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Comments on IEPR 2020

Additional submitted attachment is included below.

July 20, 2020

California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

RE: Comments on Docket 20-IEPR-02 – Powertree Services Comments on the IEPR Workshop and TERPA design

Summary: We see the TERPA concepts as being a good step in the right direction and make five supporting points in its favor. We also highlight that underlying planning and operational assumptions from the past IEPR planning and many IOU assumptions are no longer true and as such arguments based on those assumptions need to be re-evaluated in IEPR and policies going forward.

Powertree Services: Powertree Services is focused on the delivery of renewable, storage and EV charging services to residents and owners of Multi-Family properties in California and throughout the USA. These residents constitute appx. 42% -45% of the total California population yet to date have received less than 5% of the Solar, Storage and EV benefits to date. As detailed in our comments in the recent 20-FINANCE-01 docket this segment constitutes a potential equity value of \$568 Billion in new equity opportunity with a consequential \$4.37 Billion annually in potential CA state property tax revenues NOT counting the value and savings to the Tenants, Drivers, Owners and local communities.

TERPA: The TERPA design approach as described is an excellent step towards a more efficient use of State funds and, with some adjustments for cost-effectiveness and market share, can result in a greater participation and greater effectiveness of efforts towards GHG reduction AND economic development. We endorse this approach as it aligns the interests efficiently of the driver seeking access and rapid charging, the property host who desires a low-cost yet high-efficiency delivery mechanism, and State interests in safety and accessibility by incenting usable and cost-effective infrastructure development over raw port counts and rate-based infrastructure investment. Utility investments focused principally on port counts are, per utility EV program reports to CPUC and others, proving to be very expensive and very poorly utilized. Alternate designs focused on maximizing energy throughput to displace gasoline while minimizing infrastructure costs would be strongly incented under a TERPA structure while also reducing peak load fire risks by putting less pressure on undersized transmission and local distribution systems. Examples of this might be mobile battery charging units for large garages, fully off-grid solar+storage+ev charging systems, shared access solar+storage+EV systems for multi-family.

Participation as whole population: The rapid and accelerating increase in climate risks and inequality of access spurred by current and historic policies need to be adjusted and accounted for in the Equation for TERPA. Accounting for participation by the whole of the energy using population must be an underlying goal and the addressed population for a given installation must be factored into reward systems such that the impacts of the programs are proportional to the State population and demographics. The recent and ongoing civil unrest resulting from environmental and economic inequalities are examples of

the consequences of incompletely thought-out and poorly-implemented policies that have protected the monopolies and fossil-based fuel suppliers at the expense of private property owners, tenants and drivers residing in multi-family housing. No goal of 100% clean energy can be reached if we ignore half the population.

Cost adjustment for market share: The market share addressed by any target activity should be counted for disbursement of funds in any programs. We have seen 97%+/- of State solar incentive and EV funds go to a minority of the population that is wealthy enough to own homes or eligible properties. Yet 42% of State population (and rising) reside in rental properties and have not and currently cannot participate in these programs. This leaves the incentive and programmatic goals in jeopardy as the fossil and polluting interests can, and have, used this disparity to call clean energy and renewable fuels a giveaway to the rich at the expense of the poor (See <https://electrek.co/2017/06/27/koch-brothers-electric-cars-fossil-fuels/> for one example amongst many). Modifying the TERPA avoided cost formula to account for the addressable market would increase the efficiency of deployment of capital and effectiveness towards overall goals. For example, the addressable market could consider the charging port type and what % of both the existing fleet and the currently selling market share is supported by that style. A port style supporting 10% of the currently sold vehicles would be adjusted down to that market share in terms of its impact vs a port style that support 100% of vehicles being sold. This will help align investment and deployment with actual market conditions without hampering those entities seeking to promote a particular format.

Remove Incentive/rebate programs from utility-management: Utilities have been convicted of multiple repeat felonies over their poor internal management and corrupt use of the funds they hold in trust and utility-managed incentive programs have repeatedly failed to perform towards goals vs programs managed by non-utility groups. The recent spectacles of the CEO of PG&E confessing to 84 counts of manslaughter in the Paradise fire and the prior liabilities and actions surrounding the San Bruno fire involving the misuse of maintenance funds have demonstrated that the utilities have and most likely continue to mis-use funds they are holding for their internal purposes. A simple comparison of the effective payout rate of a utility managed program such as SGIP (which has an approximate 8% payout rate from confirmed reservations to actual completion) and the non-utility managed EV purchase incentives and HOV sticker programs which are quick and over-subscribed provides a good example of the difference in performance towards State goals and desired outcomes. A relatively recent example of the impact of the lack of trust in utility incentive management is one company we are aware of, which, in a meeting with Governor Brown's senior staff indicated it would fund \$300 million in rotating finance to construct renewably powered EV charging but that the performance of a certain northern utility was so poor under SGIP that they had no confidence in the utility's willingness to pay. Needless to say, this funding did not occur and the company is not participating in the California market. Forward incentive/reward programs should be removed from Utility control. This will improve the performance pay-out rate of these programs and increase the actual deployments achieved by increasing the confidence with which investors view the incentive programs.

Require Performance Guarantees in TERPA and other related projects: Current programs tend to end their enforcement at the time of payment or as in Title 24 Section 6 programs at the time of completion of construction and receipt of authorization for occupancy. These loopholes in the programs allow the designated projects to avoid actual performance.

For example: Title 24 Section 6 requires the installation of a make ready pursuant to an ARB-guided percentages share of the parking stalls in a new residential multi-family construction project. This requires then the electric infrastructure capacity to support that number of EV chargers, *yet there is no requirement that the charger be present or active in order to receive the approval for occupancy.* After the construction, there is no requirement that these ever be activated and the owner/developer has been forced to pay for an infrastructure they are not likely to use and are not bound to use for EV charging. Implementing a TERPA-style incentive with a performance requirement that would adjust the number of *parking stalls* to instead support a number of *vehicles* (while concurrently requiring that the necessary support is installed and active) would not only save the developer costs, but also would increase cleaner energy use by the utilities and add value for the property and savings to the drivers. Many such performance-based adjustments can be made to programs throughout the State's EV charging program portfolio.

Account for adjustments in forward transit mix due to COVID-19 and future outbreaks: COVID-19 and likely future "COVID-19-like" outbreaks have had and will continue to make "transit first" policies hazardous to public health. The clean air benefits of electrified transport become even more important as do the roles of personal transportation and remote work support. Any forward programs should take these issues into account and include a public health and safety component.

Thank you for this opportunity to comment and contribute to the necessary and vital work the IEPR represents.

Sincerely,

Stacey Reineccius, CEO
Powertree Services Inc.

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