DOCKETED	
Docket Number:	22-ERDD-01
Project Title:	Community Energy Resilience Investment Program
TN #:	245504
Document Title:	Prologis Comments - on Community Energy Resilience Investment Program
Description:	N/A
Filer:	System
Organization:	Prologis
Submitter Role:	Public
Submission Date:	8/19/2022 3:20:22 PM
Docketed Date:	8/18/2022

Comment Received From: Prologis
Submitted On: 8/19/2022
Docket Number: 22-ERDD-01

on Community Energy Resilience Investment Program

Additional submitted attachment is included below.

Community Energy Resilience Investment (CERI) Program

The program will invest in projects that:

- increase energy resilience and reliability,
- provide the greatest community benefit in reducing the likelihood and consequences of disruptions to the electricity grid,
- promote decarbonization of the energy system,
- improve energy justice and equity,
- create good-paying jobs

Prologis Comments

Prologis appreciates the opportunity to provide comments on the CEC's development of the Community Energy Resilience Investment (CERI) Program. Prologis is the world's leader in logistics real estate solutions with assets totaling over 1 billion square feet globally. Prologis leases modern logistics facilities to a diverse base of approximately 5,800 customers across business-to-business and retail/online fulfillment sectors. California is its largest market, where its portfolio includes close to 150 million square feet of space across 809 large warehousing and distribution properties, one third of which are located in disadvantaged communities.

To date, Prologis has been able to develop 120 megawatts (MWp DC) of solar generating capacity on our warehouse rooftops throughout California and the company has set a goal of 1 GW of solar and storage across its properties globally by 2025. To this end, Prologis plans significant investments in renewable energy generation, storage, and interconnection infrastructure at its properties in California, prioritizing those in dense urban centers close to where the energy demands are increasing most. Prologis' buildout of reliable, secure, and privately-financed on-site distributed energy infrastructure reduces the need for government investment in new transmission and distribution infrastructure, helps accelerate the state's attainment of its renewable energy goals, and provides savings to all Californians.
Prologis fully supports the development of the CERI program and would like to suggest a few considerations for grant funding.

1. As the industry leader in deploying medium- and heavy-duty electric vehicle charging infrastructure at its warehouses to support our customers' transitions to ZEV fleets, Prologis understands the impacts of widespread electrification to the electrical grid. Vehicle electrification alone has the potential to increase a utility's demand for grid capacity by 25-30%, and wind and solar alone are not going to be able to meet this. Utilities are not yet prepared for the load increase expected from EVs, but fleets are ready or being required to transition.
2. The timeline to install the proper infrastructure needed to electrify large medium- and heavy-duty fleets does not align with fleet electrification goals. If the Advanced Clean Fleets regulation is passed in California, fleets must only purchase zero-emission vehicles beginning in 2024 and must remove internal combustion engine vehicles at the end of their useful life. From our experience with transitioning a fleet to ZEVs for a customer, the infrastructure needed may not be built out until 2025 at the earliest. This requires us, and potential other fleets, to seek alternative solutions to charging to meet state compliance requirements, decarbonize our operations, and improve air quality and health impacts from transportation-related carbon emissions.

3. One of our solutions includes battery storage in combination with a hydrogen-ready linear generator that will primarily utilize low Carbon Intensity (CI) Renewable Natural Gas (RNG) to generate electricity to charge ZEVs. This arrangement can help stabilize the local grid, meet peak demand, and provide a larger amount of low CI electricity when needed. The generator can also switch to hydrogen for electricity generation when needed.
4. Our solution should be considered under the CERI program. By utilizing these innovative technologies to provide sufficient electricity to the project site, we will enable zero emissions goods movement throughout California, particularly in disadvantaged and low-income communities where many of our warehouses are located. The ability to implement this technology will provide quicker community benefits, create jobs, and reduce the likelihood and consequences of disruptions to the electricity grid.

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