

# RIVERSIDE PUBLIC UTILITIES

## Board Memorandum

**BOARD OF PUBLIC UTILITIES**

**DATE:** MAY 8, 2019

**ITEM NO:** 2

**SUBJECT:** WORKSHOP TO DISCUSS STATUS OF RESIDENTIAL ELECTRIC VEHICLES IN CITY OF RIVERSIDE, RESIDENTIAL ELECTRIC RATES OFFERED TO CUSTOMERS TO SUPPORT ELECTRIC VEHICLE CHARGING, AND OPTIONS FOR PROGRAMS TO SUPPORT RESIDENTIAL ELECTRIC VEHICLES

**ISSUE:**

Conduct a workshop to discuss the status of residential electric vehicles in the City of Riverside, residential electric rates offered to customers to support electric vehicle charging, and options for programs to support residential electric vehicles.

**RECOMMENDATIONS:**

That the Board of Public Utilities:

1. Receive and file the report on the status of residential electric vehicles in the City of Riverside, residential electric rates offered to customers to support electric vehicle charging, and options for programs to support residential electric vehicles;
2. Conduct a workshop and, at its conclusion, provide a set of comments and recommendations representing consensus of the Board on preferred programs and rebates to support residential electric vehicles; and
3. Direct staff to present to the Board and to the City Council in six months a proposed residential electric vehicle rebate program.

**LEGISLATIVE HISTORY:**

California has prioritized transportation electrification to help the State meet its near- and long-term climate change goals for reducing greenhouse gas emissions to 40% below 1990 levels by 2030. Over the last several years, Executive Orders B-16-2012, B-32-15 and B-48-18 were issued by then-Governor Jerry Brown establishing the following goals for the deployment of light-duty electric vehicles (EVs) and the deployment of charging infrastructure in the State:

- 1.5 million electric vehicles on the road by 2025
- 5 million electric vehicles on the road by 2030
- 250,000 public EV chargers, including 10,000 direct current fast chargers (DCFC), in California by 2030.

Additionally, the Clean Energy and Pollution Reduction Act of 2015 (Senate Bill 350, enacted in 2015) requires Riverside Public Utilities (RPU) to consider transportation electrification in its Integrated Resource Plan. Specifically, RPU is required to evaluate the expected electricity demand, ensure that the utility is preparing for the increasing number of EVs and evaluate the greenhouse gas emissions impacts resulting from the increased energy demanded for EV charging.

## **BACKGROUND:**

On March 22, 2018, the City Council approved Electric Schedule EV – Domestic Electric Vehicle Separately Metered (Schedule EV) and Electric Schedule D-TOU – Domestic Time-Of-Use Service (Schedule D-TOU) as part of the electric rate changes for fiscal years 2018/19 through 2022/23, with the first year of electric rates effective January 1, 2019.

Schedule EV is an optional time-of-use (TOU) rate specifically for residential customers to meter qualified EV charging separately from their household energy consumption. This rate option allows residents to have their household energy consumption remain on the domestic electric rate of their choice while the EV charging is separately metered and billed based on TOU pricing under Schedule EV. The off-peak pricing under Schedule EV encourages residential customers to charge their EVs late at night and in the early morning when the system load is lower and there is a lower demand on the electric distribution system.

Schedule D-TOU is an optional TOU rate also specifically for residential customers. This rate option allows residents to optimize the times of their household energy consumption such that they are billed based on TOU pricing under the Schedule. Like Schedule EV, the TOU pricing encourages residential customers to optimize their household energy use, including their EV charging, to the lower mid- and off-peak time-periods. By doing so, the resident benefits from the lower electricity pricing that occurs when the system load is lower and there is lower demand on the electric distribution system.

Subsequent to the initial approval of these electric rates, the Board of the Public Utilities (Board) conducted a public hearing on November 26, 2018 to consider changes to the applicability of Schedule EV to include additional domestic rate options. The Board adopted a resolution establishing the changes, and on December 18, 2018 the City Council approved the changes.

During discussion of the changes to Schedule EV, the Board directed staff to refer this issue to the Board's Customer Relations/Finance Committee followed with a Board workshop on RPU's residential EV program. Concern was expressed that staff had not met with Riverside's auto dealers regarding RPU's electric rates supporting EVs. Further, the Board was concerned with the current process for a customer to utilize the Schedule EV Domestic Electric Vehicle Separately Metered rate. The Board requested simple, convenient and low-cost options for RPU customers and suggested the following as guidance:

- Provide a rate discount for charging
- Provide a budget of energy use for charging EVs in a rate
- Establish a time period for charging
- Provide an online or mobile application for signing up
- Design and propose a non-intrusive verification process

On March 22, 2019, the Board's Customer Relations/Finance Committee conducted a public workshop on RPU's residential EV status and program options. The Committee received a presentation from staff about residential EVs that outlined the current regulatory and policy environment, provided information on the current EV population as well as forecast vehicle population, provided an overview of the rate options available for EV owners, and discussed EV programs to support residential EVs. The Committee provided staff with the following comments:

- The Committee supported the two rates (Schedule D-TOU and Schedule EV) with the caveat that they both be monitored and evaluated over time.
- There was little support for rebate programs that provided a rebate solely for the electric charging of the vehicle, with support expressed instead for rebates for purchases and expenses associated with equipment for EV charging or for waiver of permit fees.
- Rebate programs should focus on where there are needs and gaps. RPU should not duplicate efforts if a need is being addressed.
- RPU should be involved in regional efforts for EVs, such as those undertaken by the Southern California Association of Governments and Western Riverside Council of Governments, other county agencies such as the Regional Transit Agency, and State agencies.
- RPU should seek out federal funding for EV programs and consider joining regional efforts or joining with other municipal utilities.
- RPU should hold a workshop for the full Board and invite Riverside auto dealers and the general public to participate at the workshop.

Members also discussed how EVs factor into and will be supported by Advanced Metering Infrastructure, how EVs are being addressed in the 2018 Integrated Resource Plan, and how the State's EV policies and regulations will affect RPU's fleet vehicles.

### **DISCUSSION:**

Staff will conduct a workshop, including the attached presentation, on the status of residential EVs in the City of Riverside, the rate options that support EVs available to RPU's residential customers, and the options for funding and programs to support residential EVs.

### **FISCAL IMPACT:**

There is no fiscal impact associated with this report.

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Attachment: Presentation