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Powering America's Commercial Transportation Comments on Revised Investment Plan

Additional submitted attachment is included below.



PACT

October 22, 2024

The Honorable Patricia Monahan
California Energy Commission
1516 Ninth Street Sacramento, CA 95814
Docket #: 24-ALT-01

Re: Revised Draft Staff Report of the 2024–2025 Clean Transportation Program Investment Plan

I. Introduction

Powering America’s Commercial Transportation (“PACT”) appreciates the opportunity to submit comments on the California Energy Commission (“CEC”) *“Revised Draft Staff Report for the 2024-2025 Investment Plan Update for Clean Transportation Program.”* PACT applauds the CEC’s continued commitment to supporting medium- and heavy-duty charging infrastructure and hopes that these comments will sufficiently demonstrate the critical importance of sustaining such support.

II. About PACT

Powering America’s Commercial Transportation (“PACT”) is a coalition dedicated to accelerating the development and deployment of reliable nationwide charging infrastructure for medium- and heavy-duty (“M/HD”) zero-emission vehicles (“ZEVs”).¹

Our membership comprises stakeholders across the transportation electrification ecosystem, including leading truck manufacturers, charging infrastructure technology providers and developers, commercial fleets, fleet management companies, and utilities.² PACT is committed to promoting productive, cross-sector collaboration to advance policies and regulations that improve access to and reduce barriers for M/HD charging infrastructure. PACT engages nationally on matters related to transportation electrification (“TE”), including but not limited to project

¹ M/HD refers to Class 6 - 8 vehicles, according to the Federal Highway Administration <https://afdc.energy.gov/data/10381>

² PACT membership comprises ABB E-mobility, Amazon, Alpitronic, BC Hydro, Burns & McDonnell, Chateau Energy Solutions, Cummins, Daimler Truck North America, EV Realty, Forum Mobility, Geotab, Greenlane, InductEV, International, J.B. Hunt Transport, Inc., Mortensen, Penske, Pilot Flying J, Pioneer eMobility, PittOhio, Prologis, Voltera, Volvo Group North America, WattEV, and Zeem Solutions.



energization timelines, infrastructure funding strategies, and make-ready programs to accelerate the deployment of M/HD ZEVs and its attendant infrastructure.

III. General Comments on the 2024-2025 Investment Plan

California is undertaking an ambitious effort to reduce greenhouse gas emissions and transition to a clean vehicle future. To achieve this effort, California has established statewide goals including transitioning 100% of operating drayage trucks, off-road vehicles, and equipment to ZEVs by 2035 and 100% of operating medium- and heavy-duty trucks and buses to ZEVs, where feasible by 2045.³ A successful transition to TE is critical to achieving these goals. To that end, the California Air Resources Board’s (“CARB”) Advanced Clean Fleets (“ACF”) and Advanced Clean Trucks (“ACT”) rules set equally ambitious requirements for obligated parties. Furthermore, complying with South Coast Air Quality Management District (“AQMD”)’s Warehouse Indirect Source Rule will drive investments in zero-emission and/or near-zero emission technologies and charging infrastructure by the obligated parties in the South Coast basin. TE is a massive task, and it cannot be achieved without the availability of adequate charging infrastructure. PACT appreciates CEC’s efforts thus far to help achieve California’s decarbonization goals by supporting deployment of M/HD ZEVs and providing funding for charging infrastructure. Additionally, PACT appreciates the work Staff has put into developing this iteration of the Clean Transportation Program Investment Plan and for taking public feedback into consideration for the revised draft.

PACT is particularly supportive of the CEC’s decision to place specific emphasis on M/HD charging infrastructure. M/HD charging infrastructure is distinctly different from that for light-duty vehicles. M/HD charging sites are major construction projects and have physical requirements which differ from those for light-duty vehicles. Site configuration for M/HD charging requires distinct considerations for ingress and egress, turning radii, various charging cable lengths, pull-through lanes, and often higher charging speeds to support larger batteries in commercial vehicles. Moreover, light-duty charging infrastructure cannot necessarily be “upgraded” to support M/HD vehicles. As proposed, the Clean Transportation Investment Plan recognizes that there must be a particular focus placed on the charging needs for M/HD vehicles. PACT hopes that with this differentiation, future funding programs will be structured with the unique needs of M/HD vehicles in mind and looks forward to opportunities to engage further with CEC on the contours of such programs.

