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EVgo Comments on Proposed CALeVIP Changes

Additional submitted attachment is included below.

October 1, 2020

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

RE: Docket Number 17-EVI-01

Commissioner Monahan,

EVgo commends the California Energy Commission (Energy Commission) for its leadership in helping the state meet its climate and zero emission vehicle (ZEV) goals and appreciates the Energy Commission's partnership as EVgo continues to develop a robust public fast charging network across California.

Headquartered in California, EVgo owns and operates direct current fast chargers (DCFC) at over 800 locations across the United States. In California, where more than half of the EVs in the U.S. are currently located, EVgo's network of fast chargers grew by 40 percent in 2019¹. EVgo manages more than 300 fast charging locations, connecting more than 80% of Californians to an EVgo fast charger within a 15-minute drive. In 2019, EVgo also became the first North American charging market to be powered by 100% renewable energy.

With Governor Newsom's new executive order calling for 100% ZEV for new vehicle sales starting in 2035, it is more important than ever for California to move expeditiously to support the private sector to deploy chargers at scale. As such, EVgo thanks the Energy Commission for hosting two workshops to discuss improvements to CALeVIP. As it stands today, the current structure of CALeVIP has a number of opportunities for improvement to better leverage private investment to more expeditiously deploy charging infrastructure, including reducing the high project attrition that the program has seen to date. Below EVgo has summarized its positions on the Energy Commission's proposed program design changes to CALeVIP, and we look forward to continuing support the State's transportation electrification goals and actions.

Sincerely,



Sara Rafalson
Senior Director, Market Development
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¹ <https://www.evgo.com/about/news/evgo-announces-40-percent-growth-in-its-california-fast-charging-network/>

I. SUPPORT

- Incentive levels

EVgo supports the reduction in incentive levels for 50kW chargers. These reductions are appropriate as the DCFC space starts to transition more to higher power to meet evolving battery capabilities, and these new incentive values are consistent with what EVgo sees in other programs across the country²³. EVgo would recommend that the Energy Commission go one step further and create another category for either 200kW+ or 350kW+ charger capabilities.

- Increase the minimum DAC/LIC investment to 35%.

EVgo supports Electric for All and commends the Energy Commission an increased allocation to disadvantaged and low-income communities.

- Tesla connectors

Tesla continues to be the market leader in ZEV sales⁴ and as such, EVgo finds it appropriate that Tesla connectors would qualify for future CALeVIP projects, so long as they must co-locate with CHAdeMo and CCS as the Energy Commission proposes. However, to accommodate three connector types and scale with California's ambitious ZEV goals, EVgo recommends that the Energy Commission increase the maximum number of funded chargers per site to 12. In doing so, Tesla connectors will not come at the expense of the funded other chargers located on site, which are capped at six today.

- CHAdeMo and CCS

EVgo supports Energy Commission's proposed changes which would require a minimum of one CHAdeMo equipped charger per DCFC site, rather than per charger, and encourages this change to become effective immediately for 2020 projects.

While supporting the CHAdeMo standard is and will continue to be critical in serving Nissan LEAF and other vehicles currently on the road, changes in the number of new CHAdeMO chargers going forward will likely reflect evolving market conditions in the OEM space. In allowing some CCS-only chargers, sites can be built more efficiently to higher power specs while also encouraging power sharing, whereby one dual-headed charger with two CCS connectors may charge two vehicles simultaneously. This technology is also important for

² <https://energyoffice.colorado.gov/zero-emission-vehicles/charge-ahead-colorado>

³ <https://www.baaqmd.gov/funding-and-incentives/businesses-and-fleets/charge>

⁴ <https://www.energy.ca.gov/data-reports/energy-insights/zero-emission-vehicle-and-charger-statistics>

load management as the sector continues to move into higher power charging.

II. **PROPOSED MODIFICATIONS TO DRAFT GUIDELINES**

- **Site Verification Form**

The Energy Commission has proposed that Site Verification Form (SVF) be submitted in 1-2 business days. EVgo is supportive of this change but encourages consideration of a requirement to have the SVF be submitted with the initial application. This will ensure that all applicants have site control before submitting an application, perhaps helping slightly with the “gating” issues and the clogged queue on day 1 which has led to severe delays in processing timelines.

- **Additional Project Checkpoints**

EVgo opposes the newly suggested checkpoint for DCFC 11 months after project award. EVgo is concerned that this requirement will not solve the gating issues experienced by CALeVIP and instead will divert staff time from processing applications, which could lead to further programmatic delays.

