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# ITEM 4: Transportation Electrification Framework and 2022 Staff Proposal

Disadvantaged Community Advisory Group (DACAG)

March 18, 2022

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California Public  
Utilities Commission

# Agenda

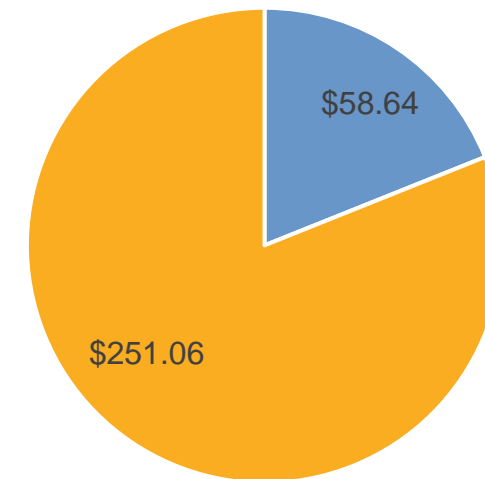
- Transportation Electrification (TE) Investments to Date
- February 2022 ED Staff Proposal
- Funding Cycle 1: Statewide EV Charger Rebate Program – Equity Focus
- DACAG Discussion & Feedback

# Transportation Electrification Investments to Date

# TE Spending to Date Has Resulted in Over \$105M Spent in DACs, Out of a Total of ~\$300M

- Total IOU TE funding allocated to programs since 2016: \$1.5B
  - ~\$300M (~20%) spent to date, with focus on light-duty charging at multi-unit dwellings, workplaces & public sites, including more than \$105M spent in DACs
- Of the ~\$1.2B remaining to be spent,
  - ~40% is expected to be spent on equity (DACs or underserved communities)

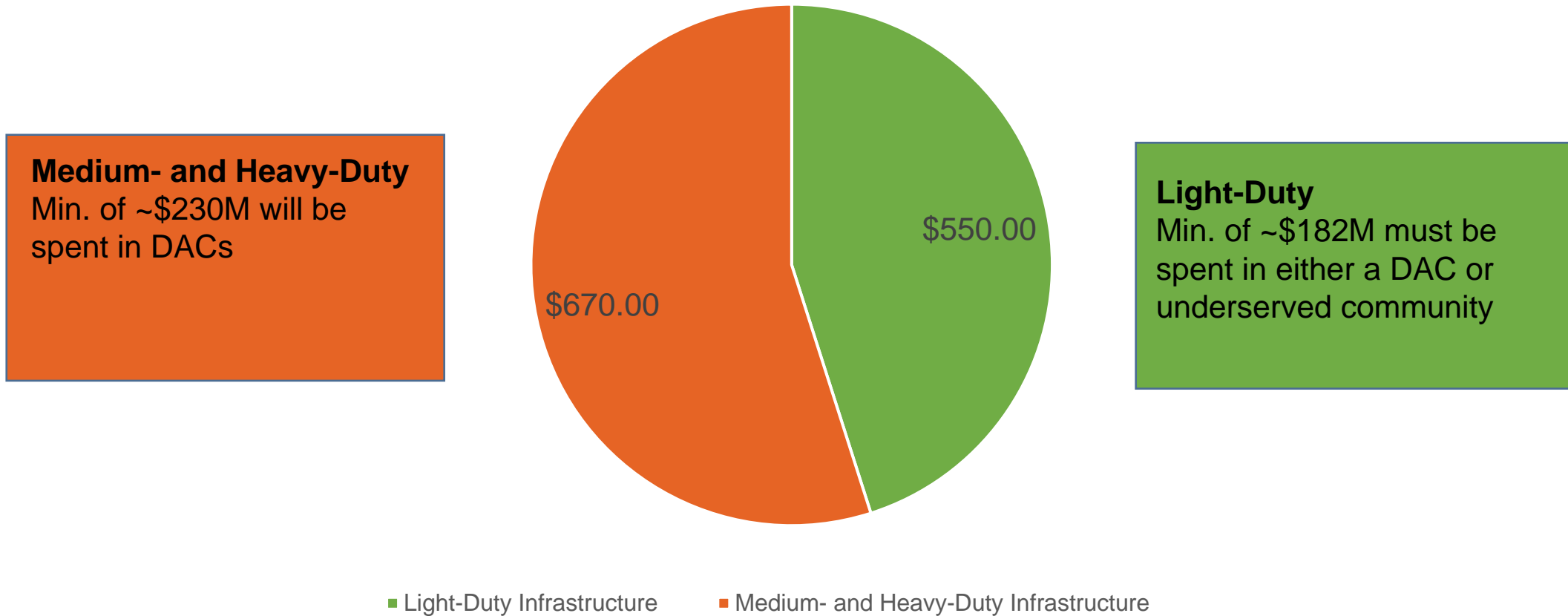
IOU TE Spending as of Sept. 2021  
(in millions)



