BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding Policies, Procedures and Rules for the Self-Generation Incentive Program and Related Issues.	Rulemaking 20-05-012 (Filed May 28, 2020)

REPLY COMMENTS OF RURAL COUNTY REPRESENTATIVES OF CALIFORNIA TO THE ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

John Kennedy
Legislative Affairs Advocate
Rural County Representatives of California
1215 K Street, Suite 1650, Sacramento, CA 95814
Tel: (916) 447-4806

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E-mail: jkennedy@rcrcnet.org

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I. Introduction

In accordance with the California Public Utilities Commission ("CPUC") Rules of Practice and Procedure ("Rules"), the Rural County Representatives of California (RCRC) submits these reply comments to the August 17, 2020 Assigned Commissioner's Scoping Memo and Ruling. RCRC was granted party status on August 20, 2020 by the Administrative Law Judge.

II. Background

RCRC is an association of thirty-seven rural California counties with a Board of Directors comprised of elected supervisors from those counties. RCRC member counties contain much of California's forested lands, have borne the lion's share of destruction caused by wildfires, and have experienced most of the state's Public Safety Power Shut-off (PSPS) events. We support using the Self-Generation Incentive Program (SGIP) to improve electrical resiliency of customers, critical facilities, and communities at greatest risk of losing power. While electric vehicles (EV) and charging technologies *may* provide another pathway to increasing energy resilience, expansion of SGIP to these technologies carries with it significant risks. These risks include diversion of scarce resources to subsidize higher-income customers in affluent communities that are already comparatively saturated with electric vehicles and charging stations.

III. Comments

We offer reply comments on Section 3, questions (b), (c), (d), (h), (i), and (j).

(b) Should the Commission refine guidance regarding prioritization of equity resiliency budget incentive applications?

RCRC understands that changing equity resiliency budget eligibility could cause administrative challenges in the near term[1]; however, experience has shown that some of those in greatest need of SGIP's energy resiliency benefits are ineligible for participation under the current framework. Those customers include residents of communities at risk of future PSPS events and that are wholly or predominantly dependent upon wireline communications systems.[2] Furthermore, some who are now eligible may no longer have the energy resilience need originally anticipated as a result of substantial utility improvements to reduce their risk of future PSPS events.

The Public Advocates Office asserts that "Any efforts to boost enrollment in the ERB at this time would be unnecessary and counterproductive."[3] We agree that this proceeding should not focus on "boosting enrollment," but it should be flexible enough to ensure that SGIP resources go to those in greatest need. We understand the tension that often exists between maximizing program efficiency and effectiveness. The Public Advocates Office suggestion to maintain status quo improves efficiency in processing applications but comes at the expense of program effectiveness. True effectiveness can only be maximized by carefully evaluating existing needs and modifying the program to deploy scarce resources where they are needed most.

RCRC agrees with SoCalGas that "broadening eligibility to the quickly diminishing equity resiliency budget will only compound the problem of prematurely exhausting funds within this budget."[4] At the same time, that risk should not preclude improving program effectiveness by extending eligibility to those in greatest need, like customers in wireline-dependent communities.

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[1] *Comments of Pacific Gas and Electric Company (U 39 E) on Questions "B-K" of Assigned Commissioner's Scoping Memo and Ruling*, September 16, 2020, page 2; *Opening Comments of the Public Advocates Office on the Assigned Commissioner's Scoping Memo and Ruling*, September 16, 2020, page 3.

[2] *Opening Comments of Rural County Representatives of California to the Assigned Commissioner's Scoping Memo and Ruling*, September 14, 2020, pages 4-5.

[3] *Public Advocates Office*, page 4.

[4] *Opening Comments of Southern California Gas Company (U904G) Pursuant to the Assigned Commissioner's Scoping Memo and Ruling*, September 16, 2020, pages 7-8.

