

DOCKETED

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January 8, 2021

Docket No. 20-EVI-01

-Via e-file-

California Energy Commission
Docket Unit, MS-4
1516 Ninth Street
Sacramento, CA 95814-5512

RE: Post Workshop Comments of Greenlots on Block Grant Implementer for Light-Duty EV
Charger Incentive Projects

Dear Commissioners and Staff,

Greenlots submits these comments in response to the California Energy Commission's ("CEC" or "the Commission") proposals presented by staff at the workshop held on December 17, 2020 regarding a second block grant and block grant implementer for light-duty electric vehicle charger incentive projects.

Greenlots is a leading provider of electric vehicle ("EV") charging software and services committed to accelerating transportation electrification in California, and a wholly owned subsidiary of Shell New Energies. The Greenlots network supports a significant percentage of the DC fast charging infrastructure in North America, and an increasing amount of Level 2 infrastructure. Greenlots' smart charging solutions are built around an open standards-based focus on future-proofing while helping site hosts, utilities, and grid operators manage dynamic EV charging loads and respond to local and system conditions.

Below Greenlots provides perspective and comments regarding this successor light duty EV charging incentive program, structure and implementation.

The Commission should seize the moment to evolve light duty EV charging infrastructure incentive programs, entertaining new concepts and ideas, and focusing on grants that spur innovation, better address equity, and drive value in EV charging technology, products and services.

During the December 17 workshop, Commission staff identified that the core goal of a second light duty block grant program, and the organization selected to implement it, is the "quick, efficient, and effective deployment of light-duty electric vehicle infrastructure incentives."¹ Naturally, this follows from the goals of the existing CALeVIP program, which this successor program would follow. While Greenlots understands and supports these objectives, we caution against mirroring CALeVIP too closely, and not fully taking advantage of the opportunity to

¹ Staff presentation at slide 14.

evaluate and implement broader, more foundational changes to the program that would avoid well-known existing problems, and better align with evolving market needs and state goals.

Challenges with this existing program model and structure have strained programmatic budgets and unintentionally introduced perverse incentives that cause applicants to attempt to “game” the application process. Indeed, many market participants’ experiences with CALeVIP has made clear that prioritizing the rapid deployment of *incentives* with limited requirements has not necessarily resulted in the rapid deployment of charging *infrastructure*. In many cases, the prospect of CALeVIP incentive support for any particular project is a significant unknown, akin more to winning a lottery – which seems counter to the vision of the current program design that has tried to prioritize funding accessibility. This uncertainty then can make program incentives a financial sweetener or adder to projects that would likely be developed anyway, instead of largely supporting the development of projects that wouldn’t be built otherwise. Accordingly, there is significant opportunity to reimagine the current program design and administration structure. Greenlots therefore encourages the Commission to consider innovative ways to evolve the program, including the following:

- Re-introduce competitive elements to incentivize higher-quality projects and technologies. Greenlots strongly recommends that the Commission direct the CALeVIP successor program and its implementer to evaluate re-introducing more competitive elements to make state funding go further, while providing an incentive for higher quality projects, products, and services. The value of minimum-requirement, first come first served incentive program design comes largely from some degree of permanence and continued availability. When funds instead are subscribed within hours and even minutes, as continues to be the case with most CALeVIP DCFC programs, this program design instead is a liability. Moreover, relying entirely on a site-host focused, rebate-based, first come, first served structure has largely failed to introduce competitive forces into the program both with respect to project/site selection, and charging services procurement. This ties up funding in speculative projects with high cancelation rates rather than deploying the funds towards projects that demonstrate themselves to deliver the highest value through a competitive process.

Relying solely on this program design rewards applicant speed rather than project quality. Speed and access to funding are valuable program elements – and indeed, CALeVIP has been effective through the specific lens of deploying charging infrastructure. However, program structures that do not support or incentivize applicants to shop around for charging solutions that are potentially of the greatest value or best fit their needs, and instead favor the solution they can most readily identify, do not seem aligned with the development and support of an innovative and competitive marketplace for quality products and services.