- Medium- and Heavy-Duty Infrastructure
- Light-Duty Infrastructure

# Breakdown of Remaining TE Funding (in millions)

Authorized and Unspent IOU TE Funding



# February 2022 ED Staff Proposal

# Background on the Transportation Electrification Framework

- DRIVE OIR directed staff to come up with a proposal for a Transportation Electrification Framework (TEF)
  - Staff released a comprehensive staff proposal in March 2020
- Many aspects of that 2020 proposal were implemented already, with substantive focus on DACs, including 50% spending requirements in the TEF Near-Term Priorities decision, adoption of Low Carbon Fuel Standard equity program guidance, and a decision on vehicle-grid integration (VGI)
- In February 2022, CPUC issued a ruling with an additional staff proposal that modifies some of the remaining portions of the TEF



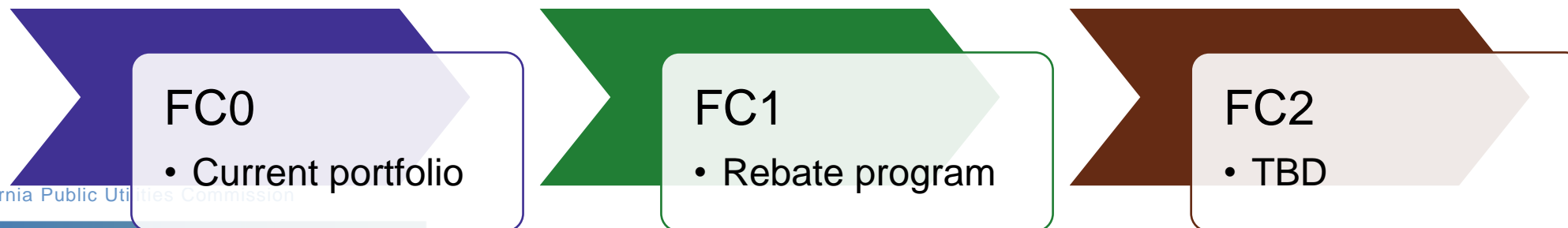
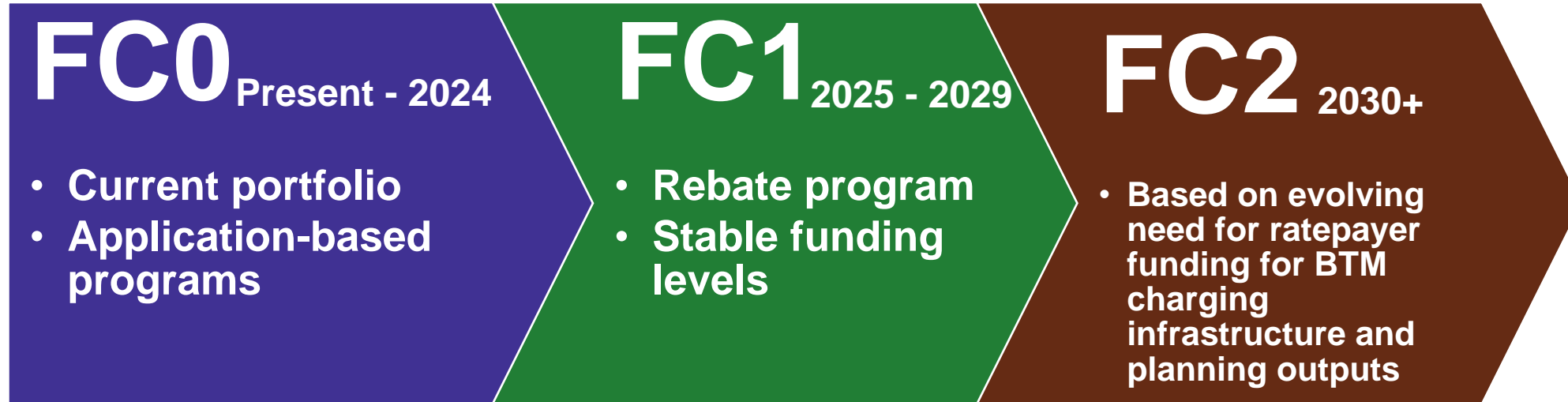
# Game-changing programs and policies have been rolled out since February 2020 draft TEF release

- Infrastructure Programs: Two major EV charging infrastructure programs (SCE Charge Ready 2~\$436M, SDG&E Power Your Drive 2~\$43M), and one new program application (PG&E EV Charge 2~\$275M)
  - ~50% earmarked for either DACs or underserved communities
- TEF Issues: Three other decisions on TEF issues and a resolution on critical technical communications protocol issues
  - Low Carbon Fuel Standard focuses funding on equity projects, Near Term Priorities directs 50% towards underserved communities
- EV Infrastructure Rules: Two resolutions establishing the new EV Infrastructure Rules and a decision requiring ratepayers to cover front-of-the-meter costs for residential and commercial EV charging (\$Billions)
- Underserved Communities: AB 841 directed the IOUs to direct funding towards “underserved communities”
- TE Planning: Planning and process alignment work underway to ensure grid and system readiness