RCRC strongly disagrees with the Joint CCAs suggestion to base equity and equity resiliency budget income limits on area-median income (AMI).[5] To the contrary, we believe that the Commission should reevaluate its reliance on AMI for the SGIP and other programs. We believe that use of AMI is inherently inequitable and results in greater use of the SGIP program by more affluent, higher income jurisdictions at the expense of lower-income communities with fewer resources and funding opportunities. We note that AMI in Marin, San Francisco, Santa Clara, and San Mateo Counties exceeds $140,000 for a four-person household. This is more than double the $70,700 limit that applies for the same household size in one-third of the state's counties, including Lake, Trinity, and Tehama Counties (counties with the lowest median household income levels in the state). While we acknowledge that the cost of living may be higher in some areas, residents in higher-income counties are more likely to have other financial assets and equity to draw upon to pay for energy storage systems.

We believe more deliberation is necessary before the Commission considers requiring IOUs to automatically enroll SGIP customers in demand response and/or resource adequacy programs, as the Protect Our Communities Foundation suggests.[6] Impacts on consumer preferences *<u>and requirements</u>* should be carefully evaluated in light of the lingering reliability problems created by PSPS events and rolling blackouts - especially for critical facilities and medically sensitive customers who need continuous power during outages.

(c) …Should the Commission consider adopting additional eligibility or verification requirements for medical baseline customers wishing to access the equity resiliency incentives?

We agree with many stakeholders[7] that the Commission should not adopt additional eligibility or verification requirements for medical baseline customers wishing to access equity resiliency incentives, as such requirements could inhibit the deployment of resources to those in greatest need. We disagree with CALSSA's suggestion to include normal verification requirements for medical baseline customers, at least while utilities have suspended those requirements and COVID-19 poses a significant risk for medically sensitive customers.

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[5] *Opening Comments of the Joint CCAs in Response to Scoping Memo Questions*, September 16, 2020, page 1-2.
[6] *The Protect Our Communities Foundation Comments on Questions B-K In Section 3 of the Assigned Commissioner's Scoping Memo and Ruling*, September 16, 2020, page 1.
[7] *Public Advocates Office*, pages 5-6; *Protect Our Communities Foundation*, page 2; *Comments of Sunrun, Inc. on Assigned Commissioner's Scoping Memo and Ruling*, September 16, 2020, page 2; *Opening Comments of Southern California Edison Company (U 3380E) on Questions (B)-(K) in Section 3 of the Assigned Commissioner's Scoping Memo and Ruling*, September 16, 2020, page 4, *Pacific Gas and Electric*, page 3.

(d) Should the Commission provide any clarifications to the definition of "discrete Public Safety Power Shutoff (PSPS) event" adopted in D.20-01-021 to address situations where customers experience an electricity outage due to an actual wildfire, are at high risk of a future electricity outage, either from a PSPS event or due to an actual wildfire, and/or are de-energized due to an actual wildfire? Please explain.

Despite objections from the utilities[8], RCRC believes that the definition of "discrete PSPS event" needs some refinement, although not as expansively as some parties suggest.

Given the magnitude of last year's PSPS events and the investments utilities are making to reduce the size and scope of future PSPS events, we agree with PG&E's comment that "historical PSPS events may not be the best indicator of customer impacts in future PSPS events."[9] For this reason, we reiterate our previous suggestion to "de-prioritiz[e] those customers who are served by circuits for which the utilities have implemented other resiliency strategies to avoid future de-energization and to prioritize residents who have experienced the most events and are not expected to benefit from improvements intended to reduce the size and scope of future PSPS events.[10]

We are troubled by the Joint CCAs observation that some customers who went through extended PSPS power outages do not qualify for the SGIP equity resiliency budget because their power was never restored between PSPS events.[11] RCRC believes it is unfair for customers to be treated as having experienced a single event merely because the utility could not timely restore their electricity before shutting it off again for the next event. These circumstances are out of the customers' control and this interpretation ensures that those who go without power the longest are unable to access assistance to mitigate the impacts of those outages. We agree with the Joint CCAs that these problems should be corrected; however, we believe that the limited remaining funds must be prioritized for customers who are at greatest risk of future PSPS events and not to those who rely on circuits that are less likely to be deenergized as a result of utility improvements.

We agree with the Joint CCAs that adding wildfire-related outages will further the "basic purpose of increasing the resilience of vulnerable customers most likely to experience outages."[12]

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[8] *Southern California Edison*, page 1; Pacific Gas and Electric, page 4.
[9] *Pacific Gas and Electric*, page 5.
[10] RCRC, page 4.
[11] Joint CCAs, page 5-6.
[12] *Joint CCAs*, pages 4-5 and 7.

