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*Comment Received From: Francesca Wahl*
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## Tesla Comments CALeVIP Eligibility Sept 2020 Workshop

*Additional submitted attachment is included below.*

October 1, 2020

California Energy Commission
Re: Docket No: 17-EVI-01
1516 Ninth Street
Sacramento, CA 95814

**RE: CALeVIP Equipment Requirements and Eligibility September 17, 2020 Workshop**

Dear Commissioner Monahan and Energy Commission Staff:

Tesla appreciates the opportunity to provide feedback on the recent workshop hosted by the California Energy Commission (Energy Commission) on eligibility requirements for the California Electric Vehicle Infrastructure Project (CALeVIP).

CALeVIP is an important driver for investment in charging infrastructure across various regions in the state to help close the current infrastructure gap and achieve the goal of 250,000 electric vehicle (EV) charging stations by 2025. Revised CALeVIP equipment requirements to include Tesla connectors, both Level 2 and Direct Current Fast Charging (DCFC), accelerate California's ability to meet this goal. Tesla's comments below focus primarily on the program benefits of expanding eligibility to include Tesla connectors. Additionally, Tesla responds to comments raised during the September 17, 2020 workshop regarding the proposed Electric Vehicle Infrastructure Training Program (EVITP) certification requirements and additional efficiency parameters for future funding deployment.

## I. Tesla eligible connectors would enable CALeVIP funding to better serve the California EV market and accelerate transportation electrification while growing in-state jobs.

*Tesla vehicles represent a majority of the EV deployment in California today*. Tesla had 72% of the California EV market share in 2019[1] and was the best-selling EV brand in the first half of 2020[2]. Our mass-market Model 3, which is priced similarly to other EVs in this category such as the Chevy Bolt, was the top selling EV in California in 2019, accounting alone for 60% of the new EV market, and was the top selling overall vehicle in California in the first quarter of 2020 and runner-up in the second quarter.[3] Allowing Tesla connectors to be eligible for CALeVIP funding would aid charging infrastructure build out to support a majority of the EVs in California, where all North American Teslas are made.

With no industry standard for DCFC, the current CALeVIP eligibility criteria and resulting DCFC stations fail to serve a majority of the DCFC capable EVs. CCS and CHAdeMO DCFC connectors cannot be used by Tesla vehicles, apart from minimal customer usage of

[1] California Auto Outlook Report Fourth Quarter 2019, California New Car Dealers Association
[2] California Auto Outlook Report First Quarter 2020, California New Car Dealers Association
[3] *Id.*

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CHAdeMO adapters, which must be purchased separately. Expanding eligibility to include Tesla connectors allows for the entire EV market to be served by infrastructure deployed from CALeVIP funding.

*Tesla DCFC stations on average are highly utilized in California and are in high demand as given consistent demand from EV drivers relative to station availability.* Higher DCFC station utilization results in more vehicles being served for each connector funded. Expanding eligibility to include Tesla connectors will result in more effective usage of CALeVIP funding by serving more customers at a higher overall utilization.

To support its drivers, Tesla has built around 50% of the DCFC connectors in California to date.[4] Our typical DCFC sites in California are relatively large stations with an average of 15 or more stalls. Deploying large stations reduces the cost per charger and results in more vehicles served per site, and provides added redundancy and station reliability for drivers in case of equipment outages. Tesla's charging station deployment model focuses on strategic and rapid build-out of charging infrastructure to directly serve vehicle market growth, peak charging demand and to relieve station congestion. Including Tesla connectors as eligible equipment for CALeVIP funding will enable accelerated deployment of EV charging stations, as additional funding would support additional Tesla EV charging stations in the ground, more quickly leading to increased EV adoption in California.

*Tesla eligibility would result in greater in-state economic development.* Tesla vehicles are primarily manufactured and assembled in California. Through the additional infrastructure buildout by expanding eligibility to include Tesla connectors, CALeVIP funding will be reinvesting into electric vehicles made in California, resulting in in-state job growth across technical, manufacturing, and construction fields. Every Tesla job supports an additional 1.5 direct and indirect jobs, which in 2017 translated to over 50,000 jobs in California.[5] In 2017, Tesla also infused approximately $4.1 billion into the state's economy through its supply chain and wages and compensation. Tesla's contribution to the state has continued to grow since 2017.

