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Cruise LLC Comments - Staff Workshop on EV Infrastructure Funding Allocation

Additional submitted attachment is included below.

cruise

January 8, 2021

California Energy Commission
Dockets Office
1516 9th Street
Sacramento, CA 95814

RE: CRUISE COMMENTS ON STAFF WORKSHOP ON FUNDING ALLOCATIONS FOR FUTURE ELECTRIC VEHICLE INFRASTRUCTURE PROJECTS; DOCKET # 20-TRAN-04

Dear Mr. Alexander, Ms. Purewal, and Ms. Allen,

Cruise LLC appreciates the opportunity to provide comments to the California Energy Commission (CEC) regarding the Staff Workshop on Funding Allocations for Future Electric Vehicle Infrastructure Projects (Docket # 20-TRAN-04) that took place on December 17, 2020. The workshop focused on proposed funding concepts for rural charging, Transportation Network Company (TNC) vehicles at airports, multi-unit dwellings (MUDs), advanced charging technologies, and other concepts such as curbside charging, e-Mobility hubs, and mobile charging units.

Cruise plans to introduce a fleet of autonomous vehicles (AVs) into the transportation mix, with the purpose of providing a ridesharing service. Our company is working towards commercial deployment of its technology, with the first launch focusing on an all-electric, all-autonomous ridesharing service in San Francisco. As an operator of the only fully-electric AV fleet in the country, Cruise is particularly interested in increasing EV travel for all Californians via offering an autonomous ridesharing service. We believe there is great promise in centrally controlled, large-scale commercial fleets of EVs like those operated by Cruise. These centralized ridesharing fleets can provide EV access to Californians who may never own an EV, quickly electrify California's transportation fleet, and support the CEC's goals of greater overall grid health.

Ensuring EVs and EV Charging are Available to All

Cruise appreciates the CEC's focus on making EVs and EV charging accessible to all Californians. We support the CEC's efforts to target equity projects that will increase EV charging infrastructure in low-income and disadvantaged communities as well as bring more charging infrastructure to rural communities.

Cruise also suggests that CEC consider expanding its eligibility requirements, giving additional consideration to new and innovative business models; especially those that can bring EVs to

Californians regardless of their ability to own an electric vehicle, such as ridesharing business models like those of existing TNCs and AV Transportation Charter Party (TCP) ridesharing fleets. As shared on previous occasions, the EV space has many emerging business models, many of which were not in existence when earlier programs were being created, but hold promise in delivering on the State's electrification goals.

Despite progress in adoption, many Californians still do not have the ability to own an EV - either due to cost or lack of access to charging. EV ridesharing fleets provide access to green miles for the public, regardless of vehicle ownership. While EV fleet chargers are often private due to charging coordination and maintenance requirements, these vehicles still directly serve the public - and in the case of Cruise, are powered completely by renewable energy. As the CEC evaluates charging infrastructure incentives, the benefits of greater public access to green miles from models like EV fleets should be taken into account. Private chargers for these business models may actually serve more members of the public than public chargers, which are only accessible to those who own an EV.

Cruise respectfully requests that program eligibility rules be written broadly to encourage innovation and at least provide these new models the opportunity to apply and be evaluated for funding - particularly given their potential to expand the public's access to sustainable transportation.

Additionally, Cruise urges the CEC to explicitly allow TCPs, particularly those that offer ridesharing services, to be eligible for program funding. Cruise wishes to clarify that we - and other AV ridesharing companies within California - are regulated not as TNCs, but rather TCPs. Cruise would like to ensure that this classification does not inadvertently exclude us from CEC programs.

Advanced Charging Technologies and Automated/Robotic Charging

The CEC presented a funding concept for advanced charging technologies that included automated and robotic EV charging. As Cruise has previously stated in filings, electric autonomous fleets are a potentially valuable path to rapidly reduce transportation emissions. Critical to that success will be seamless and optimized charging solutions to service those fleets. Cruise supports the CEC's proposed idea for automated and robotic charging demonstrations, welcomes deeper dialogue on staff's vision for this program, and applauds the explicit consideration of innovative business models.

Cruise Response to Questions Posed in "Future Projects: Advanced Technologies" Section

In specific response to the CEC's inquiry regarding "targeted projects focused on specific technologies and/or use cases" vs "broader projects focused on overarching themes and/or challenges in the market" Cruise recommends focusing program monies on broader projects. As evidenced by the emergence of new business models, like that of Cruise, and various new technologies, we suggest the CEC define the themes and or challenges it would like addressed and then allow applicants to innovate and creatively respond as to how to meet those challenges. Regardless of which path the

CEC ultimately takes, Cruise again encourages the CEC to ensure that program eligibility requirements are written broadly enough to allow for new market entrants to apply and participate.

The CEC also asked if there are challenges that could be addressed with advanced technologies not discussed in this presentation. Cruise believes that autonomous electric ridehailing fleets may serve multiple positive purposes for the CEC's goals around efficient use of public dollars. As seen in Docket 20-FINANCE-01, *Strategies to Attract Private Investment in ZEV Charging Infrastructure and Other Clean Transportation Projects,* and the TERPA proposal discussed in the *2020 IEPR Workshop on VGI and Charging Infrastructure Funding*, the CEC is exploring program designs that could leverage greater private capital in EV charging investments, while also generating the greatest public impact from grant spending. As outlined above and in previous filings, Cruise believes that electric AV ridehailing could help maximize public investments in EV charging infrastructure. Fleets with privately-owned chargers are incentivized to maximize utilization rates. Average public DCFC utilization rates in California are optimistically 25-30%.[1] In contrast, centrally-managed AV fleets will be incentivized to maximize utilization rates to reduce expenses. If these fleets achieve utilization rates of 50-60%, public funding invested in AV fleet fast chargers could provide twice as many green miles to the public.

Advanced Charging Concepts (e-Mobility Hubs)

Cruise also appreciates the CEC's focus on advanced charging concepts, and specifically supports the e-mobility hub proposal. In our view, having centralized locations for EV charging not only helps accelerate the transition to EVs, but also encourages new collaborations that will increase efficiencies. One of the biggest challenges for EV fleet operators and other e-mobility providers is the considerable project finance costs involved in site development, including long lead times for site electrification, considerable back end infrastructure costs, and delays in EV site permitting. Innovative models that can pool industry expertise and resources, such as the CEC's proposal for e-mobility hubs, could help address some of these long-standing challenges for electrification in California.

Conclusion

Executive Order N-79-20 ("Executive Order") mandates 100% zero emission light duty vehicle sales by 2035. In order to achieve this goal, rapid action and bold policies will be needed to catalyze adoption of zero emission vehicles (ZEVs) and accelerate transportation electrification in California. As the CEC examines current and future incentive programs to reflect the new targets set out in the Executive Order, Cruise recommends capturing the benefits of emerging mobility trends such as shared

[1] Garrett Fitzgerald and Chris Nelder, "EVgo Fleet and Tariff Analysis - Phase 1: California", *Rocky Mountain Institute,* April 2017, https://rmi.org/wp-content/uploads/2017/04/eLab_EVgo_Fleet_and_Tariff_Analysis_2017.pdf.

autonomous electric fleets and including nimble approaches that will be critical in addressing California's climate crisis and spurring a rapid transition to greener miles.

Cruise thanks the CEC for the opportunity to weigh in on these important policy matters. These funding programs will have long-lasting impacts on the success of the state's ambitious electrification targets. Capturing the benefits of all available technologies and business models will therefore be critical in achieving our goals.

Sincerely,

Prashanthi Raman
Director, Global Government Affairs
Cruise LLC