We disagree with the Joint CCAs suggestion to extend SGIP equity resiliency budget eligibility to all customers who have been impacted by extreme heat and wind events and earthquakes.[13] Our most recent experience with extreme heat related outages resulted in much of the state being subject to rolling blackouts for *short* periods of time. The expected frequency and duration of these events pales in comparison to the duration and risk of repetition of PSPS and wildfire-related outages. With respect to earthquakes, we recognize that the damage caused by those events can be extensive; however, they are rare and the risk of repeated earthquake-related outages is extremely low. Expanding SGIP equity resiliency budget eligibility to anyone living in Earthquake Hazard Zones, as the Joint CCAs suggests, could exponentially increase eligibility, as it appears that most of the San Francisco Bay and Los Angeles regions are located in a fault, liquefaction, or landslide zone on those maps.[14] Unfortunately, the maps fail to recognize the remoteness of the risk of losing power from an earthquake. The natural consequence of including earthquake and extreme heat and wind-impacted customers will be to expand SGIP equity resiliency budget eligibility nearly statewide. Such an expansion will dilute program effectiveness by diverting funding away from those customers at greatest risk of losing power.

Tesla suggests expanding SGIP eligibility to include all power outages, not just those caused by PSPS or wildfire events, because the cause of an outage is irrelevant from a customer perspective.[15] While we understand Tesla's argument, we think that the SGIP equity resiliency budget should focused on areas where outages are expected to recur fairly regularly. We believe there is a greater risk of recurring outages for customers who have experienced PSPS and wildfire-related outages than those who experience maintenance or rolling-blackout-related outages.

RCRC agrees with Sunrun's suggestion that "any outages experienced by an individual customer be listed on that customer's bill"[16] and Tesla's suggestion that utilities develop a single database for quickly determining if a given customer address has experienced two outages.[17] These changes will increase transparency for customers and make it easier to determine if he or she qualifies for the equity resiliency budget based on the number of PSPS events experienced.

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[13] Id.

[14] California Department of Conservation EQ Zapp: California Earthquake Hazards Zone Application , https://maps.conservation.ca.gov/cgs/EQZApp/app/.

[15] *Comments of Tesla, Inc. Responding to Scoping Ruling Questions*, September 16, 2020, page 2.

[16] *Sunrun*, page 4.

[17] *Tesla*, page 3.

(h), (i), and (j) How can SGIP incentives facilitate use of EV energy storage systems and/or EVSE to reduce peak load on the grid and/or to charge the storage system when excess electricity is available? How can SGIP incentives facilitate use of EV storage systems and/or EVSE to provide other benefits of electric vehicle grid integrations?

RCRC agrees with several other parties urging caution before incorporating electric vehicles into the SGIP program. To the extent that California wants to explore pilot programs for the deployment of electric vehicle integration technology, as Fermata and the Vehicle-Grid Integration Council/BMW suggest[18], we urge the state to look to other programs, like the Electric Program Investment Charge (EPIC), or utilize some portion of Clean Vehicle Rebate Program revenues for these purposes. We agree with TURN that SGIP should not be used to subsidize electric vehicles themselves,[19] especially given the considerable alternative state funding sources available for those purposes.

We agree with several parties that there are many other state, local, and utility programs that already subsidize various aspects of electric vehicle ownership and charging.[20] As the Legislature recently observed, "the CPUC has already authorized the electric IOUs to spend more than $1 billion in ratepayer funds to support the state's [transportation electrification] goals."[21] We also agree with parties' observations that there is currently no budget set aside for these purposes in the SGIP program and that their inclusion may erode the resources available for other critical energy resilience programs that assist medically sensitive residents, those who rely on private groundwater wells for domestic purposes, and critical facilities.[22]

Like Pacific Gas and Electric, SoCalGas, and Tesla[23], we note the risk that investment of SGIP resources in some of the electric vehicle technologies contemplated could result in stranded investments if the customer transitions back to a conventional gasoline powered vehicle, moves, or sells the vehicle out of state.

