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Enel X Comments on 2020 CALeVIP Projects

Additional submitted attachment is included below.

September 6, 2019

California Energy Commission
Docket Unit, MS-4
1516 Ninth Street
Sacramento, CA 95814-5512

Re: 2020 CALeVIP Projects (Docket No. 17-EVI-01)

Dear Commissioner Monahan:

Enel X North America, Inc. (Enel X) is pleased to submit the following comments on the proposed funding, design, and implementation of the California Energy Commission's (CEC) CALeVIP incentive projects for 2020.

Enel X e-Mobility, formerly eMotorWerks, is a leading technology provider in the electric vehicle (EV) charging market. Enel X manufactures and sells smart Level 2 and DC fast charging (DCFC) EV supply equipment (EVSE) for residential, commercial, workplace, and fleet charging applications, and has deployed over 50,000 units worldwide. Enel X's cloud-based aggregation platform, JuiceNet, controls EV charging to provide energy services to utilities, grid operators, and site hosts and ensure optimal integration of EV charging load into the grid.

Enel X applauds the CEC and all local partnering agencies and load-serving entities (LSEs) for developing a robust portfolio of CALeVIP projects for 2020 and beyond. According to the US Department of Energy's Alternative Fuel Data Center, California has just under 22,000 publicly available charge ports,[1] meaning the state must significantly expedite the deployment of charging infrastructure if it is to meet its 2025 goal for 250,000 publicly available charging stations set out in Governor Brown's Executive Order B-48-18. The 2020 projects would provide a critical source of funding to ensure the state keeps pace in meeting its charging deployment goals, while supporting the sustained development of the EV market in key geographies.

Enel X largely agrees with the proposed design and implementation of the 2020 CALeVIP projects as presented in the CEC's August 2019 workshops. One significant program element we wish to address however is the default waiver of Low Carbon Fuel Standard (LCFS) dispensed fuel credits for Level 2 stations and DCFC stations less than, but not equal to, 100 kW.

The proposed LCFS waiver is problematic for several reasons. First and foremost, the LCFS market framework and credit generation activities are overseen by the California Air Resources Board (CARB). As a result of CARB policymaking, network operators and site hosts are assigned credit generating rights for public and private non-residential charging stations, respectively, which can be extended to third parties if mutually agreed upon. Requiring CALeVIP grant recipients to waive LCFS credit rights would set an alarming precedent for one state agency to override the policy determinations of a sister agency.

Second, LCFS dispensed fuel credit proceeds are critical for non-residential charging project economics, given the early days of the EV market and relatively low station utilization. This is especially true for DCFC projects. Despite the retention of LCFS capacity credits for public DCFC stations, the economics of low or modestly utilized EVSE are not viable. Requiring projects to waive dispensed fuel credits greatly reduces the overall value of CALeVIP grants

[1] https://afdc.energy.gov/stations/states

and will likely hamper program participation. At the very least, this requirement will skew participation towards 100 kW-or-greater stations, which are considerably more expensive and will thus reduce the number of deployed EVSE and limit the program's effectiveness in meeting California's charging deployment goals as set forth in Governor Brown's Executive Order.

The 2019 Sacramento Incentive Project revealed a similar LCFS waiver requirement immediately before its launch, which the CEC walked back to only apply to Level 2 stations after strong stakeholder resistance to a DCFC waiver. That the waiver is again proposed here to apply to both charging levels and across all 2020 projects represents an extremely disheartening trend of state funding partners' incursion into LCFS benefits. If the LCFS waiver for DCFC stations up to 99.9 kW is implemented for 2020, will it be up to 149.9 kW in 2021? It calls into question whether the state is consistent across agencies with respect to accommodative policies toward stimulating third party investment in public DCFC infrastructure.

Finally, we seek clarification regarding the availability of 2020 CALeVIP project funding vis-a-vis the timelines for initial match funding from partnering agencies, as well as reinvestment from LCFS credit proceeds into match funding should the credit allocation waiver ultimately be adopted. The LCFS is currently slated to run through 2030, meaning that, if the proposed LCFS credit waiver is ultimately adopted, participating stations will generate credits through 2030. Similarly, certain sources of match funding are expected to be provided over an extended period of time, such as the San Diego Association of Governments' approval for $30 million over the course of 30 years. Enel X requests that the CEC clarify whether 2020 CALeVIP projects will remain live and continually replenished over the life of expected credit generation and match funding, and, if so, the cadence at which funds will be replenished.

Enel X appreciates the CEC's consideration of these comments. While we appreciate the intent of the LCFS credit waiver to extend the reach of CALeVIP funding, we caution the CEC on the precedent this would set from a state policy perspective, and also on the unanticipated consequences this could have on program participation and the effectiveness of what otherwise appears to be a very strong financial incentive to deploy much needed charging infrastructure.

Sincerely,

/s/ Marc Monbouquette

Marc Monbouquette
Regulatory and Government Affairs Manager
Enel X e-Mobility