

DOCKETED

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Enel X Comments on IEPR VGI Workshop

Additional submitted attachment is included below.



July 24, 2020

Ms. Patty Monahan, Commissioner
California Energy Commission
1516 9th Street
Sacramento, CA 95815

Re: Scaling VGI and Charging Infrastructure (Docket 20-IEPR-02)

Dear Commissioner Monahan and Staff:

Enel X North America, Inc. (Enel X) is pleased to submit the following comments on the California Energy Commission's (CEC) Joint Agency Workshop on Vehicle-Grid Integration and Charging Infrastructure Funding, held as part of the CEC's annual Integrated Energy Policy Report (IEPR) effort on June 22 and 24, 2020. Enel X appreciates having had the opportunity to present during the third session on "Scaling VGI and Charging Infrastructure."

We agree that new business models, financing approaches, and sources of capital are needed if California is to rapidly scale its investment in charging infrastructure and succeed in meeting its aggressive clean energy and transportation goal. To this end, we recommended that the CEC and other state agencies should pursue the following policies:

- Adopt "always on" utility tariffs for the standardized provision of supporting infrastructure and services on both sides of the meter;
- Institute new financing mechanisms for utility infrastructure provision through site-specific cost recovery (more or less synonymous with "on-bill financing");
- Establish a public-private EV infrastructure fund with a state-backed loan guarantee to attract patient, institutional capital to EV charging buildout; and
- Monetize VGI, primarily through existing or emerging market pathways, and use revenues to offset payback costs for EV infrastructure

Beyond these recommendations, the CEC's "TERPA" concept presented at the workshop appears a promising construct to meeting the state's long-term charging requirements at the lowest possible cost. TERPA would establish an "Avoided Cost of Charging" (ACC) metric to determine a regional benchmark price for the delivery of required charging energy for different customer segments and charging use cases.

An initial review of the TERPA proposal seems to indicate that it is compatible with Enel X's above recommendations presented at the workshop. Establishing an ACC via a market-driven process would work to right-size public investments in EV charging infrastructure. EV charging providers would look to stack any and all available revenue streams through VGI services, participant payments, and other sources of incentives and funding to arrive at the most competitive bid price. Any funding or budgets adopted by state agencies according to the ACC would overlay the guaranteed, tariffed provision of supporting EV infrastructure and services, and could be structured to reduce the up-front or ongoing costs of EV charging installations, net of external revenue streams, which could be capitalized by utilities in a site-specific cost recovery arrangement.

Enel X shares many commenters' views that further discussions will be required to better understand and hone the mechanics and implementation of the TERPA proposal against its stated objectives. Key issues that appear to be left unresolved or unclear by the workshop presentation include: determining the appropriate administering agency or entity and jurisdictional authority; determining funding sources,



including from existing Clean Transportation Program budgets, along with the potential for TERPA to intersect with investments from Enel X's recommended public-private EV infrastructure fund; and, importantly, better clarifying the relationship and process between bidding into regional ACC solicitations and then actually deploying EV charging infrastructure on the basis of those bids.

Enel X thanks the CEC for its consideration of these late-filed comments and looks forward to continuing collaboration with the agency and other industry stakeholders to scale innovative investment approaches in the EV infrastructure space.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Monbouquette".

Marc Monbouquette
Regulatory Affairs Manager
Enel X e-Mobility