# 2022 Proposal transitions patchwork of current programs to a new statewide charger rebate program w/ significant investment for underserved communities

- Proposal would provide significant critical funding to provide access to charging for low-income customers and DAC residents, and would increase electrification of MDHD fleets to reduce air pollution in DACs
- **Budget and Timeline:** Funding Cycle 1 proposes \$1 billion and lasts 5 years (2025-2029); corresponds with expiration of existing IOU programs and continues medium-term support for behind-the-meter charging infrastructure buildout
  - IOU encouraged not to submit additional program applications during this period
- **Scope:** Most funding allocated to rebates to offset behind-the-meter charging infrastructure costs, with funding allocated to technical assistance and marketing.
- **Administration:** New statewide third-party administrator would distribute rebate funding to customers per Program Handbook
- **Targeted Sites:** Medium- and heavy-duty, multi-unit dwellings (MUD), MUD-serving public locations, MUDs w/ majority low-income residents, and DACs prioritized

# ED Staff Draft Proposal: Funding Cycle



# Funding Cycle Zero-Spend Existing Funds through 2024

Program	Funding (M)	Equity Spending	2022	2023	2024	2025	2026-2029
PG&E's EV Fast Charge	\$23.3	25%					
PG&E Empower EV	\$4.1	100%					
SCE's Charge Ready Transport	\$356.4	40%					
PG&E's EV Fleet	\$245.8	25%					
SDG&E's Power Your Drive for Fleets & V2G School Bus Pilot	\$113.4	30%					
AB 1082/1083 Schools, Parks & Beaches	\$56.7	40% / 25%					
SCE's Charge Ready 2	\$436	50% / 30%					
SMJU SB 350 Programs	\$7.8	N/A					
SB 676 VGI Pilots	\$35	N/A					
SB 676 Emerging Technology	\$10	N/A					
SDG&E's Power Your Drive Extension	\$43.5	50%					
TEF Near-Term Priorities	\$240	50%					
AB 841 EV Infrastructure Rules	N/A	N/A					
PG&E's EVC 2 ( <i>proposed</i> )	\$275.8	<i>TBD</i>					

# ED staff recommends focusing Funding Cycle 1 rebate funding on key market segments

**Medium- and Heavy-Duty Vehicle Charging – 70% of funding** (~50% spent in underserved communities, w/ higher rebates for fleets in DACs)

- Providing more funding to the medium- and heavy-duty market segment is reasonable given the impact on local air quality, and ambitious existing and forthcoming CARB regulations
- The CPUC has not provided as much funding to medium- and heavy-duty vehicle charging as light-duty to date, and fleet electrification often has higher associated installation costs and complexity as compared to light-duty.
- This focus reflects substantial party support for medium- and heavy-duty funding as well as its critical role in reducing air pollution, which disproportionately impacts DACs.

**Charging for Multi-Unit Dwelling (MUD) Residents – 30% of funding** (~50% spent in underserved communities, w/ higher rebates for MUDs in DACs, MUDs w/ majority low-income residents, and public charging in DACs)

- ED staff proposes that rebates would be available for charging located at MUDs as well as public charging in areas of high MUD density, or “MUD-serving” public locations.
- A focus on MUDs would benefit a segment of the population that is reluctant to adopt EVs due to inconvenient charging

# Proposed TEF PD and Funding Cycles Timeline

Date	Milestone
February 2022	Issue staff proposal via ACR
March 2022	Party comments on staff proposal and targeted questions
Q2 2022	PD on outstanding TEF issues
Q2 – Q4 2022	Workshops and/or ALs on program implementation details
Q2 2023	Third-party administrator selected
2023-2024	Program set-up
January 1, 2025	FC1 begins; rebate program launched
2025 - 2029	FC2 staff proposal, stakeholder input, PD
December 31, 2029	FC1 ends
January 1, 2030	FC2 begins

# **Funding Cycle 1: Statewide EV Charger Rebate Program – Equity Focus**

# Key Components of Proposal's Alignment with ESJ Action Plan

- CBO/EJ collaboration throughout program development and implementation process
- Targeted marketing, education, & outreach (ME&O) and collaboration with CBOs
- Equity Roundtable
- Required minimum investment in underserved communities
- Higher rebates to benefit DACs and underserved communities



