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EVgo Comments on CALeVIP

Additional submitted attachment is included below.

11390 W. Olympic Blvd, Suite 250
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September 5, 2019

California Energy Commission
1516 Ninth Street
Sacramento, California 95814-5512

Re: CALeVIP 2020

Dear Commissioner Monahan:

As the nation's largest and most reliable public fast charging network, EVgo commends the California Energy Commission (Energy Commission) for its leadership in helping the state meet its climate and zero emission vehicle (ZEV) goals and appreciates the Energy Commission's partnership as we continue to develop a robust public fast charging network across California. Today, more than 80% of California residents live within a 15 minute drive of an EVgo fast charger, and we continue to expand our state-leading network including through our participation in Energy Commission programs like CALeVIP.

Fast charging infrastructure is critical to reach the state's increasing population of EV drivers and is especially crucial to enabling electrification for drivers without reliable access to charging at home or in the workplace, residents of multi-unit dwellings who rely on public charging for the majority of their charging needs[1], drivers utilizing key transit corridors, as well as light duty vehicle (LDV) fleets, including car sharing and ride sharing applications. EVgo continues to deliver to expand EV access to these consumers as ZEV penetration grows. In addition to EVgo's more than 1,200 DC Fast Chargers (DCFC) operating across the nation -- more than half of which are in California -- we also completed construction on 100 fast chargers in the second quarter alone, and will have more than 1,350 operational by summer's end. Given California's leadership through funding programs from state agencies such as the Energy Commission, EVgo is on track to double our nationwide capacity by the end of 2020.

Programs such as CALeVIP are critical for increasing the number of fast chargers to propel the state toward its goal of 10,000 fast chargers by 2025. As the Energy Commission looks to implement its next round of CALeVIP funding, EVgo thanks staff for its time and care in developing the 2020 Roadmap and hosting several workshops throughout the state. EVgo respectfully submit the following comments to strengthen CALeVIP and improve program design to maximize deployments.

1. **LCFS is critical for owner-operators of DCFC infrastructure and should not be interfered with in the program design for CALeVIP.**

   EVgo was disappointed to see requirements from the Energy Commission to waive claims to Low Carbon Fuel Standard (LCFS) credits for DCFC between 50kW and 100kW resurface in the presentation from staff. The issue of LCFS credits was already litigated in Q1 as part of CALeVIP

[1]International Council on Clean Transportation, Quantifying the Electric Vehicle Charging Infrastructure Gap Across U.S. Markets (January 2019), p. 9, https://www.theicct.org/sites/default/files/publications/US_charging_Gap_20190124.pdf

Sacramento, and stakeholders overwhelmingly commented in opposition of an LCFS forfeiture, which led to the LCFS requirements being removed from the program manual.

As several stakeholders attested to during the last discussion of LCFS in Q1 2019, forfeiting LCFS greatly diminishes the value of the CALeVIP program for each applicant. While we understand the intent of the Energy Commission to expand the pool of capital available through LCFS credits, the reality is that sites funded through CALeVIP will be at a permanent competitive disadvantage to charging services provided by other non-CALeVIP-funded sites throughout the state.

For owners and operators of DCFC, LCFS is critical for maintaining lower electricity costs to California EV drivers by helping to cover many operating expenses including, in the case of EVgo, a 24-hour call center, operations and maintenance which has led to a 98% uptime across the EVgo network, energy costs, and other related expenses. Removing LCFS from CALeVIP would significantly undermine the program by only encouraging sites to be built by entities not interested in the long-term viability of the chargers, uptime, utilization and other important metrics that lead to successful – and sustainable – DCFC deployments. It would also guarantee that *only* high power chargers – which do not have to waive LCFS – are built meaning that funds would dry up quicker. This would not be an efficient use of funds, as 100kW chargers are not needed at all locations, especially retail centers and other site locations with longer customer dwell times. EVgo strongly opposes the forfeiture of LCFS under this program.

2. **The Energy Commission is preempting CARB's authority by establishing requiring permanent forfeiture for LCFS in CALeVIP.**

CARB regulations clearly state that "for electricity supplied for non-residential EV charging, the *owner* of the FSE is eligible to generate the credits."[2] By requiring applicants to forfeit LCFS, the Energy Commission is preempting CARB's authority. The issue of who claims LCFS should instead be discussed during a CARB rulemaking and not tied to incentives issued by another state agency. Moreover, LCFS credits will continue to accumulate for these charging stations even when the project term expires.

3. **The Energy Commission should focus on creating a more manageable queue to ensure that only the most technically feasible, high value projects may receive a reservation.**

EVgo is pleased to see the success of CALeVIP, and the strong demand that the program has seen. However, the first come, first serve nature of the program coupled with a relatively low barrier of entry for applicants has led to funding being reserved sometimes within days of program opening. Then, the queue of applications takes months for churn as sites must meet certain milestones before they lose their reservations; this is problematic because the low barriers to entry for applications may lead to opportunistic or unfiltered applications. Similarly, we heard during the workshops that many cities were applying only to release RFPs later or forfeit their reservation after the applicant forgot that they had applied in the first place. Together, these lead to a perceived oversubscription of the queue and prevent the most shovel-ready projects from receiving a place in line.

Many incentive regimes across different technologies have seen similar challenges, and EVgo recommends that staff and CSE look to these best practices and lessons learned from other incentive programs to better manage the queue and ensure that the most optimal and sincere applications are being received by staff. Some specific applicant requirements may include

[2]CARB's LCFS Regulations, § 95483. Fuel Reporting Entities.

requirements to submit utility designs within three months of the project application, five-year warrantees to ensure that sites remain operational long after funds are disbursed, a 95% uptime requirement for equipment, or a requirement that says if staff is alerted of a broken charger, the site host or owner-operator will have one month to fix it. Together, all of these additional requirements will help ensure that the most serious actors are committed to fulfilling project requirements while also helping to create a more manageable queue for program administrators.

In addition, while there was much discussion of the long line of reservations as part of CALeVIP, there was no data to demonstrate that all of these projects are credible, or what attrition rates are for the program. Before each webinar moving forward, EVgo recommends that the Energy Commission report regular data on applicant attrition and also ensure that applications are processed in a timely fashion to help churn through the queue.

4. **Reexamine applicant caps to ensure parity among a variety of business models and ensure that a diversity of applications is instead captured by imposing site host limits.**

While EVgo agrees with the spirit of the applicant cap, to ensure a diverse range of charging locations for EV drivers, the cap is incompatible with the owner-operator model which has been the most successful for generating the largest deployment of public fast chargers across the state. EVgo and other owner/operators have established a range of charging site locations, including retailers, public parks, gas stations, hotels, and other entities, where the owner-operator is also the applicant – not the site host. EVgo recommends removing the applicant cap for DCFC and instead putting new requirements in place to ensure caps by site host. This will ensure that CALeVIP applicant caps do not unduly limit participation or favor certain business models over others, while also still ensuring a diversity of locations as intended.

Conclusion

EVgo thanks the Energy Commission for its leadership and looks forward to working closely with staff to accelerate charging deployments to help California meet its ambitious greenhouse gas reduction goals. Please do not hesitate to be in contact if we can answer any questions or be a resource.

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