³ California Energy Commission “*Revised Staff Draft Report - 2024–2025 Investment Plan Update for the Clean Transportation Program*” pg. 20



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PACT appreciates CEC’s decision to provide dedicated funding for M/HD charging infrastructure, yet these efforts as planned are inadequate. At present, the funding will be helpful but not sufficient to close funding gaps for charging infrastructure deployment. CEC’s own analysis shows that California will need 114,500 chargers by 2030 and 264,500 chargers by 2025 to accommodate the projected number of M/HD EVs in the state.⁴ Significant support will be required if California is to meet those charger needs. PACT hopes that, assuming additional allocations in future fiscal years, CEC will continue to provide essential support for M/HD charging infrastructure.

IV. Response to Questions Posed During October Advisory Committee Meeting

During the Advisory Committee meeting on October 1, 2024, Commission staff posed questions for comment from the Advisory Committee and the public. PACT appreciates the Committee’s efforts to obtain public feedback and provides the following responses.

1. Do you recommend further changes to 2024–2025 funding allocations to help the state equitably expand ZEV infrastructure?

Given the current budget realities in California, PACT does not recommend further changes to the 2024-25 funding allocations. Dedicated funding for M/HD EV infrastructure is critical at this juncture, and not just in light of state budget cuts. Obligated parties must meet the compliance deadlines and targets mandated by CARB’s ACT and ACF rules, as well as the AQMD Indirect Source Rule in Southern California. These deadlines must be treated as firm and as industry has taken the necessary steps to comply with requirements, California must take the necessary steps in support. The CEC’s continued commitment to supporting M/HD EV charging infrastructure is critical for the survival of the industry. Demonstrated support through the allocation of funding provides industry with the certainty needed to make investments in California’s TE future today. Given the number of chargers that will be needed by 2035, **the allocated \$33.8 million for M/HD charging infrastructure should be maintained** in the final Clean Transportation Program Investment Plan.

2. Any recommendations for infrastructure for specific vehicle segments?

As it relates to charging infrastructure for M/HD vehicles, flexibility in site design and location is paramount. Developers should be awarded the greatest degree of flexibility possible in order to accommodate a variety of vehicle use cases, business needs, and charging models. Funding should

⁴ California Energy Commission “Revised Staff Draft Report - 2024–2025 Investment Plan Update for the Clean Transportation Program” pg. 42



be administered with minimal locational requirements to meet the needs of likely “first movers,” allow for consideration of truck traffic and density, and to not artificially constrain developers in a manner that triggers unintended consequences such as grid upgrades. Additionally, geographic requirements – across all funding programs where specified – should be expanded to, at minimum, a 5-mile radius from an Alternative Fuel Corridor.

Funding programs across the state of California are being adjusted in order to better meet the needs of the M/HD vehicle sector. Specifically, “publicly accessible” infrastructure frequently does not account for the unique charging needs for private and shared fleets. “Publicly accessible” charging infrastructure, as commonly defined in relation to M/HD charging infrastructure, may prohibit chargers that are open to multiple authorized commercial motor vehicle operators from multiple companies. PACT encourages the CEC to employ a definition of “publicly accessible” charging infrastructure across all funding programs that also includes equipment that is available to authorized commercial motor vehicle operators from more than one company. This is commonly referred to as “shared charging.” Utilizing this definition of “publicly accessible” will better align CEC programs with current market realities and the unique considerations for fleets looking to transition to M/HD ZEVs, as well as improve consistency across state programs.

