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*Comment Received From: Kristian Corby  
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**CaIETC's Comments on September 17 2020 CALeVIP Workshop**

*Additional submitted attachment is included below.*



October 1, 2020

California Energy Commission  
Re: Docket No. 17-EVI-01  
1516 Ninth Street  
Sacramento, California 95814-5512

*Submitted to on-line portal:* <https://efiling.energy.ca.gov/Ecomment/Ecomment.aspx?docketnumber=17-EVI-01>

## **Re: Comments on the CEC CALeVIP Workshops on September 17, 2020**

The California Electric Transportation Coalition (CalETC) appreciates the opportunity to provide feedback on the September 17, 2020 CEC workshops on staff's proposed changes to the California Electric Vehicle Infrastructure Project (CALeVIP). We appreciate the time and effort it took to organize these workshops and the thoughtfulness of the proposed changes.

CalETC supports and advocates for the transition to a zero-emission transportation future to spur economic growth, fuel diversity and energy independence, contribute to clean air, and combat climate change. CalETC is a non-profit association committed to the successful introduction and large-scale deployment of all forms of electric transportation. Our Board of Directors includes representatives from: Los Angeles Department of Water and Power, Pacific Gas and Electric, Sacramento Municipal Utility District, San Diego Gas and Electric, Southern California Edison, Southern California Public Power Authority, and the Northern California Power Agency. In addition to electric utilities, our membership includes major automakers, manufacturers of zero-emission trucks and buses, electric vehicle charging providers, and other industry leaders supporting transportation electrification.

### **Rebate Levels**

The CEC is proposing changes to the rebate levels for certain charging level categories and specifically reducing the rebates for base Level 2, base DCFC under 100kW, and disadvantaged communities and low-income communities (DAC/LICs) for DCFC under 100kW. As discussed below, CalETC is in favor of lower power charging where it is sufficient to fully meet customers' needs as a strategy to keep charging costs low.

We are concerned that reducing the rebates for Level 2 will discourage applicants from installing lower kW charging infrastructure where it can fully meet customers' needs. The base Level 2 rebate does not distinguish between lower and higher power Level 2 chargers. Medium- and heavy-duty trucks can charge at 60- to 80-amp J1772 Level 2 EVSEs (12-19 kW AC) and fully meet customers' needs in many applications while also lowering cost and placing less demand on the grid, relative to higher power DC chargers. CalETC recommends allowing the Level 2 rebate to remain in place at the current level for above 50-amp chargers and reducing the rebate to the proposed amount for below 50-amp chargers.

CalETC agrees with the concept proposed by the CEC that reducing the rebates would allow funding to go further and flow to more projects, which will increase the overall quantity of infrastructure that is built. However, it is unclear how the CEC determined which technology type would receive reduced rebates and the size of any such reductions. Public infrastructure is not yet ubiquitous and the cost of infrastructure installations varies substantially based on size of project and location, including grid upgrade needs on the utility side, and real estate value on the customer side. Additionally, project power needs vary depending on dwell time in any particular location, e.g. a mall vs. a workplace. Therefore, it is challenging to understand how CEC staff determined specific reductions of rebates for specific charging technology types. Further transparency would assist CalETC in understanding how the CEC staff determined the rebate reductions recommended.

CalETC supports the CEC's proposal to increase the minimum level of investment in DAC/LICs to 35%. CalETC applauds the CEC's focus on directing infrastructure funding towards DAC/LICs. We recognize that California is well behind in meeting the charging infrastructure needs for electric cars, trucks, and buses today, and is falling further behind by the day. CalETC's [Infrastructure Needs Assessment](#) for 5 million light-duty electric vehicles (EVs), as well as assessments by the CEC and CARB, indicate the pressing need for accelerated build out of EV charging infrastructure. Therefore, increasing the investment in DAC/LICs is an important part of ensuring that these communities can participate in the transition to EVs, can access affordable charging, and receive the cost and health benefits of EVs.

