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FreeWire Technologies' Comments - Commissioner Workshop on Plug-In Electric Vehicle Charging Infrastructure

Additional submitted attachment is included below.

August 27, 2020

California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512

Re: Docket No 20-IEPR-02– FreeWire Technologies Comments on the IEPR Workshop on Session 2 of the Commissioner Workshop on Plug-In Electric Vehicle Charging

On behalf of FreeWire Technologies, thank you for the opportunity to provide comments regarding the California Energy Commission's (CEC) Integrated Energy Policy Report August 4, 2020 workshop entitled "Commissioner Workshop on Plug-In Electric Vehicle Charging." FreeWire appreciates CEC's continued support of transportation electrification across the state. Our comments here, which are focused on session 2 of the workshop, are intended to convey our strong support of the Transportation Electrification Regulatory Policies Act (TERPA) concept and provide suggestions for consideration as Commission staff seek to build on this proposal.

In our previous comments on this topic,[1] we conveyed our perspective, based on our experience as a California innovator, that the current fragmented approach and lack of a holistic consideration of cost-benefit in the expenditure of public funds results in more stranded charging assets, a higher overall, societal cost to deploy charging infrastructure and an unlevel playing field for new and innovative solutions even though the advancement of EV charging technologies is hardly settled or resolved. It appears that the TERPA framework would resolve these inefficiencies, and we strongly support its implementation for the reasons outlined in our previous submission.

In providing this follow-on commentary, FreeWire offers three important suggestions for CEC and its sister agencies to consider in implementing the TERPA concept. First, calculation of the avoided cost of charging under TERPA should reflect the "true operational cost" of each bidder's proposed solution absent rate relief programs that may be in place to reduce energy cost burdens. Second, program administration under TERPA should be the province of a third-party administrator such as the Center for Sustainable Energy (CSE) with CEC oversight. Lastly, we recommend that regionalized bid solicitations occur at regular, predictable monthly intervals and the qualification of eligible suppliers occur on a rolling basis, in alignment with the current process for qualifying equipment under the CALEVIP program.

"True Costs"

The avoided cost of charging analysis lies at the heart of the proposed TERPA approach. FreeWire urges the Commission to ensure that this analysis accounts for operational costs based on general utility rate structures that would apply to a proposed project rather than incorporating rate relief programs for EV charging that have been

[1] See https://efiling.energy.ca.gov/GetDocument.aspx?tn=233891&DocumentContentId=66672.

approved by the California Public Utilities Commission (CPUC). As we understand it, the CPUC has approved these rate structures to provide temporary relief from such costs and such programs invariably serve to shift the cost of charging from one group (EVSE site hosts) to nonparticipating ratepayers. The stated goal of the CEC and CPUC in providing public funding and ratepayer subsidies for EV charging, respectively, has been to energize this market until it is self-sustaining. As such, ratepayer-subsidized rate structures should be normalized in TERPA's avoided cost of charging analysis so that the true avoided costs can be assessed accurately. Economic modeling under TERPA should be focused on funding charging solutions that provide the lowest cost of delivered energy.

For example, in the evaluation of a project proposal in Pacific Gas & Electric (PGE) territory, TERPA calculations should not include the recently adopted subscription rate framework but instead should incorporate demand charges under the applicable general rate case. Furthermore, one of the goals under TERPA ought to be minimizing grid and ratepayer impacts while maximizing energy delivery. Rate relief programs tailored to EV charging tend to obfuscate grid impacts of EV infrastructure. In taking such an approach, CEC would be providing a more equitable framework for project evaluation under TERPA and future-proofing public funding decisions from future modifications in rate design.

Third-Party Program Administrator with CEC Oversight

The CEC has utilized the non-profit sector for administration of public funding programs such as CALEVIP (with CSE) and CalTestBed (with New Energy Nexus). In addition, California Air Resource Board (CARB) implementation of its California Off-Road Equipment (CORE) voucher program design in partnership with CALSTART has been a success from FreeWire's perspective. Given the efficiencies that have been achieved through these partnerships, FreeWire recommends taking a similar approach for program administration under TERPA through partnership with a third-party program administrator such as CSE.

FreeWire would caution CEC against establishing utility oversight of TERPA decision-making. While utilities should have a role in the process, FreeWire believes it should be limited to consultation and serving load, energizing projects and providing economic rates in support of the EVSPs' projects, as contemplated in presentation during the IEPR workshop.

Regular, Consistent TERPA Bid Solicitations and Rolling Supplier Qualification

Under TERPA, the program administrator should conduct regionalized bid solicitations on a consistent basis. FreeWire recommends monthly solicitations or, at a minimum, quarterly solicitations in order to ensure that TERPA accelerates an efficient buildout of EV infrastructure rather than unintentionally serving to slow it down. In our previous submission, FreeWire pointed out that the current fragmented approach to funding various aspects of EV infrastructure serves as a barrier to project development, especially for startups and small businesses in the industry. While TERPA provides exactly the type of holistic framework to funding the infrastructure that FreeWire envisions, it is important to that solicitations occur frequently to avoid inadvertently slowing down projects. In addition, FreeWire recommends that the qualification of suppliers occur on a rolling basis, as is currently the case with equipment qualification under the CALEVIP program. This will accelerate the progress of innovative technologies in terms of market entry, and ensure that new advancements that may reduce project costs receive due consideration under TERPA at the earliest possible juncture.

Conclusion:

FreeWire appreciates the opportunity to comment on the TERPA proposal. It is apparent that staff has taken a thoughtful and deliberative approach in crafting this new concept cost-benefit analysis for public funding determinations for charging infrastructure. Importantly, CEC should ensure that TERPA helps establish a more sustainable approach to transportation electrification rather than simply focusing on accelerating the process. A sole focus on acceleration may establish short term gains, but, absent an overarching focus on achieving a sustainable approach, would risk creating longer-term waste that effectively increases rates and reduces EV adoption. By ensuring that "true operating costs" are reflected in the cost-benefit analysis and providing frequent solicitation opportunities to EVSPs administered by an objective third party program administrator, FreeWire believes that TERPA implementation would result in a more streamlined, cost-effective and equitable approach to the public funding of charging infrastructure throughout California and beyond.

Sincerely,

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Counsel & Director of Regulatory Affairs
FreeWire Technologies