues to be addressed by the TEF in developing a framework for review "aligned with the goals of Senate Bill (SB) 350," and several parties touched upon on cost-effectiveness during the May 9<sup>th</sup> workshop. The statutory standard set out by SB 350, however, does not require a showing of cost effectiveness, and instead states that "programs proposed by electrical corporations shall seek to minimize overall costs and maximize overall benefits." The legislature did not require that "minimized costs" must exceed "maximized benefits" by a specific margin or that a cost test akin to those described in the Commission's *Standard Practice Manual* should be developed. In fact, SB 350 deliberately avoided the artificial certainty that numerical tests attempt to provide (as well as the associated protracted debates as to underlying assumptions and impossible-to-answer counterfactuals).

In aligning the development of metrics for the TEF with the goals of SB 350, as well as with the comments made by several parties and panelists during the workshop, the Commission

should similarly avoid specific cost-effectiveness metrics or singular reliance on numerical metrics such as \$/GHG reduction, \$/incremental EV adoption, and \$/kWh load shift (as outlined in the workshop notice). Instead, the Commission should ensure the utilities are abiding by SB 350's statutory directive to minimize costs and maximize benefits by encouraging the utilities to pursue novel programs that could reduce "per port" or "per customer" expenditures and scale up to meet California's ambitious EV deployment goals.

### **III. METRICS FOR EVALUATING THE SUCCESS OF PROGRAMS SHOULD FOCUS ON FUEL COST SAVINGS, LOAD SHIFTING TO OFF-PEAK HOURS, AND PORT DEPLOYMENT—NOT EV SALES DATA**

Metrics aimed at "incremental EV adoption," invoke impossible to answer counterfactuals regarding attribution. Multiple factors contribute to every EV purchase decision—and these factors often differ across program design, vehicle type, and ownership structure—making attributing a single purchase to any single factor impossible (or at least quixotic). While the desire to evaluate incrementality from the IOU's transportation electrification programs is well-placed, accurate and meaningful measurements of incremental EV adoption is challenging. The Commission should not look to sales data as a way of gauging incremental EV adoption, but should instead look to easier-to-measure metrics that correspond to the justification for the investment of utility customer funds (e.g., improved utilization of the grid and facilitating the integration of variable generation) and the factor which consumer research reveals is the biggest motivator of EV purchase decisions (i.e., fuel cost savings).

The Commission could much more easily determine if IOU programs are delivering fuel cost savings and improving load factor during off-peak hours, rather than resorting to spending millions of dollars in consulting fees trying to answer the question "*Would someone have bought that EV but for that charging station?*" Comparisons between the average cost paid for electricity and the CEC forecast of gas prices would provide a much simpler (and more reliable) evaluation of incrementality based on the single biggest motivator of EV purchase decisions. Similarly, the Commission could evaluate the percent of kilowatt hours consumed during the equivalent of off-peak hours (data that is already being tracked by some IOUs), to determine the success of the various programs in improving grid utilization. As proposed in the SDG&E Companion Incentive Mechanism for the Residential Charging Program, the successful deployment of

charging ports during program implementation could be another beneficial metric for evaluation. This would allow the Commission to evaluate the success of various programs in advancing equity, by allowing the Commission to examine the percent of ports deployed in disadvantaged communities.

The Joint IOU Load Research reports demonstrate how metrics and data other than direct EV sales data can be used to evaluate the success of the IOU's transportation electrification programs. Data provided by previous Load Research Reports have been used to show that EVs are already putting downward pressure on rates. The Commission has appropriately directed the IOU's to continue filing annual Load Research Reports, and this will help provide yet another means of allowing stakeholder to track and evaluate program success.

#### **IV. CONCLUSION**

NRDC, the Coalition of California Utility Employees, Greenlots, Siemens, eMotorWerks, EVBox Inc., the Alliance of Automobile Manufacturers, Environmental Defense Fund, and Plug In America thank the Commission for the opportunity to submit comments and to continue to engage in this critical effort.

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Respectfully submitted,

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