January 11, 2019

Clay Faber
Director, Regulatory Affairs
8330 Century Park Court
San Diego, CA 92123-1548

Subject: Disposition Rejecting San Diego Gas & Electric's Advice Letter 3236-E, ‘Notification of SDG&E’s Residential Charging Program in Compliance with Decision 18-05-040’

Dear Mr. Faber:

Summary:

D.18-05-040 authorized SDG&E to implement a Residential Charging Rebate Program (RCP) with specific parameters and authorized the utility to develop and propose a companion incentive mechanism (CIM) within specific parameters. Energy Division has determined SDG&E’s notification conditionally agreeing to implement its RCP in AL 3236-E does not meet the parameters adopted by the Commission in Ordering Paragraph (OP) 4 of D.18-05-040 and is therefore rejecting it.

Background:

In A.17-01-020, SDG&E proposed a Residential Charging Program (RCP) that included utility ownership of behind-the-meter infrastructure and Level 2 EV charging stations at up to 90,000 residential customers’ homes.

D.18-05-040 authorized SDG&E to implement a modified version of its proposed RCP in which the utility would provide rebates to up to 60,000 residential customers that purchase and install Level 2 EV charging stations at their homes. D.18-05-040 also authorized SDG&E to work with parties to the proceeding to develop a CIM and adopted guidance the CIM must meet to be considered per se reasonable.

The decision offered SDG&E the option to either implement the RCP as modified and approved, or to withdraw its proposal and not implement the RCP. OP 4 of D.18-05-040 directs SDG&E to file a Tier 1 Advice Letter within 15 days of the issuance of the decision stating whether it intends to implement the RCP as modified, and if so, whether it intends to develop and propose a CIM.

On June 14, 2018, SDG&E filed AL 3236-E conditionally agreeing to implement the modified RCP, contingent on the Commission’s approval of program modifications, including potential size reductions and budget changes, and the Commission’s authorization of SDG&E’s proposed CIM. Energy Division staff suspended AL 3236-E for further review.
with OPs 4, 5, and 6 of D.18-05-040. On November 30, 2018, Energy Division staff rejected SG&E’s proposed CIM and implementation plans for failing to comply with D.18-05-040.

**Discussion**
SDG&E’s AL 3236-E does not accept or reject the RCP as modified and approved in D.18-05-040 so it does not conform with the requirements adopted in OP 4.

AL 3236-E states that “SDG&E accepts the modifications to the RCP as approved by D.18-05-040 on the condition that it first be allowed to complete the process of developing a CIM which may include consideration of program size reductions, other program modifications, and budget changes.”

OP 4 of D.18-05-040, however, directs SDG&E to file a Tier 1 AL addressing “whether it accepts the modifications to the Residential Charging Program as approved by this decision.” The language in AL 3236-E only conditionally accepts the RCP and indicates that modifications to the Decision will be needed to implement the program.

After AL 3236-E was filed in June 2018, Energy Division staff discussed several options with SDG&E and indicated that SDG&E could withdraw AL 3236-E and file one that complies with OP 4 should it be able to reach consensus on a CIM and be able to unconditionally accept the RCP as modified and approved in D.18-05-040. SDG&E was never given the indication that AL 3236-E complies with OP 4 of D.18-05-040.

Upon review of the CIM and implementation plan SDG&E proposed in its October 5, 2018 AL 3287-E and 3288-E, Energy Division found that SDG&E has not reach a consensus on a CIM that complies with D.18-05-040 and is still not able to unconditionally accept the RCP as adopted in D.18-05-040.

Energy Division again encourages SDG&E to file a PFM if it seeks changes to the RCP and CIM as adopted in D.18-05-040.

**Disposition**
Energy Division finds that AL 3236-E does not comply with OP 4 of D.18-05-040 and is therefore rejected.

Sincerely,

[Signature]

Edward Randolph
Director, Energy Division

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2 SDG&E AL 3236-E at 2, emphasis added.
3 D.18-05-040 at 150, OP 4.
CC: Aurora Carillo (acarillo@semprautilities.com)
Megan Caulson (mcaulson@semprautilities.com)
Alan Bach (Alan.Bach@cpuc.ca.gov)
Joseph Abhulimen (joseph.abhulimen@cpuc.ca.gov)
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Jamie Ormond (jamie.ormond@cpuc.ca.gov)
ED Tariff Unit (edtariffunit@cpuc.ca.gov)
Service list A.17-01-020 et al.
ADVICE LETTER 3236-E
(U902-E)
PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

SUBJECT: Notification of SDG&E’s Residential Charging Program (RCP) in Compliance with Decision 18-05-040

PURPOSE

In accordance with Ordering Paragraph (OP) 4 of Decision (D.) 18-05-040, San Diego Gas & Electric Company (SDG&E) hereby submits for approval from the California Public Utilities Commission (Commission) this advice letter addressing whether (1) SDG&E accepts the modifications to the Residential Charging Program (RCP), and (2) whether or not SDG&E will pursue the development of a Companion Incentive Mechanism (CIM).

