

DOCKETED	
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Anne Hoskins
Senior Vice President, Policy and Market Development
Generac Power Systems, Inc.
S45W29290 Highway 59
Waukesha, WI 53189

May 11, 2023

Commissioner Patty Monahan
Presiding Member of the Advisory Committee for the Clean Transportation Program Investment Plan and Lead Commissioner of Transportation
California Energy Commission
715 P Street
Sacramento, CA 95814

Re: Generac Power Systems Comments on Docket No. 23-ALT-01; 2023-2024 Investment Plan Update for the Clean Transportation Program

Dear Commissioner Monahan,

Generac Power Systems, Inc. (“Generac”) hereby submits these public comments to the California Energy Commission (CEC) on the 2023-2024 Investment Plan Update for the Clean Transportation Program pursuant to the Notice of Public Meeting of the Advisory Committee for the Clean Transportation Program Investment Plan. Generac is a leading energy technology company that provides advanced power grid software solutions, backup and prime power systems for home and industrial applications, solar + battery storage solutions, virtual power plant platforms, electric vehicle supply equipment (EVSE), and engine-and battery-powered tools and equipment. We have experience developing and participating in energy storage and electric vehicle managed charging programs in multiple jurisdictions across North America.

California is a leader in the transportation electrification space and has effectively been deploying funds from the Clean Transportation Program for many years. However, as the pace of transportation electrification accelerates, new challenges are emerging. According to a 2022 study by the Energy and Resources Group at UC-Berkeley, rapid electrification will necessitate PG&E to triple its planned pace for annual feeder upgrades at a cost of \$1 billion by 2030¹. These upgrades are driven primarily by electric vehicle (EV) adoption. And that’s just for one utility in California.

¹ *What Will Electrification Cost (the Distribution System)?*, posted June 27, 2022.
<https://energyathaas.wordpress.com/2022/06/27/what-will-electrification-cost-the-distribution-system/>

Fortunately the study also provides multiple suggestions to help mitigate the distribution level impacts of increased EV adoption, including smart EV charging (otherwise known as managed charging). Table ES-2 in the April 2023 Draft Staff Report for the *2023-2024 Investment Plan Update for the Clean Transportation Program* lays out the proposed investment plan allocations (please see table below). Limited funds are available for managed charging through the General Fund’s Emerging Opportunities category but not necessarily through the Clean Transportation Program.

Table ES-2: Proposed Investment Plan Allocations for FY 2023–2024 and Beyond, Including Clean Transportation Program (Program) and General Funds (in Millions)

Category	Funding Source	2023–2024*	2024–2025†	2025–2026†
Light-Duty Electric Vehicle Charging Infrastructure**	Program	\$13.8	-	-
Light-Duty Electric Vehicle Charging Infrastructure	General Fund	\$210.0	\$90.0	\$40.0
Equitable At-Home Charging	General Fund	\$160.0	\$80.0	\$40.0
Medium- and Heavy-Duty Zero-Emission Vehicle (ZEV) Infrastructure	Program	\$13.8	-	-
Drayage Truck ZEV Infrastructure	General Fund	\$185.0	\$49.0	-
Transit Bus ZEV Infrastructure	General Fund	\$90.0	\$50.0	\$30.0
School Bus ZEV Infrastructure††	General Fund	\$15.0	-	-
Clean Trucks, Buses, and Off-Road Equipment ZEV Infrastructure	General Fund	\$315.0	\$31.0	\$25.0
Port ZEV Infrastructure	General Fund	\$40.0	\$80.0	\$30.0
Emerging Opportunities	General Fund	\$35.0	\$11.0	-
Hydrogen Fueling Infrastructure	Program	\$10.0	-	-
Hydrogen Fueling Infrastructure	General Fund	\$20.0	\$20.0	\$20.0
Zero- and Near Zero-Carbon Fuel Production and Supply	Program	\$5.0	-	-
Workforce Training and Development	Program	\$5.0	-	-
	Total Program	\$47.6		
	Total General Fund	\$1,070	\$411	\$185

Source: California Energy Commission.

* The Clean Transportation Program is authorized through December 31, 2023; therefore, only half of the revenues/appropriations are anticipated in FY 2023–2024.

† Subject to future budget act appropriations. Also, the anticipated general fund amounts in FY 2024–2025 and FY 2025–2026 have not been reduced to reflect administrative costs. Those fiscal year allocations will be reduced in accordance with direction in the associated budget act.

** Does not include \$384 million over five years under the federal NEVI program for charging along highways and interstates.

†† Does not include \$375 million under Proposition 98 for ZEV school bus infrastructure, since that was allocated for the previous fiscal year (2022–2023). Those funds will continue to be spent over multiple years, however.

The vast majority of the funds in the Clean Transportation Program are set aside for equipment and charging infrastructure. The CEC may want to consider requiring that any individual, organization, or corporation that takes funding for equipment or infrastructure from the Clean

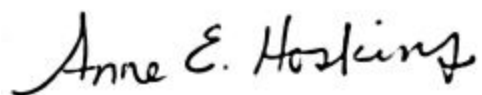
Transportation Fund concurrently enroll in a managed charging program to ensure that charging takes place during the most beneficial times for the grid. In this way the CEC can help mitigate the potentially negative impact of increasing electric load on the distribution system. In fact, if managed properly, increasing load may put downward pressure on rates.

As individual drivers and fleets become more reliant on electric vehicles, grid reliability becomes an increasingly important issue. Power outages or power shutoffs will severely impact the ability to charge electric vehicles, which may quite literally become a matter of life or death in the face of wildfires or other natural disasters that require evacuation. To that end, the CEC may want to consider allocating funds for charging infrastructure paired with batteries or backup generators that can function independently of the grid. Funding could come directly from the Clean Transportation Program or from a different source but requiring that some percentage of customers that take money from the Clean Transportation program to install infrastructure, particularly Medium and Heavy-Duty vehicle chargers or DC Fast chargers, may prove to be critical in emergency situations.

Generac appreciates the opportunity to submit these comments on the 2023-2024 Investment Plan Update for the Clean Transportation Program. The funding from this program will continue to help California transition towards an electrified, decarbonized future. Generac recommends that the steps laid out above are considered to ensure that the transition happens in a responsible, reliable, and cost effective manner that benefits all Californians.

Thank you for your consideration of our ideas. Please contact me at Anne.Hoskins@generac.com if you have any questions.

Respectfully submitted,

A handwritten signature in black ink that reads "Anne E. Hoskins". The signature is written in a cursive, flowing style.

Anne Hoskins
Senior Vice President, Policy and Market Development
Generac Power Systems, Inc.