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MHD Infrastructure Coalition Comments - 2025-2026 CTP Investment Plan

Please see attached for comments from an informal coalition of MHD infrastructure providers.

Additional submitted attachment is included below.

November 7, 2025

California Energy Commission
Docket No. 25-ALT-01
715 P Street Sacramento, CA 95814

Re: 2025–2026 Investment Plan Update for the Clean Transportation Program

Dear CEC staff and leadership,

We deeply appreciate the CEC's leadership in paving the way for a market transition to zero emission transportation. We are an informal coalition of leading providers of charging infrastructure for the medium and heavy-duty sector (MHD) in California, and are writing to provide comments on the 2025–2026 Investment Plan Update for the Clean Transportation Program.

In our comments, we make the following points: we have a generational opportunity to support a market transition from diesel to zero emission freight and other MHD vehicles; there is a huge near-term need for investment in MHD charging; and CEC grant programs could be modified and simplified to increase utility and impact.

California has long been a leader in driving a transition to clean transportation. Unfortunately, the MHD sector has recently faced hurricane-force policy headwinds, with the loss of waivers for Advanced Clean Trucks and Advanced Clean Fleets; the ongoing effort to roll back federal GHG emission standards; axing of federal tax credits for vehicle purchase and charger installations; and related manufacturing; sunsetting SB 350 make-ready funding from all of the investor-owned utilities in the state in 2026; pullback of federal funding, and more.

Despite these challenges, however, we are poised at a generational opportunity – a tipping point to a market transition to zero emission vehicles in the MHD sector. Technology has matured precipitously, due in no small part to California's work, to the point where it is a functional replacement for many use cases. Sales of medium duty delivery vans are accelerating. Public fleets continue to make progress on meeting their state mandates in the MHD sector and are looking to public private partners like those within our coalition to help them deploy necessary charging infrastructure to support their goals.[1] And for the heavy-duty freight sector, the advent of the Tesla Semi, with a range of 500 miles, the ability to recharge in 30-40 minutes, and a price point substantially below others in the class, has been well received by the trucking community and provides great promise for the future of zero emission freight. In the last HVIP funding window, 892 vouchers for Tesla Semis were submitted, comprising over 80% of all the class 8 vouchers applied for, and totaling more than the full number of class 8 electric

[1] For example, LA28 and Highland Electric Fleets just recently announced a partnership to deploy 550 electric school buses in Southern California to support the Olympic and Paralympic games. This will involve a significant deployment of charging infrastructure in school districts and municipal depots in the near term to help ensure a lasting impact from the games.

vehicles on the road in California to date. At full build-out, the Tesla factory just over the border in Nevada promises a production capacity of 50,000 vehicles a year. The attributes of this vehicle open up substantial new use cases, and the price point is meaningful progress in the market transition we've collectively been working toward. To fully effectuate this progress, we must ensure that we are able to pre-deploy a charging network that is able to ensure fueling coverage. Without ongoing near-term funding to support a wide variety of charging needs, this momentum faces an existential threat.

Funding Allocations

We recommend maximizing the planned investment in MHD charging infrastructure, including allocation of the $38 million in additional Greenhouse Gas Reduction Funds referenced in the report but not in the funding table. These funds, plus any others CEC is able to identify, should be dedicated to MHD charging infrastructure to the extent allowed by statute. We further recommend that CEC explore opportunities to reallocate hydrogen refueling incentives to battery electric charging projects if appropriate to respond to market conditions and GFO responses (or lack thereof). The market is clearly moving toward battery electric solutions and away from hydrogen, as shown by recent HVIP data where battery electric class 8 trucks outpaced fuel cell trucks by more than 20 to 1. With limited funds, focusing on where market demand is and building a fueling network to support the predominant technology is important.

While our companies appreciate the Commission's consideration of the use of NEVI funding for MHD electrification projects, several programmatic constraints and federal flow-down requirements limit the viability of using NEVI funding for use cases other than light-duty electrification. Federal NEVI Standards and other Federal Highway Administration regulations contain rigid requirements that were structured to apply only to light-duty, publicly accessible charging sites. For example, the NEVI Standards do not recognize the Megawatt Charging System (MCS) standard, and there are no commercially available MCS chargers that would comply with FHWA's Buy America regulatory requirements. As the electric MHD vehicle market trends toward using MCS, deploying NEVI funding for these vehicles in California would only provide charging infrastructure that may soon be outdated and unusable to a large number of fleet users. Therefore, we recommend the Commission not include NEVI in its consideration of the total dollars allocated to MHD charging infrastructure on an annual basis.