# ME&O and CBO Coordination

- Third-party administered marketing, education, & outreach (ME&O)
  - Focused on reaching underserved communities
  - Based on deep collaboration with CBOs to help the program administrator understand the unique needs and interests of local communities
  - Reflective of CBO input in the early design of the ME&O initiatives

# Tribal Consultation

- Tribal Consultation Policy
  - Program Handbook to include program guidelines on consulting with tribal communities in accordance with the principles from the CPUC's Tribal Consultation Policy

# Equity Roundtable

- Annual roundtable to review program's efficacy in addressing equity
  - IOUs and administrator to host
  - Aimed at reviewing the program's efficacy in addressing equity, with participation from stakeholders including CBOs, EJ groups, tribal community representatives, CPUC representatives, CCAs, DACAG members, and other stakeholders
  - Should present data on the program's rebate deployment, usage data, and metrics from the ME&O and technical assistance programs
- Following roundtables and based on feedback, the administrator should propose any necessary modifications to the program to address equity concerns

# Rebates and Spending in Underserved Communities

- Higher rebates for targeted underserved community customers
  - Light-Duty MUD Sites – higher rebates for (1) those with a majority of residents who are low-income (as defined in Section 740.12(b)) and (2) those located in DACs
  - Light-Duty Public MUD-Serving Sites – those located in DACs
  - MDHD Sites – those located in DACs
- Spending Requirements pursuant to AB 841
  - Min. of 50% of program investment directed towards underserved communities (as defined by AB 841)

# DACAG Discussion

# TE Staff Proposal Questions on Underserved Communities

1. For light-duty, do the customer types proposed to receive higher rebates seem appropriate? If not, how should the proposal be modified to better address equity?
2. For MDHD, is the proposal to provide higher rebate amounts to customers in DACs appropriate? Should the CPUC include additional equity considerations for the MDHD sectors beyond higher DAC rebates?
3. PU Code Section 740.12(b) requires the IOUs direct at least 35% of TE program investments toward underserved communities, however the CPUC in recent decisions has directed 50%. Do you agree with the proposal to include a 50% underserved community investment minimum, why or why not?

# TE Staff Proposal Questions on Underserved Communities

4. What else should the CPUC consider in order to address equity issues within this proposal?
5. Would an annual roundtable reviewing the program's efficacy in addressing equity and proposing any necessary programmatic changes be beneficial?
6. Is this approach consistent with the CPUC's ESJ Action Plan?
7. How can the rebate program ensure workforce development in underserved communities? How can we ensure that this investment includes consideration for residents in these communities to have access to high-road jobs?

# **DACAG Feedback and Public Comment**



# Options for Submitting Comments

## Transportation Electrification's Rulemaking:

- Proceeding: R.21-10-010
- ACO: Commissioner Rechtschaffen
- ALJs: Sasha Goldberg and Brian Korpics

*Party Comments are due on March 28<sup>th</sup> for Opening Comments and April 18<sup>th</sup> for Reply Comments.*

The DACAG may submit comments to Commission DACAG staff at [DAC-AG@cpuc.ca.gov](mailto:DAC-AG@cpuc.ca.gov). All other parties, please see the Public Comments procedure.

# Link to TE Staff Proposal

<https://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=453953154>

# Contact

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# Supporting Slides

# ED staff proposes amending portions of the draft TEF

Component	Draft TEF Proposal	ED Staff Updated Proposal	Policy significance
<b>Timeline</b>	10-year TEPs for all TE-related infrastructure needs, with intermittent applications	5-year funding cycles for IOU ratepayer TE investments	Shorter cycles allowing for more dynamic market response; addresses party concerns on forecasting issues
<b>Program Development Guidance</b>	Comprehensive grid and transportation planning used to inform TEPs and then develop programs	CPUC issues guidance informed by current TE portfolio and policy priorities; IOUs will create third-party admin to disburse rebates	Allows IOUs to expend existing funding; ensures further BTM TE \$\$ to 2030; allows for reevaluation of scope/scale of IOU support
<b>Budget</b>	TEPs assess IOU territory TE need and program applications request budget	PD would adopt fixed \$1 billion for first funding cycle for all IOUs, with most of funding going towards rebates	Signals continued ratepayer funding of “checks for chargers” in near/mid-term; sets boundaries and periodic checkpoints to review ratepayer investment role
<b>Scope</b>	TEPs to address planning, forecasting, infrastructure needs, budget, and programs	Focus on funding chargers, ME&O, and technical assistance until 2030; TE-related infrastructure needs TTM identified in other venues	Simplified planning and investment assessment in the near-term given ongoing planning and existing infrastructure authorization
<b>Equity</b>	Focused investments on different equity designations	Overall underserved community spending min. of 50%; early/ongoing community engagement  For LD, higher rebates for DACs and low-income MUDs; for MDHD, higher rebates for DACs.	Allows for increased investment and engagement, and tailored approaches to MDHD and LD