

**DOCKETED**

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March 30, 2020

California Energy Commission Docket Unit,  
MS-4 Re: Docket No. 19-ALT-01  
1516 Ninth Street  
Sacramento, CA 95814-5512

California Energy Commission:

On behalf of the California Transit Association, I write to you today in response to the release of the **2020-2023 Investment Plan Update for the Clean Transportation Program**. The Plan is an incredibly important document that proposes to advance – *for the first time* – a multi-year funding program for medium- and heavy-duty infrastructure that would provide fleet owners, like the transit agencies we represent, with much-needed certainty on the availability vital infrastructure funding. As a statewide association representing more than 85 transit agencies in state, we greatly appreciate your attention to our industry’s funding priorities, as communicated to you in our November 8, 2019 letter, and your clearly articulated commitment to assisting transit agencies in their transition to zero-emission buses, regardless of the fuel path they choose.

The comments that follow lend greater specificity to the feedback we provided to you at the Advisory Committee meeting on March 3, 2020.

### **Proposed Funding Level and Schedule**

The Plan proposes to invest \$134.8 million in medium- and heavy-duty zero-emission vehicles and infrastructure between 2020 and 2023 on the following schedule:

Category	Funded Activity	2020-2021	2021-2022	2022-2023	2023	Total
Zero-Emission Vehicles and Infrastructure	Light-Duty Electric Vehicle Charging Infrastructure and eMobility	\$92.7*	\$30.2	\$10	-	\$132.9
	Medium- and Heavy-Duty Zero-Emission Vehicles and Infrastructure	\$20	\$30	\$52.2	\$32.6	\$134.8
	Hydrogen Refueling Infrastructure	\$20	\$20	\$20	\$5	\$65
Alternative Fuel Production and Supply	Zero- and Near Zero-Carbon Fuel Production and Supply	\$10	\$10	\$10	\$5	\$35
Related Needs and Opportunities	Manufacturing	-	\$5	-	\$5	\$10
	Workforce Training and Development	\$3.5	-	\$3	-	\$6.5
	<b>Total</b>	<b>\$146.2</b>	<b>\$95.2</b>	<b>\$95.2</b>	<b>\$47.6</b>	<b>\$384.2</b>

This funding category will support infrastructure development for battery-electric and hydrogen fuel cell buses and trucks. This funding category may also support planning and readiness.

As discussed at the Advisory Committee meeting, we believe both the proposed funding level for medium- and heavy-duty zero-emission vehicles and infrastructure and the Plan's commitment to technology neutrality are appropriate. However, we urge the CEC to consider smoothing the distribution of funds for this funding category between years, while striving to front-load its investments to the extent practicable. Front-loading of these funds would not only allow transit agencies to take early actions to deploy zero-emission buses, it would also allow transit agencies to take advantage of key provisions in the California Air Resources Board's Innovative Clean Transit regulation, which credits the early deployment of zero-emission buses.

### **Proposed Eligible Uses and Funding Structure**

The Plan proposes to provide funding to transit agencies and private fleet owners to cover capital expenses for the construction of new make-ready infrastructure and/or the updating of existing fueling infrastructure for zero-emission vehicles.

We generally support funding new make-ready infrastructure; we would urge CEC to strive to complement other funding sources, like the investor-owned utilities' SB 350 make-ready programs, overseen by the California Public Utilities Commission; and the Volkswagen Mitigation Trust, overseen by the California Air Resources Board. Complementarity could mean augmenting the budgets of these programs; funding make-ready infrastructure at transit agencies that fall outside of the service territory of the IOUs; funding project planning and the drafting of infrastructure blueprints; and, allowing funding to be used for infrastructure components not currently covered under existing make-ready programs. These additional infrastructure components could include, but are not limited to: overhead gantry systems needed to support charging infrastructure in space-limited depots; the relocation and site setup costs for temporary depots needed while existing depots are upgraded for zero-emission infrastructure; and, onsite storage infrastructure that would help create redundancies for grid power.

Consistent with the proposal in the Plan for distribution of this funding, we believe funding should be distributed in a manner that prioritizes efficiency, allows for quick receipt of funding by fleet owners, and that ultimately minimizes the cost of administration to the state. As the CEC grows into its role of the state's primary funder of zero-emission infrastructure, we also strongly encourage you to consider how you can make the process of applying for funding more "user-friendly," particularly for transit agencies and small fleet owners that may not have the staff resources to navigate the current grant solicitation process. We specifically support distributing funding through a first-come/first-serve block grant program structure, which has worked well for end-users of other programs, like the ARB's Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project and the CEC's Cal eVIP.

We also urge the CEC to consider establishing a program that supports infrastructure for large-scale deployment, like the ***Draft Solicitation Concept for Zero-Emission Transit Fleet Infrastructure Deployment***, which is pending review by stakeholders now. This program can help prove the viability of zero-emission bus deployment at-scale and develop lessons learned, which could be shared more broadly with the industry and sector

Finally, we believe the adoption of the ICT regulation and the funding challenges faced by transit agencies, necessitates that this funding be distributed no matter the final distribution mechanism with priority to transit agencies. The CEC may actualize this recommendation by establishing a carveout within this concept for transit agencies, guaranteeing that they receive minimum funding level, or

preferential scoring for transit projects.

In closing, we appreciate the opportunity register these comments on the **Concepts for Medium- and Heavy-Duty Zero-Emission Vehicles and Infrastructure** and for our seat on the Advisory Committee for the Clean Transportation Program. We look forward to continuing to engage with you, your staff and your partner agencies, to further the state's goals of widespread transportation electrification.

Please feel free to contact me at 916- 446-4656, if you have any questions about the recommendations provided in this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Pimentel". The signature is fluid and cursive, with the first name being more prominent.

Michael Pimentel  
Deputy Executive Director