

DOCKETED

Docket Number:	20-FINANCE-01
Project Title:	Strategies to Attract Private Investment in Zero Emission Vehicle Charging Infrastructure and Other Clean Transportation Projects
TN #:	233272
Document Title:	Tesla Comments - RFI Private Investment Charging Infrastructure
Description:	N/A
Filer:	System
Organization:	Tesla/Francesca Wahl
Submitter Role:	Public
Submission Date:	6/1/2020 4:42:37 PM
Docketed Date:	6/1/2020

*Comment Received From: Francesca Wahl
Submitted On: 6/1/2020
Docket Number: 20-FINANCE-01*

Tesla Comments - RFI Private Investment Charging Infrastructure

Additional submitted attachment is included below.



June 1, 2020

California Energy Commission
Re: Docket No: 20-FINANCE-01
1516 Ninth Street
Sacramento, CA 95814

RE: Strategies to Attract Private Investment in Zero Emission Vehicle Charging Infrastructure and Other Clean Transportation Projects

Dear Fuel and Transportation Division Staff:

Tesla appreciates the opportunity to provide feedback on the request for information (RFI) to increase private investment in clean transportation fuel, infrastructure, and vehicle projects in California. Periodically evaluating current incentive program designs and opportunities for new pilots and initiatives is important to ensure private sector innovation and investment continues to drive toward achieving California's clean transportation and greenhouse gas (GHG) emissions reduction goals.

Tesla is committed to accelerating the deployment of clean transportation. As a California based manufacturer of electric vehicles (EVs) and a provider and operator of charging infrastructure, Tesla has a unique perspective about how to achieve both EV and charging infrastructure goals. Tesla focuses its comments on strategies to increase private investment in the following areas:

- Existing light-duty charging infrastructure program opportunities
- Workforce development and manufacturing
- Municipal-owned fleet infrastructure and parking facilities

I. Existing Light-Duty Charging Infrastructure Program Opportunities

The CALeVIP program and other transportation electrification funding programs in California are important drivers for charging infrastructure investment across various regions in the state. They are important catalysts to help close the current infrastructure gap and achieve the goal of 250,000 EV charging stations by 2025. As the state contemplates strategies to best rebound from the negative economic impacts from COVID-19, investment and jobs in clean energy and transportation projects should continue to be prioritized for their ability to significantly and concurrently aid economic recovery and meet GHG emissions reduction goals. In addition to Tesla's previous comments recommending eligibility modifications to ensure the effectiveness of key Energy Commission programs, we propose an additional amendment to existing programs in order to leverage private investment.¹

The eligibility requirements of CALeVIP and other key light-duty electric vehicle charging infrastructure programs currently restrict Tesla charging equipment from participating given the lack of a universal connector. In 2019, Tesla vehicles comprised an estimated 70% of the all-electric vehicle market in California.² Last quarter, Model 3 was the number one selling vehicle of all vehicle segments³. These new Tesla drivers require an increasing number of charging stations, both Level 2 and Direct Current

¹ Tesla Comments submitted September 6, 2019, "Staff Workshops on the 2020 California Electric Vehicle Infrastructure Project."

²<https://www.cncda.org/wp-content/uploads/Cal-Covering-4Q-19.pdf>

³ <https://www.cncda.org/wp-content/uploads/Cal-Covering-2020-Q1-Combined.pdf>

Fast Charging (DCFC), to support a variety of vehicle charging needs, to mitigate wait times, and improve consumer confidence in charging availability. In addition to drivers with single-family homes with the ability to install Level 2 chargers, there are a growing number of drivers that live in rental units and/or multi-unit dwellings (MUDs) who rely heavily on access to nearby public charging including DCFC. For DCFC, there is no universal connector type that exists today which can be used by all EVs. Therefore, regardless of the technology used for DCFC, it would only serve a certain subset of EVs.

With over 70% of the entire EV market in California, limiting eligibility to important programs, such as CALeVIP, to exclude Tesla charging stations significantly minimizes the ability to deploy charging stations that would be utilized by the majority of California EV drivers. Along with the other modifications previously suggested to CALeVIP, expanding the eligibility requirements to include Tesla connectors for CALeVIP, and potentially other key light-duty electric vehicle charging infrastructure programs the Energy Commission is considering, would leverage private investment in charging infrastructure and would increase the number of stations, utilization of these stations, and would spur job growth and economic development in California.⁴ This, in turn, accelerates the state's ability to meet its charging infrastructure, EV and GHG goals. Meeting these goals and the associated benefits, which include avoided fossil fuel costs, avoided CO₂, and EV driver vehicle O&M savings among other items, is agnostic to vehicle brands, types of vehicles, and types of charging connectors. Benefits largely accrue as long as electric vehicles are adopted, utilized, and displacing fossil fuel vehicles.

