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Charge Ahead Partnership Comments on Docket # 22-EVI-05

Please see attached comments.

Additional submitted attachment is included below.

September 28, 2022

Hannon Rasool
Director, Fuels and Transportation Division
California Energy Commission
Docket Unit, MS-4
Docket No. 22-EVI-05
715 P Street
Sacramento, California 95814

RE: National Electric Vehicle Infrastructure Funding Program

Director Rasool:

Charge Ahead Partnership, a coalition of businesses, associations and individuals that share the common goal of developing a charging network for electric vehicles ("EVs") across the United States,[1] submits these comments in response to the California Energy Commission's (the "Commission's") solicitation for written comment on the National Electric Vehicle Infrastructure Funding Program following the Pre-Solicitation Joint Workshops.[2]

Drivers of gasoline-powered vehicles will only transition to EVs when they are confident that the fast charging experience will be as safe, convenient, and reliable as their current refueling experience. These comments are intended to help California realize this objective as promptly and efficiently as possible.

Our corporate members, from big box retailers, to grocery stores and restaurants, to existing fuel retailers, own the real estate that is best suited for direct-current fast charging infrastructure. Many of these businesses are located along highway corridors, and all of them offer the amenities that drivers will demand while refueling.[3]

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[1] More information about the Charge Ahead Partnership is *available at* https://www.chargeaheadpartnership.com/about.

[2] *See* California Energy Commission, "Notice of National Electric Vehicle Infrastructure Funding Program Pre-Solicitation Joint Workshop," (Sept. 15, 2022) *available at* https://efiling.energy.ca.gov/GetDocument.aspx?tn=246124&DocumentContentId=80285.

[3] Our corporate members are already conveniently located alongside food and convenience vendors that drivers have come to expect while refueling. The prospect of pulling into a fast charger for 30 minutes to charge a vehicle without any ability to buy food or drinks is inconsistent with the existing consumer experience and will discourage consumers from purchasing EVs.

Similarly, EV chargers should be located at facilities that have on-site employees whose job function includes calling law enforcement in the event of an emergency. Having close-by on-site amenities that are open 24/7 also enhances a location's security by ensuring at least one person (an employee) is on-site in the event of an emergency. Such amenities that attract other travelers also minimize the chances of desolation (and thus vulnerability) for EV drivers while they recharge. Co-locating charging stations with 24/7 amenities means that EV drivers will invariably be more

The Charge Ahead Partnership applauds California for ensuring that private companies – rather than government entities – will own, operate, and install the NEVI-funded EV charging infrastructure in the State. We encourage the Commission to clarify that "private companies" in this instance does not include quasi-governmental entities such as regulated utilities. This distinction is critical. Regulated utilities are able to avail themselves of their ratepayers to avoid any investment risk. Conversely, private enterprise must put their *own money* on the line, meaning they are incentivized to ensure their investments – and consequently NEVI funds – are spent on a refueling experience that consumers will want to pay for. California should prioritize grant applications that specifically involve a company placing their own capital at risk to own and operate charging stations.[4]

Having "skin in the game" is essential to a consumer-focused EV charging network. Charging station operators with their own investments on the line will be motivated to offer consumers more attractive pricing and better amenities. Meanwhile, if regulated utilities are permitted to supplement NEVI grant dollars with ratepayer money in a risk-free, guaranteed rate of return environment, it will discourage private investment and engender a faulty market structure. EV drivers will face more challenges and prospective EV purchasers will be less inclined to buy an EV.

A primary concern for our membership under the California plan is the apparent intention to divide the State into various corridor segments, and provide a single award to a single company within each respective segment. This approach will effectively preclude any businesses that do not have multiple locations that are the appropriate distance from one another (and from highway exits) from competing for direct grant money within that segment. It also effectively divorces the awarding of grants for installing EV charging stations from the real estate that is optimal for such installations. This construct appears designed to award grants to electric utilities or chargepoint operators ("CPOs"), and then tasks those grantees with identifying real estate to install the chargers. California should not squander this opportunity to build the foundation of an electric future by outsourcing siting authority to entities whose priorities are misaligned with the best interest of drivers.

