

DOCKETED

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EV Realty Comments - MHD Infrastructure Concepts Workshop

Additional submitted attachment is included below.

July 30, 2024

California Energy Commission
715 P Street
Sacramento, CA 95814
Submitted electronically to Docket# 19-TRAN-02

Re: EV Realty Comments on Medium- and Heavy-Duty Zero Emission Vehicle Infrastructure Concepts

Dear California Energy Commission Staff,

EV Realty appreciates the opportunity to provide comments on the Staff Workshop on Medium- and Heavy-Duty (MHD) ZEV Infrastructure Solicitation Concepts held on July 16, 2024. EV Realty would like to thank the California Energy Commission (CEC) staff for the work to date and the commitment to soliciting feedback in advance of solicitation development. Given the state’s ambitious goals and relatively limited funding, it is essential to “get this right” and maximize the impact of these investments as we work to accelerate deployment of MHD EV charging infrastructure in strategic locations around the state.

EV Realty develops, deploys, and owns multi-fleet EV charging hubs for commercial fleets. Our charging hubs provide critical charging solutions for fleets that may not be willing or able to deploy their own charging infrastructure due to grid constraints, landlord restrictions, resource limitations, or other operational considerations. We site charging in grid-optimized locations that mitigate the need for costly and time-consuming grid upgrades. This business model aligns well with California state policy priorities by accelerating electrification and reducing the overall costs associated with this transition.

Overarching Comments on Truck Charging Needs

Continued support for truck charging infrastructure is essential at this early stage of the market. The success of California’s ambitious zero emission truck regulations – Advanced Clean Trucks (ACT) and Advanced Clean Fleets (ACF) – will rely in large part on the supportive complementary policies and programs enacted throughout the state, including but not limited to CEC investments. We encourage CEC to focus on high priority market segments with the greatest potential for near-term scale. Within the goods movement sector, we encourage CEC to align with the recently released National Zero Emission Freight Corridor Strategy, beginning with a focus on building out charging ecosystems within key freight hubs.¹

As a general overarching comment, we recommend ensuring flexibility in program requirements. First and foremost, we recommend broadening the definition of “publicly accessible” for the purpose of grant applications. There has been extensive discussion throughout the stakeholder community around public access requirements – many of which were originally developed for light duty retail stations – and the degree to which they should apply to medium- and heavy-duty truck charging sites. Fleet operators have

¹ National Zero Emission Freight Corridor Strategy. Available online at <https://driveelectric.gov/files/zef-corridor-strategy.pdf>

expressed preference for access controls, security, and certainty around the ability to charge. Requiring full public access at this stage of the market does not align with what we are hearing from fleets, and it adds costs, complexity, and uncertainty to the site. Shared, multi-fleet depots can serve the needs of fleets with cost and operational advantages over pure “public” sites. The California Transportation Commission’s SB 671 Clean Freight Corridor Efficiency Assessment highlights the value of “shared depot facilities,” particularly in the near term:

“As multiple fleets and independent owner-operators will be able to use a shared depot facility, these sites could be considered publicly accessible. A significant portion of medium-duty and heavy-duty trucks may rely on the shared depot model to serve as a central fueling hub, or hub-and-spoke model, and may also rely on opportunity charging infrastructure along their routes. Contracting with a third-party fueling provider can sometimes be more cost effective for fleets than developing their own zero-emission depot. If fleets can save money on infrastructure, it will allow them to invest more in zero-emission trucks.”²

Additionally, overly prescriptive site specifications (number of chargers, power levels, etc.) can unintentionally encourage suboptimal site design by making it harder for developers to “right size” for specific sites or applications. And rigid siting criteria (e.g., one mile from a corridor) can complicate siting, increase costs, and potentially increase project timelines due to site-specific constraints that could be avoided with greater flexibility.

