

DOCKETED

| | |
|-------------------------|--|
| Docket Number: | 19-ALT-01 |
| Project Title: | 2020-2021 Investment Plan Update for the Clean Transportation Program |
| TN #: | 233787 |
| Document Title: | Electric Vehicle Charging Association Comments - Re EVCA Comments on the 2020-2023 Investment Plan Update for the Clean Transportation Program |
| Description: | N/A |
| Filer: | System |
| Organization: | Electric Vehicle Charging Association |
| Submitter Role: | Public |
| Submission Date: | 7/6/2020 5:25:28 PM |
| Docketed Date: | 7/7/2020 |

*Comment Received From: Electric Vehicle Charging Association
Submitted On: 7/6/2020
Docket Number: 19-ALT-01*

**Re EVCA Comments on the 2020-2023 Investment Plan Update for
the Clean Transportation Program**

Additional submitted attachment is included below.



Electric Vehicle Charging Association
INNOVATION FOR CLEAN MOBILITY

July 6, 2020

Ms. Patricia Monahan
Commissioner, Energy Commission, MS-33
1516 Ninth Street
Sacramento, CA 95814

Re: EVCA Comments on the 2020-2023 Investment Plan Update for the Clean Transportation Program

On behalf of the Electric Vehicle Charging Association (EVCA), thank you for this opportunity to comment on the updated 2020-2023 Investment Plan (Plan) for the Clean Transportation Program (CTP). The CTP is instrumental to achieving the state's goal to deploy 250,000 charging stations by 2025. EVCA applauds the Commission's leadership and efforts to this end.

EVCA is a non-profit trade association representing eleven electric vehicle service providers (EVSPs), software and equipment manufacturers, installation and maintenance providers, and an autonomous and electric ridesharing fleet operator. Our members include ABM Industries Inc., Blink Charging, BTCPower, ChargePoint, Clean Fuel Connection, Cruise, EVBox, EV Connect, EVgo, FLO, Noodoe, and Volta. EVCA's mission is to advance the goal of a clean transportation system in which the market forces of innovation, competition, and consumer choice drive the adoption of EVs and deployment of charging infrastructure.

To further the state's efforts to reach its charging deployment goals, EVCA offers the following comments on the Plan for the Commission's consideration.

1. Funding for light-duty EV charging is needed for 2023 to provide more certainty in the marketplace.

Incentives are critical to encouraging EV charging station deployment. Both charging station development and zero emission vehicle (ZEV) sales are still far short of where we need to be to reach 2025 goals for light duty infrastructure deployment and 2030 goals for vehicle sales, respectively. While the industry does not want to rely on incentives forever, it is far from reaching the market inflection point needed to achieve economies of scale and make our products and services truly cost-competitive. This is exemplified by the Commission's own projected shortfall of 80,000 chargers by 2025 – this is in part due to a still-nascent market. Manufacturers, operators, and installers are still educating consumers, especially businesses, on the business case for installing EV

charging stations at various locations; this will continue to be an ongoing effort for some time.

Not allocating any incentives for light-duty EV charging for 2023 sends a market signal at the wrong time – that the Commission intends to stop funding EV charging station deployment well before the markets for vehicles or infrastructure have reached maturation. This not only provides much uncertainty in the marketplace as charging providers look to forecast their investments, but also ensures that lack of infrastructure will remain a barrier as we look to encourage EV adoption to meet 2030 goals. This will slow growth for the industry because investors will no longer be able to rely on state partnership, and businesses will not have an incentive to install an EV charging station even though they are still considering whether it helps their business to take on this kind of investment.

Furthermore, with the passage of the Clean Miles Standard (SB 1014, 2018), a completely new segment of vehicles, transportation network companies (TNCs), are going to increasingly electrify. Per this legislation, TNCs do not have to begin instituting plans and programs to electrify and reduce emissions from their fleets until January 1, 2022, and implementation is to begin in earnest in 2023, the same year in which the Energy Commission proposes to halt investments in the light duty space. As part of this, Lyft has announced to fully electrify its fleet by 2030. While these policies and announcements are important victories in the state's goals to electrify the transportation sector, their success depends on robust charging infrastructure, including especially ubiquitous fast charging. These mandates will be no small feat to fulfill, and will require a combination of planning, policies, and incentives in 2023 and beyond.

Last, while EVCA supports further investments in the medium-heavy duty space by the Energy Commission, this should not be at the expense of the light duty market. Further, as noted in the Vehicle to Grid Integration workshop hosted by the Energy Commission and the California Public Utilities Commission (CPUC), the presentation by the CPUC showed that approximately \$700MM has been approved already by the CPUC in the medium-heavy duty space, almost all of which has not yet been spent by the investor owned utilities. As such, the Energy Commission should continue to support medium-heavy duty but should note that significant amounts of funding for this sector already exist.

Therefore, EVCA respectfully requests the Commission include an allocation for light-duty EV charging infrastructure in 2023 to maintain a strong market signal and to further help support both EV adoption for personal use drivers that will help California meet its 2030 state goals, as well as to support ridesharing electrification efforts.

