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California Energy Commissionâ€™s Proposed FY22-23 Clean Transportation Program

Additional submitted attachment is included below.

October 24, 2022

California Energy Commission
Fuels and Transportation Division
1516 Ninth Street
Sacramento, CA 95814

Re: Docket No. 22-ALT-01 – Comments of bp pulse fleet on the California Energy Commission's Proposed Fiscal Year 2022-2023 Investment Plan Update for the Clean Transportation Program

Dear Commissioners and Staff,

bp pulse fleet appreciates the opportunity to provide updated comments on the California Energy Commission's (CEC) Docket Number 22-ALT-01, the proposed Fiscal Year 2022-2023 Clean Transportation Program Investment Plan (Investment Plan).

bp pulse fleet is a comprehensive charging and energy management provider for electric vehicle (EV) fleets focused on reducing costs and environmental impact. We offer a proven, scalable ecosystem of cloud-based software, onsite hardware, and customer-centric service to simplify charging operations for fleets operating trucks, buses, vans, and light-duty vehicles. OMEGA™ CMS, bp pulse fleet's proprietary charge management system, optimizes charging for lowest cost energy, while offering improved resilience and reliability, all in a user-friendly dashboard. bp pulse fleet actively manages and monitors fleet operators' EVs and chargers, dynamically responding to events in real-time.

bp pulse fleet applauds the CEC and Governor Newsom for proposing a nation-leading, multi-year investment in vehicle electrification. This historic, multi-year funding plan will provide certainty to the market and continue to attract private sector investment in California. Specifically, bp pulse fleet commends the CEC and the Governor for their proposed investments in light-, medium- and heavy-duty charging infrastructure to support California's fleet electrification mandates. Over the last year, the percentage of fleets planning to deploy EVs within the next six months has more than doubled.[1] To accelerate the deployment of fleet applications that have the greatest impact on reducing Greenhouse Gas (GHG) emissions, bp pulse fleet respectfully offers the following recommendations for competitive solicitations:

- *Coordinate Port ZEV Infrastructure grant funding with the U.S. EPA and CalSTA's port decarbonization grant programs to identify charging infrastructure gaps*. Section 60102 of the federal Inflation Reduction Act provides $3 billion over five years to U.S. EPA to award rebates and grants on a competitive basis for the purchase or installation of zero-emission port equipment. Eligible applicants include governmental entities and port authorities. To ensure the CEC's Port ZEV Infrastructure funding complements this federal funding, we encourage the CEC to coordinate its grant funding program with the U.S. EPA and CalSTA to identify and fill any charging infrastructure funding gaps among the three programs.

[1] https://calstart.org/not-just-smart-importance-of-managed-charging/

- *Emerging Opportunities.* We thank the CEC for proposing $97.3 million over three years for Emerging Opportunities, including vehicle-grid integration products and services that optimize charging in response to customer and grid needs and enable load flexibility. We encourage the CEC to align this proposed grant funding opportunity with the CEC's implementation of its Load Management Standards (LMS) for utilities. We concur with the intent of the CEC's LMS, which will help ensure that utilities of all types should be required to allow third-party ALM solutions to manage coincident EVSE load, which in turn will reduce the required infrastructure investment. ALM refers to load management technologies that allow a ratepayer to safely install more charging capacity than the rated capacity of their connection. The application of these technologies reduces the need for utility-side system upgrades.

- *Increase Funding for the EnergIIZE Program*: bp pulse fleet strongly supports the Investment Plan's first commercial vehicle fleet incentive project, titled "EnergIIZE," to accelerate the deployment of charging infrastructure for trucks and buses. Most EVs operated by commercial fleet operators today charge exclusively at their depot or hub using charging equipment they own, primarily due to the lack of available public charging. According to bp pulse fleet's most recent survey results, the cost of charging infrastructure is one of the most critical barriers to implementation.[2] The EnergIIZE Commercial Vehicles project streamlines the application process for funding, particularly for fleet operators with limited resources, to help navigate the CEC's grant solicitation process. We commend the CEC and CALSTART's efforts to expeditiously implement this critical funding project and look forward to continuing to engage with you on its implementation.

- *Establish Funding Set-Asides for School and Transit Bus Charging Infrastructure*: We commend the CEC for proposing funding set-asides for transit and school bus charging infrastructure. Public fleet operators, including local school districts, transit agencies, and municipal governments face multiple barriers to adopting EVs due to limited resources and bandwidth.[3] Such fleets would greatly benefit from dedicated funding set-asides – separate from medium- and heavy-duty vehicle (MHDV) charging infrastructure programs – due to their public status.