We recognize the need to target certain market segments and agree there are situations where minimum specifications are warranted to future-proof sites and maximize the impact of state investments. However, we encourage CEC to enable flexibility and innovation wherever possible so that market participants can come forward with solutions tailored to specific needs and locations. Comments on specific concepts discussed at the workshop are below.

ZEV Port Infrastructure

Charging infrastructure to enable electrification of port-related truck traffic is a logical, high-priority focus area for CEC and we support the proposal to dedicate some funding to this market segment. As CEC considers how best to structure the solicitation and maximize the benefits of limited state dollars, we offer the following observations and recommendations:

- **Allow siting flexibility and offsite depots:** Electrifying trucks that serve the ports will require a variety of charging solutions, including both onsite charging at the port and charging at other strategic locations in the general area. Including offsite charging hubs in the program will help build out a holistic ecosystem and should also enable faster project development and lower overall costs by giving developers flexibility to find sites that avoid major grid constraints, environmental issues, or other site-specific challenges. Recent RMI analysis around the Port of Los Angeles highlights many barriers of installing drayage truck charging further away from ports, including reduced congestion, increased operational flexibility for fleets, and reduced likelihood of grid bottlenecks.³ The requirement for applicants to provide letters of support from

² SB 671 Clean Freight Corridor Efficiency Assessment. California Transportation Commission, December 6, 2023. Page 38. Available online at <https://catc.ca.gov/-/media/ctc-media/documents/programs/sb671/sb671-final-clean-freight-corridor-efficiency-assessment-dor.pdf>

³ The Case for Placing Drayage Truck Chargers Away from Ports. RMI, March 28, 2024. Available online at <https://rmi.org/the-case-for-placing-drayage-truck-chargers-away-from-ports/>.

ports and/or fleets utilizing the port should be sufficient to ensure that offsite depots will indeed support drayage truck electrification.

- **Support “grid-ready” sites:** Slide 57 states “projects addressing building out grid capacity and onsite zero-emission energy generation will receive additional points in the scoring criteria.” This effectively discourages developers from proposing charging at sites with existing capacity, which will have unintended consequences for both costs and delays. Funneling charging depots to sites that lack existing capacity will increase overall costs and may significantly delay energization at these sites, undercutting the goal of enabling truck electrification on the timelines required by ACT and ACF. It may be wise to include capacity upgrades and onsite generation as allowable costs where these investments make sense for a given project, but we recommend against biasing the program toward these projects through extra points as this will drive up project costs and miss opportunities to realize the lower costs and faster timelines that “grid-ready” projects can enable.

CRITICAL PATHS

Over the longer term, corridor charging sites such as those targeted by CRITICAL PATHS will be essential for MHD truck electrification. We therefore support this funding allocation at a high level. However, we recommend relaxing some draft program requirements to better align with market needs and improve programmatic effectiveness.

- **Broaden the “publicly accessible” definition:** As discussed above in greater detail, the full public access requirement may be too limiting in the near term. Shared, multi-fleet depots can achieve the same goals of serving multiple fleets, but with added benefits and operational efficiencies for both fleets and operators. CEC might consider adopting the broader definition from the federal legislation creating the NEVI program, which focused on sites serving vehicles from more than one company. Please see above for additional rationale and alignment with the CTC’s Clean Corridor Freight Efficiency Assessment.
- **Relax the 1-mile corridor requirement:** A strict requirement that chargers be within one mile of a corridor offramp will complicate siting and may unintentionally increase project costs and delays. Site developers must navigate grid constraints, land availability, and permitting hurdles in addition to finding sites that are conveniently located for fleets. Some added flexibility would be helpful, particularly in more densely populated areas within freight hubs where one-mile proximity is likely to be both more challenging for developers and less essential for fleets.

EV Realty looks forward to continued collaboration with CEC on truck electrification. The Clean Transportation Program has a vitally important role to play in helping the state meet its goals. For additional information, please contact me at jamie@evrealtyus.com.

Sincerely,

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