BACKGROUND

On January 20, 2017, pursuant to the Assigned Commissioner’s Ruling Regarding the Filing of the Transportation Electrification Applications Pursuant to Senate Bill 350 (ACR), SDG&E filed an Application for authority, among other things, to implement the RCP. The RCP was designed to eliminate both financial and logistical barriers to accelerated deployment of residential electric vehicle supply equipment (EVSE) chargers, leading to overall accelerated transportation electrification in SDG&E’s service territory, more efficient use of the grid, reduced emissions of greenhouse gas and cleaner air for all. The goal was to create a one-stop-shop for home charging needs - from a networked charger, to installation, to rate options. Following intervenor testimony, the original RCP was modified to include many of the parties’ suggestions, including making utility ownership of the EVSE optional for participants. Ultimately, the RCP was supported by a diverse coalition, including prominent environmental groups, EV charging advocate organizations, labor unions, automobile manufacturers and EV charging companies.

In its final decision (D.18-05-040), the Commission declined to adopt the RCP as proposed by SDG&E. Instead, the Commission proposed a modified version of the RCP, including the elimination of any utility ownership of infrastructure behind the meter. The Commission also required SDG&E to determine within 14 days whether it would accept the modifications to the RCP and pursue the development of a CIM. This timing meant that SDG&E was not allowed to pursue development of a CIM to compensate the utility for programmatic risks before reporting on whether it would accept the Commission’s modifications to the RCP. Under these circumstances, as stated below, SDG&E can only conditionally accept the modifications to the RCP. Only after an acceptable CIM, including any necessary program changes, is adopted, will SDG&E be in a position to accept the RCP as modified by the Commission.
DISCUSSION:

SDG&E accepts the modifications to the RCP as approved by D.18-05-040 on the condition that it first be allowed to complete the process of developing a CIM, which may include consideration of program size reductions, other program modifications, and budget changes. If the process of developing a CIM, which will include all interested parties, does not result in a mechanism that is acceptable to SDG&E, then SDG&E will file a follow up Tier 1 advice letter informing the Commission that it declines to implement the RCP as approved in the decision. However, if an incentive mechanism acceptable to SDG&E is developed, then SDG&E will file a Tier 3 Advice Letter pursuant to OP 5, informing the Commission of the details of the incentive mechanism, including any necessary size reductions, other program modifications and budget changes. Assuming the Commission approves the proposed incentive mechanism and associated modifications, SDG&E will proceed with implementing the RCP. If the Commission does not approve of the proposed incentive mechanism and associated modifications, then SDG&E will not implement the RCP.

EFFECTIVE DATE

This filing is subject to Energy Division disposition and is classified as Tier 1 (effective pending disposition) pursuant to GO 96-B. SDG&E respectfully requests that this filing become effective on June 14, 2018, the date of this filing as required by Ordering Paragraph 4 of D.18-05-040.

PROTEST

Anyone may protest this Advice Letter to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received no later than July 5, 2018, which is 20 days from the date this Advice Letter was filed with the Commission. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

Copies of the protest should be sent via e-mail to the attention of the Energy Division at EDTariffUnit@cpuc.ca.gov. A copy of the protest should also be sent via e-mail to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Megan Caulson  
Regulatory Tariff Manager  
E-mail: MCaulson@semprautilities.com

NOTICE

A copy of this filing has been served on the utilities and interested parties shown on the attached list and to interested parties in service list A.17-01-020, by providing them a copy hereof either electronically or via the U.S. mail, properly stamped and addressed.
Address changes should be directed to SDG&E Tariffs by email to SDG&ETariffs@semprautilities.com.

