

DOCKETED

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**4Surge Inc Comments on Light Duty Electric Vehicle Block Grant
Design Changes Workshop**

Additional submitted attachment is included below.

California Energy Commission
715 P Street
Sacramento, CA 95814

Date, January 19, 2023

Subject: 4/Surge Inc. Comments on Light Duty Electric Vehicle Block Grant Design Changes Workshop

4/Surge (hereafter “Surge Inc.”) appreciates the opportunity to file comment on the changes being considered for future light duty electric vehicle programs administered on behalf of the California Energy Commission. California has, and continues to be, a role model for transition to future in clean transportation and clean energy, and we appreciate the Commission’s extensive role in leading the nation.

Surge Inc. is a minority owned business operating out of Oakland, CA. We are a new entrant in the EV charging station sector. We are unique in our commitment to work with and for communities of concern and our vision to open access for disadvantaged communities to electrified technology solutions. This vision reflects our dedication to promoting equitable access to sustainable infrastructure and energy resources for underserved communities. We highly appreciate that the block grant programs require, at a minimum, 50% of the projects selected be in DAC/LIC communities.

Summarizing the comments provided in full on the following page:

- A) In response to ranking applicants by level of rebate requested per charge connector,
 - (1) this structure will result in new business start-ups in the EV charging station sector having the lowest likelihood of being awarded funding; and
 - (2) if CEC moves forward with this structure, consider applying the ranking to sort applications that are not in DAC/LIC geographies.

- B) In response to requiring manufacturers to disclose MSRP of charger in order to be listed on eligible vendor list,
 - (1) this would help new business start-ups, and site hosts interested in applying, more efficiently assess equipment related project costs.

- C) In response to setting a cap on awards going to a single applicant
 - (1) we support these caps as this allows greater diversity of entities to serve in this market space.

A) Ranking applicants by level of rebate requested per charge connector

The likely applicants with the ability to request a lower rebate per connector are well established entities, with bulk purchase agreements with manufacturers (economies of scale) and/or high capital to be able to float a greater portion of the project. New business start-ups in the EV charging station sector are not similarly established, and would thus request the maximum rebate amount and have the lowest likelihood of being awarded funding under this ranking scheme. If CEC has interest in support a diverse set of businesses in this new market sector to allow customers greater choice among the businesses they will support when charging their EV, CEC should not use requested rebate amount as a ranking criterion.

If CEC decides to still move forward with this structure, we suggest applying the ranking to sort only those applications that are not in DAC/LIC geographies. Allowing new business formed by and among businesses in the local DAC/LIC communities to succeed in receiving incentives is in alignment with the Governors economic initiatives such as the High Road Transition

B) Requiring manufacturers to disclose the MSRP of charge equipment in order to be listed on eligible vendor list

As a new entrant, we've learned that the majority, if not all, manufacturers require a signed Non-Disclosure Agreement before they can give an exact price of charge station equipment. This has caused delays for our business and impeded our ability to be fully transparent and upfront with potential site hosts about the costs of the EV charging project at their site. We thus support this change CEC is considering, and further suggest that CEC collect data on the network providers' costs for charging equipment software and service agreements (which often is sold separately from the equipment manufacture, if a business like ours decides to purchase direct from the manufacturer rather than through the software/network provider as a distributor for the manufacturer).

C) Setting a cap on awards going to a single applicant

We support setting caps on number of awards or awarded dollar amounts to a single applicant as this could drive a greater diversity of entities to serve in this market space. Some benefits of greater diversity of businesses are noted in response A above.

Overall, addressing these comments can benefit new start-up businesses that may have a small local/regional service footprint. If CEC is interested in local workforce development, opportunities for accumulation of wealth by minority businesses and/or businesses serving LIC/DAC communities, we request the CEC take these suggestions to heart for the CALeVIP and Communities in Charge programs. Alternatively, we suggest CEC create a dedicated funding opportunity for new start-up businesses such as a "Specialty Rebate Project" or "Specialty Grant Opportunity."

Sincerely,



James Herard
Chief Operations Officer

[Surge Inc.](#)

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