

Overview of Utility LCFS Holdback Spending

Summaries from SDGE, SCE, SMUD, LADWP, Small Utility Members of NCPA and PGE

This summary is for the holdback LCFS funds. The statewide Clean Fuel Reward funded by utilities provided over 386,000 rebates for on-the-hood electric vehicles. In the past, utility spending has dedicated approximately 37% of its funds to equity programs, however, but with the new staff proposal that will increase to about 80%.

SDG&E has returned approximately \$27M to over 43k customers via a bill credit program that ran from 2018 – 2021. SDG&E is currently in the process of ramping up our Pre-Owned EV Rebate Program. The program is slated to launch in Q2 2024 and is estimated to spend approximately \$17M over a three-year program period. The program targets income-qualified customers with a \$4K rebate for the purchase or lease of a pre-owned electric vehicle. A \$1k rebate is offered to non-income qualified customers.

SDG&E is evaluating ideas for new/additional customer offerings that will promote transportation electrification, prioritizing equity, and affordability. However, the type of programs that SDG&E will pursue is contingent upon final LCFS amendments; specifically, recategorization of SDG&E as a medium IOU (which would lead to an increase in holdback funds available) and the final list of priority projects (which will determine which ideas are eligible). The types of priority offerings that SDG&E is considering include, but are not limited to:

- Bill credits and/or charging cards
- Rebates for residential (single-family and multi-unit dwelling) charging infrastructure
- Financial literacy and advisory services
- Vehicle-grid integration, including pilots, research, and development

SCE supports the LCFS and the proposed amendments with modifications, as we believe LCFS has been and will continue to be instrumental in helping California move toward a decarbonized economy. SCE was first authorized by the CPUC to return LCFS proceeds to its customers through its Clean Fuel Reward Program (CFRP), which began distributing rebates in 2017 until it was superseded by the Statewide California Clean Fuel Reward (CCFR) Program in 2020. CCFR is a component of the LCFS Regulation, and all utilities in California contribute a prescribed amount of their LCFS proceed to it. SCE transitioned its CFRP into a used-EV rebate program, Pre-Owned EV Rebate (POEV) which also offers increased rebates for low-income EV drivers. This began operating in early 2021.

At the same time as the launch of the CCFR in 2020, the CPUC released the Draft TE Framework in February 2020 which included deliberations on utility LCFS proceeds that were not contributed to the CCFR (aka “holdback” proceeds). This instructed the utilities to pause on developing new LCFS-funded programs until further direction was provided, which came via Decision D.20-12-027 in December 2020. This Decision ordered the utilities to file LCFS Holdback Implementations Plans requesting authorization for new programs on June 15, 2021. SCE submitted its Implementation Plan in Advice Letter 4518-E on June 15, 2021, and, based on Energy Division feedback, supplemental Advice Letter 4518-E-A on February 24, 2022. Parts of SCE’s Implementation plan were authorized by the CPUC in Resolution E-5236 on November 3, 2022, including SCE’s plans for rebate to cover the costs for low-income customers that need to upgrade the home electrical panel to support EV charging (Charge Ready Home), a rebate for electric drayage trucks (drayage truck rebate) and a financing assistance program that would provide a loan loss reserve for commercial vehicle electrification (ZETBIF). These last three

programs are scheduled to launch in March and May of 2024. Additionally, SCE was authorized to spend up to \$4M to fund transportation electrification research studies.

Between authorized programs and those pending CPUC authorization, SCE is expecting to spend approximately \$375M in holdback revenues between now and 2027. Over 80% of this funding will support programs primarily benefiting low-income customers or disadvantaged communities. Details on historical and planned spending are shown in the table below.

Program	To-Date Spending	# of Customers Impacted	Total Planned Spending	# of Customers, Planned	Status	Years Active
SCE's Clean Fuel Reward Program	\$92,497,756	147,420	\$92,497,756	147,420	Closed	2017-2021
California Clean Fuel Reward Program	\$141,036,629	131,576	Non-Public	131,576	Inactive	2019-2022
SCE's Pre-Owned EV Rebate	\$22,204,993	11,887	\$119,104,993	41,000	Active	2021-->
SCE's Charge Ready Home	\$0	0	\$116,100,000	27,000	Active	2024-->
SCE's Drayage Truck Rebate	\$0	0	\$126,500,000	800	Launching	2024-->
SCE's Zero-Emissions Truck, Bus, & Infrastructure Finance	\$0	0	\$20,000,000	N/A	Launching	2024-->
SCE's TE Research and Studies	\$658,467	N/A	\$4,000,000	N/A	Active	2022-->
Proposed						
SCE's Affordable Public Charging	\$0	0	\$18,500,000	18,000	Pending	Pending
SCE's Public MDHD Charging Infrastructure Rebate	\$0	N/A	\$57,900,000	N/A	Pending	Pending
SCE's ReCharge Commercial Vehicle Rebate	\$0	0	\$15,700,000	600	Pending	Pending
SCE's EV Technician Training Initiative	\$0	0	\$5,000,000	3,000	Pending	Pending
SCE's CBO Grant Funding	\$0	N/A	\$4,000,000	N/A	Pending	Pending
Totals	\$256,397,845	290,883	\$579,302,749	369,396		