Program Design Recommendations

At this early stage of MHD electrification, we urge the CEC to focus on maximizing deployment to achieve scale. Widescale infrastructure deployment would help unlock fleet electrification by ensuring that freight corridors, logistics hubs, and MHD depots have sufficient charging coverage and capacity. A focus on speed and scale will also help address issues of perception for both fleets and policy stakeholders.

Traditionally, CEC has split funding between streamlined deployment incentives and much more narrowly focused Grant Funding Opportunities targeting niche applications or novel technologies. Given budgetary constraints and the need to really "launch" this market, we recommend increasing the focus on streamlined incentives such as EnergIIZE at this time. The

more narrowly tailored GFOs targeting niche markets, future technologies, or hard-to-reach market segments should wait until electrification of the MHD market is further along.

To maximize the effectiveness of incentive programs for MHD charging infrastructure, we recommend the following:

- **Ensure incentive levels are sufficient to drive investment**. The recent changes to EnergIIZE increasing per-project caps have been helpful, better aligning the program with the costs of large-scale MHD infrastructure deployment. With sufficient funding, CEC could further increase these levels as project costs will continue to increase with the shift toward MCS charging.
- **Avoid per-port vehicle requirements.** Firm requirements for a set number of vehicles per charging port render incentive programs nearly unusable for infrastructure developers that do not own trucks, and they make it impossible to build for future demand, particularly when the requirement is for multiple vehicles per port. CPUC has recognized that an inflexible truck purchase requirement "is inefficient and creates barriers to participation of charging infrastructure-as-a-service providers" and is proposing to remove this requirement from existing utility programs as these sites "are intended to serve multiple fleets and have high utilization" and therefore will not not create a major stranded asset risk.[2]
- **Avoid prescriptive technological requirements.** Infrastructure developers have a very strong motivation to "meet the market" on charging technologies and specifications. Sites for the foreseeable future are likely to feature a mix of power levels and charging standards, and this mix will most likely vary by location. Incentive programs that are limited to a single charging standard or that specify a minimum simultaneous power level for charging run the risk of effectively preventing developers from deploying the most appropriate solutions for a given site. The market will naturally force the right chargers and power levels into the right locations.
- **Clarify flexibility for developers to upgrade equipment to meet market needs.** The rules around upgrading equipment (e.g., changing connector types or increasing power levels) are not always clear across programs. We believe it is the state's intention to ensure projects are meeting market needs over time. In the event that this requires equipment changes during the project lifetime, developers should be free to make these upgrades at their own cost so long as the overall ability of the equipment to charge trucks is maintained or expanded.
- **Enable flexible access requirements.** While fully public sites will be part of the charging ecosystem, fleet operators are often looking for secured sites with access controls. We continue to recommend allowing shared depot sites (more than one fleet) to qualify for incentives, as is the case with EnergIIZE.
- **Avoid geographic restrictions.** Charging solutions are needed within major freight hubs and along connecting corridors. Infrastructure developers are highly motivated to

[2] Proposed Decision Adopting Revised Data Gathering and Reporting Requirements for Transportation Electrification Programs and Providing Clarification on Programs Adopted in Decision 22-11-040 (https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M584/K972/584972262.PDF, page 15).

site charging hubs in locations that meet market needs. Narrowly focusing solicitations on specific geographies could have unintended consequences of pushing charging to suboptimal locations and/or encouraging developers to forgo more commercially viable sites that would better support customer needs.

Programs like EnergIIZE generally meet the recommendations above and have the potential to really move the market and help rapidly scale up infrastructure deployment with minimal delay. These programs are particularly useful for infrastructure developers and fleets because they are free of the eligibility restrictions and prescriptive site design requirements that are typical in many grant funding opportunities. This makes EnergIIZE easier for developers to plan around as they can design to what the market needs, rather than needing to tweak designs to meet grant program requirements. The simplified application processes and accelerated timelines also align well with infrastructure developer timelines, providing greater certainty and minimizing administrative costs.

Looking forward, the best way to enable scale would be through simple, streamlined, EnergIIZE-like programs released at predictable intervals throughout the year. This would enable fleets and infrastructure developers to plan around forthcoming incentives and to appropriately align design, permitting, utility engagement, funding, and all of the other key drivers of project development timelines to bring infrastructure online. We therefore encourage CEC to consider additional funding for these programs and to lay out a rough schedule.

Sincerely

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