



August 8, 2011

California Air Resources Board (CARB)  
1001 I Street, PO Box 2815  
Sacramento, CA 95812

**Re: Response to the Proposed Regulatory language issued by California Air Resources Board (CARB) on July 22, 2011**

Pacific Gas and Electric Co. (PG&E) appreciates the opportunity to comment in response to the California Air Resources Board (CARB) terms for proposed regulatory decisions regarding amendments to the Low Carbon Fuel Standard (LCFS), dated July 22, 2011 and excerpted in Appendix A of this letter.

PG&E supports CARB's efforts to reduce the carbon intensity of transportation fuels through its LCFS program. PG&E understands the role Plug-In Electric Vehicles (PEVs) will play in reducing transportation impacts on local air quality and greenhouse gas (GHG) emissions in the state of California

PG&E applauds CARB for including Section 6.A in its regulatory amendments to recognize the utility distribution company as the regulated party. Providing credits to the utilities ensures that the benefits of the credits are provided directly to those generating the credits, the utility customers who use PEVs.

From PG&E's perspective, we would like to provide the following recommendations for the regulatory language:

**1. Level II Electric Vehicle charging equipment**

PG&E recommends Section 6.A be revised to include both Level I and Level II charging. From the early studies on the deployment of PEVs, a significant number of customers prefer to charge using AC Level 1. According to GM, only 50% of the Chevrolet Volt customers are choosing Level 2, 240V charging stations. PG&E believes that a primary reason customers may choose to do so is the availability of federal and state incentives to install these charging stations. In our projections for vehicle adoption up to 2020, PG&E estimates a significant number of plug-in hybrid vehicles are likely to continue to charge their vehicles using a Level 1 Electric Vehicle Supply Equipment (EVSE).

Since the majority of the PEV owners charging on Level 1 are not separately metered, PG&E requests that CARB staff provide an opportunity for technical discussions regarding the proposed changes and our estimation methodology to determine electricity consumed in residential settings through Level 1 charging. This request is consistent with CARB's goal that the LCFS program to maximize the availability of credits for regulated parties.

We would also propose the regulatory language to read, "For transportation fuel supplied through Level II electric vehicle (EV) charging equipment supplied to Plug-In Electric Vehicles (PEVs) at single and multi-family homes, the utility distribution company is the regulated party in their defined utility territory."

**2. "Discount" for off-peak charging of PEVs**

Section 6.A.1 refers to providing a "discount" for off-peak charging. Utility PEV rates are not technically a "discount" but rather a cost-based incentive for customers to shift their load to off-peak hours.

We would therefore propose the regulatory language to read, "Provide PEV Time-Of-Use pricing as a rate option that includes a discount for off-peak charging provides incentives for customers to shift their load to off-peak charging."

### **3. Web based friendly tool**

Section 6.A.2 refers to the utilities providing a web-based friendly tool for customers to understand their various rate structure options. We appreciate CARB's recognition of the importance of PEV customers understanding their rate options. PG&E currently offers a Rate Calculator ([www.pge.com/pevcalculator](http://www.pge.com/pevcalculator)) where customers can identify the rate structure that best suits their requirements in a residential setting. PG&E requests that Section 6.A.2 be revised to require us to offer such a tool only for residential settings, because providing such a tool for non-residential customers may be confusing, given the multitude of rate options available to such customers. Commercial rate plans and the corresponding monthly costs vary depending on the customer's loads, time-of-use and demand charges.

We would therefore propose the regulatory language to read, "Provide a web-based user-friendly tool that allows EV customers to compare residential rate structure options and provides examples of one or more typical EV households."

### **4. Fleet Operator as Regulated Party**

Section 6.C refers to transportation fuel supplied to a fleet of three or more EVs may opt-in to the regulation to become a regulated party. PG&E would like further clarification regarding the minimum requirement of three EVs. In order to retain a system that is not administratively cumbersome, PG&E suggests determining a higher minimum standard of vehicles to constitute a fleet. Various industry standards exist; ranging from 3 for certain insurance companies to California's DMV VC Section 5301 (b)(1) which states that fleets shall consist of at least 50 motor vehicles to qualify for fleet registration.<sup>1</sup> PG&E recommends adopting a minimum of at least 10 vehicles to avoid un-intended fleet purposes and retain administrative ease.