SMUD supports the LCFS program. Transportation electrification is a key component of SMUD's 2030 Zero Carbon Plan. LCFS provides crucial funding support for programs and investments that can advance electric transportation in our region while helping keep SMUD's electric rates among the lowest in the state. Over the past 5 years, SMUD has directed approximately \$26 million in LCFS funds into a variety of programs and projects to incentivize EV charging infrastructure and promote EV adoption. Examples include: rebates for the purchase and installation of residential home charger and no cost turn-key service for low-income customers, an EV dealer engagement program, community education including ride and drive events, on-line shopping assistance, turnkey services and rebates for fleet, workplace and multifamily customers including no cost advice, equity focused eMobility Hubs support different modes of transportation, EV charging for light duty vehicles, e-taxis, e-TNC's, e-bikes, EV car share, transit, etc.,

and other equity programs for non-profits, affordable housing, workforce development and low-income residents.

SMUD believes that LCFS-funded programs benefit all ratepayers by promoting transportation electrification, which in turn provides downward pressure on rates. In addition, under the proposed regulations LCFS funds also have the potential to directly reduce grid infrastructure costs (that would otherwise be borne in rates). Looking further ahead, SMUD anticipates using LCFS funds to help offset the significant distribution system investments needed to support the long-term growth in light, medium, and heavy-duty EVs.

LADWP

Program	CY 2019	CY 2020	CY 2021
Commercial EV Charger Rebate Program	\$13,500,000	\$22,542,000	\$1,241,000
Education and Outreach	\$968,000	\$756,000	\$688,000
City EV Infrastructure (Non-DWP)	\$1,550,000	\$20,000	\$21,000
EV Charging Electric Billing	\$109,000	\$101,000	\$148,000
Residential EV Charger Rebate Program	\$642,000	\$619,000	\$983,000
Used EV Rebate Program	\$258,000	\$1,164,000	\$1,252,000
LADWP EV Infrastructure	\$2,230,000	\$3,749,000	\$2,628,000
DCFC Rebate Program	\$1,000	\$7,000	\$17,000
Annual Total	\$19,258,000	\$28,958,000	\$6,978,000




In 2022 and 2023 LADWP spent the following:

Residential Rebate Program: \$804,945 and \$1,166,892

Commercial Rebate Program: \$611,581 and \$94,130

Used EV Rebate Program: \$1,030,732 and \$2,067,970

LADWP EV Infrastructure: \$1,621,726 and \$0

Public EV Charging Electricity: \$399,973 and \$158,222

Education and Outreach: \$389,339 and \$171,426

Statewide Clean Fuel Reward Contribution: \$9,236,195 and \$9,561,317

Total LCFS Credit Proceeds Expenditure: \$14,097,674 and \$13,221,179

Regarding future plans: up To \$34.1M for MOUs with Los Angeles City and County agencies to fund electric transportation projects over the next five years, \$57.9M in pending rebate applications for projects in various stages of completion, expected to be paid out in the next two years from various funding sources, including LCFS.

Small Utility Members of Northern California Power Agency (NCPA)

Examples of current LCFS holdback programs (through 2023):

- City-owned EVSE infrastructure for public and City fleet use
- EV charger rebates for residential low-income, commercial & multifamily properties
- Technical Assistance Program for multifamily and businesses
- Vehicle rebates up to class 8 vehicles
- Educational webinars focused on EV charging for multifamily properties and EV charging for businesses
- Electric bike rebate program and an e-bike share program
- Income qualified pre-owned electric vehicle rebate program
- in-house electric vehicle charging rebate program for residents, multifamily, schools and nonprofits
- Funded community ride share EV program in partnership with City
- ZEV plans, ZEV bus plans
- EV education web tool
- Maintenance of existing public chargers

Planned LCFS holdback programs:

- Continue existing rebate programs (or start programs for smaller utilities)
- EV school bus program
- EV submeter program
- Subsidized public charging for LMI customers program
- Fleet advisory services for commercial industrial customers
- Infrastructure upgrade rebates
- Managed EV charging program
- V2G incentive pilot
- Auto dealership partnership program
- Charging as a service
- Educational programs on charging and rates
- Targeted educational programs for low-income
- Incentives and financing options for residential EV charger installations
- Other innovative technologies or pilots that support transportation electrification

PG&E

See next two pages



LCFS Fuels EV Adoption & Ratepayer Benefits

Delivering significant benefits to PG&E customers

LCFS represents a unique opportunity to support transportation electrification without using ratepayer funding, and **over a quarter of a million vehicles** for customers in nearly every corner of PG&E's service territory have already benefitted.