While this approach may simplify the administration of funding, it does so at the expense of Californian EV drivers. Allowing utilities and CPOs to control siting of charging stations is not the optimal way to entice private businesses – with the ideal real estate for EV charging stations – to invest in chargers. Although it is expected to be a low-margin business (similar to gasoline today), these businesses will want to generate revenue from EV charging transactions. The clearer the pathway to profitability, the more companies will want to invest in charging stations. Site hosts' ability to earn a profit will ensure EV drivers have access to reliable, secure, and competitively-priced EV charging.

comfortable purchasing an EV without concern of exposing themselves to undue safety risk during on-the-go refueling events.

[4] If there is no competing grant application where private capital is being placed at risk, utilities could still step in to ensure an adequate build-out of the charging network.

Neither electric utilities nor CPOs are well-regarded for their customer service. This problem will be compounded by the fact that both utilities and CPOs stand to profit from simply receiving grant funds and installing the infrastructure; a positive consumer experience utilizing the infrastructure after it is installed is not essential to these entities earning a profit. In essence, for them, *the journey is the reward.*

Once they receive a grant, neither utilities nor CPOs will have a meaningful financial incentive to work with site-hosts to ensure the project's financing structure is conducive to earning a profit on electricity sold to EV drivers. In fact, grant recipients will have the *opposite* incentive. From their perspective, the profitability and success of a project will not be materially enhanced by an improved consumer experience. They will find it simpler and more profitable to oversee the installation of chargers at locations where real estate owners view EV charging as an interesting, ancillary service offered to customers, as opposed to a core component of their business. The inevitable outcome of this approach will be that EV drivers' recharging experience will be short-changed. No entity in the value chain will have a meaningful incentive to make the charging experience smooth and seamless. Rather than having convenient, fast, and reliable access to state-of-the-art EV chargers, EV drivers in California will continue to confront a less reliable network of chargers.[5]

One way of mitigating this undesirable outcome would be for California to create a centralized clearinghouse of businesses interested in hosting EV charging stations. For example, the State could set up a website where a business or other entity eligible for funding can post its interest in receiving a grant; this should help the State and potential grant recipients locate potential site hosts. California could also publish notices throughout the state, targeting entities beyond just utilities and CPOs, seeking expressions of interest in participating in the NEVI program. The website should communicate to applicants and interested parties that confidential business information submitted as part of an application for funding will remain confidential and exempt from disclosure. The website should also allow postings to include identification as to whether a proposed location is an existing facility with food, restrooms, security, and other driver amenities consistent with NEVI's statutory construct. Creating this clearinghouse of information for potential alternative fuel infrastructure locations and their characteristics will empower states and cities to make informed decisions about awarding NEVI funds. California should use applicant data to ensure grant applications that involve a company putting private money at risk are prioritized for funding.

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[5] *See, e.g.*, Niraj Chokshi, "A Frustrating Hassle Holding Electric Cars Back: Broken Chargers," The New York Times, (Aug. 16, 2022) *available at* https://www.nytimes.com/2022/08/16/business/energy-environment/electric-vehicles-broken-chargers.html ("Many [chargers] sit in parking lots or in front of retail stores where there is often no one to turn to for help when something goes wrong. Problems include broken screens and buggy software. Some stop working mid-charge, while others never start in the first place. Some frustrated drivers say the problems have them second-guessing whether they can fully abandon gas vehicles... One recent study found that about a quarter of the public charging outlets in the San Francisco Bay Area, where electric cars are commonplace, were not working."); *see also* Andrew J. Hawkins, "Electric Vehicle Owners Are Fed up with Broken EV Chargers and Janky Software," The Verge, (Aug. 17, 2022), *available at* https://www.theverge.com/2022/8/17/23308612/ev-charging-broken-unreliable-survey-jd-power ("Finding a public charger has never been easier, but finding one that works remains a serious problem. According to [a JD Power survey from August 2022], one out of every five respondents ended up not charging their vehicle after locating a public charger. And of those who didn't charge, 72 percent indicated that it was due to the station malfunctioning or being out of service.")

Charge Ahead Partnership represents hundreds of businesses California businesses with the most attractive real estate for EV charging infrastructure. Our membership can, and will, provide the charging experience Californians desire. The Commission should be eager to develop an inventory of these businesses that are interested in siting EV charging stations.

Congress designed the NEVI program to catalyze private investment in an EV charging network that Californians can rely on. California's current approach of awarding grants to just one company in every corridor segment will undermine that objective. We would welcome the opportunity to meet with you to discuss these issues in more detail.

Sincerely,

Charge Ahead Partnership