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[18] *Comments of Fermata LLC on the Assigned Commissioner's Scoping Memo and Ruling*, September 16, 2020, page 2; *Vehicle-Grid Integration Council and BMW*, page 4.
[19] C*omments of the Utility Reform Network on Questions (b) through (k) in Section 3 of the Assigned Commissioner's Scoping Memo and Ruling Act of August 17, 2020*, September 16, 2020, page 4.
[20] *Sunrun*, page 7; SoCalGas, page 9.
[21] *Assembly Floor Analysis (Concurrence in Senate Amendments) for AB 841 (Ting)*, August 28, 2020, page 3.
[22] *Sunrun*, page 7, *Comments of the Center for Sustainable Energy in Response to the Assigned Commissioner's Scoping Memo and Ruling*, September 16, 2020, page 6, Southern California Edison, page 9.
[23] *Pacific Gas and Electric*, page 10; *SoCalGas*, page 5, *Tesla*, page 7.

If the Commission nevertheless decides to include electric vehicle charging infrastructure in the SGIP program, RCRC offers the following observations and comments:

Unless directed to rural and under resourced areas that have fewer charging opportunities and lower electric vehicle ownership levels, we fear inclusion of electric vehicle technologies in the SGIP program will only exacerbate the dramatic gap in electric vehicle ownership and charging that exists between affluent urban areas and lower-income and rural communities. Data currently shows that the lowest number of electric vehicle charging stations per capita (55 public charging stations per 100,000 residents) are in areas with median household incomes between $50,000 and $75,000, including RCRC members Lassen, Merced, Lake, and Modoc Counties. [24] This is less than half the saturation level where the median household income is above $100,000 (roughly 115 public charging stations per 100,000 residents).

Given these concerns, RCRC disagrees with the Joint CCAs suggestion that a new SGIP budget category for electric vehicle integration should not be subject to income or geographic/outage risk requirements.[25] Eliminating these qualifications will virtually ensure that the limited resources will be quickly exhausted by more affluent areas that are already relatively saturated with electric vehicles and charging stations. More importantly, it will ensure that limited subsidies accrue to those Californians who have the greatest amount of discretionary income and who least need those subsidies to purchase electric vehicle technologies.

While the Vehicle-Grid Integration Council and BMW suggest that vehicle grid integration could be targeted toward deployment of electric vehicles and related supply equipment that benefit disadvantaged communities[26], we fear that the Commission's focus on CalEnviroScreen communities will inhibit deployment of those resources in low-income rural areas where the need for electric vehicle and equipment incentives likely equals or exceeds that of CalEnviroScreen communities. We also note that CalEnviroScreen communities are generally at far lower risk of PSPS events and wildfire-related outages than low-income rural communities, so focusing deployment on CalEnviroScreen communities will miss significant opportunities to enhance energy resiliency and mitigate the impacts of PSPS events.

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[24] Sabalow, Ryan and Rees, Phillip; "'It's almost a joke': In rural California, Governor's gas-powered car ban is a stretch." *Sacramento Bee*, September 28, 2020.
[25] *Joint CCAs*, page 13.
[26] *Joint Comments of the Vehicle-Grid Integration Council and BMW of North America, LLC to the Assigned Commissioner's Scoping Memo and Ruling*, September 16, 2020, pages 7-8.

Finally, weaving electric vehicle storage systems into grid reliability efforts poses unique challenges for rural Californians who are at greater risk for PSPS events. Those events often occur during hot, dry, windy conditions when the risk for wildfire ignition (and the possibility of being forced to evacuate on short notice) is greatest. We agree with the Small Business Utility Advocates that "EV owners may prefer to maintain their vehicles at maximum charge readiness in order to maintain readiness to respond to any emergency conditions that may develop."[27]

IV. Conclusion

Rural County Representatives of California respectfully requests that the CPUC accept these comments for filing and incorporate these suggestions as it refines the SGIP program.

Respectfully submitted,

/s/ *John Kennedy*

John Kennedy
Legislative Affairs Advocate
Rural County Representatives of California
Tel: (916) 447-4806
E-mail: jkennedy@rcrcnet.org

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[27] *Comments of Small Business Utility Advocates to Commission's August 17 Scoping Memo and Ruling*, September 16, 2020, page 5.