316,640

Number of EVs supported by LCFS programs
(**54%** of all EVs registered in PG&E's territory)

\$254,700,000

Incentives paid to PG&E customers by LCFS programs

44

Number of California counties with customers receiving LCFS-funded incentives through PG&E

Driving downward pressure on rates

Funding a portion of PG&E's EV programs through LCFS rather than through ratepayer funding **saved the average customer an estimated \$39.40 on their bills** from 2016–2023 – about **\$5 per year**. As a result, PG&E was able to offer hundreds of millions of dollars in customer incentives and support with **no upward impact to customer electricity bills**.

Instead, these investments help to further **accelerate downward pressure on electric rates** as EVs represent a significant source of electricity load growth. PG&E's costs from running the electricity system are spread across many more kilowatt-hours of usage, meaning less money that needs to be recovered through each kilowatt-hour. A 2022 California-specific analysis from Synapse Energy Economics show that EVs contribute far more in revenue than in added costs, which helps to drive down rates across EV owners and non-EV owners alike!

Additional Resources

¹ Synapse Energy Economics, "[Electric Vehicles Are Driving Electric Rates Down](#)," December 2022.

² Consumer Reports, "[EVs Offer Big Savings Over Traditional Gas-Powered Cars](#)," October 2020.

All other statistics are from analyses using PG&E program data.

PG&E's EV Savings Calculator: ev.pge.com

EV Rates and eGallon information: www.pge.com/evrateplan

Active LCFS-funded programs:

- Pre-Owned EV Rebate: evrebates.pge.com
 - Residential Charging Solutions: www.pge.com/rcsrebate
 - Multifamily & Small Business Direct Install: www.pge.com/msevcprogram
- 2023 Implementation Plan with new proposed programs: [Advice Letter 7071-E](#)



LCFS Benefits Equity Customers

Supporting transportation & energy affordability

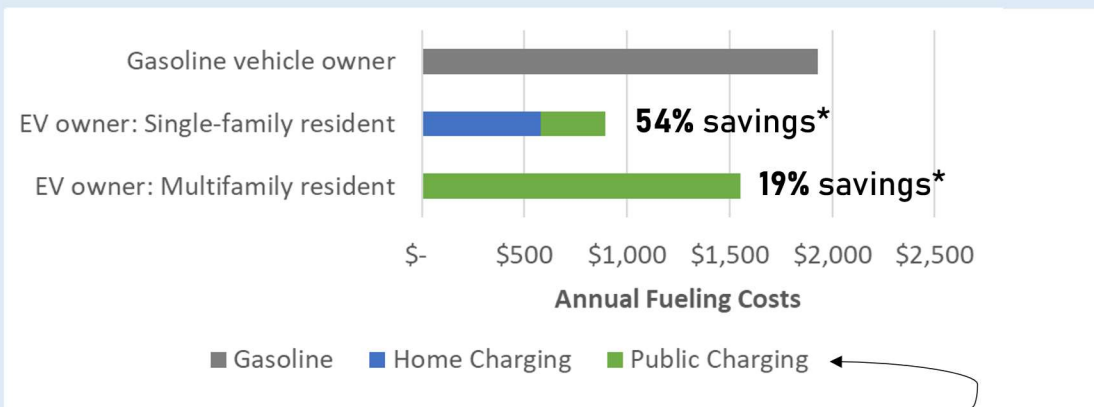
It's a myth that low-income drivers aren't in EVs. Participation in PG&E's programs proves that many of these customers are switching to electric, and an increasing focus on supporting these customers through LCFS-funded programs them make this transition and save.

- LCFS-funded programs have provided incentives to over **21,000 California Alternative Rates for Energy (CARE) reduced rate customers** and **14,000 customers living in Disadvantaged Communities** within PG&E's service territory.
- **Income-qualified EV buyers** make up **33%** of all rebates paid through PG&E's Pre-Owned EV Rebate program, which provides rebates for used EV purchases/leases.
 - **16%** of survey respondents indicated they made less than \$50,000 a year.
- **Renters** make up **23%** of the Pre-Owned EV Rebate recipient pool.

Income-qualified customers can take advantage of a **\$4,000** rebate for a pre-owned EV and a **\$700** rebate for a charging station— both funded by LCFS— and a **\$2.10 eGallon** price when combining the CARE reduced rate with PG&E's EV-2A rate. Proposed LCFS programs will add a prepaid debit card for public charging worth up to **\$50 a week**, and **\$4,000** for panel upgrades.

How EVs are already helping vulnerable customers

EVs cost half as much to maintain as gasoline vehicles and can cost 15%-50% less to fuel. By taking advantage of the CARE rate and offpeak EV charging rates and stacking incentives from PG&E's LCFS programs and other federal/state/local offerings, income-qualified customers can reduce the purchase cost of an EV and start realizing ongoing savings sooner.



*One of PG&E's proposed LCFS programs would pay for up to two years of public charging for income-qualified customers – up to a **100% savings** for those dependent on public charging.