III. **ADDITIONAL ISSUES FOR DISCUSSION**

- **Gating Items**

During the September workshops, there was much discussion related to “gating items” that can help improve CALeVIP, which has become a lottery system, with sell-out rates within hours of program opening following by high levels of project attrition. Other DC fast charging programs across the country with less funding than CALeVIP do not have these same issues given their program design elements.

One important gating item would be requiring that at the time of application, applicants provide a letter, or even email confirmation, from the utility assessing the feasibility of the site. This is a step that all project applicants must eventually pursue, which demonstrates a high-level understanding of the point of interconnect.

This would be in line with other DCFC programs that EVgo sees across the country. During the June IEPR workshop, EVgo shared a best practice from these other programs, such as the LADWP DCFC rebate program.⁵ Another example is in Washington state, where the Department of Ecology requires that the applicant provide a letter of support from the utility.⁶ Similarly, Colorado requires applicants to “collaborate with the local electric utility...

⁵ LADWP requires that the applicant “complete the EV Charging Station Request Forum found at ladwp.com/ev and work with LADWP to ensure that the utility infrastructure is sized for the incremental load resulting from your planned deployment. You will need to obtain a Service Commitment Letter or EV Service Design Engineering Review Confirmation issued by LADWP in connection with the planned deployment before applying.”

⁶See <https://fortress.wa.gov/ecy/publications/documents/1902033.pdf>, p. 19.

and include appropriate documentation from the utility *with* their application” and includes requirements for a letter or service notice including power availability, an understanding of rate design structures, and more.⁷

For DCFC projects, reserving project funding without having had at least a minimum of utility contact renders other assertions in an application completely speculative, including the number of chargers, network, and charging speeds. Realistically, these projects are merely at the early idea stage and will not be able to meet the 60-day milestones for permit or utility design submittal. EVgo’s suggestion is not to discourage these sites from applying, but rather to encourage them to clear the minimum of feasibility hurdles before filing an application.

EVgo respects Energy Commission’s concerns that more upfront requirements may lead to fewer “mom and pop shops” applying for CALeVIP. However, no data has been shared to date showing that CALeVIP has *not* been serving the diversity of site hosts that the Energy Commission seeks. If the Energy Commission has specific goals for certain entities to become site hosts under CALeVIP, EVgo encourages more data transparency to help set more clear goals around serving particular market segments, and then a public workshop to discuss ideas to serve these market segments if gaps indeed persist.

Further, all applicants regardless of their business size, if they mean for their charging stations to reach fruition, will need to work with the utility, as the utility must ultimately energize the location and confirm with an applicant that they are able to provide electricity to the site without triggering expensive upgrades that would render the site impractical. More involvement upfront will go a long way to reduce project attrition, helping real sites to hit energization faster, and for CALeVIP to achieve the scale in charging infrastructure deployments as intended.

- *Encouraging an Even Playing Field Among Business Models*

Applicant caps inherently disfavor the owner-operator model, the most prevalent model in the DCFC space.⁸ Owner-operators like EVgo develop, own, and operate charging networks leveraging charging equipment from a variety of manufacturers, at a variety of site locations, including national grocery store chains, small businesses, town centers, and other places that are convenient to where EV drivers live, shop, and run their essential errands. Many of the owners of these locations, including small businesses and cities, are not able or willing to participate directly into the program without a partnership with a third-party owner-operator.

Applicant caps in CALeVIP limit the business model of the owner-operator and create an uneven playing field among EVSPs who do not face the same caps. EVgo recommends that the applicant cap in the DCFC space be applied at the site host level rather than applicant

⁷See https://energyoffice.colorado.gov/sites/energyoffice/files/2020-07/ev_dcfc_plazas_grant_program_rfa_final.pdf p. 10

⁸US Department of Energy, Alternative Fuels Data Center July 2020 Data; https://afdc.energy.gov/stations/#/analyze?country=US&fuel=ELEC&ev_levels=dc_fast.

level. This will ensure that an even greater diversity of site hosts can be served by CALeVIP while balancing an evening playing field among different business models.

Conclusion

EVgo appreciates staff's willingness to listen to constructive ways to improve the current iteration of CALeVIP to ensure a more successful program and looks forward to continued engagement in the coming years as the program evolves. EVgo thanks the Energy Commission for its leadership role in accelerating charging infrastructure investments throughout California. Private sector innovation accompanied by public sector investment will significantly accelerate maturation in the EV charging space, especially in DC fast charging⁹ given the complexities of the cost stack. EVgo looks forward to working in collaboration with the Energy Commission to usher in a new era of ZEV adoption in California.

⁹ For more information on the cost stack of installing and operating DC fast chargers, EVgo recommends its whitepaper at https://www.evgo.com/wp-content/uploads/2020/05/2020.05.18_EVgo-Whitepaper_DCFC-cost-and-policy.pdf.