2. The Commission should institute more requirements up front for projects to reserve CALeVIP funding to help get funding out the door faster.

The state's recession has impacted its entire economy, including the EV charging industry. Demand for EV charging products and services is down. As a result, companies have experienced significant lay-offs, reductions in revenue, and a slowdown

in day-to-day operations. At the same time, we are witnessing the climate and air quality benefits that can be achieved when more and more gas cars are taken off the road. It is critical to keep momentum going on the state's climate and public health goals as we emerge from the pandemic.

The market is also being slowed by CALeVIP program processing. Some of our companies are still awaiting CALeVIP program applications submitted in 2019 to be reviewed. In addition to program design improvements, which EVCA details below, this stalling could be alleviated by adding more CEC staff capacity to assist with the backlog of applications and then processing rebates, reporting to the CEC Commission Agreement Manager. Getting CALeVIP funding "out the door" as soon as possible is imperative to rejuvenating this segment of the economy and helping create jobs. However, this release of funds should be accompanied by program design changes to ensure a more successful program. EVCA suggests the following three design changes to CALeVIP program administration to leverage this funding as fast as possible to support economic recovery.:

First, CALeVIP has low barriers to entry that lead to a rush of applications on day one which creates issues in managing the queue of projects. Applicants are able to reserve funding only through an application, which in turn locks up critical incentive funding for months. Because the barriers to entry are so low, many of these projects end up falling through because they were speculative in the first place, hurting other viable and "shovel ready" projects that were not able to reserve funding in time. EVCA respectfully recommends the Commission include additional upfront requirements (e.g. a utility plan, for instance, like in the LADWP program, or utilization targets as seen in the BAAQMD program) that ensures projects are farther along in the planning and design process. This would be in line with other program design elements seen in other successful programs (e.g. LADWP), which requires a utility assessment prior to application, ensuring that only the most serious applicants with an ability to execute are able to apply to the program. The other programs with much smaller amounts of funding are able to stay open for longer than CALeVIP, and the Energy Commission should look to program design best practices from these programs.

Second, breaking CALeVIP incentives into subregions can have the unintended consequences of creating an oversupply or undersupply of incentives for infrastructure in various parts of the state while clogging utility queues all at once due to an uptick in requests in a given region. Also, given that the Commission is still in the process of making available incentives for certain regions because of this region-by-region program approach, it has prevented certain regions from accessing the economic benefits of these incentives. If the Commission wants to spur economic recovery as fast as possible through this funding, EVCA respectfully recommends allocating CALeVIP incentives on a macro-region basis (i.e. Northern California, Central Coast, Southern California). This way subregions that have shovel-ready projects in need of funding no longer have to wait to access the incentives, but the Commission can ensure that each region of the state benefits from incentives.

Third, additional program design tweaks will be necessary. For example, 24/7 requirements exclude many eligible sites in urban areas. Again, EVCA recommends looking at best practices from BAAQMD for how to better tackle public access while ensuring that important sites in the urban core, where EV drivers are more likely to rely on public charging due to limited onsite parking. Additionally, applicant caps are punitive, especially in the DC fast charging space where the owner-operator model is common to serve many site hosts. Last, requiring CHAdeMO and CCS per site instead of per charger would be more in line with how technology is evolving.

EVCA looks forward to further discussions on how to reform CALeVIP as part of the Energy Commission's August workshops.

3. The Commission should develop and support a ridesharing infrastructure deployment strategy for ridesharing infrastructure and other light duty fleets.

The CTP is a landmark program that has supported the research, development, and deployment of EV charging infrastructure. Furthermore, the Commission's electric vehicle infrastructure projections (EVI-PRO) model helps show infrastructure deployment needs between now and 2025 across the state. Through this work, we have seen the Commission target infrastructure deployment at specific locations and geographies, and EVCA supports the Commission's effort to develop targeted solicitations and strategies to encourage medium- and heavy-duty vehicle electrification. However, a similar need exists for ridesharing fleets, including both TNCs and TCPs.

The passage of the Clean Miles Standard (SB 1014, 2018) will be critical to spurring the electrification of TNCs over the next decade, necessitating large-scale investments in DC fast charging infrastructure; furthermore, TCPs are electrifying as well. These ridesharing operators also need focused support from the Commission to deploy infrastructure that will support their charging behaviors as well as ubiquitous public fast charging in urban markets to ensure widespread availability of charging for personal use and rideshare drivers alike. By developing a more comprehensive ridesharing charging infrastructure deployment strategy, the Commission will help further incentivize the deployment of EVs, which will only further help achieve industry-wide economies of scale. Implementation of the Clean Miles Standard is set to begin in 2023, meaning that large scale infrastructure investments will be necessary throughout the duration of the CTP to support electrification of this sector.

Thank you for your consideration. Please reach out to any of our member companies if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'A. Cherkaoui', with a horizontal line crossing through the middle of the letters.

Abdellah Cherkaoui
Chair
Electric Vehicle Charging Association