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CalETC Comments Re: 2016-2017 Investment Plan Update for the Alternative and Renewable Fuel and Vehicle Technology Program, Draft Staff Report

Additional submitted attachment is included below.



November 16, 2015

The Honorable Janea A. Scott
Commissioner
California Energy Commission
Dockets Office, MS-4
Re: Docket No. 15-ALT-01
1516 Ninth Street
Sacramento, CA 95814-5512

Docket: 15-ALT-01
Reference: 2016-2017 Investment Plan Update for the Alternative and Renewable Fuel and Vehicle Technology Program, Draft Staff Report

Dear Commissioner Scott:

The California Electric Transportation Coalition (CalETC) appreciates the opportunity to comment on the 2016-2017 Investment Plan Update for the Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP), Draft Staff Report.

CalETC is a non-profit association promoting economic growth, clean air, fuel diversity and energy independence, and combating climate change through the use of electric transportation. CalETC is committed to the successful introduction and large-scale deployment of all forms of electric transportation including plug-in electric vehicles, transit buses, port electrification, off-road electric vehicles and equipment, and rail. Our board of directors includes: Los Angeles Department of Water and Power, Pacific Gas and Electric, Sacramento Municipal Utility District, San Diego Gas and Electric, and Southern California Edison. Our membership also includes major automakers, manufacturers of zero-emission trucks and buses, and other industry leaders supporting transportation electrification.

California has been and will continue to be a major focus of mass marketing of plug-in electric vehicles (PEVs). PEVs—which include both battery-electric vehicles and plug-in hybrid electric vehicles in light-, medium-, heavy-duty and bus applications—provide significant environmental and economic benefits.

CalETC supports the Energy Commission's efforts to ensure that California continues to be an attractive market for PEVs. The CEC's actions in the ARFVTP have been essential in contributing to our state having the largest network of charging infrastructure, as well as the having the majority of PEV sales, in the country. In addition, the numbers of PEVs in California are anticipated to greatly increase in the coming years. For these reasons, it is critical that ARFVTP funding continue to support this burgeoning market.

CalETC supports the \$17 million allocated for electric-charging infrastructure, although this funding will not sufficiently bridge the gap between the need for public infrastructure and the availability of this infrastructure. The market for PEVs has grown beyond expectations and the state currently lags in PEV infrastructure, particularly at workplaces and multi-unit dwellings. Workplace charging is particularly attractive as it can help address access to chargers for residents of multi-unit dwellings and disadvantaged communities. Although there will be a growing investment from the private

sector and the investor-owned utilities, public funding will continue to be essential for the foreseeable future. The National Renewable Energy Laboratory and the analyses conducted by the utility industry indicate that the gap between availability of charging infrastructure and the need for this infrastructure will not be closed in the next 5 years.

We recommend that charging infrastructure for certain applications, such as for fleets and medium- and heavy-duty vehicles, be exempt from the requirement of public access in order to be funded. Charging infrastructure for these applications is often in a locked area, inaccessible by the public, in order to protect the infrastructure, but the infrastructure still contributes to the state's PEV-related and environmental goals.

CalETC supports the \$23 million allocation for medium- and heavy-duty vehicle technology demonstration and scale-up. We are pleased to see that staff has increased funding for medium- and heavy-duty vehicle technology demonstration and scale-up from \$20 to \$23 million. Transitioning the medium- and heavy-duty vehicle classes to zero and near-zero emission technologies represents a significant opportunity to reduce GHG emissions and improve air quality, especially near ports and along freight corridors. We agree with staff that this increased allocation is justified based on the significant oversubscription of previous solicitations as well as the higher costs associated with producing these technologies.

Recommendations: Although public-transit and school-bus projects fall within this category, we recommend the Energy Commission specifically recognize the opportunities and benefits for both within this section of the Investment Plan Update.

We are pleased to see staff's recognition of the Governor's Executive Order B-32-15, ordering the development of a plan to improve freight efficiency and transition the freight system to zero-emission technologies. Funding within this category will be necessary to support sustainable freight and implement the Governor's objectives. We appreciate staff's consideration of the special needs of freight and the additional allocation of funding to provide for specialized vehicle technologies and refueling infrastructure, but we encourage staff to further consider the needs of freight within the Investment Plan Update. We recommend that staff separate freight into its own section of the Investment Plan Update so that the opportunities, needs, and benefits of transitioning the freight sector can be fully considered.

CalETC recommends the last paragraph regarding the Clean Vehicle Rebate Project (CVRP), in the Light-Duty Electric Vehicles section on page 64, be stricken from the Investment Plan Update. Thus far, the California Air Resources Board has not received adequate funding for CVRP in the budget. It is premature to assume that the Greenhouse Gas Reduction Fund will fully fund the CVRP program in fiscal year 2016-2017.

CalETC supports the \$7.5 million allocated for "related needs and opportunities." Plug-in electric vehicle regional readiness, workforce training and development, and emerging opportunities efforts at the local level are critical as this funding aids regions in preparing for and expediting deployment of zero-emission technology. We agree with staff that this allocation is necessary, as previous readiness and planning solicitations were oversubscribed. There continues to be an ongoing need to support local

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governments as they prepare for increasing numbers of zero-emission vehicles. We support the proposed allocation of \$3 million for emerging opportunities, \$2.5 million for workforce training and development, and \$2 million for regional readiness.

CalETC appreciates Energy Commission staff efforts to integrate the ARFVTP with all of the other policies and incentive programs supporting the transition to a cleaner, more diverse transportation future. California policymakers in the Legislature and the Administration have fully embraced the need to clean our air, fight climate change and diversify the transportation-fuels sector. As a result there are numerous policies that intersect around these goals. We have seen increasing coordination and cooperation among state agencies and the Legislature as new policies are implemented and new revenues become available. This is essential and we appreciate the recognition of other policies by Commission staff and the commitment of staff and Commissioners to continue to ensure the policies support each other.

Thank you for the opportunity to comment on the 2016-2017 Investment Plan Update for the ARFVTP, Draft Staff Report, and for your consideration of our comments. Please contact me if you have any questions.

Sincerely,



Eileen Wenger Tutt, Executive Director
California Electric Transportation Coalition