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**Response to California Energy Commission's Draft Solicitation  
Concept on a Block Grant for MDHD ZEV Infrastructure**

*Additional submitted attachment is included below.*

April 24, 2020

California Energy Commission  
Docket Unit  
RE: Docket No. 19-TRAN-02  
1516 Ninth Street  
Sacramento, CA 95814-5512

**Comments of the Center for Sustainable Energy® on the California Energy Commission's Draft Solicitation Concept regarding a Block Grant for Medium- and Heavy-Duty (MD/HD) Zero-Emission Vehicle Infrastructure**

The Center for Sustainable Energy® (CSE) is a mission-driven national nonprofit dedicated to decarbonizing the transportation sector and the built environment. As a nonprofit administrator/implementer and advisor, CSE has 24 years of experience in program administration/implementation, technical assistance, and policy advisement services. CSE has specific expertise in administering/implementing rebate programs for plug-in and fuel-cell electric vehicles (EVs) as well as for EV charging infrastructure and is currently involved in the administration/implementation or development of rebate programs across six states: California, Connecticut, Massachusetts, New York, Oregon, and New Jersey. In California, CSE implements the Clean Vehicle Rebate Project (CVRP) and the California Electric Vehicle Infrastructure Project (CALeVIP).

CSE commends the Transportation Lead Commissioner Patty Monahan and California Energy Commission (Energy Commission) staff for their efforts to develop a Draft Solicitation Concept for a Block Grant for Medium- and Heavy-Duty (MD/HD) Zero-Emission Vehicle (ZEV) Infrastructure. CSE is pleased to participate in the Energy Commission's Clean Transportation Program as the implementer for CALeVIP and appreciates the opportunity to provide comments on the Draft Solicitation Concept. CSE's comments are organized across the following recommendations:

- Develop Guiding Project Principles
- Prioritize Geographic and Locational Considerations
- Implement Targeted Community Outreach
- Maintain Technology Neutrality and Promote Interoperability
- Secure Funding Over Time and Leverage External Funding

## **I. DEVELOP GUIDING PROJECT PRINCIPLES**

CSE strongly supports the development of an MD/HD ZEV infrastructure block grant program to accelerate the decarbonization of the transportation sector. MD/HD vehicles constitute a significant source of greenhouse gases (GHGs) and criteria air pollutants, but the charging and refueling infrastructure necessary to support these vehicles has been relatively underfunded to date. While the Energy Commission's proposed \$50 million allocation represents a significant investment in the decarbonization of the MD/HD infrastructure sector, additional incentive funding will be necessary to support the sustained development of charging technologies and achieve economies of scale.

For these reasons, CSE encourages the Energy Commission to develop a set of guiding principles that will direct incentive funds toward priority market segments. CSE recommends that the Energy Commission develop these principles in coordination with an advisory committee comprised of industry stakeholders and believes that these principles should inform the eventual design and implementation of the project. CSE acknowledges and appreciates the need to provide flexibility in project design and accordingly recommends that these guiding principles be developed concurrently with the selection of a project administrator and the subsequent development of the project.

Overall, CSE strongly supports the development of a block grant project to rapidly deploy incentive funds to catalyze the market for MD/HD charging and

refueling infrastructure. CSE also encourages the Energy Commission to identify metrics to quantify project success, including reduction of GHG emissions or criteria air pollutants, the number of charging ports deployed, the number of vehicles supported, and the impacts on infrastructure cost reductions. These metrics will inform project evaluation, identify best practices, and result in maximized project success.

## **II. PRIORITIZE GEOGRAPHIC AND LOCATIONAL CONSIDERATIONS**

CSE strongly supports the geographic and locational considerations included in the Draft Solicitation Proposal. Locational considerations, such as regional air quality, the level of MD/HD vehicle traffic, and the presence of Disadvantaged Communities (DACs), should be considered as key factors in determining how incentive funds are allocated. CSE also encourages the Energy Commission to consider adopting a region-by-region approach to distributing incentive funds, as is the case in CALeVIP. This will ensure that the regions most impacted by MD/HD vehicles will have the greatest opportunity to benefit from the project. Furthermore, distributing incentive funds in separate rounds will allow all market actors to have a chance to participate in the project.

## **III. IMPLEMENT TARGETED COMMUNITY OUTREACH**

CSE strongly encourages the Energy Commission to consider dedicating project funding to targeted community outreach initiatives. Communities must be prepared for the availability of incentive funding far ahead of time, given the significant scale of investment necessary to plan and install MD/HD charging and refueling infrastructure. Targeted outreach efforts can also help coordinate partnership amongst site hosts, charging service providers, and utilities, which will facilitate infrastructure buildout.

CSE also recommends that the Energy Commission designate a portion of outreach funds to DACs and other priority populations. Through CALeVIP, CSE has

engaged with numerous community-based organizations (CBOs) to identify regional needs and tailor incentive projects accordingly. This model would be especially helpful for MD/HD infrastructure planning, given the larger scale of these projects and the potential impacts on the community at large. Moreover, targeted outreach could help community residents understand the potential for the project to generate economic development opportunities and air quality benefits.

#### **IV. MAINTAIN TECHNOLOGY NEUTRALITY AND PROMOTE INTEROPERABILITY**

CSE strongly supports the Energy Commission's provision in the Draft Solicitation Concept regarding the need to include interoperability standards in the MD/HD infrastructure project. Maintaining technology neutrality will help ensure that all equipment manufacturers and charging service providers have the opportunity to participate in the project and may ultimately help drive down consumer costs by selecting the most cost-effective technologies. CSE also recognizes that each MD/HD charging application is unique, and therefore, we support the use of diverse technology solutions to satisfy a variety of use cases. This includes hydrogen refueling infrastructure, EV charging infrastructure, and direct current fast chargers (DCFC). Lastly, CSE encourages project participants to identify ancillary technology solutions to optimize charging behavior, including vehicle-grid integration (VGI) functionalities and charging infrastructure coupled with distributed energy resources (DERs).

#### **V. SECURE FUNDING OVER TIME AND LEVERAGE EXTERNAL FUNDING**

CSE supports the Energy Commission's plan to allocate \$134.8 million in funding for MD/HD ZEV infrastructure over the next three years, as identified in the Energy

Commission's most recent Investment Plan Update.<sup>1</sup> CSE recommends that a proportion of this funding be allocated to the MD/HD infrastructure project on an annual basis, to provide continuous incentive funding and increase consumer certainty.

In addition, CSE supports the Energy Commission's efforts to identify complementary funding sources. Through CALeVIP, CSE has experienced a widespread interest in supporting investment in EV infrastructure and consequently has secured external funding from numerous regional partners. CSE encourages the Energy Commission to work with other agencies in coordinating investment toward the development of MD/HD infrastructure, specifically through the Low Carbon Fuel Standard (LCFS) and the investor-owned utilities' (IOUs') transportation electrification programs. This holistic, interagency approach will facilitate California's progress towards the decarbonization of the transportation sector.

## VI. CONCLUSION

CSE appreciates the opportunity to provide these comments on the Draft Solicitation Concept and looks forward to the development of the MD/HD ZEV infrastructure project.

Sincerely,



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<sup>1</sup> *Draft Staff Report – 2020-2023 Investment Plan Update for the Clean Transportation Program*, March 2020, page 7, Table ES-3.