



Pacific Gas and
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Annalisa Schilla
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1001 "I" Street
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RE: Pacific Gas and Electric Comments on Policy Recommendations for Increasing the Use of Zero-Emission Vehicles per Senate Bill 498

Pacific Gas and Electric Company (PG&E) appreciates this opportunity to provide feedback in response to the Air Resources Board's (ARB) release of policy recommendations to increase the use of Zero-Emission Vehicles (ZEVs) per the direction of Senate Bill (SB) 498.

PG&E is committed to increasing adoption of clean fuel vehicles in California to help the state meet its climate, air quality, and clean transportation goals. Fuel costs and lack of adequate fueling infrastructure are significant barriers to achieving the state's ambitious ZEV goals and PG&E is leveraging its core capabilities as an energy partner to support adoption through Electric Vehicle (EV) specific rates and a portfolio of customer EV programs. The draft assessment correctly highlights the barriers to ZEV adoption and PG&E is largely supportive of the recommendations made by ARB staff to overcome these barriers and expedite the transition to clean fuel vehicles. PG&E provides more specific comments on the assessment in the following sections:

I. Fuel Cost Recommendations

As the report states, cost-competitive and stable fuel costs are critical in order to encourage consumers to choose ZEVs. PG&E believes that the most effective way to build in that predictability and lower the cost of fueling is to integrate EVs into the grid through rate design and load management strategies. For over a decade, PG&E has offered two EV rate plans for residential customers which provide cost-competitive fueling for charging that occurs during off-peak hours. Currently, over 60,000 customers are taking advantage of these residential EV rate plans. To provide similar fuel savings to medium-duty and heavy-duty (MD/HD) EV operators, PG&E is implementing a first-of-its-kind Commercial EV (CEV) rate this year, which is

designed to provide electric fueling prices at cost-parity with gasoline and diesel. The CEV rate will also provide a simplified and more predictable bill for customers, aiming to lower the fuel cost barrier for adoption of ZEVs in the MD/HD sector.

Load management strategies are also an effective tool to integrate EVs with the electricity grid. PG&E is actively participating in the CPUC's Vehicle-Grid Integration Working Group and supports utilizing EVs as a grid resource to take advantage of excess renewables and provide additional benefits to the grid and the consumer. PG&E encourages ARB to collaborate with the CEC and the CPUC regarding vehicle-to-grid integration strategies.

II. ZEV Refueling Infrastructure Recommendations

Access to ZEV refueling infrastructure is a significant barrier to adoption in both the light-duty vehicle (LDV) and MD/HD vehicle sectors and a holistic and long-term planning approach is critical to increasing access at the speed and scale necessary to meet the state's clean transportation goals. To effectively execute the transition to ZEVs and ensure the state achieves its EV goals, PG&E encourages CARB to work closely with the other State agencies to align on priorities, workforce development, and investment and deployment strategies.

1. PG&E agrees with the recommendation for a multi-agency workgroup on ZEV infrastructure and supports an expansion of the scope to include light-duty EVs

There is a critical need for large-scale infrastructure deployment to support the transition to ZEVs in the MD/HD and off-road vehicle sector. PG&E's EV Fleet program, launched last year, supports electrification of this market segment through incentives and dedicated construction services and has already generated key insights into the unique and complex challenges to electrifying this nascent market. Collaboration between state agencies and industry partners will be essential to accurately identify the needs of the market, effectively integrate electric fleets with the grid, and provide the necessary funding to support market growth.

There is also still a significant gap in the infrastructure necessary to support the state's goal of 5 million light duty EVs by 2030. A recent assessment of the LDV infrastructure need, conducted by CalETC, concluded that meeting the infrastructure needs for this goal will not only require increasing the scale of charging infrastructure, but also the speed of deployment across the state. This will require cooperation among many actors to address financial and non-financial issues, including workforce training, electric connection processes, and permitting and inspection requirements. PG&E recommends that the multi-agency workgroup focus on the infrastructure needs for all types of electric vehicles.

As a result, PG&E supports CalETC's recommendations for the focus of the working group, especially related to expanding the scope to include light-duty EVs and their associated infrastructure needs.

2. PG&E supports the recommendation to provide additional CEC funding for infrastructure benefiting DACs/low-income communities and schools.

PG&E recognizes that Disadvantaged Communities (DACs) and low-income communities often face additional barriers to accessing ZEV infrastructure. To better understand the needs and challenges that customers in DACs and low-income communities face, PG&E is implementing Empower EV, a program to identify effective outreach and education approaches to customers in those communities and provide a residential EV charger at no cost. PG&E supports ARB's many programs and strategies to lower the barriers to EV adoption for DAC and low-income communities and supports Staff's recommendation to increase funding for other agencies to do the same.

3. PG&E supports the assessment of infrastructure needs for high-mileage fleets

Electrification of high-mileage fleets has the potential for substantial GHG and criteria air pollutant reductions and PG&E agrees with the need to assess the infrastructure needed to accommodate large-scale EV deployment in this sector. PG&E supports working with ARB, CEC, and CPUC to identify how these fleets can be supported through existing utility programs and/or what additional action can be taken to support the transition to EVs outside of current programs.

III. Outreach and Education Recommendations

1. PG&E recommends that utilities continue to provide electricity rate expertise, not new State "Electricity Rate" Ombudsperson

Again, PG&E recognizes that predictable and stable electricity fuel costs are critical to support fleet electrification and believes rate design is the most effective way to achieve this. However, PG&E believes that creating a new "Electricity Rate" Ombudsperson position to provide rate expertise to customers across the state has too broad of a scope and is duplicative of ongoing efforts at each of the utilities. Rates are complex and vary across the state and the individual utilities have the expertise to develop resources and tools to help customers better understand these rates, their electricity bill, and strategies to optimize charging behavior and maximize fuel cost savings. PG&E currently provides an EV Savings Calculator¹ to help customers identify the lowest cost EV rate plan and plans to develop a similar tool for the MD/HD sector, with several other utilities following suit. PG&E suggests that if a State "Electricity Rate" Ombudsperson is created, the role should be more clearly defined and not supplant the utilities' rate expertise.

¹ PG&E EV Savings Calculator - <https://ev.pge.com/>

IV. Incentives and Pricing Strategies Recommendations

PG&E supports Staff's recommendation to provide predictable and expanded funding for ZEVs. Additional funding is necessary to lower the cost of ownership and spur market growth and a predictable funding stream is necessary to allow customers, industry partners, and grant funders to make long-term plans regarding infrastructure.

Conclusion

PG&E continues to support the expansion of clean vehicle technologies and infrastructure that will help the state meet its aggressive environmental goals.

Please feel free to contact me if you have any questions or concerns.

Sincerely,

/s/

Fariya Ali

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Pacific Gas and Electric