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Via Web-Filing

Ms. Brinda Westbrook-Sedgwick
Commission Secretary
Public Service Commission of the District of Columbia
1325 G Street, N.W.
Suite 800
Washington, D.C. 20005

Re: FC 1130, In the Matter of the Investigation into Modernizing the Energy Delivery System for Increased Sustainability (“MEDSIS”) -- September 24, 2018 Motion to Dismiss by the Apartment Owners Building Association (“AOBA”) of Metropolitan Washington

Dear Ms. Westbrook-Sedgwick:

By this correspondence, Tesla, Inc. (“Tesla”) wishes to vigorously oppose the September 24, 2018 Motion filed by the Apartment and Office Building Association of Metropolitan Washington (“AOBA”) (“AOBA Motion”) requesting that the District of Columbia Public Service Commission (the “Commission”) either: (1) dismiss the Potomac Electric Power Company’s (“Pepco” or the “Company”) September 6, 2018 application seeking Commission approval of the Company’s proposed Transportation Electrification program (“Pepco Application”), or (2) “[i]n the alternative . . . , take whatever action deemed appropriate to ensure that no action is taken by the Commission on Pepco’s September 6, 2018 [Electric Vehicle Charging Stations] EVCS proposal until after the appropriate MEDSIS working groups investigate the deployment of EVCS and issue the quarterly and final reports and recommendations as required by Order No. 19432.”¹ As noted by the Office of the People’s Counsel, final reports and recommendations will not be

¹ AOBA Motion, pp. 28 – 29 (emphasis added). Tesla’s opposition applies equally to the Office of the People’s Counsel’s request that the Commission “hold this investigation and its decision on the merits of the Company’s proposal in abeyance pending (i) the Commission’s decision regarding the jurisdiction question identified in the Public Notice and (ii) the conclusion of the working groups in this proceeding . . . “ Office of the People’s Counsel for the District of Columbia’s Motion for Clarification, to Hold in Abeyance, and to File Out of Time (“OPC Motion”), p. 2.

filed until mid-to-late 2019, or roughly one year from today.² Commission decisions thereon are therefore not likely to be made until 2020.

Tesla strongly believes that the Commission should entertain Pepco's application without any additional delay, and further, understands Amendment #2 to B22-0904, the "Clean Energy DC Omnibus Amendment Act of 2018" ("Amendment #2"), which was passed unanimously on November 27, 2018, during the First Reading of the Bill by the Council of the District of Columbia (the "Council"), to confirm the Council's interest in the Commission immediately hearing and ruling on Pepco's application.³ Clearly, the Council intends for the Commission to play a critical role in achieving the Council's "important policy objective,"⁴ namely, speeding the District's transition to low-or-zero emission vehicles (and in turn, its ambitious de-carbonization objectives),⁵ including by the Commission's promptly considering Pepco's application, and in that context, taking steps towards ensuring the infrastructure is in place to enable such transition.⁶

Tesla's mission is to accelerate the advent of sustainable transport by bringing compelling mass market electric cars to market as soon as possible. As an American manufacturer of some of the most advanced electric vehicles, battery energy storage systems and photovoltaic systems, and as the District's only local automobile dealer, Tesla has a substantial interest in ensuring that the requisite electric vehicle charging infrastructure is in place, so that the District is well prepared for the expected increase in electric vehicle use by District residents, as well as residents from

² OPC Motion, p. 8; Order No. 19432, ¶ 13.

³ Amendment #2 added new language to the Bill, which states: "The Public Service Commission may consider an application by the electric company to promote transportation electrification through utility infrastructure ownership and other programs and incentives, including if such application has been made before the applicability date of this act." As Pepco's pending application is the only application "made before the applicability date of this act," it is clear that the Council intended that the application be processed forthwith.

⁴ Specifically, the Committee on Transportation and the Environment explained that the reason it added a provision to B22-904 requiring the District Department of Transportation to adopt a comprehensive clean vehicle transition plan was to respond to the "several persons [who] testified at the hearing [that] the District is not doing enough in the transportation sector to encourage the adoption of electric vehicles." The Report goes on to state: "DDOT has not taken sufficient ownership of this issue, and, as such, has no comprehensive plan for this purpose. Development of a comprehensive clean vehicle transition plan will ensure that DDOT gives this important policy objective the attention it deserves." Council of the District of Columbia, Committee on Transportation and the Environment, Committee Report, November 20, 2018 ("Committee Report"), pp. 12 – 13. (emphasis added).

⁵ See the Committee Report, noting that "the primary purpose of the[] programs" contained in B22-904 are "to reduce the District's greenhouse gas emissions and carbon footprint, thereby reducing our contribution to climate change." P. 2. See also PEPCO's testimony on B22-904, explaining that transportation electrification is one of the programs needed to achieve such purpose, given that the District's second largest contributions to greenhouse gas emissions in the District are from the burning of fossil fuels for transportation. Testimony of Potomac Electric Power Company, Council of the District of Columbia, Committee on Transportation and the Environment, Public Hearing, October 9, 2018, pp. 5 – 6.

