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Ford Motor Companyâ€™s Comments on the 2025 Integrated Energy Policy Report Commissioner Workshop on Accelerating Interconnection

Additional submitted attachment is included below.

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August 25, 2025

California Energy Commission Docket Unit, MS-4
Docket No. 25-IEPR-06
715 P Street
Sacramento, California 95814-5512

Re: Ford Motor Company's Comments on the 2025 Integrated Energy Policy Report Commissioner Workshop on Accelerating Interconnection and Energization (Docket No. 25-IEPR-06)

Dear Commissioner Hochschild,

Ford Motor Company (Ford) would like to thank the California Energy Commission (CEC) Commissioners and staff for their leadership driving forward the conversation on the acceleration of interconnection and energization both at the recent Integrated Energy Policy Report (IEPR) workshop on August 11th, 2025, and in the forthcoming 2025 IEPR. Ford appreciates the opportunity to provide comments on these important topics, and thanks the CEC for considering these comments. Accelerating interconnection and energization are key to a smooth transition to electric vehicle (EV) adoption and helping California achieve its decarbonization and clean vehicle adoption goals.

Ford is committed to a successful EV future for our customers through the production of such EVs as the Ford F-150 Lightning, the Mustang Mach-E, the Ford E-Transit and the Ford Escape Plug-in Hybrid EV (PHEV). In addition to our EV lineup, Ford has also led the industry in advanced EV initiatives by offering backup power solutions and bidirectional charging features. Ford's Home Backup Power (HBP) System with a fully charged, standard-range Ford F-150 Lightning can power a home at 30 kWh/day for up to two days during an electric grid outage. The Ford HBP System operates only when fully isolated from the grid. Ford's Home Power Management (HPM) System operates in parallel with the grid and provides more advanced bidirectional features such as helping customers save money on their electricity bills.

In addition to these advanced bidirectional EV features, Ford offers the BlueOval™ Charge Network for convenient public charging, the Ford Charge Network to support dealer charging needs, and hardware and software solutions to ensure fleet customers have reliable infrastructure through Ford Pro

Charging. EV charging infrastructure that is deployed quickly is key to helping customers adopt EVs faster and ensuring the benefits of EVs are fully realized. Ford shares below the following recommendations on: (I) the generation interconnection process in California for residential EV customers; and (II) the energization process for fleet/commercial EV customers. We hope these comments are helpful in guiding continued conversation on accelerating an EV future and preparation of the 2025 IEPR.

I. Distribution Interconnection Barriers for Residential EV Customers

In considering the expanding interaction of EVs with the distribution grid, the Commission and other policymakers in California should recognize three distinct categories of EV use cases and ensure that rules and policies carefully distinguish among them: (a) EVs that are only used for mobility; (b) bidirectional EVs that are used for backup power but do not operate in parallel with the grid; and (c) bidirectional EVs that operate in parallel with the grid. In order to increase the adoption of EVs in support of California's policy objectives, it is critical that the interconnection requirements fit the use case for each customer and do not cause unnecessary barriers for customers.

a. EVs that are only used for mobility should have no utility notice requirements.

EVs that are only used for mobility (i.e., EVs that never discharge when isolated nor when grid-connected) should not need to notify their utility of a backup power generator or start the Rule 21 interconnection process.

As section §119085(b) of the California Health and Safety Code requires customers to both possess and operate a backup vehicle, Ford believes that customers that purchase EVs and choose to use their EVs solely as mobility resources (i.e. those that do not take the necessary steps to activate the ability of the EV to act as a backup generator) do not have any notification requirements. While Ford's customers who own vehicles with un-activated Home Backup Power features have not been required to provide notice to California utilities to date (to Ford's knowledge), the lack of a clear statement to this effect has caused some confusion. Utility language describing the notice requirement in California sometimes includes unclear language around this issue. The Commission could aid both utilities and customers by advocating for clear statements regarding the application of the notice requirement to EVs of different use cases. Specifically, Ford recommends that when referencing EVs and, in particular, bidirectional EVs, program rules and the language used to describe program rules should make it clear when those rules do not apply (i.e. for EVs acting only as mobility resources).

b. Bidirectional EVs that serve as both mobility resources and backup generators should have a simple process for utility notification that is distinct from Rule 21 interconnection processes.

As noted above, per California Health and Safety Code §119085(b), California customers with backup power generators (including EVs that operate as backup generators) must notify their utility of their use. In Ford's experience, some utilities in California have interpreted this Rule, requiring customers with an EV that act as a backup power generator (but never operate in parallel with the grid), to notify their utility by "starting" the Rule 21 generation interconnection process (i.e., submitting a Rule 21 interconnection application and paying the Rule 21 interconnection application fee). EVs that serve as only mobility resources and/or backup generators (and never operate in parallel with the grid) should not have to "start" the Rule 21 interconnection process to satisfy the backup power "notification" process,

since a notification should require much less effort for a utility to process than an interconnection application. Ford notes such a requirement is doubly problematic if customers with fossil-fueled generators face no such requirements, given that both technologies would have similar profiles as far as the grid is concerned.

Ford believes that using the Rule 21 interconnection process and application fee as the "notification" process for the use of an EV that never operates in parallel with the grid is a misapplication of Rule 21. Rule 21 applies only to Distributed Energy Resources (DERs) that operate in parallel with the grid. Ford's HBP feature is designed to only allow the bidirectional transfer of energy when the System is isolated from the grid, and thus vehicles using their HBP feature are by definition not a generating facility requiring interconnection. Requiring customers that never operate in parallel with the grid to both fill out the more involved Rule 21 interconnection application and pay the associated fee is a mismatch of the use case and the required processes. Customers with backup power generators that desire greater resiliency and reliability, but which do not operate in parallel with the grid, should not have to pay the same application fee and fill out the same paperwork as a customer installing solar panels. To avoid confusion and unnecessary cost burden to customers, Ford recommends that each utility in California create a separate, and robust backup power generator notification process that's separate from the Rule 21 interconnection process and not use other processes (particularly the Rule 21 interconnection application and application fee) as the "notification" process.