II. Workforce Development and Manufacturing

Under the Clean Transportation Program, some funding has historically been allocated to manufacturing and workforce development. Since the inception of the Clean Transportation Program, five solicitations have been issued under the manufacturing category for a total of \$52 million over 24 projects.⁵ More than \$31 million has been invested in workforce projects for more than 17,400 trainees.⁶ For FY 2020-2021, the Energy Commission is not allocating any funding for these categories, but notes that it intends to do so in future years and that “new thinking, approaches, and public-private partnerships to workforce training and development should be explored and leveraged as capital.”⁷

Given the current economic situation, which was not anticipated when the Clean Transportation Program Investment Plan was issued in early March 2020, the Energy Commission should reconsider opportunities for funding to increase public-private partnerships for both manufacturing and workforce development in California. Workforce development can take the form of working with the private sector to provide opportunities for more individuals to receive the training necessary to increase the skills needed for more advanced clean energy and manufacturing jobs (e.g., powertrain, die casting, machining, production control), and ultimately help workers re-entering the workforce to become more competitive for long-term career paths. For example, a retention incentive could be provided for California-based clean vehicle manufacturers to turn temporary workers into full time staff or to convert part-time workers into full-time.

⁴ The eligibility criteria for participation could include setting a cap of the percentage equipment at the site that could be Tesla equipment or limiting eligibility to certain charging use cases and applications.

⁵ FY 2020-2023 Investment Plan Update for Clean Transportation Program Draft Staff Report, March 2, 2020, p.58

⁶ FY 2020-2023 Investment Plan Update for Clean Transportation Program Draft Staff Report, March 2, 2020, p.59

⁷ FY 2020-2023 Investment Plan Update for Clean Transportation Program Draft Staff Report, March 2, 2020, p.60.

III. Municipal-Owned Fleet Infrastructure and Municipal-Owned Parking Facilities

Cities and counties play essential roles in preparing for and enabling transportation electrification. As local governments explore transitioning their fleets to EVs, they need dual support both in terms of programs for easing the burden of upfront expenditures for vehicle purchases and for accessibility to paired charging infrastructure solutions. Building off the successful EV-Ready Communities Challenge that developed blueprints for various cities under the Clean Transportation Program Funding, the Energy Commission could increase its focus on how to best support fleet electrification for municipal owned fleets addressing both the vehicle and charging costs. While California has funding available to reduce the cost of purchasing EVs for fleet use as well as charging infrastructure costs, it is often difficult for municipal fleet managers to navigate these processes. The Energy Commission could partner with the private sector to provide better resources and education on funding opportunities, fleet electrification costs and general support, similar to the idea of the One-Stop-Shop for EV rebates CARB has been evaluating.⁸

In addition to converting municipal fleets, cities and counties often own considerable amounts of parking facilities in highly trafficked commercial and residential areas that could benefit from increased partnerships with private EV charging station developers. A program that encourages municipalities to partner with private EV supply equipment providers could assist in accelerating electric vehicle adoption and increasing private investment. Charging stations at city parking facilities, whether they be Level 2 or DCFC, can increase economic activity in nearby areas, potentially result in parking revenue generated from a paywall, and provide a public service or amenity for residents and tourists. The Energy Commission could consider an incentive program for municipalities who increase EV charging accessibility in publicly owned parking facilities, similar to the capacity-building actions outlined in the City of Berkeley's Electric Mobility Roadmap.⁹ The incentive program funding could be tied to a municipality-wide EV charging action plan that analyzes availability of publicly owned parking facilities for private investment in EV charging infrastructure.

Tesla looks forward to participating in additional discussions to further develop and refine the above concepts on existing charging programs, workforce development and manufacturing and municipal fleet electrification and facilities in support of increasing private investment in transportation electrification.

Sincerely,

Francesca Wahl
Charging Policy Manager, Business Development and Policy

⁸ <https://gridalternatives.org/what-we-do/access-electric-vehicles/one-stop-shop>

⁹ https://www.cityofberkeley.info/uploadedFiles/Planning_and_Development/Level_3_-_Energy_and_Sustainable_Development/Berkeley%20Electric%20Mobility%20Roadmap%20Public%20Review%20Draft%2010.14.19.pdf (p. 34)