

**DOCKETED**

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## **DTNA Comments on Innovative Strategies Workshop**

*Additional submitted attachment is included below.*

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## North America

August 16, 2024

Michelle Vater  
California Energy Commission

### **Re: Workshop on Innovative Strategies for Accelerating MDHD Site Energization in POU Service Territories Docket 19-TRAN-02**

Daimler Truck North America (DTNA) submits the following comments in response to the Workshop on Innovative Strategies for Accelerating MDHD Site Energization in POU Service Territories held by CEC on July 31, 2024.

DTNA is the largest producer of medium- and heavy-duty (M/HD) vehicles in North America. DTNA is fully committed to supporting the emerging zero-emission vehicle (ZEV) market; we expect these technologies to play a significant role in the future of commercial transportation, and know they are a vital contributor to lowering NOx and GHG emissions. DTNA is investing significantly in the development of electric vehicles. We currently offer battery electric school buses, walk-in van chassis (Class 5/6), as well as medium-duty (Class 6/7) and heavy-duty (Class 8) tractors for sale, suitable for local pickup and delivery. In addition, DTNA, along with NextEra Energy and BlackRock, has formed a joint venture, Greenlane, focused on nation-wide commercial public charging and hydrogen refueling in the future to help accelerate infrastructure that meets the needs of M/HD vehicles. Finally, DTNA offers Detroit eFill, a charging solution designed for efficiency and compatibility, and has an expert eConsulting team dedicated to supporting fleets with all aspects of the ZEV transition, including site design and interfacing with utilities.

### **Electrifying Commercial Vehicles is a Clear State Policy Priority**

To achieve the greatest environmental benefit, electrifying medium- and heavy-duty vehicles and building resilient charging infrastructure is a clear California policy priority. Executive Order N-79-20 outlines the State's zero-emission vehicle goals, including 100% M/HD vehicles by 2045 where feasible, and 100% ZEVs by 2035 for drayage trucks. In accordance with this Executive Order, CARB has adopted regulatory requirements for both OEMs and fleets, requiring the sale and acquisition of commercial zero-emission vehicles.

Fleets will only adopt M/HD ZEVs if their charging needs can be met with affordable infrastructure investment and electric rates, and on a timeline that meets their business needs. No matter the size or type of utility, California's electric utilities must be prepared to serve M/HD ZEV public and private depots during this rapid transition.

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### California's POU's Play a Critical Role in Transportation Electrification

DTNA commends CEC for this focus on the key role Publicly Owned Utilities (POUs) play in electrifying California's fleets. There has been extraordinary focus in a number of other proceedings on Investor Owned Utilities (IOUs), but with more than 40 POU's<sup>1</sup> serving 25% of the state's electricity needs, California's POU's are critical service providers along statewide freight corridors and in a number of key freight hubs.

During this workshop, stakeholders heard from leading POU's who are leaning in to find creative solutions to serve M/HD transportation electrification customers. These utilities bring valuable insights and experience to this proceeding. Numerous concurrent TE related dockets and proceedings are currently ongoing between CEC and CPUC. These presented solutions transcend business models and merit concurrent discussions with California's IOUs as well. DTNA encourages CEC to ensure the innovative strategies presented in this docket be shared widely to inform other CEC work, including the annual IEPR forecast, as well as the AB 2127 report.

However, we caution CEC and other stakeholders against drawing conclusions about the overall interconnection situation in California based on this workshop alone. Fleets routinely experience long interconnection times and difficulty obtaining "will serve" letters from California utilities. Furthermore, some of these "workaround" solutions presented in the workshop are fraught with additional permitting requirements and higher costs to fleets and hub operators than if the grid were prepared to serve the needs of zero-emission vehicles.

For example, in the Los Angeles metropolitan area, where the electrification of port drayage operations are likely to drive significant electric M/HD volumes first, grid capacity challenges persist. As discussed in the workshop, Prologis recently constructed a facility to serve trucks serving the ports of Long Beach and Los Angeles in LADWP territory, and while the opening of this site is commendable, the microgrid workaround is evidence that POU's in critical territory (such as in Southern California) do not have the capacity available to meet transportation electrification needs in a timely manner. CARB's Advanced Clean Fleets regulation requires electrification of drayage operations now, but upgrading the grid at this site would have taken up to two years<sup>2</sup>. While the workaround was successful here, temporary solutions like generator powered microgrids add cost and complexity, and these generators must be repurposed once the grid connection can be made. These additional costs to equip sites with generators and build microgrids are not considered in the state's assessment of ZEV feasibility and cost parity, and should not be treated as a substitute for building grid capacity by CEC or the state's utilities and respective regulatory agencies and governing boards.

DTNA is supportive of creative financing solutions, and we applaud Imperial Irrigation District's (IID) efforts to form a Joint Powers Authority (JPA) with local communities as a great model to

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<sup>1</sup> <https://www.cmua.org/Files/Capitol%20Day%202019/CMUA-POU-FAQ-2019-2-4.pdf>

<sup>2</sup> <https://www.freightwaves.com/news/prologis-maersk-launch-heavy-truck-charging-hub-near-socal-ports>

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find the financing needed to build grid infrastructure. While it was successfully organized in that area, replicating this solution across the state would be an arduous, time-consuming process. DTNA urges CEC to consider if and how there may be a role for a statewide mechanism that could serve this purpose and be available to both IOUs and POU's.

IID also discussed how they will not issue "will serve" letters to interconnection applicants, as they focus on their grid being able to meet peak load conditions of existing customers, which do not occur frequently (1-in-10 conditions). DTNA encourages IID and utilities in a similar situation to explore options to serve charging hub loads with interim grid availability arrangements.

### **Additional Topics for Consideration by CEC**

While outside of CEC's charter, it is well understood that AHJ permitting remains a significant source of delays. DTNA encourages the agency to elevate this issue up with the multi-agency Infrastructure Strike Team<sup>3</sup> that has been formed to address transportation electrification. AB 1236 attempts to address these delays, but no single California agency has the ability to enforce this legislation across multiple agencies. DTNA encourages CEC to work with the Governor's Office to find a solution that can be implemented across agencies, including the Federal government agencies such as the US Army Corps of Engineers and the Bureau of Land Management (BLM).

DTNA strongly encourages CEC to urge POU's to adopt the most current IEPR's AATE3 load forecasts for their service territory into their integrated resource plans, and track which POU's have done so by including specific plans in to add upstream grid infrastructure capacity needed to enable M/HD vehicle electrification. Failure to plan for the regulation driven forecasts included within AATE3 is in direct opposition to the state's policy priorities.

### **Conclusion**

DTNA commends CEC for convening this informative workshop, and the utilities that are leaning in to find innovative solutions for M/HD transportation electrification. DTNA encourages these solutions to be shared across all other M/HD TE dockets currently underway in California, and CEC seek to find ways to eliminate red tape around replicable models for faster deployment.

Sincerely,



Alissa Recker  
Engineer, Compliance & Regulatory Affairs

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<sup>3</sup> Infrastructure Strike Team, as convened through Governor Newsom's Executive Order N-8-23, dated May 19, 2023. <https://www.gov.ca.gov/wp-content/uploads/2023/05/5.19.23-Infrastructure-EO.pdf>