

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

Order Instituting Rulemaking Regarding  
Transportation Electrification Policy and  
Infrastructure

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Rulemaking 23-12-008  
Filed December 14, 2023)

**CLEAN COALITION COMMENTS ON ADMINISTRATIVE LAW JUDGE'S RULING  
INITIATING TRACK 1 AND INVITING PARTY COMMENT**

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**I. INTRODUCTION**

Pursuant to Rule 6.2 of the California Public Utilities Commission (“the Commission”) Rules of Practice and Procedure, the Clean Coalition respectfully submits these comments on the *Administrative Law Judge’s (“ALJ”) Ruling Initiating Track 1 and Inviting Party Comment*, issued at the Commission on June 3, 2024. The Clean Coalition supports the continuation of the Locally Invested Transportation Equity (“LITE”) pilot program and believes that cancelling—or pausing—the program or reallocating funds sends a negative signal to consumers about the Commission’s dedication to investing in low-income and rural communities to promote equal access to electrification solutions, especially in the broader context of significant budget cuts to energy programs as the state manages a substantial budget deficit.

Fewer available public chargers, high up-front costs, and difficulties with deploy EV charging infrastructure at multi-unit housing<sup>1</sup> are all clearly identified gaps that cannot be closed without consistent funding and outreach to demonstrate the viability of switching away from an internal combustion engine powered vehicle. The availability of rebate funds is essential to speed up the electric vehicle (“EV”) technology adoption curve for residents of a lower socioeconomic status and/or those residing in a disadvantaged community (“DAC”). Implementing programs targeted at increased EV adoption in DACs remain open is just one example of action the Commission should take to begin to overcome historical inequities faced by these communities. Doing so will help spur other investments in the form of grid upgrades, adoption of distributed energy resources (“DER”), and planning to set the stage for community-scale resilience. Given the scale of the transition that must occur to enable all communities to meet California’s ambitious climate and energy goals, the

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<sup>1</sup> The development of multi-unit housing is becoming more common, given the number of new residential units that will be needed to achieve California’s housing goals. In addition, residents renting at multi-unit housing sites tend to be of a lower socio-economic status and/or located in a DAC. Therefore, targeting policies to enable widespread EV adoption at multi-unit housing sites is critical for achieving the state’s climate and energy goals.

Commission must take an **“and” approach rather than an “or” approach**. The LITE program should be viewed as an important way for the Commission to inch closer to meeting the goals listed in the Environmental and Social Justice (“ESJ”) Action Plan. The TE Rebate, ME&O, and LITE program address ESJ Action Plan Goals 1, 2, 3, 4, 7 and 9.

Affordability will continue to be a concern, but rate increases from expenditures related to the LITE program should not be the first place the Commission looks to cut costs. Instead, considering ways to rein in exorbitant infrastructure costs—such as the cost of undergrounding lines<sup>2</sup>—is far more effective. Transmission projects with cost overages and rampant wildfire-related spending have ballooned to billions of dollars in ratepayer costs,<sup>3</sup> and the cost of keeping the Diablo Canyon nuclear plant online recently more than doubled, with the ratepayers likely on the hook for paying more than \$11 billion.<sup>4</sup> Investing in transportation electrification is a must, especially for adoption in DACs, making the continuation of the original implementation schedule essential.

The Commission is addressing several of the issues mentioned in the ruling in other venues. For example, energizations and grid upgrades are being considered in the energization proceeding (“R. 24-01-018”) and the High DER proceeding (“R. 21-06-017”). Likewise, the adoption of a Societal Cost Test (“SCT”) in the data access proceeding (“R. 22-11-013”) could find that these programs are especially valuable due to the focus on disadvantaged Californians. As solutions are developed in other proceedings across the Commission’s jurisdiction, it is critical that funding remains available for low-income electrification programs, particularly in the transportation electrification space. The LITE program pilots are set to begin in 2025, lining up perfectly with the important work that will need to be done from 2025-2028 to ensure that equity communities electrify at a similar rate as wealthier communities, so all Californians are brought along in the clean energy transition and have the chance to realize significant savings from reduced reliance on fossil fuel solutions. The Commission **should not** consider pausing these programs; if anything, an additional investment may be needed to spur a greater pace of transportation electrification in DACs.

