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ChargePoint Comments on Second AB2127 EV Charging Needs Assessment

Additional submitted attachment is included below.

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California Energy Commission
Docket No. 19-AB-2127
715 P Street
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RE: Second AB 2127 Electric Vehicle Charging Infrastructure Assessment

ChargePoint thanks the California Energy Commission (CEC) and CEC Staff for their work to develop and share the findings of Assembly Bill (AB) 2127 Electric Vehicle (EV) Charging Infrastructure Assessment. We appreciate the opportunity to file these comments in response to the workshop held on September 7, 2023. ChargePoint's comments will respond to Staff's request for input on the feasibility of actualizing the baseline EV infrastructure needs scenario, as well as future work to support greater vehicle-grid integration.

Since 2007, ChargePoint has created a new fueling network to move all people and goods on electricity. ChargePoint is committed to making it easy for businesses and drivers to go electric, with a world-leading electric vehicle (EV) charging network and a complete set of charging solutions available today. ChargePoint's cloud subscription platform and software-defined charging hardware are designed internally. They include options for every charging scenario, from home and multifamily to the workplace, parking, hospitality, retail, and fleets. There are more than 255,000 ports on the ChargePoint network across North America and Europe, and 530,000 ports accessible via roaming agreements.

Baseline "Level 2-Focused" Model vs. Gas Station "DCFC-Focused" Model

In its baseline scenario, the AB2127 Assessment estimates that roughly 313,000 L2 chargers at MUDs and 430,000 shared-private and public workplace Level 2 (L2) chargers will be needed by 2030. At the September 7th workshop, the CEC expressed concern that private investment will not scale adequately to meet the estimated infrastructure needs in the baseline scenario, as the annual rate of L2 charger deployment is lagging behind what is needed to reach the 2030 port deployment targets. As a result, the CEC requested feedback on the feasibility of actualizing the baseline scenario and whether it would be appropriate to shift charger deployment to a "gas station model," putting greater emphasis on DC fast charging (DCFC) to reduce the number of shared-private L2 chargers at workplaces and multi-unit dwellings (MUDs).

Commenters at the September 7th workshop correctly observed that the CEC's baseline assumptions for a L2-focused charger deployment strategy would better serve EV drivers, reduce strain on the electric grid, and minimize the cost of EV infrastructure deployment. ChargePoint finds that the CEC's baseline model scenario puts California in a better position to realize the full benefits of transportation electrification. As an example, the L2-focused scenario creates the opportunity to maximize workplace L2 charging during

high levels of solar generation from mid-day to early afternoon, leading to lower emissions and lower costs system-wide. We urge the CEC to continue to utilize the baseline model to forecast charging needs and to guide incentive designs for future programs.

Meeting L2 port deployment targets in the AB2127 baseline scenario is feasible if the existing gap in L2 incentives is closed.

The popularity of utility- and state-funded incentive programs indicate significant unmet and latent demand for L2 charging in California. For example, in Pacific Gas & Electric (PG&E) territory, PG&E received four times as many applications for workplace L2 chargers than PG&E could serve in its Electric Vehicle Charge Network (EVCN) program.[1] EVCN has been over-subscribed for several years as potential site hosts have waited to receive funding to proceed with charger deployment. Though PG&E proposed a $278M successor program (EV Charge Ready 2 or EVC2) in 2021, the multi-year regulatory approval process stalled over a budget reduction, which then raised questions of the feasibility of program implementation. As a result, the Public Utilities Commission (CPUC) recently issued a proposed decision to accept PG&E's petition to withdraw the EVC2 program.[2]

The failure to launch the EVC2 program is a blow to the state's public policy goals and ability to meet the port deployment targets in the CEC's baseline infrastructure scenario. The pullback of the PG&E program has contributed to slower than expected L2 deployments because it:

1. Created a gap in incentive funding that discouraged L2 investment by cost-sensitive site hosts;
2. Contributed to latent demand, as potential site hosts waited for EVC2 approval to proceed with their projects, particularly with inflation and high interest rates pushing costs up; and
3. Squandered time and sent the wrong message to the market regarding the importance and need for more L2 chargers in California.