### **Low Cost Solutions**

CalETC recommends the state agencies consider how their policies and investments can be implemented to keep EV charging costs low, especially in DAC/LICs. Non-networked lower-kW charging infrastructure<sup>1</sup> can be attractive low-cost options for multi-unit dwellings, charging at long-dwell-time locations, or for entities preferring lower-cost self-managed charging options<sup>2</sup>. Non-networked lower-kW charging infrastructure can be designed to be grid-friendly and achieve low-cost VGI through adherence to time-variant rates (including time-of-use rates). CalETC believes there are also attractive networked L2 and DCFC options (e.g., customers may want the benefit of fuel cost savings through networked charging<sup>3</sup> options or the grid benefits associated with networked charging infrastructure). We recommend policy makers prioritize customer preferences, weighing costs,

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<sup>1</sup> Non-networked lower-kW charging infrastructure includes Level 1 charging infrastructure that is permanently affixed, not merely a 120V wall plug. Other examples of lower-kW charging include home charging at 6.6 kW instead of 10 or 19 kW, charging medium- and heavy-duty EVs at 19 kW AC instead of 50 kW DC, or DC fast charging at 50 kW instead of higher levels.

<sup>2</sup> The VGIWG defined self-managed charging as indirect or passive managed charging. It includes shifting kWh through a vehicle app in response to time-variant rates, or reducing kW by purchasing lower-kW charging stations, kiosks or building energy management system to control a bank of charging stations or stations that manage charging in two to four connectors.

<sup>3</sup> The VGIWG defined networked charging infrastructure as direct or active charge management by charging networks, automakers, or cloud aggregators contracted by parties such as load serving entities.

convenience, affordability, and accessibility, while also considering grid impacts for VGI solutions across the multiple charging infrastructure options.<sup>4</sup>

Existing time-variant rate programs have demonstrated that, particularly for long dwell-time locations (e.g. workplace and residential, including MUD charging), customers respond to price signals and shift load to less-costly grid-beneficial times, with and without networked charging infrastructure. Similarly, customers respond to price signals and lower-cost and/or lower-kW products. CalETC recommends policy makers consider the value proposition of all types of charging infrastructure—not all charging infrastructure benefits from networking. Requiring networked charging infrastructure to receive public incentive dollars, as is currently the case, is needlessly limiting, restrictive and likely to increase costs.

The [July 17 letter on the 20-IEPR-02 docket](#) from CalETC, Adopt A Charger, Electric Auto Association, Ford Motor Company, Kitu Systems, Natural Resources Defense Council, Nissan North America, Orange Charger, Plug-in America and Toyota provided additional detail on the need for more lower cost charging solutions, the need for a technology-neutral approach ([per SB 676 \(Bradford, 2019\)](#)) to different types of network charging and the role of public funding for both charging infrastructure and VGI.

In our July 17<sup>th</sup> letter to the CEC, CalETC and nine other parties recommended against using funds to pay for networking fees in some cases. Using public funds for these fees for a limited time may be detrimental to the customer experience when the end of the subsidy results in increased charging costs for the customer. CalETC suggests it may be preferable to avoid temporarily subsidizing fees unless it can be demonstrated that the value proposition to the customer is immediate or will equal or exceed the cost to the customer once public subsidies end. CalETC further agrees with Adopt a Charger's comments at the September 17<sup>th</sup> workshop regarding the problems with requiring five-year networking contracts for DCFC and two-year networking contracts for level 2 charging stations.

CalETC recommends policy makers support both non-networked lower-kW and network capable charging solutions in the upcoming CALeVIP reforms. Non-networked lower-kW charging infrastructure and lower-cost networking options can meet the charging needs and provide desired services for some Californians, particularly in DAC/LICs, as charging costs can be kept to a minimum while still providing desired services. CalETC recommends CALeVIP be inclusive of non-networked lower-kW charging infrastructure in applications where there is a potential for keeping costs low and meeting the need for accessible and affordable charging infrastructure, particularly in disadvantaged and low-income communities. As non-networked lower-kW charging infrastructure options are less costly than networked options, and can provide sufficient capability in some circumstances, we recommend including these options rather than excluding them entirely as is currently the case. Inclusion of non-networked lower-kW charging infrastructure

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<sup>4</sup> 2017 EPRI study available here: <https://www.epri.com/#/pages/product/3002011098/>, which considered electricity costs and all fees for away-from-home charging in each state and put them into a common metric so that pricing can be more easily compared.

options requires less public investment per site, which will still allow for substantial investment in networked and higher-kW charging options, which may be essential in certain circumstances.

### **Process Improvement and Delay Reduction**

CalETC supports improving the CALeVIP application process to reduce delays. One strategy to accomplish this goal is to require applicants develop their projects to some level of maturity prior to applying for a CALeVIP rebate. Including this kind of requirement up front will ensure applicants to the CALeVIP program are committed to use the funding when it is awarded.