V. Additional Recommendations

There is a need for greater coordination among California agencies, particularly CARB, CEC, and the California Public Utilities Commission (“CPUC”), on M/HD charging infrastructure issues. CEC staff, in coordination with various state agencies including the CPUC, CARB, California State Transportation Agency, California Department of Transportation, Governor’s Office of Business and Economic Development, and Department of General Services, has developed the Zero-Emission Vehicle Infrastructure Plan. PACT encourages CEC to move forward with plans to release a draft version of the next ZEV Infrastructure Plan, and use this as an opportunity to take decisive action in support of M/HD charging infrastructure. This is a key moment for California agencies to align on what is needed to meet state goals and support key stakeholders. Furthermore, it is critical that M/HD sites are rapidly energized. The ability of local permitting agencies and electric utilities in particular to move quickly is essential for successful build out of charging infrastructure and value for CEC financial investments. PACT acknowledges the CEC’s role and endeavors undertaken thus far in concert with California’s sister agencies, including the CPUC, CARB, and others, in support of this effort. PACT appreciates California agencies’ diligent work to develop policies and programs for M/HD charging infrastructure that emphasize expeditious energization. While the CEC’s work to date is commendable, we encourage the CEC to continue to accelerate projects and policies that help the state to achieve its ambitious ZEV goals.



The CEC must also take steps to support long-range planning in order to provide industry with the certainty needed to deploy charging infrastructure and purchase M/HD ZEVs. PACT appreciates the CEC's efforts to project funding allocations for future iterations of the investment plan. PACT hopes that in more amenable budget cycles the CEC will continue to prioritize and increase funding for M/HD charging infrastructure.

As relates to CEC programs more broadly, PACT encourages CEC to ensure that M/HD funding programs are run efficiently and are designed to reduce the significant upfront costs of M/HD charging infrastructure without delaying payments. PACT further encourages the CEC to continue engaging PACT members and other real-world implementers to inform and adapt the development of future funding programs.

A. Support for Block Grants

PACT appreciates CEC's continued focus on funding programs to support M/HD ZEVs, including but not limited to the EnergiIZE program.⁵ PACT believes it is imperative that the CEC continue funding these critical programs. The CEC's regularly occurring programs have been impactful thus far in advancing M/HD ZEV infrastructure and PACT believes it is necessary that a portion of the proposed investment continues to flow through block grants. While PACT appreciates the emerging opportunities for clean transportation, core programs to support large-scale infrastructure deployment should not be deprioritized.

PACT encourages the CEC to continue to prioritize investing in existing, streamlined block grants like EnergiIZE or other new, similar projects. At the same time, PACT notes that EnergiIZE as currently constructed contains some provisions (e.g., small project size cap) that limit its effectiveness in supporting larger scale depots. PACT recommends continued consideration of how best to support large-scale charging depots in the near-term, whether through an updated iteration of EnergiIZE, separate targeted solicitations, or a combination of the two.

PACT appreciates the workshops CEC has held to date to solicit stakeholder feedback on potential M/HD ZEV infrastructure funding opportunities. Supplemental resources for supporting M/HD charging infrastructure will be needed and PACT is encouraged to see CEC take the necessary steps to consider how to bring additional resources to the table and provide funding for larger-scale deployments of M/HD ZEV infrastructure projects. PACT strongly encourages CEC to continue workshopping these and additional pre-solicitation concepts. As aforementioned, PACT encourages CEC to consider expanding eligibility for all future funding programs to shared M/HD

⁵ <https://www.energiize.org/>



charging sites. PACT also encourages the CEC to consider expanding future funding opportunities to be equally available to both public and private charging infrastructure. To meet California's regulatory mandates, trucks refueling at private depots and trucks refueling at public stations will both need the necessary infrastructure to continue operations. Furthermore, with respect to meeting regulatory and air quality targets, the benefits provided by electric trucks do not depend on whether the charging infrastructure used is public or private.

The CEC should also prioritize implementing regular funding rounds for existing and any new block grants to enhance the predictability of such programs. To the extent possible, a simple, predictable, and durable cycle of future solicitations for the CEC's EV charging blocks grants would provide applicants with the certainty and market stability needed for more efficient capital planning and the development of higher-quality projects that better meet the CEC's specifications and state infrastructure needs. Even with varying levels of funding, a standardized application window would provide more certainty for applicants working to achieve California's nation-leading EV charging deployment goals.

VI. Conclusion

PACT appreciates the opportunity to submit these comments on the Clean Transportation Program's Revised Draft Staff Report for the 2024-2025 Investment Plan Update. It is critical that the CEC continues to support M/HD EV infrastructure as demonstrated through the current funding proposal. PACT looks forward to further engagement with CEC and Staff to help inform investments in clean transportation.

Sincerely,

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On behalf of PACT