DOCKETED

Docket Number:	21-ALT-01
Project Title:	2021-2022 Investment Plan Update for the Clean Transportation Program
TN #:	237820
Document Title:	CALSTART Comments on 2021-2023 Investment Plan Update for the Clean Transportation Program
Description:	N/A
Filer:	System
Organization:	CALSTART
Submitter Role:	Public
Submission Date:	5/14/2021 4:41:08 PM
Docketed Date:	5/14/2021

Comment Received From: CALSTART
Submitted On: 5/14/2021
Docket Number: 21-ALT-01

CALSTART Comments on 2021-2023 Investment Plan Update for the Clean Transportation Program

Additional submitted attachment is included below.

BEFORE THE CALIFORNIA ENERGY COMMISSION

2021-2023 Investment Plan Update for the Clean Transportation Program/ Alternative and Renewable Fuel and Vehicle Technology Program	Docket Number: **21-ALT-01**

CALSTART COMMENTS ON INVESTMENT PLAN UPDATE

CALSTART seeks to reiterate its support for the programs proposed in the California Energy Commission's (CEC) updated Investment Plan and strongly reinforces our comments on prior versions of the plan that sustained investments in infrastructure for both the medium and heavy-duty space, as well as the light-duty space, are necessary to meet state greenhouse gas and criteria pollutant emission reduction goals.

Impact of the Advanced Clean Trucks Rule on CEC Investment Priorities

In the last year, the California Air Resources Board (CARB) voted to adopt its Advanced Clean Trucks (ACT) regulation, which is one of the most significant vehicle regulations ever adopted by a regulatory agency in the US or globally. Despite the significance of this regulation, the Investment Plan Update includes only a cursory reference to the ACT. The current Investment Plan does not speak to what will be necessary to meet the ACT, therefore, we encourage the CEC to include ties between your proposals for medium and heavy-duty vehicle infrastructure programs and the timelines and targets set in the ACT rule. The adoption of the ACT is a game-changing target, not only for CARB, but for all agencies, and especially the CEC. CALSTART's analysis projects that the ACT will require 10,000 electric trucks on the road by 2024, *whereas there are currently only about 1700 across all medium-and heavy-duty (M-HDV) classes.* Given that CEC is proposing a multi-year funding path for M-HDV charging, we suggest that the plan include a discussion of how the Investment Plan funding categories and proposed funding amounts support the ACT requirements and timeline. CALSTART believes that the adoption of the ACT will require all state agencies who play a role in incentivizing M-HDV charging to *double down* on their investments. Most fleets identify infrastructure as either the #1 or #2 barrier to their adoption of zero-emission vehicles.

To that end, we were pleased to see the CEC to place $50 million of funding into ZEV infrastructure development in the form of a medium- and heavy-duty zero-emission infrastructure block grant awarded to CALSTART in late 2020. This first-of-its-kind effort will provide technical assistance and incentive funding, targeted at mitigating both the financial and logistical ambiguities that surround ZEV infrastructure development. While infrastructure costs certainly place great barriers on many fleets, the nuances involved with deploying these types of projects are not widely understood, leaving low-income communities, tribes, communities of color, and other historically underserved groups at a disadvantage. The current Investment Plan does not address these barriers nor does it provide solutions for workforce development, education, or other mechanisms and we believe may address these types of distributional impacts.

The $109.8 million in M-HDV infrastructure investments proposed by CEC over the next 3 years are certainly significant and can go a long way toward advancing M-HDV infrastructure. However, if we consider the need for an estimated 10,000 electric trucks by 2024, the CEC would only be able to offer an infrastructure incentive of $10,980 per vehicle assuming 100% of these funds were directed into incentives (which we recognize is not a reasonable assumption). Customer-side (not including make-ready) infrastructure costs per ZEV truck could range between $30,000 and $100,000. Therefore, CALSTART encourages the CEC to consider whether the funding in the near-term years (2022 and 2023), which are critical to ramping up to the first compliance year for the ACT rule, will be sufficient to make progress on these targets and meet the demand for infrastructure incentives that support HVIP voucher recipients.

CALeVIP and Light-Duty Vehicle Funding

Relative to light-duty electric vehicle infrastructure, the Commission is making progress by funding charging stations in targeted counties and regions around the state. In our prior comments on this investment plan, we recommended that, outside of those efforts, the Commission should strongly consider investing in new campaigns with a statewide focus on outreach to key commercial sectors and employers. The AB 2127 and SB 1000 reports do a very effective job at highlighting underserved charging sectors, such as charging in multi-unit dwellings, charging in disadvantaged communities, and corridor charging needed for interregional travel. We would encourage the investment plan to draw stronger ties to the recommendations in these reports. Also, as the staff finalizes the Investment Plan, CALSTART urges the Energy Commission not to phase down light-duty investments in 2023. The market is still nascent in the light-duty EVSE space, especially with regard to public charging, and the Energy Commission has taken an important leadership role in light-duty investments in the state through CALeVIP, especially in the DCFC sector. Additional investments will be needed as new vehicle models come to market over the next several years. Moreover, the CPUC and CARB are set to begin the implementation of the Clean Miles Standard in 2023, which will necessitate additional fast charging to support electrification of high mileage transportation networking companies. These fleets are highly reliant on DCFC, and without sustained investments from the CEC, implementation of the standard will be hindered and existing public networks will see congestion for both personal use and fleet drivers alike.

Furthermore, as our previously filed comments stated, given the importance of DC-FC, we encourage the Commission staff to clarify what proportion of light duty funding will be specifically targeted for DCFC deployments through programs such as CALeVIP. Finally, we echo the earlier comments of CALSTART members, such as EVgo, who have urged the Commission to consider whether the CaleVIP reservation process should be reformed, especially given the very high attrition rate, now that the Commission has a few years of experience with rolling out the program to various regions in the state.

eMobility

CALSTART was happy to see emobility covered in the investment plan. We strongly agree that it is time for CEC clean transportation investments to include supporting micro-mobility vehicles for commercial applications, which are very diverse, and could include, for example, last mile delivery with e-bikes to displace delivery vans. CALSTART would also encourage the CEC to support the development of the next generation of zero-emission microtransit, including shuttles and vans. CALSTART looks forward to working with CEC staff on the development of new investment concepts for emobility in the coming year.

Conclusion

CALSTART looks forward to supporting the Commission's efforts to advance zero-emission vehicles in California in many ways, including by helping fleets plan for and install the necessary infrastructure for this transition. In addition, as part of implementing last year's investment plan, CALSTART encourages the CEC to evaluate creative solutions such as leveraging private investments through loan-loss programs to support economic recovery while advancing infrastructure programs that keep pace with the State's zero-emission transportation goals.[1] CALSTART appreciates the opportunity to provide comments to the Commission and stands ready to work with Staff to further develop the concepts proposed here and to successfully implement the Investment Plan.

Sincerely,

Meredith 2. Alexander

Meredith Alexander
Policy Director
CALSTART
malexander@calstart.org

Elizabeth Szulc
Associate Project Manager,
Policy Development & Support
CALSTART
eszulc@calstart.org

[1] Please refer to our recently filed joint comments with NRDC in the Recovery and Reinvestment proceeding docket.