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*Submitted On: 8/4/2023*
*Docket Number: 20-TRAN-04*

## Electric Vehicle Infrastructure Project Funding

*Additional submitted attachment is included below.*

EAST BAY COMMUNITY ENERGY

Date: August 4,2023

To: Drew Bohan
Executive Director
California Energy Commission
715 P Street
Sacramento, CA 95814

Re: **THE MATTER OF: Municipal Fleets Electric Vehicle Infrastructure Solicitation Concepts**

Docket No. 20-TRAN-04
Response submitted via email to docket@energy.ca.gov; Subject Line 20-TRAN-04 Electric Vehicle Infrastructure Project Funding

Mr. Bohan:

The East Bay Community Energy Authority (EBCE) is pleased to provide these comments in response to the California Energy Commission's (CEC) July 2023 Pre-Solicitation Workshop for Municipal Fleets Electric Vehicle Infrastructure. We applaud the CEC for developing this funding opportunity focused on the needs of municipal fleet charging. EBCE has been focused on accelerating the expansion of electric vehicle (EV) charging infrastructure across our electricity service area, which has included a substantial investment in helping our Joint Powers Authority (JPA) member cities and the county plan for a transition to zero emission vehicles.

**Introduction**

EBCE secures electrical energy and manages energy-related climate programs including Transportation Electrification (TE), on behalf of our JPA member communities' residents, businesses, and municipal operations. As the nonprofit public power provider and default load-serving entity (LSE), EBCE delivers electricity with higher renewable energy content at a reduced cost to customers through the incumbent investor-owned utility's transmission and distribution system. EBCE's current TE initiatives include:

- Municipal Fleet Electrification Technical Assistance Program
- Development of an EBCE Public EV Fast Charging Network
- CEC REACH Grant Recipient

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- Zero Emission Medium- and Heavy-Duty Goods Movement
    - Recipient of CEC Zero Emission Goods Movement Blueprint grant
    - EBCE funded evFleet Consulting technical assistance pilot launched June 2023)
    - Financing ($4.5 million loan to Forum Mobility) to develop public truck charging depot in Livermore, CA
- USEPA Brownfield Revitalization grant (recipient of funding to identify brownfields suited for redevelopment as EV fast charging hubs for light, medium- and heavy-duty use cases).
- Partner to PG&E on their V2X Commercial Pilot

Building from our verbal comments provided in the workshop, EBCE provides this additional feedback for integration into the solicitation.

I. ***Comments***

***Should we include other entities besides municipal fleet owners to be eligible as the primary applicant?***
EBCE strongly recommends that the CEC adjust the primary applicant requirements for the Municipal Fleets Electric Vehicle Infrastructure program to include Community Choice Aggregators (CCAs) who have assisted their JPA members in fleet electrification planning.

Across California local governments have formed JPAs or established new departments within their organizational structure and launched CCAs that become the default public power provider serving all electricity load in that community including at municipal facilities. As local government agencies, CCAs like EBCE are governed by a Board of Directors composed of local elected officials from each of its JPA members. In turn CCAs have an inherent mandate to advance the climate action goals of their municipal partners through investment in local programs and projects like municipal fleet electrification.

To that end, EBCE allocated ~$800,000 to complete municipal fleet electrification assessments and plans for nearly every one of its JPA member jurisdictions (at no cost to these local government agencies). These plans include vehicle electrification schedules and charging infrastructure recommendations for the light-duty, non-emergency response fleets operated by 12 cities and Alameda County. Portfolios ranged from relatively small fleets with minor charging needs to massive fleets that will require significant infrastructure investment.

With help from an industry leading fleet electrification consultant team (Frontier Energy, GNA, DKS), EBCE worked collaboratively with fleet and facilities managers from all 13 jurisdictions to develop detailed road maps for the replacement of existing internal combustion engine vehicles with EVs. This work analyzed the vehicles, operations, economics, energy requirements and charging facility needs to provide these agencies with clear guidance on actions needed to transition their fleets.

- Across these 13 jurisdictions there are a total of 2,297 light-duty vehicles to be electrified spanning 109 unique fleet facilities.

- To meet the refueling needs of these fleet EVs, 995 Level 2 and 41 direct current fast chargers are needed.
- The total estimated required charging infrastructure CapEx across these 13 fleets is approximately $18.5M (OpEx + ~$10M).
- When all plans are fully implemented, these 13 fleets will save over 20,000 gallons of gasoline and reduce more than 42,000 greenhouse gas emissions (MT CO2) annually.

In addition to these 13 fleets, the City of Fremont, who is a founding member of EBCE's JPA, completed a Municipal Fleet Electrification Study through a Bay Area Air Quality Management District grant. Collectively, in EBCE's service area there are 14 jurisdictions with municipal fleet electrification plans ready to implement. Planning for the required charging infrastructure that will enable these fleets to transition their vehicles to EVs must happen today.

EBCE is well positioned to take the lead on behalf of its municipal partners as we have greater capacity in terms of the staff resources available for applying to and managing grants, and issuing and maintaining vendor contracts, than individual cities and the county do.

Further, as a LSE, EBCE's core function is procurement of utility scale power. In turn, the CCA can also leverage its expertise and buying power to achieve economies of scale. EBCE has experience collaborating in this way with its local government partners on other distributed energy resource projects including:

- Serving as the organizing entity and procurement agency deploying solar and battery energy storage at critical municipal facilities
- Leading the investment in and deployment of a publicly accessible fast charging network leveraging municipal parking lots and garages as site hosts.