CLAY FABER
Director – Federal & CA Regulatory
Company name/CPUC Utility No. SAN DIEGO GAS & ELECTRIC (U 902)

Utility type:   Contact Person: Aurora Carrillo
☒ ELC   ☐ GAS             Phone #: (858)  654-1542
☐ PLC   ☐ HEAT   ☐ WATER     E-mail: acarrillo@semprautilities.com

EXPLANATION OF UTILITY TYPE
ELC = Electric          GAS = Gas
PLC = Pipeline          HEAT = Heat     WATER = Water

Advice Letter (AL) 3236-E
Subject of AL: Notification of SDG&E’s Residential Charging Program (RCP) in Compliance with Decision 18-05-040

Keywords (choose from CPUC listing):     Transportation Electrification, SB 350

AL filing type: ☐ Monthly ☐ Quarterly ☐ Annual ☒ One-Time ☐ Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:
D.18-05-040

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL

Summarize differences between the AL and the prior withdrawn or rejected AL:
N/A

Does AL request confidential treatment? If so, provide explanation:

Resolution Required? ☒ Yes ☐ No
Tier Designation: ☒ 1 ☐ 2 ☐ 3

Requested effective date: June 14, 2018
No. of tariff sheets: -N/A-

Estimated system annual revenue effect: (%):
N/A

Estimated system average rate effect (%):
N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected:
N/A

Service affected and changes proposed:
N/A

Pending advice letters that revise the same tariff sheets:
N/A

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division                          San Diego Gas & Electric
Attention: Tariff Unit                        Attention: Megan Caulson
505 Van Ness Ave.,                             8330 Century Park Ct, Room 32C
San Francisco, CA 94102                       San Diego, CA 92123
mas@cpuc.ca.gov and EDTariffUnit@cpuc.ca.gov  mcaulson@semprautilities.com

1 Discuss in AL if more space is needed.
cc: (w/enclosures)

**Public Utilities Commission**
DRA
S. Cauchois
R. Pocta
W. Scott

**Energy Division**
P. Clanon
S. Gallagher
D. Lafrenz
Tariff Unit

**CA. Energy Commission**
F. DeLeon
R. Tavares

**Alcantar & Kahl LLP**
K. Cameron

**American Energy Institute**
C. King

**APS Energy Services**
J. Schenk

**BP Energy Company**
J. Zaiontz

**Barkovich & Yap, Inc.**
B. Barkovich

**Bartle Wells Associates**
R. Schmidt

**Braun & Blaising, P.C.**
S. Blaising

**California Energy Markets**
S. O'Donnell
C. Sweet

**California Farm Bureau Federation**
K. Mills

**California Wind Energy**
N. Rader

**Children’s Hospital & Health Center**
T. Jacoby

**City of Poway**
R. Willcox

**City of San Diego**
L. Cosio Azar
D. Weil

**Commerce Energy Group**
V. Gan

**CP Kelco**
A. Friedl

**Davis Wright Tremaine, LLP**
E. O’Neill
J. Pau

**Dept. of General Services**
H. Nanjo
M. Clark

**Douglass & Liddell**
D. Douglass
D. Liddell
G. Klatt

**Duke Energy North America**
M. Gillette
Dynegy, Inc.
J. Paul

**Ellison Schneider & Harris LLP**
E. Janssen

**Energy Policy Initiatives Center (USD)**
S. Anders

**Energy Price Solutions**
A. Scott

**Energy Strategies, Inc.**
K. Campbell
M. Scanlan

**Goodin, MacBride, Squeri, Ritchie & Day**
B. Cragg
J. Heather Patrick
J. Squeri

**Goodrich Aerostructures Group**
M. Harrington
Hanna and Morton LLP
N. Pedersen

**Itsa-North America**
L. Belew

**J.B.S. Energy**
J. Nahigian

**Luce, Forward, Hamilton & Scripps LLP**
J. Leslie

**Manatt, Phelps & Phillips LLP**
D. Huard
R. Keen

**Matthew V. Brady & Associates**
M. Brady

**Modesto Irrigation District**
C. Mayer

**Morrison & Foerster LLP**
P. Hanschen

**MRW & Associates**
D. Richardson

**Pacific Gas & Electric Co.**
J. Clark
M. Huffman
S. Lawrie
E. Lucha

**Pacific Utility Audit, Inc.**
E. Kelly

**San Diego Regional Energy Office**
S. Freedman
J. Porter

**School Project for Utility Rate Reduction**
M. Rochman

**Shute, Mihaly & Weinberger LLP**
O. Armi

**Solar Turbines**
F. Chiang

**Sutherland Asbill & Brennan LLP**
K. McCrea

**Southern California Edison Co.**
M. Alexander
K. Cini
K. Gansecki
H. Romero

**TransCanada**
R. Hunter
D. White

**TURN**
M. Hawiger

**UCAN**
D. Kelly

**U.S. Dept. of the Navy**
K. Davoodi
N. Furuta
L. DeLacruz

**Utility Specialists, Southwest, Inc.**
D. Koser

**Western Manufactured Housing Communities Association**
S. Dey

**White & Case LLP**
L. Cottle

**Interested Parties in:**
A.17-01-020