We would therefore propose the regulatory language to read, "For transportation fuel supplied to a fleet of ten or more EVs, a non-governmental agency or company operating the fleet (fleet operator) may opt-in to the regulation to become a regulated party."

### **5. Workplace charging**

The draft amendments released on July 22, 2011 does not identify the regulated party in case of employee PEV charging occurring at the workplace. PG&E believes that workplace charging will be the preferred charging location for PEV drivers after residential charging. In order to be aligned with the principles articulated by the CARB staff, PG&E recommends that the regulation be revised to designate utilities as the regulated party for transportation fuel supplied at work place. This would maximize the availability of credits and also ensure simplicity in accounting. PG&E requests a dialogue with the CARB staff regarding an estimation methodology for electricity as a transportation fuel supplied at workplaces.

### **6. Energy Efficiency Ratio (EER)**

CARB staff proposes to lower the EER from 3.0 to 2.6. Although CARB staff has provided some detail at the July 22 workshop on their reasons for lowering the EER, PG&E requests CARB for clarifications on the timeline, process and methodologies for updating the EER and facilitating an open discussion so that various parties involved may be able to offer their inputs on the process.

### **Conclusion**

PG&E applauds the efforts of CARB on the Low Carbon Fuel Standard (LCFS) program and appreciates the opportunity to provide comments. PG&E looks forward to having proactive discussions with CARB staff in the upcoming months to revise the LCFS program.

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<sup>1</sup> <http://dmv.ca.gov/pubs/vctop/d03/vc5301.htm>

## Appendix A: Excerpt from Proposed Regulatory Amendments, Issued July 22, 2011

(6) Regulated Parties for Electricity. For electricity used as a transportation fuel, the regulated party is determined as in the order specified below:

(A) For transportation fuel supplied through Level II electric vehicle (EV) charging equipment in single and multi-family homes, the Utility Distribution Company (as defined by the California Public Utilities Commission as an entity that provides regulated services to customers) is the regulated party in their defined utility territory. In order to receive credit for electricity supplied as a transportation fuel, the Utility Distribution Company must:

1. Provide EV time-of-use pricing as a rate option that includes a discount for off-peak charging, and
2. Provide a web-based user-friendly tool that allows EV customers to compare rate structure options and provides examples of one or more typical EV households.

(B) For transportation fuel supplied through public access EV charging equipment, the non-utility Electric Vehicle Service Provider (EVSP) or Utility Distribution Company that has installed the equipment, or had an agent install the equipment, and who has a contract with

1. The property owner where the equipment is located to maintain or otherwise service the charging equipment, or
2. EV owners are the regulated party.

(C) For transportation fuel supplied to a fleet of three or more EVs, a non-governmental agency or company operating the fleet (fleet operator) may opt-in to the regulation to become a regulated party.

If the fleet operator elects not to become a regulated party, the Utility Distribution Company may become the regulated party provided there is a contract or other written evidence of mutual agreement that the fleet operator has transferred regulated party designation to the Utility Distribution Company.

~~(A) The load serving entity or other provider of electricity services, unless section 95484(a)(6)(B), (C), or (D) below applies. "Load serving entity" has the same meaning specified in Public Utilities Code (PUC) section 380. "Provider of electricity services" means a local publicly owned utility, retail seller (as defined in PUC section 399.12(g)), or any other person that supplies electricity to the vehicle charging equipment; 31~~

~~(B) The electricity services supplier, where "electricity services supplier" means any person or entity that provides bundled charging infrastructure and other electric transportation services and provides access to vehicle charging under contract with the vehicle owner or operator;~~

~~(C) The owner and operator of the electric charging equipment, provided there is a contract between the charging equipment owner operator and the provider of electricity services specifying that the charging equipment owner operator is the regulated party;~~

~~(D) The owner of a home with electric vehicle charging equipment, provided there is a contract between the homeowner and provider of electricity services specifying that the homeowner may acquire credits.~~