- *Front-load Funding for Transit Agencies and School Bus Operators to Enable Distribution System Upgrades*: bp pulse fleet concurs with the California Transit Association that funding for transit operators should be front-loaded "to allow transit agencies to take advantage of key provisions in the California Air Resources Board's (CARB) Innovative Clean Transit (ICT) regulation, which credits the early deployment of zero-emission buses."[4] Front-loading CEC funding for transit agencies and school bus operators would also enable utilities to incorporate fleet data produced by CARB and the CEC in their distribution planning processes to facilitate the readiness of their distribution systems.

[2] https://calstart.org/not-just-smart-importance-of-managed-charging/
[3] https://calstart.org/not-just-smart-importance-of-managed-charging/
[4] California Transit Association Comments to the CEC on the 2021-2023 Investment Plan Update for the Clean Transportation Program, September 2021.

- *Fund Critical Charging Infrastructure Components*: bp pulse fleet concurs with the California Transit Association that the Investment Plan should expand the list of eligible project costs to include critical infrastructure components, including the "relocation and site setup costs for temporary depots needed while existing depots are upgraded for zero-emission infrastructure; wireless electrical vehicle charging infrastructure; and IT infrastructure necessary to support zero-emission infrastructure including conduit, network switches, application software, and reporting software."[5]

- *Increase Funding for In-Depot Charging for Transportation Network Company ("TNC") Applications*: Electrifying high-mileage TNC applications is a high-impact strategy for reducing emissions — they drive more than three times the average distance of non-commercial vehicles and have the potential to reduce GHG emissions per passenger by up to fifty percent per mile.[6] While most funding for in-depot charging has supported MHDV applications, additional funding is needed for dedicated charging to support TNC electrification. The lack of dedicated charging hubs near high-density TNC spaces leads to inefficiencies as drivers do not want to electrify until charging is more widely available. Currently, TNC drivers with EVs must go out of their way to refuel resulting in more congestion and higher GHG emissions. Ride-hail and taxi electrification are projected to ramp-up over the next 10 years. Yet, many downtown cores, where TNCs are concentrated, lack locations that are open 24/7, eliminating important opportunities for DC Fast Charging ("DCFC") deployment, which needs to increase drastically in these areas. Public or private fleets may want the option to install DCFCs in their gated depots.

- *Establish a CEC MHDV Charging Infrastructure Loan Program:* bp pulse fleet Power appreciates the CEC's focus on the financing tools needed to support accelerated deployment of MHDV charging infrastructure. Infrastructure financing is driving MHDV deployment. However, the infrastructure deployment timeline is not decreasing. This means that financing infrastructure should precede MHDV financing. To deliver maximum effectiveness, a CEC Loan Program should allow multi-year decision making (versus grants which encourage single-year decision making). This loan feature is particularly important for fleet customers who may need secure, multi-year loans to finance long-term infrastructure projects. Loans for MHDV infrastructure should also mirror the longevity of MHDVs (ten to 12 years) or other renewable infrastructure (20-25 years). Specifically, longer term loans should be matched with lower interest rates that mirror the longevity of MHDVs.

- *Allow School Districts and Transit Agencies to Pay Back Loans with CEC Grant Funding*: A CEC MHDV Charging and Refueling Infrastructure Loan Program Loan Program should also allow school districts and transit agencies to pay back loans with CEC grant resources to help accelerate adoption electric buses. School districts and transit agencies may prefer low-interest loans over grant funding if they have the option to pay back loans with CEC grant funding.

[5] California Transit Association Comments to the CEC on the 2021-2023 Investment Plan Update for the Clean Transportation Program, September 2021.
[6] Jenn, A. (2019). Emissions Benefits of Electric Vehicles in Uber and Lyft Services. *UC Davis: National Center for Sustainable Transportation*. http://dx.doi.org/10.7922/G23R0R38 Retrieved from https://escholarship.org/uc/item/15s1h1kn

- *Allow Fleets to Monetize their Future Stream of Low Carbon Fuel Standard Credits (LCFS):* We also encourage the CEC to establish a MHDV Charging and Refueling Infrastructure Loan Program that would allow fleets to leverage their future stream of LCFS credits they will earn. According to CALSTART, commercial vehicles are expected to earn between $12,500 and $24,000 in LCFS credits annually from charging an EV. However, fleets currently lack a means to monetize the future stream of LCFS credit value and bring it up-front to help finance infrastructure. As CALSTART has previously recommended to the CEC, the CEC could make direct loans to fleet owners based on a third party estimation on the value of LCFS credits earned over the lifetime of the vehicle. The funds would be returned to the CEC as LCFS credits clear the market, thus creating a revolving loan fund from which future loans could be funded.

bp pulse fleet thanks the CEC for the opportunity to provide comments on the proposed FY 22-23 Investment Plan. We look forward to continuing to collaborate with the CEC to advance California's climate, equity and fleet electrification goals.

Respectfully submitted,

/s/ Heidi Sickler

Heidi Sickler
Director of Policy
bp pulse fleet