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# Ecology Action Comments on LDEV Allocation of Infrastructure Investments

*Additional submitted attachment is included below.*

**Ecology Action Comments for 20-Tran-04 Light Duty EV Allocation of Infrastructure Investments**

Ecology Action is pleased to submit comments on CEC's Light Duty EV infrastructure funding ideas. Ecology Action is a 501(c)3 nonprofit consultancy based in Santa Cruz, California focused on reducing emissions at scale and has done extensive work with energy efficiency retrofits and EV infrastructure across California. Ecology Action specializes in developing equitable EV infrastructure and EV demand generation approaches in hard-to-reach markets such as multifamily and small business.

We commend the staff for the new thinking and innovative approaches they have put forth and we hope our comments and ideas assist the CEC in making the programs even more cost effective and scalable. Unlocking the untapped carbon reductions envisioned in the staff's LDVE program ideas would be a major decarbonization win.

GENERAL COMMENTS

The comments and ideas directly below pertain to multiple programs presented at the workshop as well as to EVI programming more broadly. Ideas and comments pertaining to the program-specific questions posed by CEC are presented in the next section.

- Consider allowing up to 15% of funds to be used to address to-code upgrades (ones that are not directly related to the charging system) that would otherwise keep a property from securing permits for new charging.
- Consider V2X pilots within each solicitation. While the V2X solutions and monetization protocols aren't ready for scaled commercialization today, that space is evolving rapidly and viable solutions will likely be available in the next several years. Allowing awardees to propose and experiment with V2X within their business models can provide a potentially robust additional revenue stream that can make the difference for drivers and/or property owners, particularly in lower income communities. We recommend that V2X proceeds confer to the drivers rather than other actors in the business ecosystem to assure the financial benefits say with the end user and could thereby offset the cost of adopting an electric vehicle.
- Consider allowing for tolling agreements that assure cashflow for developers. Assuring cashflow from day one is instrumental in unlocking finance models, via participation from the capital market, eventually reducing the amount of public funds required to deploy charging.
- Encourage the participation of independent developers that are not rewarded by the sale of a specific piece of equipment or software. While equipment and software vendors are important market movers, their interests are not always aligned with the interest of the taxpayers that fund programs and more importantly may not be aligned with the needs and limitations of the host site and drivers. Having a vendor neutral 3rd party offering a broad set of solutions, and a mission focus, will ensure that hosts and drivers are receiving a solution that meets their needs first. This is particularly important in equity communities.
- Consider increasing the minimum contract sizes even more than recent plans presented at the LDEV Allocations Workshop. With the tsunami of funding coming from state, federal, and utility sources, this will help CEC meet its goals of tripling the funding deployed without tripling the staff and administrative load. To facilitate greater contract sizes being proposed, consider developing a negotiation step within the proposal evaluation process. This would allow for projects to be upsized or downsized from what was proposed based on project merit or other factors, e.g. solicitation-specific budget changes that occur between NOFA and proposal evaluation.

- Consider encouraging and rewarding proponents for developing partnerships with utilities so any needed service capacity increases and distribution grid upgrades are anticipated by utilities and can be completed quickly and efficiently.
- In lower income settings, EV adoption can be slow to occur, therefore it's essential to have adequate budgets for EV purchase support that is delivered in conjunction with EVSE installation. This is not inexpensive yet is critical for achieving true equity. To this end, we would encourage even greater CEC and CARB collaboration. The industry of EVSE program providers would welcome a solution that combines CARB's EV demand generation funding and CECs EVSE funding into a single solicitation. To measure success of the demand generation elements, CEC might consider adding metrics around vehicle adoption over time and speed to EV adoption at locations where EVSE has been installed.
- As the CEC did with NEVI, we encourage all new program designs to align with and complement the $2.5B for Charging and Fueling Infrastructure (Community Grants Program) that is coming from US DOT/DOE. These pending competitive solicitations will likely benefit from CEC match for those federal dollars.

PROGRAM-SPECIFIC COMMENTS

REACH 2.0:
We support CEC's proposed changes including the increase in the per-program budget maximum to $5M and the elimination of funding for DCFC. We'd urge the CEC to please consider further increasing the maximum budget size to $10M per contract to capture economies of scale and minimize administrative burden for CEC staff and awardees.

Municipal Fleets:
We applaud this program and concur this is a very valuable funding area. We urge CEC to consider expanding this to additional types of small fleets specifically those considered "essential businesses" that have very prescribed and predictable routes and duty cycles. Examples would include food banks, small wholesale bakeries, paratransit providers, senior meal delivery, independent auto parts stores, and subscription-based community supported agriculture.

Charging at Single-family Homes
How can this incentive be aligned with EV ownership or potential ownership? We encourage within the program the pairing of EVSE deployment with demand generation and high-touch purchase assistance support. While it doesn't guarantee EV adoption, CEC might consider requiring the homeowner to agree to install EVSE with in 180 days of panel installation as was required in a recent panel upgrade pilot.

How can this concept better expand at-home charging opportunities to renters who own EVs? We recommend marketing the program to EV-driving renters. We have found that landlords are significantly influenced by the needs and desires of their tenants, and without demonstrated tenant demand, they are much less likely to participate.

How should the CEC value tiered incentives for equipment that enable households to participate in V2H, V2G, and demand response programs? We recommend allowing a 30% equipment cost differential increase on V2X charging equipment for the initial round, make-ready costs would not be impacted. One additional area that the CEC should consider would be including low-power DC V2G (<20kW) in the definition of Level 2 charging (L2 equivalent) so that more V2G charging equipment (both DC and AC) becomes eligible for incentive programs.

Charging at Affordable Multifamily Homes

Should the solicitation include DC fast chargers? We are supportive of including DCFC as an eligible solution to give MFH property owners and drivers the greatest number of options. We strongly recommend that this only be done if DCFC pricing is capped to assure that it remains affordable for low income users. It is also critical that any DCFC be located within a very small radius so that it actually serves the intended residents.

Should projects only include sites that are classified as both multifamily housing and affordable housing? Deed-restricted affordable housing makes up approximately 5% of the MFH market by property count. We are seeing saturation in that market resulting from funders of all types prioritizing this market. As such we recommend using the broadest definition of affordable which could include deed-restricted, low-income census tracts, DACs, naturally occurring affordable dwelling that may not be deed restricted but where the renters pay a disproportional high fraction of their income on rent.

Recommended process for verifying affordable housing status? We recommend compensating existing income-qualified program providers (e.g. energy efficiency and weatherization programs) for leads that they have already verified for income eligibility.

What are ways to make this concept more equitable ? To increase equity, we encourage the CEC to consider offering a "micro MFH" solicitation targeting properties with 3-10 units that includes panel upgrades and chargers. The ownership structures, site characteristics, and make-ready for this micro MFH segment is generally more like residential than larger MFH. These properties are typically operated by mom-and-pop owners, most of which live off site. Therefore, finding and engaging these decision makers is more costly than marketing to large properties and owner groups. Properties of 20 or fewer units comprise more than 70% of the MFH market by property count, of which this market of micro properties is part. Focusing such a solution in low income census tracts and DACs would improve equity participation.

Thank you for the opportunity to weigh in on this set of innovative program concepts. We would be happy to provide additional information if needed.

Thank you,

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