There remains a significant volume of unmet demand for L2 incentives for shared-private and public chargers in the workplace and MUD segments that has accumulated for several years. The incentives gap is especially acute for underserved communities, which would have received 65% of EVC2 program benefits. ChargePoint is not aware of a strategy to address the gap in L2 incentives created by the failure to launch the EVC2 program.

Though there are other incentive programs available to site hosts, they do not address the latent demand for L2 across all segments or send the market signal to prioritize L2 deployment. For example, the current iteration of the CALeVIP program is focused on DCFC deployment and does not serve a significant portion of PG&E territory in central California that would have benefitted from EVC2. As another example, the upcoming statewide behind-the-meter (BTM) incentive program[3] will not provide support for workplace L2 chargers or be available to support the MUD segment until 2025, contributing to further delays, backlogging, and putting greater pressure on charger deployment in the second half of the decade. The lack of L2 incentive support over the last two years has also coincided with rising interest rates and inflation, spurring many site hosts, particularly workplaces and real estate property owners, to defer discretionary spending associated with the deployment of EV charging stations.

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[1] CPUC Application 21-10-010, Pacific Gas and Electric Company Electric Vehicle Charge 2 Prepared Testimony at 3-10 (October 26, 2021).

[2] *See* CPUC Application 21-10-010, Proposed Decision of ALJ Rizzo, *Decision Granting Pacific Gas and Electric Company's Petition for Modification of Decision 22-12-054* (August 15, 2023)

[3] CPUC Decision 22-11-040, *Decision on Transportation Electrification Policy and Investment* (November 21, 2022)

Recommendation: CEC should prioritize funding opportunities to support public and shared-private L2, especially for workplaces.

Considering the failure to launch PG&E's EVC2 program, there is an urgent need for the CEC to identify strategies to support L2 as expeditiously as possible to put the state back on track to meeting its EV infrastructure deployment needs. It would be a mistake for CEC to pursue the gas station model and redirect funding opportunities to DCFC simply because L2 incentive programs failed to materialize and encouraged delays in the early 2020s. Evidence of latent demand in the L2 segment indicates it is feasible for the private market to build and invest in L2 chargers commensurate with the CEC's baseline AB2127 modeling. We urge the CEC to take action to establish the right signals to the market to deliver the benefits of L2-focused charging scenario, including lower costs, better grid management, and better driver experience.

Vehicle-Grid Integration (VGI)

At the September 7th workshop, CEC Staff presented several advancements to support VGI, including establishing compensation structures for participants, developing customer products and services, and improving customer confidence. ChargePoint applauds the efforts of the CEC to accelerate the market for VGI. VGI will serve an important role to accomplish many of the state's key objectives for transportation electrification, including reducing cost barriers to installation of EV service equipment ("EVSE") at homes and businesses and expanding access to EV rate options and load management arrangements that can reduce costs to customers.

A major advancement for VGI occurred in 2022, when the CPUC approved a submetering protocol for EVs consistent with the CEC's recommendations for EVSE communication protocols.[4] However, a critical piece to submetering program implementation regarding the role of meter data management agents, or MDMAs, remains unclear. MDMAs are the party responsible for collecting and distributing EV submetering data from the EVSE submeter to the utility. The MDMA role is generally served by, but not limited to, the electric vehicle service provider. While the CPUC-approved protocol was an important VGI advancement, it did not establish a clear incentive for entities to accept the new responsibility of aggregating and organizing submeter data. It is worth noting that data collection, aggregation, and submission is a resource- and cost-intensive process. For this reason, it seems there is a lapse in the market structure to encourage entities to act as MDMAs.

As a next step, we encourage the CEC to monitor the implementation of the submetering program and consider what strategies may be needed to encourage EV service providers and other entities to serve as MDMAs to ensure successful implementation of submetering programs in the future and to use existing metering and data technology to its full potential.

[4] *Id.*

Conclusion

Thank you again for the opportunity to submit comments. ChargePoint looks forward to continuing to work with the CEC to deploy California's EV infrastructure needs. Please do not hesitate to reach out with any questions.

Sincerely,

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