

DOCKETED

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PG&E Responses to RFI on MD and HD Loan Program

Additional submitted attachment is included below.

October 1, 2021

California Energy Commission
Commissioner Patty Monahan
Docket Number 20-FINANCE-01
1516 9th Street
Sacramento, CA 95814

RE: Pacific Gas and Electric Company Responses to the Request of Information issued by the CEC on the Medium- and Heavy-Duty Zero Emission Vehicle Charging and Refueling Infrastructure Potential Loan Program (Docket Number 20-FINANCE-01)

Dear Commissioner Monahan,

Pacific Gas and Electric Company (PG&E) appreciates the opportunity to provide responses to three of the questions asked under the request for information (RFI) issued by the California Energy Commission (CEC) on August 24 on the medium-and heavy-duty (MDHD) zero emission vehicle (ZEV) charging and refueling infrastructure potential loan program.

The CEC is accepting public comments under this RFI to inform staff of the current state of the MDHD ZEV infrastructure market and establish if there is demand for a loan program in this area. The RFI seeks feedback on seven questions regarding MDHD ZEV infrastructure and demand. PG&E offers responses to the following questions:

- 1. Question Number One:** What vehicle segments, vocations, and/or locations of the medium- and heavy-duty clean transportation infrastructure system are most amenable to a loan program at this time? Additionally, what portions of infrastructure are most amendable (e.g. in front of the meter, behind the meter, EVSE, transformers, etc.)? What evidence exists to substantiate these claims?*

PG&E believes that schools would be a good fit for a loan program since they cannot purchase electric buses without the assistance of grant programs or outside funding unlike other business segments. For example, some small businesses and cities and counties can purchase a \$70,000 to \$90,000 medium-duty ZEV without the need for outside funding, while school districts may struggle to purchase a \$400,000 bus without financial support.

In addition, customer segments that need to pay higher ZEV incremental costs should be a focus of this loan program, as well as organizations that might not have the financial means to pay those incremental costs.

Since many PG&E programs pay for a portion of the ZEV Infrastructure up to the meter, it would be helpful if the loan program could support behind-the-meter infrastructure, which includes the meter

panel to the base of the charging stations, as well as the charging stations themselves to deliver maximum effectiveness.

PG&E has worked with customers who have dropped out of the electric vehicle fleet program after learning about the 'out-of-pocket' costs they would incur for behind-the-meter infrastructure and the charging station. Several customers have indicated that they do not have the funds to pay for the behind-the-meter portion of the project even after considering what they would receive from PG&E in the form of behind-the-meter incentives.

2. **Question Number Three:** *How should a loan program be structured to deliver maximum effectiveness? What design features matter most to induce private capital participation? How can a loan program work optimally with public programs like the LCFS, the Renewable Fuel Standard and others of relevance? In particular, how can a loan program be structured to work alongside grant programs run by the state and other entities?*

PG&E notes that Clean Energy Works has done work on the costs of moving school buses to electrification, including a financial analysis of electrification for a California school district. PG&E recommends looking at this analysis from Clean Energy Works:

<https://www.cleanenergyworks.org/resources/>.

The Clean Energy Works document provides suggestions on how to structure a loan program that addresses much of the upfront cost to build EV charging infrastructure as well as for purchasing ZEVs.

3. **Question Number Seven:** *Are there any other thoughts or recommendations that you would like us to consider?*

PG&E generally supports investigating and designing mechanisms that can help enable customers to make holistic energy investments without artificial regulatory, programmatic, or funding-source barriers. PG&E agrees that the scope of any MDHD ZEV loan program should examine all financing options and develop appropriate financing mechanisms to meet all stakeholder needs, including the expansion of charging infrastructure development needs.

PG&E recommends that any loan program for MDHD ZEV that is defined by the CEC should be coordinated with the financing approaches and pilot projects done within the CPUC's Clean Energy Financing Options (CEFO) Proceeding (Rulemaking 20-08-22). Consideration of all currently approved pilots will help avoid customer confusion and program implementation complexity by ensuring either complete alignment or finding that existing consumer protection measures are adequate to meet any requirements adopted in this effort. PG&E also supports the CEC's focus on equity and inclusion and recommends ensuring MD/HD ZEV financing opportunities are available for underserved communities as well as exploring financing options for women-and minority-owned businesses.

PG&E appreciates the opportunity to provide these comments. PG&E looks forward to a productive proceeding in furtherance of our shared goals in helping customers make holistic clean energy investments.

Sincerely,

Licha Lopez
CEC Liaison