## II. DESCRIPTION OF PARTY

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<sup>2</sup> <https://www.power-grid.com/td/outage-management/audit-calls-out-cost-spikes-poor-communication-in-sdge-undergrounding-effort/#gref>

<sup>3</sup> <https://www.fitchratings.com/research/corporate-finance/fitch-rates-southern-california-edison-first-refunding-mortgage-bonds-a-06-05-2024>

<sup>4</sup> <https://www.nbcbayarea.com/investigations/critics-fear-pge-diablo-canyon-power-plant-costs/3566486/>

The Clean Coalition is a nonprofit organization whose mission is to accelerate the transition to renewable energy and a modern grid through technical, policy, and project development expertise. The Clean Coalition drives policy innovation to remove barriers to procurement and interconnection of DER—such as local renewables, demand response, and energy storage—and we establish market mechanisms that realize the full potential of integrating these solutions for optimized economic, environmental, and resilience benefits. The Clean Coalition also collaborates with utilities, municipalities, property owners, and other stakeholders to create near-term deployment opportunities that prove the unparalleled benefits of local renewables and other DER.

### III. COMMENTS

1. *In light of the challenges identified above, should the Commission pause implementation of the TE Rebate Program, including ME&O, and the LITE Program? If not, why? If so, why and when should program implementation resume?*

Clean Coalition does not support pausing implementation of the TE Rebate Program, ME&O, and the LITE Program. All three are necessary for widespread transportation electrification. The combination of reducing up-front costs associated with EV adoption, promoting education & outreach, and increasing access to EV charging in DACs will be vital to ensure that widespread transportation electrification occurs at a sufficient rate making it possible for California to meet phase out internal combustion engine vehicles and comply with Executive Order N-79-20.<sup>5</sup>

Pausing previously adopted programs reduces confidence in what needs to be a long-term policy strategy, will limit customer uptake, and wastes the investments that have gone into program development thus far. For example, Community Choice Aggregators (“CCAs”) have dedicated staff to this issue, brought the subject before policy/governance boards, factored rebates/money into energy planning, and considered ways to pair Commission-adopted incentives with revenue allocated for local energy programs. Pausing a pilot program is even more consequential because pilots are by nature, temporary. The longevity of a pilot is predicated on initial success. Therefore, deferring a pilot program increases the timeframe before conclusions can be drawn and makes it harder for developers to understand whether a temporary program will be made permanent, limiting certainty and reducing consumer confidence.

The challenges listed in the ruling (e.g., high rates, energization delays, and a lack of availability of non-ratepayer funds) are not likely to change overnight or improve simply by throwing

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<sup>5</sup> <https://www.gov.ca.gov/wp-content/uploads/2020/09/9.23.20-EO-N-79-20-Climate.pdf>

\$25 million at the problem. Complex process solutions implementable in the short-and medium-term in development in other proceedings will be needed, along with longer-term solutions that include comprehensive systematic reforms. Perhaps the most impactful reform may be the development of accurate and actionable Load Integration Capacity Analysis (“ICA”) maps across all three investor-owned utilities to increase the efficiency of EV charging infrastructure deployments and other energizations, which is a separate but interrelated issue. However, in the case of increasing EV adoption in DACs, ensuring funding is available as soon as possible and on a consistent basis **will** have immediate and real benefits. Likewise, outreach and education are important for improving attitudes toward EVs and changing consumer behaviors. Pausing programs only kicks the can down the road but doesn’t change the fact that the effort will need to be made at some point. Fewer EVs deployed and energization applications submitted now means a greater influx later, likely straining utility processes and making accurate load forecasting more challenging. The Clean Coalition believes that investing sooner rather than later gives California the best chance of a more gradual, and therefore, manageable, pace of deployments. We urge the Commission not to pause the TE Rebate, ME&O, or the LITE program (or to defer funding).

2. *Would a pause of the TE Rebate and LITE programs require any clarifications regarding the directions, approved budgets, or other aspects of the implementation of D.22-11-040? Please explain in detail.*

Clean Coalition does not support any pause in funding. See the answer to question 1, above.

#### **IV. CONCLUSION**

The Clean Coalition appreciates the opportunity to submit these comments. We urge the Commission to continue the implementation of previously adopted programs on the original timeline to promote equitable access to electrification solutions in DACs and reject calls to pause or reduce funding.

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