

DOCKETED

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Volvo Group North America input to BESTFIT Innovative Charging Solutions draft solicitation (19-TRAN-02)

Additional submitted attachment is included below.



2020-05-26

Christina Cordero
California Energy Commission
1516 9th St
Sacramento, CA 95814

Re: BESTFIT Innovative Charging Solutions draft solicitation (19-TRAN-02 TN232893)

Dear Ms. Cordero:

Volvo Group North America (“VGNA”) respectfully submits its comments on the California Energy Commission’s (“Commission”) BESTFIT Innovative Charging Solutions draft solicitation (“19-TRAN-02 TN232893”).

Introduction

The Volvo Group is one of the world’s leading manufacturers of trucks, buses, construction equipment and marine and industrial engines. The Group also provides complete solutions for financing and service. The company, which employs some 100,000 people worldwide, has production facilities in 19 countries and sells products in more than 190 markets. In the United States, it employs more than 15,000 people and has nine manufacturing plants in six states. In California, the Volvo Group and its dealers employ over 1,000 people with locations in Mountain View, Costa Mesa, Corona, Haywood, Fontana, Stockton, Fresno and La Mirada. The Volvo Group is the only major truck manufacturer that produces all of its vehicles for the U.S. market in the U.S.

As part of the Volvo Low Impact Green Heavy Transport Solutions (“Volvo LIGHTS”), a California Air Resources Board (“CARB”) ZANZEFF sponsored project, we are working with private and public entities in California to gradually introduce heavy-duty electric trucks into customer operations. Volvo LIGHTS is a unique regional partnership to pioneer a range of vehicle, charging and workforce development innovations critical for the commercial success of battery electric trucks and equipment.



Keeping in mind the lessons that are being learned from LIGHTS, below are some specific inputs to the BESTFIT Innovative Charging Solutions draft solicitation.

Specific Comments

- Funding Allocations - VGNA believes the risks for the Commission would be reduced if either the funding available was increased, or the maximum amount per award reduced, such that more than one award can be made in each area of focus. Currently, in the medium- and heavy-duty (MHD) sectors with \$2 million per applicant and a \$4 million total available, it is likely there will be only one awardee in each of the two areas of focus. This is not only a disincentive to applicants, but also risks the overall program success.
- Project Requirements - VGNA recommends clarifying how this grant can be stacked with vehicle purchase incentive programs from the Commission and CARB. For example, the solicitation states vehicle purchasing is excluded from BESTFIT, but significant vehicle costs will likely be a part of any project that is awarded. The ability to stack relevant incentive programs will be extremely helpful.

General Comments

- Overall, the draft solicitation is very good, particularly in the use of a pre-application abstract.
- A seamless statewide charging network for MHD and LD vehicles is critical for scaling transportation electrification. VGNA recommends including language in the solicitation that requires the proposals leverage existing demonstration programs or focus on linking to existing charging networks. This is even more critical for the MHD sector where the charging landscape is currently non-existent. By coordinating with other ongoing Commission and CARB demonstration programs BESTFIT projects will not become stranded assets and the risk of isolated one-off initiatives will be mitigated.



- VGNA believes the Commission should prioritize and award projects that take a longer-term holistic perspective, and show a clear pathway to commercialization. This should be clearly stated in the solicitation. The outcomes of the program should result in strengthening the charging ecosystem for electric vehicles across the state, and therefore promote interoperable standards and best practices in this fast evolving technology space.
- Incentives are critical for the electrification of the MHD sector. Not only are the technology and market landscapes underdeveloped, but costs are significantly higher. Electrification of the MDH sector will take time and require a different approach than LD. Therefore, VGNA requests the Commission consider further prioritizing MHD in BESTFIT, potentially by shifting more funds to that sector, and by clearly delineating the alignment between BESTFIT and other CEC and CARB funding solicitations.
 - VGNA requests the Commission permit the inclusion of vehicle costs as match funding for BESTFIT if there are no vehicle incentive programs that can be stacked with the project.

Thank you again for the opportunity to contribute to this very well targeted draft solicitation, and we look forward to participating. Please do not hesitate to contact us if additional information is needed.

Michael Ippoliti
Public Project Manager
Volvo Group North America
E-mail – michael.ippoliti@volvo.com
Phone - +1 336-501-3834