⁶ See also, "DC votes in favor of the nation's most aggressive 100% renewable energy target," pv magazine, November 28, 2018, <https://pv-magazine-usa.com/2018/11/28/washington-dc-gives-initial-approval-of-the-nations-most-aggressive-100-renewable-energy-target/>, which noted that Amendment #2's low-or-zero emission requirements "could drive a massive boom in vehicle electrification in Washington D.C."

Maryland and Virginia who commute, or could in the future commute, to the District in an electric vehicle.

Interest and demand for electric vehicles is growing. At the end of March 2018, there were over 450,000 net reservations for Tesla's mass market electric vehicle, the Model 3. As such, Tesla expects an enormous uptick in consumers looking to charge their electric vehicles in the District within roughly the next twelve to eighteen months, including across all 8 of the District's wards. So as to be able to ensure that the District and Pepco are in the best position to serve current and future EV drivers, and so as to ensure that the District does not fall behind its neighbors and miss out on important economic and environmental opportunities,⁷ Tesla supports Pepco's desire to obtain the Commission's and stakeholders' immediate input into transportation electrification planning.

The need to ensure that adequate charging station infrastructure is in place cannot be overstated. As more than 80% of EV charging occurs at home or at work, it is crucial that EV-ready infrastructure be installed at these locations. This is especially the case in the District, which is one of the 5 states with the highest percentage of residents living in multi-unit dwellings, and who therefore lack dedicated parking facilities they can use to charge electric vehicles.⁸ To this end, on April 3, 2018, Tesla wrote the Commission to express its strong support for Pepco's hosting workshops to discuss a revised electric vehicle program; on September 5, 2018, Tesla communicated to the Commission its general support for Pepco's proposed program; and on September 10, 2018, Tesla communicated its strong support for the Commission's opening a separate and parallel proceeding to consider Pepco's proposal.

On December 8, 2017, in response to a motion by AOBA to suspend proceedings, the Commission closed an earlier docket,⁹ and directed Pepco to file in this docket the transportation electrification proposals it had filed in April, 2017. Pepco filed its proposals in MEDSIS. Further, as AOBA notes, at least two MEDSIS working groups are broadly addressing EV issues. Having obtained the Commission's agreement to place Pepco's application in the MEDSIS docket, AOBA ought not to be now pushing the Commission to hear the application sequentially, *i.e.*, after the relevant discussions are complete in the MEDSIS docket.

As we near the second anniversary of the date Pepco first filed EV proposals in FC No. 1143, and MEDSIS' fourth anniversary, Tesla is deeply concerned with the Commission's dismissing Pepco's application, or refraining from making decisions concerning EV charging station

⁷ See September 18, 2018 Comments by JackMcDougle, President and CEO, Greater Washington Board of Trade, noting that Maryland has set a goal of achieving close to 2.4 million zero emission vehicles on their roads by 2025, and that Virginia has efforts underway to develop a statewide public electric vehicle charging network.

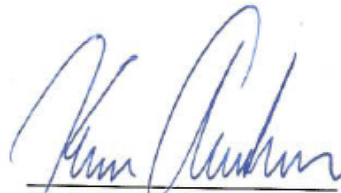
⁸ Per the 2009 – 2013 census, 58% of the District's residents are renters, <https://www.indexmundi.com/facts/united-states/quick-facts/district-of-columbia/housing-units-in-multi-unit-structures-percentage#map>; and 62% of the District's housing units are in multi-unit structures. <https://www.indexmundi.com/facts/united-states/quick-facts/all-states/housing-units-in-multi-unit-structures-percentage#chart>.

⁹ See, Closing Order No. 19198, FC No. 1143: *In the Matter of the Commission's Consideration of a Demand Management Program for Electric Vehicle Charging in the District of Columbia*.

infrastructure until after the MEDSIS working groups conclude their proceedings in MEDSIS. The Commission is certainly entertaining discussions regarding the role of non-wires alternatives (“NWAs”) in a discrete grid investment project in FC No. 1144,¹⁰ while it is also simultaneously entertaining NWA discussions in the context of MEDSIS.¹¹ There is no reason why the Commission cannot do likewise with regard to EVs.

Thank you for your attention to this matter. Please note that Tesla intends this letter to address only its opposition to the scheduling aspects of AOBA’s and OPC’s Motions. Consistent with the Commission’s November 2, 2018 Public Notice (Revised Comment Period and Clarification), Tesla may later address other aspects of each Motion. Accordingly, Tesla’s election not to comment on the substance of those Motions in this letter time should not be construed as Tesla’s concurrence with either.

Sincerely,


Kevin Auerbacher

¹⁰ See e.g., Sunrun, Inc.’s September 27, 2018 Comments, Formal Case No. 1144 - *In the Matter of the Potomac Electric Power Company’s Notice to Construct Two 230 kV Underground Circuits from the Takoma Substation to the Rebuilt Harvard Substation and from the Rebuilt Harvard Substation to the Rebuilt Champlain Substation (Capital Grid Project)*.

¹¹ MEDSIS Working Group #2 is expressly charged with responsibility for defining the purpose and goals around NWAs in the District.