In summary, bidirectional EVs that are either mobility-only resources, or mobility resources and backup power resources should <u>not</u> be required to go through the Rule 21 interconnection process because EVs that serve as mobility resources or as backup power generators cannot operate in parallel with the grid. In March 2025, the Michigan Public Service Commission (MPSC) ruled that Ford's Home Backup Power (HBP) System is not required to go through the interconnection process in Michigan because it never operates in parallel with the grid. *In the matter of the request for a declaratory ruling by Ford Motor Company regarding Home Backup Power and Michigan's interconnection rules,* Order, U-21619 (March 13, 2025).

c. <u>Interconnection barriers should be reduced for bidirectional EVs that operate in parallel with the grid.</u>

Bidirectional EVs that operate in parallel with the grid are required to go through the Rule 21 interconnection process. The Commission should help ensure that barriers to this process are reduced, to encourage further customer uptake over time.

Ford has experience submitting applications to the Rule 21 interconnection process in California for Ford customers with Ford's Home Power Management (HPM) System, which operates in parallel with the grid. Based on Ford's experience, Ford has identified the following barriers to customer adoption of bidirectional EVs that operate in parallel with the grid:

1) *High costs of interconnection:* In California, the Rule 21 interconnection application fee for investor-owned utility (IOU) customers is $800. To Ford's knowledge, this is the highest application fee for generation interconnection in the U.S. This significantly high application fee is burdensome to customers and creates a barrier to the adoption of bidirectional EVs and in helping California reach its decarbonization and clean vehicle adoption goals. Bidirectional EV systems

are typically more costly than unidirectional EV charger systems to begin with; adding a high interconnection application fee on top of this reduces the financial incentive of customers to adopt bidirectional EVs. Additionally, this requirement makes it more difficult to achieve the state's official policy of supporting "deployment and integration of cost-effective advanced electricity storage and peak-shaving technologies, including…electric vehicles." California Public Utilities Code § 8360(g). EVs using Home Power Management provide an untapped source of energy storage that can provide flexible grid support and can also provide benefits to all ratepayers, including by increasing electrical grid asset utilization and reduction of peak loads that can strain distribution infrastructure, including transformers. The Commission should work with the California Public Utilities Commission (CPUC) to find solutions to reduce interconnection costs for bidirectional EV customers.

2) *High metering costs:* CPUC Decision 22-08-024 adopted the Submetering Protocol in California which allows the use of meters inside Electric Vehicle Supply Equipment (EVSEs) to be used as submeters. However, net energy metering (NEM) customers are excluded from this eligibility. One of the barriers to adoption of bidirectional EVs is the significantly high cost to residential customers to purchase and install a Net Generation Output Meter (NGOM), which can be upwards of $600. Adding this additional cost to customers that already have solar disincentivizes the purchase of a bidirectional EV and eliminates the ability of EVs to help customers smooth out their demand curve at sunset, which would benefit all customers by lowering peak demands. Ford recommends allowing the use of submetering for NEM customers to help avoid the costly barrier of NGOM meters and encourages the Commission to work with the CPUC to find solutions going forward.

II. Energization Barriers for EV Fleet Customers

Closing the Gap in Time to Energization Can Accelerate Fleet Electrification

As a market leader in commercial vehicles, Ford is also prioritizing the rapid deployment of EVs in the commercial sector. The lower operational costs of EVs have been particularly attractive to fleet customers. A top of mind challenge to electrification for many fleet customers is infrastructure, specifically, the time it takes to energize commercial sites where fleets charge. Currently, there is a significant timing mismatch between vehicle order fulfillment and infrastructure deployment that can deter or delay EV adoption. Vehicle orders can often be as short as 3 months, while charging and supportive infrastructure may require 12 to 18 months, or even longer, especially when there are grid capacity constraints upstream. These delays can put electrification projects at risk of being paused, delayed, or cancelled. These projects that do not move forward are missed opportunities to realize the benefits of electrification. Fleet electrification, particularly in light-duty fleet applications with charging needs adequately addressed by L2 chargers at home or in depot settings charging overnight or when capacity is abundant, can provide manageable, predictable electrical loads which provide the benefits of increased electrification while mitigating overall system costs. Ford appreciates that policymakers and industry stakeholders recognize the challenge and are discussing solutions that must be implemented at multiple levels. To accelerate progress, Ford recommends and supports the following:

- More proactive grid planning to anticipate fleet charging needs and the solutions which may be required to address;
- Flexible connections as bridging solutions that align with customer operating patterns; and
- Process improvements across utilities and customer-facing processes where opportunities may exist to shorten the time to energization.

Implementing these solutions will reassure fleet customers that infrastructure to enable charging can be deployed with relative ease and that the grid will be ready, significantly accelerating commercial EV adoption and the realization of the benefits of increased electrification.

III. Conclusion

Ford looks forward to continued collaboration with the California Energy Commission to ensure programs, research, and regulations foster the expansion of EV use in California, both in mobility and in utilizing EVs to provide affordable benefits not just to EVs owners, but to benefit utility ratepayers all across the state. Thank you again for your time and consideration. Please feel free to contact Brandon Praet, Electrification, Charging and Energy Services Policy Engineer at bpraet1@ford.com if Ford can provide any additional information or support.

Sincerely,

Jeanette Clute

Jeanette Clute

Charging and Energy Services Policy Manager

Ford Motor Company