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CalETC's Comments on the 2022-23 CTP Investment Plan Update

Additional submitted attachment is included below.

May 10, 2023

California Energy Commission
Re: Docket No. 22-ALT-01

Submitted via electronic commenting system for docket 22-ALT-01

Re: 2022-2023 Investment Plan Update for the Clean Transportation Program

The California Electric Transportation Coalition (CalETC) appreciates the opportunity to provide comments in support of the 2022-2023 Investment Plan Update for the Clean Transportation Program (Investment Plan). This letter is intended to largely support the direction the Investment Plan establishes, as well as to provide more thorough feedback for consideration by Lead Commissioner Monahan and CEC staff.

CalETC supports and advocates for the transition to a zero-emission transportation future to spur economic growth, fuel diversity and energy independence, contribute to clean air, and combat climate change. CalETC is a non-profit association committed to the successful introduction and large-scale deployment of all forms of electric transportation. Our Board of Directors includes representatives from: Los Angeles Department of Water and Power, Pacific Gas and Electric, Sacramento Municipal Utility District, San Diego Gas and Electric, Southern California Edison, Southern California Public Power Authority, and the Northern California Power Agency. In addition to electric utilities, our membership includes major automakers, manufacturers of zero-emission trucks and buses, electric vehicle charging providers, autonomous electric vehicle fleet operators, and other industry leaders supporting transportation electrification.

California has goals to transition to 100% light-duty zero-emission vehicles (ZEVs) and drayage trucks by 2035 and 100% on-road ZEV fleet by 2045.[1] The CEC's AB 2127 report and SB 1000 reporting requirements call for accelerated deployment of charging infrastructure and indicate that while progress has been made, much more will be needed, particularly in communities of color, low-income, and/or disadvantaged communities, to adequately, reliably, and affordably fuel electric cars and trucks on the road today and anticipated over the next decade. As many sources, including the Investment Plan demonstrate, California has a long way to go to meet its 2030 charging station targets, as well as the air quality and climate change goals underpinning these targets. The Investment Plan estimates that California has almost 80,000 chargers installed, with a goal of 250,000 by 2025. Thus, the state needs to install 170,000 chargers in under two years to meet the 2025 goal and while funding is allocated for the 170,000 additional chargers, building them in this short timeframe presents significant challenges.

CalETC supports the recommendations in the Investment Plan. The Legislature and the Newsom administration demonstrated California's leadership with a substantial investment in zero-emission

[1] Governor Newsom Executive Order N-79-20.

fueling infrastructure in both the 2021/22 and 2022/23 State budgets. We are working hard at the Legislature to ensure the 2023/24 budget maintains funding levels for the ZEV package. These budgets further bolster the state's commitment to a full suite of policies and investments to fully transition the on-road fleet of cars, trucks, and buses to zero-emission technologies. The CEC staff have rightly focused on the need to ensure at least 50% of these infrastructure investments benefit low-income and/or disadvantaged communities. The Commission's multi-year investment planning strategy is essential to attract manufacturing and private sector investment in California. Reliable and robust public investment is critical to generating the momentum needed for this unprecedented build out of zero-emission fueling infrastructure in the next two years and over the next decade.

CalETC strongly supports reauthorization of the Clean Transportation Program. While the state budgets have significantly increased the funding for zero-emission transportation, California continues to need a stable and reliable source of funding. About $110 million dollars is collected annually to support the Clean Transportation Program's ZEV infrastructure programs. The incentives provided through these programs have resulted in significant air quality and public health benefits and have supported advances in clean transportation technology and the deployment of advanced technology vehicles and supporting infrastructure. Collectively these programs provide benefits throughout California, in disadvantaged and low-income communities, and support new jobs.

CalETC supports the investments in light-duty charging infrastructure, including those focused on shared access, multifamily housing, clean mobility options, and rural EV drivers, which acts to expand EV access to all Californians. We support continued funding for a wide array of charging solutions to enable broad access to charging across California. The CEC's innovative pilot programs and solicitations are enabling the market to find scalable charging solutions for the most complex situations, like multifamily housing and rural EV drivers. CalETC opposes any suggestion that there is an inherent choice between light-duty and medium- and heavy-duty charging infrastructure investments – both are necessary. We also oppose prioritizing or carving out specific funding for hydrogen fueling stations at the expense of investment in both light-, medium-, and heavy-duty vehicle charging stations; both technology types, fuel cell and battery-electric, are needed. Planning for future investment must remain flexible as it is still unknown which zero-emission technology type will be most attractive to consumers or more prevalent in any given market segment.