On September 23, 2030, Governor Newsom issued Executive Order N-79-20 that requires 100% of light-duty vehicle sales to be zero emission by 2035. This increases the urgency to rapidly install EV infrastructure and to do so in a thoughtful and responsible manner.

At this time, CALeVIP is inundated with applications that may or may not prove fruitful because the applicants have so little vested in the process (i.e., applicants are not required to do any preliminary design work or work with their utility to begin the electrification process). The flood of uncertain applications is causing delays in processing, delays in releasing the funding, and delays in approving viable projects, which ultimately further delays California's infrastructure buildout. Moreover, CALeVIP has extremely high attrition rates, as speculative applications clog the queue for serious applicants. CalETC recognizes that this is not a simple problem to fix given that CALeVIP is designed to be egalitarian and allow access to funding for a wide range of applicants. However, we believe that creating some additional application requirements will not deter serious applicants. Instead, it will allow CALeVIP program administrators to award funding to projects with real promise and get infrastructure in the ground more quickly.

CalETC recommends the CEC look to best practices from other incentive programs and hold additional public workshops on reforms to CALeVIP that would allow chargers to be deployed quickly and at scale to meet driver needs and reach state goals.<sup>5</sup> One potential solution used by other successful programs is when an applicant needs a utility service upgrade to complete their project to require the applicant obtain confirmation from the utility prior to applying to CALeVIP. Utility pre-approval will allow the applicant to work with the utility to ensure that the utility infrastructure is sized for the incremental load increase resulting from the planned deployment. The applicant will need to do some initial planning and design, and potentially provide a single line diagram for utility review. The confirmation from the utility could be in the form of a service commitment letter or a design review confirmation.<sup>6</sup> The CEC would need to provide ample time when noticing the opening of the application period so that applicants can use the time to seek and receive the utility approval before the application period officially opens.

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<sup>5</sup> In its presentation on June 23, 2020, EVgo shared best practices from BAAQMD and LADWP as it relates to minimum utilization thresholds, 24/7 access, and utility design work. See docket [20-IEPR-02](#), Presentation - America's Largest Public Fast Charging Network (Sara Rafalson), June 23, 2020.

<sup>6</sup> *Ibid.* See Slide 9 regarding LADWP's program.

Alternatively, if the applicant has sufficient capacity in their existing infrastructure to complete their project, then the CEC could require an applicant provide a preliminary design from a licensed electrician and a load calculation showing there is sufficient additional load capacity. Most importantly, in both situations the applicant has taken initial action by creating a preliminary design for the project. Requiring a preliminary design or utility approval should not deter serious applicants, even “mom and pop shops,” because a serious applicant will ultimately need to do this planning to participate in the CALeVIP program.

CalETC would not recommend requiring additional checkpoints in CALeVIP 11 months after an applicant has been issued an award. Delaying the pre-planning requirement will only divert critical staff time causing further delays in processing applications and not address the delays and high attrition rate. The real goal here is to expedite the buildout of EV infrastructure and some minimal pre-planning requirements would greatly aid this goal.

### **Applicant Cap**

Currently, CALeVIP has an applicant cap that is the same across all projects, no matter the funding size. This applicant cap should be reexamined to ensure the CEC is encouraging an even playing field for competition and not unduly favoring some business models over others. EVSE companies that sell charging equipment should not be incentivized over EVSE companies that install, own, and manage the charging stations after they are built. Especially when, in either case, the site host is receiving the benefit of having charging infrastructure installed on their property and has decided to either purchase the chargers themselves or hire a company to do so. If the CEC is concerned that increasing or eliminating the applicant cap would eliminate a diversity of site hosts that can access the program’s benefits, perhaps an applicant cap by site host would be appropriate so that a single site host cannot dominate the program.

### **The Electric Vehicle Infrastructure Training Program (EVITP)**

On September 30, 2020, the Governor signed AB 841 into law and the CEC must require EVITP certification in accordance with this new law. CalETC recommends the CEC provide ample notice of this new requirement and work hard to ensure that EVITP certification does not become barrier to EV infrastructure installation, particularly in DAC/LICs and for electricians that serve these communities.

Thank you for considerations of our comments and do not hesitate to contact me if you have any questions.

Best regards,



Kristian Corby, Deputy Executive Director