

**DOCKETED**

<b>Docket Number:</b>	17-EVI-01
<b>Project Title:</b>	Block Grant for Electric Vehicle Charger Incentive Projects
<b>TN #:</b>	234986
<b>Document Title:</b>	Advanced Energy Economy Comments - CALeVIP Project Designs
<b>Description:</b>	N/A
<b>Filer:</b>	System
<b>Organization:</b>	Advanced Energy Economy
<b>Submitter Role:</b>	Public
<b>Submission Date:</b>	10/1/2020 3:16:01 PM
<b>Docketed Date:</b>	10/1/2020

*Comment Received From: Advanced Energy Economy  
Submitted On: 10/1/2020  
Docket Number: 17-EVI-01*

**Advanced Energy Economy Comments - CALeVIP Project Designs**

*Additional submitted attachment is included below.*

October 1, 2020

California Energy Commission  
1516 Ninth Street  
Sacramento, California 95814

Re: Docket 17-EVI-01- CALeVIP Design Workshop

Dear Commissioners:

Advanced Energy Economy respectfully submits these comments in response to the California Energy Commission’s (CEC) September 17<sup>th</sup> workshop inviting stakeholder comment on proposed modifications to CALeVIP. AEE strongly supports the goals of CALeVIP and notes that Governor Newsom’s recent Executive Order N-79-20 will require an “all hands on deck” approach to support transportation electrification (TE) in a manner consistent with the State’s ambitious climate and TE objectives. We thank the CEC for the opportunity to comment and look forward to supporting a robust, effective, and transparent CALeVIP.

## I. Introduction

AEE is a national association of businesses dedicated to transforming public policy to enable a prosperous world that runs on clean, secure, affordable energy. We are comprised of over 100 companies both large and small across the technology spectrum, including electric vehicles (EVs), energy efficiency, solar, wind, storage, fuel cells, biofuels, demand response (DR), advanced metering, and enabling software. As an organization with stakeholders that provide a range of technologies and services, we balance a wide variety of interests and address issues with a technology-neutral perspective. As it relates to TE, AEE’s membership includes manufacturers of electric vehicles from small, low speed to large, heavy-duty vehicles, fleet owners, charging infrastructure providers, grid integration solution firms, and companies providing supporting technologies and software services. In these comments, AEE will be referenced collectively as “AEE,” “we,” and “our.”



AEE has substantial experience participating in regulatory proceedings across the country, including California, dealing with a variety of issues, including TE. AEE's participation should be given strong consideration, as we are the business voice for the broadest spectrum of advanced energy stakeholders in the state. The issues and questions raised in this proceeding have direct implications and impact for our members and their businesses in California. As a beachhead state, the outcome of this proceeding impacts not only the future of the EV market in California but has ramifications for the entire U.S. market as other states are looking to California for guidance as they develop their own transportation electrification strategies.

Our comments are organized into a series of program design and process recommendations designed to a) better support CALeVIP's goals and b) further catalyze the growth of a sustainable EV charging services market in California.

## II. Recommendations

### *1. Support the development of high-value projects by streamlining CALeVIP application processes*

It is well-known that CALeVIP incentive projects often become oversubscribed within hours of launching and simultaneously experience high rates of attrition – particularly in the case of DCFC applications. While it is encouraging to see high demand for EV charger incentives, this phenomenon ultimately hampers the development of promising projects that support EV market development because funds may be reserved for speculative projects that never reach completion.

To address the twin challenges of oversubscription and attrition, the CEC could implement modest changes that prioritize projects with high likelihood of deployment success and weed out speculative projects. Raising the barrier to entry could help ensure strong applications receive funding. For example, CALeVIP could require, at minimum, proof of established contact with the local utility and/or authorities having jurisdiction *prior* to application submission or further



reduce the timeframe for required utility design submissions after an application has been filed. While we generally support the Site Host Verification Form timeline reduction and invoicing template that the CEC has proposed in its September 17<sup>th</sup> workshop, they are not necessarily sufficient to address the fundamental oversubscription and attrition issues that CALeVIP faces. Moreover, AEE opposes the CEC's proposal to add additional milestones later in the application process as that would add administrative burden to the program and leave oversubscription unaddressed. The CEC should leverage its unique position as a market enabler to encourage faster, more efficient deployment of EV charging infrastructure; increasingly streamlined infrastructure deployment processes will only become more important in meeting California's fast-approaching EV and EV charger targets.