In light of California's ambitious zero-emission goals, including CARB's Advanced Clen Cars 2 regulation, Advanced Clean Fleets (ACF) regulation, and the Clean Miles Standard, infrastructure investments should include charging infrastructure for commercial light-duty fleets and shared-access vehicles, including transportation network companies and shared mobility options, as these vehicles typically drive many more miles than non-shared vehicles and act to increase both

mobility and jobs.[2] CARB's ACF regulation will require light-duty package delivery vehicles to electrify at a rapid pace, reaching 100% by 2035 under the ZEV Milestone Pathway. Access to charging infrastructure specific to shared-use vehicles will increase zero-emission miles driven and benefit all drivers who need to access public charging by improving infrastructure availability and accessibility. Aligning infrastructure investments with CARB's ZEV regulations will help increase the use of ZEVs in commercial fleets and increase ZEV awareness and use in low-income and disadvantaged communities.

Additionally, we support investment that encourage innovative business models to enable lower income communities to access intelligent ZEV infrastructure at comparable rates to higher incomes communities by offsetting initial capital investments, enabling compensation for grid export, and advantageous electric utility rates.

CalETC supports investments in medium- and heavy-duty fueling technologies and calls for build-out of charging/fueling infrastructure ahead of vehicle orders to stimulate demand. Unlike light-duty electric cars (where home charging is an option in some cases), heavy-duty trucks cannot operate without access to charging infrastructure in advance of their delivery. The same applies to hydrogen-fueled trucks. Therefore, the funding for truck refueling options needs to best reflect the state of technology and consumer acceptance. Funding cannot, and should not, be predetermined or contain set asides that may result in stranded investment of public dollars. There are substantial private investments by the oil and gas industries in hydrogen refueling, which suggests that the market is supporting both charging and hydrogen fueling stations.[3] Specific set asides are unnecessary, limit flexibility, and increase risk. Battery-electric cars and trucks are more prevalent, but still in the very early market stages, with an increasingly diverse portfolio of options, and the market will not be able to meet the targets set in the Advanced Clean Trucks and ACF regulations without substantial investment in charging infrastructure.[4] Therefore, the public investment will need to consider the market that exists and is anticipated in the future without predetermining a market that does not currently exist. This is a challenge that will require ongoing flexibility for regulators as they allocate funding. In addition to ZEV trucks, battery electric school buses, and transit buses provide huge potential in addition to emission reduction, when equipped with V2G capacity. We support the CEC's bidirectional charging and vehicle-grid integration initiatives, and it

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[2] For example, TNC vehicles drive more than three times the average distance of non-commercial light-duty vehicles, meaning the GHG abatement benefit from TNC vehicle electrification is at least three times that of private vehicles. 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/15s1h1k.

[3] Inside Climate News, Nicholas Kusnetz, *Oil Companies Are Eying Federal Climate Funds to Expand Hydrogen Production. Will Their Projects Cut Emissions?* (See https://insideclimatenews.org/news/06112022/oil-companies-hydrogen-production/).

[4] Light-duty ZEV populations available here: https://www.energy.ca.gov/data-reports/energy-almanac/zero-emission-vehicle-and-infrastructure-statistics/light-duty-vehicle. Medium- and heavy-duty ZEV populations available here: https://www.energy.ca.gov/data-reports/energy-almanac/zero-emission-vehicle-and-infrastructure-statistics/medium-and-heavy.

is important to make sure continuous funding is allocated to innovative charging solutions, business models, and technologies in the future, so the market can keep innovating and accommodate various vehicle fueling needs.

CalETC supports the proposed investments in ZEV manufacturing and workforce training and development. Previous Clean Transportation Program investments in ZEV manufacturing have been essential to creating and retaining good jobs in the industry. We do not comment at this time on whether the recommended investment is adequate, but we are committed to working with the Lead Commissioner, CEC staff, and other Advisory Committee members to better understand the need and ensure it is adequate to overcome the inherent inequities in jobs creation that have existed for centuries.

Thank you for your consideration of our comments. Please do not hesitate to contact me kristian@caletc.com should you have any questions.

Sincerely,

Kristian Corby, Deputy Executive Director
California Electric Transportation Coalition