We also understand our municipal partner's vehicle replacement cycles which occur annually, and often do not include funding for charging infrastructure due to budget constraints. Because EBCE is mandated to invest the revenue earned from the sale of electricity back into the communities it serves, it is aiming to help its JPA members focus their limited budgets on procuring more EVs sooner by covering the upfront cost of deploying charging infrastructure and maintaining it long term. An investment by the CEC in an aggregated municipal fleet portfolio like that in EBCE's service area would enable its CCA funding to go further and enable EBCE to leverage its buying power to attract private sector capital to rapidly scale the deployment of municipal fleet charging infrastructure.

***Should applications score higher if chargers are made available to the public?***
No, EBCE thinks there's merit in a program that is limited to fleet-only charging and does not prioritize public access as a part of the scoring criteria. These chargers should be designated to exclusively support specified operational fleets, which will need the maximum flexibility possible to plan optimal charging strategies. Further, there are no guarantees that putting this requirement or scoring factor in place would be equitable across fleets, given many fleet depots are gated due to safety and insurance risks.

***How should streamlining affect eligibility or scoring?***

EBCE recommends that CEC prioritize distribution of these funds to eligible applicants (including CCAs) that have completed the State's streamlined permitting process. This approach would support AB 1236 and AB 970 policy implementation and making this a requirement will encourage jurisdictions that have not aligned their permitting processes to do so. EBCE has long been an advocate for streamlined permitting and has worked diligently with all our JPA members to ensure our service areas lead by example. At the local level, in 2020-21 EBCE provided technical assistance to its JPA members to ensure full compliance with AB 1236 prior to launch of its CALeVIP program - Alameda County Incentive Project - which EBCE co-funded with CEC. This included EBCE led coordination with its local government partners and the Governor's Office of Business and Economic Development (GO-Biz) as each community passed their local ordinances and developed required streamlined permitting checklists. As a result of this coordinated effort, EBCEs service area was the first large, densely populated area in California to be in full compliance with AB 1236. GO-Biz recognized EBCE for its efforts with an award of "Gold" through its Permitting Olympics.[1]

***Minimum Fleet/Infrastructure Requirements***

EBCE encourages CEC not to create procurement minimums, as these may discourage municipal governments from adopting electrified fleets. City fleet vehicle procurement schedules are rigid and limited by annual budget constraints. It may be challenging to meet any assigned minimum requirements, for fleet vehicles or chargers. EBCE encourages CEC to provide terms for fleets that maintain flexibility in charging infrastructure deployment, including via this upcoming solicitation.

***Should we allow medium-duty vehicles to utilize project chargers if possible?***

EBCE is currently conducting a second round of municipal fleet electrification assessments for its JPA members that will need to comply with the Advanced Clean Fleets regulation. For cities like Oakland, the result of this assessment is critically important as the regulation takes effect in January 2024 their fleet will need to begin to transition medium-and heavy-duty vehicles to zero emission technologies. In the case of vehicles like pick-up trucks, some of which are classified as light-duty while others medium-duty, only allowing the light-duty EVs to benefit from charging infrastructure would create logistical challenges and enforcement issues. With regards to Class 3-8 fleet vehicles, the CEC is encouraged to issue a standalone solicitation for charging infrastructure, with a separate budget allocation.

***What DAC/LIC requirement will ensure maximum benefits to communities?***

In the case of this funding opportunity, EBCE encourages the CEC to not apply DAC/LIC requirements for fleets wishing to deploy infrastructure in support of transitioning their vehicle portfolio to EVs. Setting DAC/LIC requirements would inhibit local government fleets like the cities of Fremont, Pleasanton, Livermore, Tracy, among others in EBCE's service area from participation as these communities have few or no designated DAC/LICs. And, in communities with DAC/LICs, there is not necessarily overlap with the greatest number of domiciled fleet vehicles in these areas. For example,

[1] EV Charging Station Permit Streamlining Map

Alameda County's fleet vehicles are domiciled throughout EBCE's service area and provide social services that cross individual jurisdiction boundaries. The CEC is encouraged to ask questions in the solicitation on how the funding would support critical public services. The CEC could consider requiring all project proposals to provide an "equity narrative" describing the benefits their projects will deliver to the community.

***Are the technical and operations requirements appropriate and feasible for municipal fleets?***
Requiring 97% operations should not be a requirement. EBCE is currently deploying a publicly accessible network of fast chargers and learning firsthand that requiring its third-party O&M providers to achieve 97% availability is costly from OpEx perspective. The CEC has limited budget for this solicitation and local government agencies have limited budget for ongoing O&M of charging infrastructure. The CEC may consider encouraging applicants to pursue a target of 97% average availability of chargers at each site in partnership with their third-party O&M providers and in their proposals note how they would work with those providers to research issues, evaluate options, and develop appropriate protocols to continuously strive to meet the 97% target.

***General***
EBCE has worked with its local government partners 14 jurisdictions collectively) and identified that upwards of $85,000,000 will be required to fully electrify more than 3,000 light-duty fleet vehicles and deploy the necessary charging infrastructure (plus ongoing O&M). EBCE provides these figures as a proxy to help inform CEC of the full costs associated with transitioning municipal fleets to electrification. In turn, EBCE strongly advocates for continued funding allocations for municipal fleets and future rounds to support ongoing public fleet electrification.

Additionally, EBCE agrees with the City of Sacramento that the Innovation scoring criteria is an unrealistic evaluation for municipal fleets. We support inclusion of criteria such as demonstrated need, project feasibility or project readiness be used for scoring instead of innovation.

***Conclusion***
Thank you in advance for consideration of EBCE's comments on behalf of its JPA member communities. Please reach out to Paul D. Hernandez, Principal Regulatory Manager, Transportation Electrification, with any questions or for clarification regarding these comments (phernandez@ebce.org).

Sincerely,

Jessie Denver
Director – Transportation Electrification
East Bay Community Energy
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