## II. Tesla connector eligibility per site is limited in scope to ensure all EVs can be served at all charging locations under CALeVIP.

CALeVIP's proposed equipment changes would require that for DCFC, at least 50% of the rebated connectors must be CCS and have at least one CHAdeMO connector. For Level 2, the proposal requires that every Level 2 site must have J-1772 for at least 50% of the rebated connectors. Any EV charging locations that have Tesla connectors and receiving funding from CALeVIP will also provide charging access to non-Tesla EV drivers due to the proposed requirement for co-located CCS, CHAdeMO, and J-1772 connectors. Importantly, the Energy Commission's proposed requirements would maintain flexibility in the size of

[4] https://afdc.energy.gov/fuels/electricity_locations.html#/analyze?fuel=ELEC
[5] IHS Market Economic Consulting, 2018. The Economic Contribution of Tesla in California. Accessed at: https://ihsmarkit.com/research-analysis/the-economic-footprint-of-tesla-in-california.html#:~:text=Tesla%20infused%20approximately%20%244.1%20billion,to%20its%20California%2Dbased%20employees.

charging station site deployments by enabling additional connectors to be deployed beyond the chargers receiving rebates.

Furthermore, as a program participant, Tesla will be required to comply with all existing CALeVIP program requirements such as networking agreements, data sharing, open source communication ability, and EnergyStar certification.

## III. EVITP Requirement Timelines Should Align with AB 841.

During the September 17, 2020 workshop, Energy Commission Staff proposed requiring all projects with a "funds reserved status" after September 1, 2021 to have EVITP certification. At the same time, Staff indicated that the project must use electrical contractors listed on the EVITP website. While Tesla continues to question the necessity of this requirement from a safety perspective—notably during the workshop Staff did not identify any safety gaps or needs not already covered by existing training, code, permitting or interconnection requirements, the start date for the requirement should align with Assembly Bill (AB) 841, signed into law by the Governor, which requires an effective date for EVITP certification as of January 1, 2022 for all new projects funded by the Energy Commission. Furthermore, AB 841 requires the Commission, no later than May 21, 2021, to conduct a workshop to determine whether the EVITP curriculum should be supplemented to include, among other things, training associated with DCFC or medium- and heavy-duty charging infrastructure, which is currently lacking. With these new authorities, we encourage the Commission to carefully assess training needs and capacity to ensure that charging development is not negatively impacted or constrained especially during this difficult economic environment. Finally, being listed on the EVITP website as a contractor should not be a requirement since it is unclear whether the Commission will play a role to ensure the accuracy and timing of publication. Rather it should be sufficient for the contractor to submit their proof of certification when receiving funding. Notwithstanding the requirements of AB 841, Tesla also reiterates the comments submitted on this topic by the Joint EV Stakeholders.[6]

## IV. Project Design Changes Should Maximize Station Deployment.

Several stakeholders at the September 17, 2020 workshop and within previous comments submitted in this docket, have highlighted that CALeVIP program design changes could be implemented to reduce the program attrition rate and ensure expeditious EV infrastructure deployment. For instance, some have indicated that CALeVIP now more closely mirrors a lottery system that is subscribed within hours yet has a high cancellation rate. Additionally, it appears that the current applicant caps may inadvertently disincentivize the owner-operator model within the parameters of program participation. We encourage the Energy Commission to incorporate best practices from other in-state and out-of-state incentive programs in order to reduce attrition and maximize investment.

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Tesla appreciates the opportunity to provide feedback on the proposed eligibility requirements and training certification. We support the Energy Commission's recommended

[6] https://efiling.energy.ca.gov/GetDocument.aspx?tn=234156&DocumentContentId=66992

CALeVIP eligibility enhancements and look forward to continuing to work with stakeholders and staff as eligibility and requirements are refined and finalized.

Sincerely,

Francesca Wahl
Senior Charging Policy Manager, Business Development and Public Policy