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EVCA Comments on Light Duty Block Grant Design

Additional submitted attachment is included below.

January 19, 2024

ECalifornia Energy Commission
Docket No. 22-EVI-01
715 P Street
Sacramento, California 95814

RE: 22-EVI-01 - Comments In Response to Light-Duty Electric Vehicle Block Grant Design Changes Workshop

Dear California Energy Commissioners and Staff,

The Electric Vehicle Charging Association (EVCA) appreciates the opportunity to submit comments in response to the California Energy Commission (CEC) in response to the Light-Duty Electric Vehicle Block Grant Design Changes Workshop held on January 9, 2024.

EVCA is a not-for-profit trade organization of 22 leading EV charging industry member companies and two zero-emission autonomous fleet operators. The association was established in 2015 to comprehensively represent the entire EV charging value chain and provide a collective industry voice for decision-makers in California.

For the purposes of this letter, EVCA shares the following comments and suggestions related to the CALeVIP block grant:

Provide Sufficient Time and Review for Any Program Changes
Given that CALeVIP 2.0 has only been around for one year, we strongly encourage caution before introducing significant program modifications. For this reason, we ask that you consider deferring major program updates until 2025 or until more data is collected on key program outcomes and metrics from future funding rounds. Should the CEC decide to move forward on changing the tiered application structure, we request that industry be provided the opportunity to review what the tiers will contain before the CEC finalizes the program structure.

Enforcement mechanisms for on-time performance are premature as the new CALeVIP program structure has only been around for a year, and stakeholders do not have sufficient data to tell whether projects are not meeting the timelines established by the CEC. More data from the CEC is needed on on-time performance issues before adopting new enforcement mechanisms (e.g., award restrictions, applicant caps).

EVCA requests that the CEC strive to establish and publicize a schedule or cycle for block grant solicitations. Such scheduling transparency provides organizations with the opportunity to make informed business decisions.

Response to Proposed Program Design Changes

EVCA requests that the CEC preserve the ability for applicants to apply for levels of funding that support project development. Further, the CEC should clarify the ability to stack incentives with local (non-AQ district) programs. Incentive stacking is a common feature in EV charging incentive programs administered by the CEC, the California Air Resources Board, and other administrators. If stacking is no longer allowed, incentive levels should be revisited through a stakeholder process.

Additionally, EVCA strongly suggests that the CEC preserve the multi-tier application system that prioritizes shovel-ready projects. By prioritizing the most shovel-ready projects, CEC will be increasing the likelihood that the projects it funds are completed within the timelines that it sets. Put another way, getting rid of the tier system may encourage higher program attrition and delays that are inconsistent with CEC's timelines.

We respectfully request that the CEC maintain the existing block grant/rebate structure. Allowing applicants to request their rebate amount will add complexity and uncertainty to the application process. Additionally, this change may encourage free ridership, as projects that were going to move ahead anyway can beat out others by requesting a lower amount. Should the CEC require project applicants to submit the rebate amount requested, the CEC should evaluate project applications on a $/kW basis rather than an absolute rebate amount requested in a manner consistent with the Bay Area Air Quality Management District's EV charging incentive programs.[1]

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

In line with the broader goal of achieving improved reliability for public charging, EVCA recommends that the CEC continue to allow service level agreements (SLA) as eligible costs. To achieve 97% uptime per port, a charging operator must implement a well-developed and well-resourced service and maintenance program. While EVCA understands that the CaleVIP 2.0 rebates may not be enough to cover the cost of an SLA, making them an ineligible cost may give applicants the sense that an SLA or other well developed maintenance plan is not necessary to successful deployment. If the CEC decides to remove SLAs as an eligible cost, applicants should be required to provide proof of a maintenance plan which is consistent with the CEC's reliability goals.

EVCA recommends that the CEC keep any charger cost data internal and use it only during the application review and rebate payment process. If a publicly available dashboard is created, aggregate costs should not be shared by make and model, but by aggregate power-level ranges per port. This is in line with the current structure of the rebates and would still provide applicants with a sense of charger costs prior to purchasing and negotiating deals. Additionally, the CEC should consider providing a range of cost per power level based on MSRP data submitted as opposed to an average or median cost.

Conclusion

EVCA appreciates the CEC's consideration of our comments and its continued ZEV leadership as the state works to meet its ambitious transportation electrification and climate goals.

Sincerely,

Reed Addis
Governmental Affairs
Electric Vehicle Charging Association