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ChargePoint Comments on TERPA Proposal

Additional submitted attachment is included below.



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July 15, 2020

Ms. Patricia Monahan,
Commissioner,
Energy Commission
1516 Ninth Street
Sacramento, CA 95814
Docket: 20-IEPR-02

RE: ChargePoint Comments on TERPA Draft Concept

ChargePoint is the leading electric vehicle (EV) charging network in the world, with scalable solutions for every charging need and for all of the places that EV drivers go: home, work, around town, and on the road. ChargePoint's network offers more than 113,000 places to charge, including more than 58,000 spots in California, and those numbers continue to grow. With thousands of customers in several verticals including workplaces, cities, retailers, apartments, hospitals, and fleets, ChargePoint provides an integrated experience enabling consistent performance, efficiency and reliability at every touchpoint whether one is using a mobile app, plugging into a charger, managing the station or analyzing charging data. On the network, drivers have completed more than 79.7 million charging sessions, saved upwards of 94 million gallons of fuel, and driven more than 2.2 billion electric miles.

ChargePoint appreciates the opportunity to comment on the Transportation Electrification Regulatory Policies Act (TERPA) concept proposal introduced at the CEC's Integrated Energy Policy Report (IEPR) Workshop on June 24, 2020. At a high level, we appreciate the concept's intent to advance EV charging in California. The proposal presents an interesting and unique concept that warrants further discussion and analysis to better evaluate how it may impact the deployment of electric vehicle supply equipment (EVSE) in California. ChargePoint also appreciates the proposal's focus on supporting private sector investment in the deployment of EVSE, and providing for the potential to better quantify the benefits of EVs to the electricity grid. ChargePoint offers the following recommendations as a next step for stakeholder engagement on the TERPA concept:

1. Additional Workshop(s) and Stakeholder Engagement are Needed

While the IEPR Workshop provided an initial overview of the TERPA concept, we strongly believe the complexity and distinctive nature of the proposal warrants an additional workshop dedicated to the topic. This will allow the underlying components, such as the formula for accurately accounting for the Avoided Cost of Charging (ACC) to be explored by stakeholders and staff in more detail. Additionally, we would recommend the staff pursue participation from a broader set of stakeholders, including



representatives from the project finance community, to weigh in on the potential for this model to spur incremental private investment in EV charging, similar to the way PURPA has, in more recent years, supported investment in renewable energy projects. The TERPA proposal would benefit from this dedicated stakeholder process, that will allow for parties to perform a detailed analysis of the model and provide more in-depth feedback on what structure would be needed to be in order to achieve the goals of spurring private investment and increasing EVSE deployment in the state.

2. Further Clarification is Needed to Account for Differences from PURPA Structure

ChargePoint appreciates that the TERPA proposal draws from the existing framework of Public Utilities Regulatory Policies Act (PURPA) of 1978. As referenced in the presentation at the IEPR Workshop, a main goal of PURPA was to encourage energy conservation and more investment in renewable energy, as well as to focus on reduction in cost per kWh for the price of electricity.¹ While PURPA may serve as a qualified backbone comparison for opening up electricity markets to spur a competitive marketplace, there has to be an accurate accounting for the distinct differences of the EV charging landscape to that of power generation.

One of the primary differences is the introduction of a direct relationship between what would be the Qualified Facility (QF) in the TERPA model (the EVSE) and the end consumer of the electricity (the site host and/or driver). This relationship is pivotal to the underlying intent of the deployment of the QF under the TERPA model. With PURPA, the sole purpose of the deployment of the power generation QF is to supply load, and be compensated for that, to a load-serving entity to meet needed energy demand. With EVSE, the primary purpose of deployment is to provide fuel (electricity) to a vehicle, the end consumer of the energy. In California, along with 34 other states, EVSE network operators are allowed to charge by the kWh to recoup the cost of providing this “fuel” to the end user. This is a major difference from the QF model in PURPA, in which the sole compensation mechanism for the delivery of electricity is through the contractual arrangement with a load-serving entity. Preserving the ability for the EVSE operator to directly recoup costs associated with delivery of electricity through a “price to driver” model is paramount to maintaining a competitive, private market for EV charging services.

ChargePoint appreciates that the ACC model seems to be designed to account for this difference and believes that further analysis and discussion is needed in order for there to be broad consensus around the impact of the TERPA proposal to encourage more private investment in EV charging. These factors should also be reflected in what the compensation mechanism and contract “vehicle” will be under the TERPA proposal.

¹ “Public Utility Regulatory Policies Act of 1978 (PURPA)”. U.S. Department of Energy, Office of Electricity. <https://www.energy.gov/oe/services/electricity-policy-coordination-and-implementation/other-regulatory-efforts/public>

Specifically, evaluating the proposed “Request for Proposals” model with a comparison of other potential mechanisms, such as standard offers, tariffs, or auction mechanisms should be explored.

3. Accounting for Value of Grid Services from EVs Needs Further Development

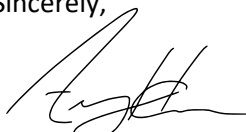
ChargePoint would also recommend that any further stakeholder processes around the TERPA concept explore accurately accounting for the variances of quantifying grid services from managed EV charging, and the reflection of that in ACC. This should include reflection of station utilization over time, as referenced in the proposed ACC calculation. Additionally, there will be an expected reflection of risk associated with the EV charging load not performing as anticipated within the ACC, and more work is needed to ensure that this is both accurately calculated as well as designed to not present any unintended or overly punitive impacts on EVSE deployment.

ChargePoint looks forward to continuing to work with Energy Commission Staff and stakeholders on further discussions around the TERPA concept. As stated above, we strongly believe future workshops and an on-going stakeholder engagement process would be beneficial to further fleshing out the potential of implementing a PURPA-like model for EV charging. We also believe it will be important to address how TERPA would complement existing, successful state grant and incentive programs, such as CALeVIP and CARB’s Low Carbon Fuel Standard program, as well as the significant investments in EV charging deployment from utilities in California.

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Thank you for considering our comments. Please contact me at anthony.harrison@chargepoint.com if you have any questions.

Sincerely,



Anthony Harrison
Director of Public Policy