

DOCKETED

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Volvo Group Comments on CEC 21-23 Investment Plan

Please see attached comments.

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**

**VOLVO COMMENTS ON INVESTMENT PLAN
UPDATE**

Volvo Group North America thanks the California Energy Commission (CEC) for the opportunity to provide comments and support for the programs and funding allocations proposed in the Update to the 2021-2023 Investment Plan, released Sept. 16, 2021. The aggressive funding plan rightly recognizes the critical nature of medium- and heavy-duty electric vehicle charging infrastructure, particularly fast-charging, for the success of electric commercial vehicles. We wish to emphasize that sustained investments in infrastructure for the medium- and heavy-duty space will be needed to meet state greenhouse gas and criteria pollutant emission reduction goals.

We continue to believe the CEC Investment Plan would be strengthened by providing a more direct link to the California Air Resources Board (CARB) Advanced Clean Trucks (ACT) regulation and coming Advanced Clean Fleet (ACF) rule. Including a discussion of how the Investment Plan funding categories and proposed funding amounts support the ACT timeline and requirements will show coordination by state agencies and provide clarity to the marketplace.

The amount of money being proposed for medium- and heavy-duty infrastructure is substantial, but the majority of it appears to be directed to infrastructure alone without any direct ties to vehicle deployment, such as the HVIP voucher program. We would like to see more inter-agency collaboration explicitly spelled out in the funding program so incentive funding does not go to vehicles that lack infrastructure or infrastructure is not built without a commitment of vehicles to use it. This coordination will ensure more successful deployments of the entire ZE eco-system, particularly in the early stages of the state's move to electrification of commercial vehicles.

Although government funds traditionally cannot be used to meet regulatory mandates, it is certain that funding support will be needed beyond the ACT time frame of 2024. Thus, the alignment of the CEC funds with the ACT requirements is especially relevant.

We also wish to note that heavy-duty (HD, Class 7-8) EV infrastructure is notably more expensive and difficult to deploy than light-duty or even some medium-duty applications. As more HD projects are coming online, the complexity and expense justifies additional funds for HD applications.

Similarly, many HD infrastructure facilities are “behind the fence,” as fleet operators need to ensure safety around large vehicles, control security for their operations and assure availability of fuel for their commercial operations. Requirements that state-funded infrastructure be accessible to the public run counter to this industry need and will slow the achievement of desired objectives. Public HD charging will be needed, but private depot charging must be prioritized to encourage early adopters to minimize risk and minimize fueling complexities.

While there are many similarities in the electrification of cars and trucks, the market behaviors and economic drivers for trucks are very different. The economic ecosystem around ports and drayage is especially complex, making the electrification of drayage trucks far more difficult than it may seem on the surface. Many drayage operators run longer routes than can be achieved today, and on-route recharging is impractical due to the downtime required. The financial structure of drayage operations presents a further challenge to the adoption of new and expensive technologies. Additionally, most drayage operators do not own their own facilities that further complicates the deployment and location of chargers. The Governor’s executive order N-79-20 is clear on the desired timelines, so we encourage the funding of commercial pilots and trials for alternative business models and financing options as a means of accelerating drayage electrification. It is critical that those pilots include charging infrastructure.

In addition, there is a need to address barriers related to workforce development, education, outreach to first responders, and equity for underserved groups. Funding for these topics would be well received.

The Volvo Group appreciates the CEC’s efforts on this front, and we stand ready to work with CEC staff to further develop the concepts proposed here, and to successfully implement the Investment Plan.

Sincerely,

A handwritten signature in cursive script that reads "Dawn Fenton".

Dawn Fenton
VP Government Relations & Public Affairs
Volvo Group North America