- Introduce bulk-buy aggregation to leverage scales of economies. The Commission should consider mechanisms to aggregate demand for EV charging, similar to community solar programs, or community or neighborhood bulk purchase programs, and then have providers pursue those aggregated opportunities through competitive solicitations. Rather than having the program administrator only handle project screening and check cutting, that organization could deliver additional value by working closer with communities and acting as a match maker in the process. This would drive higher quality solutions, attract greater program participation from providers beyond those with large retail sales capacities, and further leverage state funds by adding competitive elements throughout the process, both in site selection, and in procurement. While Greenlots encourages this to be explored broadly, this program design could be especially powerful in addressing charging access in disadvantaged communities. This could be done either via one implementer, or perhaps through a separate implementer focused on certain market segments (e.g. those that are more difficult to address).
- Require site hosts to submit load management plans. Requiring that site hosts develop and submit a load management plan, could be another way to introduce mechanisms that value, incentivize and support related technology and beneficial charging, while also better aligning with state goals.

The proposed scoring criteria for the second block grant implementer should better value “Innovation and Benefits”

For many of the reasons discussed above, the criteria used to score block grant implementer applications should better value “innovation and benefits”. Currently, only 10 points out of 100 are allocated to this, which is not aligned with the Commission’s historical priorities or tradition of supporting these virtues. Such low scoring here would mean potential applicants all but ignore the opportunity to think beyond the structure of the existing CALeVIP program, which would fail to seize the moment or this opportunity. Accordingly, this scoring criterion should at a minimum account for 30 points.

The Commission should be careful to not delegate away too much program design control and autonomy to the TBD program implementer

The Commission should take steps to ensure that program design decisions are ultimately made by stakeholders and the Commission, rather than be driven by a TBD program administrator. While the TBD administrator will be an important implementation partner in not only implementing but also developing the programs, responsibility over the ultimate shape of the programs developed should rest with the Commission.

The Commission must take steps to adequately incorporate future technology requirements into this successor block grant program that the Commission has evaluated, but not acted upon over the last several years

Over the past several years, the Commission has proposed at multiple workshops future technology requirements for the CALeVIP program, but largely has not taken action to adopt its own recommendations.² As part of a new light duty block grant program intended to be the successor of or continuation of CALeVIP, the Commission must seize the moment to implement the technology requirements it has contemplated over the years that are needed to help move the and coalesce the market around greater adoption of standardization and driver-friendly technologies.

Greenlots firmly believes that the adoption of open protocols and standards is essential to support transportation electrification, grow the market for EVs, enhance the driver/customer experience, integrate with the electricity system, and lower the cost of ownership of both EVs and EV charging infrastructure. Indeed, the proliferation of open protocols and standards provides a platform and ecosystem for innovation and customer choice that is critical in guarding against stranded assets and protecting the prudence of public investments. Accordingly, the Commission should take necessary steps to support standardization in both VGI communication and hardware-software communication, as it has proposed to do at past workshops including those referenced above. By determining and setting a requirement early, and giving the market time to adapt its products to meet the requirements, the Commission can use its position to support clear state goals, improve the driver experience, and support an interoperable EV charging marketplace. This includes requiring third-party OCPP certification for any Commission-funded charging infrastructure, in addition to ISO/IEC 15118, “plug and charge” functionality, and any needed hardware changes to support these capabilities that are critical for vehicle-grid integration.

Greenlots reminds the Commission that these protocols and de-facto standards are being deployed and supported internationally, with a broad group of automakers committed to equipping millions of EVs with ISO 15118 capabilities over the next several years. Indeed, inaction in California while much of the automotive market coalesces around this standard for EV-EVSE communication may prove detrimental to the growth of the EV market, and would be out of line with the State’s longstanding leadership role in clean mobility. This low-cost requirement will support VGI value to drivers and the grid, enhance the charging experience, and avoid unnecessary stranded asset risk. For California to continue its leadership in advanced mobility and clean transportation through VGI, it is becoming increasingly clear that pragmatic action by the Commission is required. The financial risk associated with inaction, resulting from

² These include past workshops on CALeVIP equipment technology requirements held on June 28, 2018, and November 18, 2019, the CALeVIP Projects Roadmap workshop held on October 4, 2018, and the CALeVIP 2021 Incentive Projects Planning workshop, held on October 23, 2019

value left on the table, will become increasingly large, detracting from the positive work the state is doing in so many other areas of advanced and clean mobility.

For these reasons, the Commission should evaluate and set these future technology requirements in advance of their implementation in the successor light duty block incentive program so the market has time to plan around them.

Conclusion

Greenlots appreciates the Commission's consideration of these comments, its ongoing efforts to support transportation electrification and advanced mobility, and looks forward to the road ahead.

Sincerely,

A handwritten signature in black ink, appearing to read 'Erick Karlen', with a long horizontal stroke extending to the right.

Erick Karlen
Sr. Advisor, Policy & Market Development