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CalETC's Comments on Light-Duty Electric Vehicle Block Grant Design Changes

Additional submitted attachment is included below.

California Electric Transportation Coalition

January 19, 2024

California Energy Commission
Re: Docket No. 20-TRAN-04

Submitted via electronic commenting system for docket 20-TRAN-04:
https://efiling.energy.ca.gov/Ecomment/Ecomment.aspx?docketnumber=20-TRAN-04

Re: CalETC's Comments on Light-Duty Electric Vehicle Block Grant Design Changes

The California Electric Transportation Coalition (CalETC) appreciates the opportunity to provide comments on the California Energy Commission's (CEC) workshop on proposed changes to the light-duty electric vehicle (EV) block grant programs held on January 9th. CalETC greatly appreciates Staff's work on CALeVIP 2.0 and Communities in Charge (CIC) as they are vital to the growth of the EV market and meeting the state's charging and vehicle goals.

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, and other industry leaders supporting transportation electrification.

Generally, CalETC supports the CEC's willingness to review CALeVIP 2.0 and CIC and consider changes that will make the programs more effective and efficient. However, given the nascency of CALeVIP 2.0 and CIC, CalETC encourages the CEC to collect more data on key program outcomes to determine whether further program modifications are merited at this time. For example, CALeVIP 2.0 was launched in January 2023 after approximately five years under the previous CALeVIP 1.0 model and the 450-day project development window for CALeVIP 2.0's first solicitation has not yet been completed – making it challenging to comprehensively evaluate whether the program is supporting efficient charging infrastructure deployment. Avoiding frequent structural program changes will be necessary to meet the charging goals detailed in the second assessment of the AB 2127 Report (2127 Report) and to improve applicants' ability to submit high-quality projects to the CEC's block grant programs.

CalETC recommends the CEC preserve the ability to stack incentives with local, regional, and utility programs. Stacking rebates can be integral to a project's financial viability, as incentive funding does not cover 100% of the costs. Additionally, the local, regional, and utility rebates directly benefit people who live in those areas by increasing access to charging. Therefore, stacking rebates

is not duplicative and helps accelerate much needed charging projects in line with achieving the targets established in the 2127 report. If stacking is no longer allowed under these programs, CalETC encourages CEC to hold a workshop to invite stakeholder input on revised charger/connector rebate levels to ensure that incentives are reasonably reflective of the capital costs associated with site development.

CalETC recommends preserving the project readiness tier system for another year and recommends not ranking or reserving funds for applications based on the size of the rebate requested. CalETC supports the tiered system and believes that it should continue as is or be refined to accelerate charging deployment by identifying the projects that are closest to being constructed. California needs to rapidly expand available charging. The 2127 Report calls for 39,000 DCFCs by 2030 and California currently has 10,258,[1] which means we need to add nearly 29,000 DCFCs in six years. That is a very ambitious goal, and we need to continue to prioritize sites that have completed design and permitting because they can most quickly be constructed. If the CEC chooses to evaluate applications based on rebate amount requested, CalETC recommends using a $/kW basis and not the total dollar amount requested. Using the total dollar amount would unduly prioritize small sites that serve few vehicles, as those sites will have a smaller total rebate requested. This outcome would be at the expense of larger and higher power sites that are more squarely aligned with the findings in the CEC's 2127 report[2], which may actually have a more cost-effective overall $/kW ratio. The Bay Area Air Quality Management District has also evaluated projects on a $/kW basis in its EV charging incentive programs, which can promote cost efficiency.[3]

Finally, CalETC recommends not reinstituting an applicant cap or other enforcement mechanisms to encourage better on-time performance at this time. The applicant cap was one of the deficiencies in CALeVIP 1.0 and led to certain program participants being boxed out of using CALeVIP to develop what would have been viable projects. Maintaining the tiered system allows the CEC to sort for projects that will have better on-time performance. Additionally, CalETC recommends that for Communities in Charge, instead of requiring installation of chargers equipped with SAE J1772 standard, the program should require compatibility with cars equipped with J1772. This will allow for utilization of alternative new technologies that can provide flexibility, cost savings, and space savings. Finally, CalETC encourages the CEC to, at a later date, further assess and share program data whether on-time performance is a structural issue in CALeVIP 2.0 before introducing changes that could have unintended consequences for program participants. Anchoring past performance issues on CALeVIP 1.0 is no longer relevant since the CEC and program applicants are not operating under that paradigm.

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[1] Electric Vehicle Chargers in California, CEC, California has a grand total of 10,258 DCFCs as of January 16, 2024, See https://www.energy.ca.gov/data-reports/energy-almanac/zero-emission-vehicle-and-infrastructure-statistics/electric-vehicle.

[2] The 2127 Report anticipates that 350 kW chargers will become the primary DCFC technology in California (p. 54). https://efiling.energy.ca.gov/GetDocument.aspx?tn=251866&DocumentContentId=86859

[3] Light Duty Electric Vehicle Infrastructure 2021 Funding Opportunity, California VW Mitigation Trust (July2021). Avalable at https://www.californiavwtrust.org/wp-content/uploads/CAVW-Trust-QA-72021.pdf.

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