## *2. Right-size fast charger incentives*

AEE directionally agrees with the CEC's proposal to reduce per charger rebate levels – particularly for 50 kW DCFC equipment – as it may alleviate some of the program's aforementioned oversubscription challenges. Lower per charger rebates also stretch the CEC's limited funding further by potentially incentivizing greater numbers of chargers deployed. In addition, these modified incentives could send an appropriate market signal that encourages the development of higher-capacity DCFC; indeed, the EV charging services industry is moving toward equipment that provide upwards of 100 kW of power – further aligning the industry with the charging capabilities of newer EV models. In the future, the CEC may also want to explore a separate rebate level for DCFC with charging capacities over 200 kW, which may face additional financial barriers relative chargers with lower power levels.

## *3. Adjust active caps to reflect diversity of EV charging service provider business models*

AEE generally supports the intent behind CALeVIP's active cap feature: to limit site hosts' ability to monopolize CALeVIP incentives and support a geographically diverse deployment of charging infrastructure. However, in practice, this program feature regrettably discriminates against owner-operator business models in the EV charging space. Whereas certain EV charging



service providers or manufacturers sell equipment and services to many unique site hosts that become EV charging equipment owners themselves (and thereby avoid triggering the cap), EV charging companies that own and operate their own stations cannot avoid the cap in the same manner as manufacturers. This program design element has the undesirable effect of limiting participation of certain EV charging service providers that adopt a commonly used business model in the fast charging space. Coupled with the challenge of oversubscription, CALeVIP's current design makes it difficult for these EV charging companies to compete for funding on the same footing as other providers that do not own their own charging equipment. If the intent of the active cap limit is solely to mitigate the concentration of CALeVIP-funded chargers among a small number of site hosts, then the CEC should strongly consider revising CALeVIP's active cap provisions to enable all business models to participate in the program on even footing and enhance competition for program funds. If CALeVIP is lacking diversity in eligible site hosts, there should be other ways to encourage such diversity in the applicant pool. For example, CEC could consider a cap per site host so that one retail chain, for example, does not monopolize a disproportionate share of reservations.

#### *4. Revise charging equipment requirements based on market trends*

AEE supports the CEC's proposed modification to require a minimum of one CHAdeMO connector and a minimum of 50% CCS connectors at DCFC sites supported by CALeVIP. While we fundamentally recognize the importance of CHAdeMO in serving the needs of EV drivers today, the EV market is broadly coalescing around CCS as the industry fast charging standard. The CEC's approach appropriately balances these industry dynamics and the Commission should remain flexible in its approach to charging equipment requirements as the market continues to evolve. Further, the CEC should also consider the rise of power sharing in DCFC equipment and include it in technical specifications accordingly.

#### *5. Adopt technology standards that drive industry growth*

The CEC has held several workshops regarding future technology requirements for CALeVIP that touch on the role of standards in the EV charging services industry. However, there has been



little action to date on standards for EV charging equipment that would further align CALeVIP with the state's goal of leveraging EVs as a valuable grid resource. While AEE does not recommend the CEC adopt overly prescriptive vehicle-grid integration (VGI) requirements, we encourage CEC to leverage its unique position in the EV space to establish requirements that enable VGI to flourish. The CEC's funding of EV chargers is premised on broad societal benefits, and the CEC has an opportunity to further realize these benefits by providing a market signal that encourages EV chargers, where feasible, to employ standards that make charging more convenient, more reliable, and more responsive to grid conditions.

### III. Conclusion

AEE appreciates the CEC's leadership on this critical issue and looks forward to further guidance from the Commission on the development of future CALeVIP projects.

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