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09-ALT-1

DATE MAY 25 2010

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California Energy Commission
Dockets Office, MS-4
Re: Docket No. 09-ALT-1
1516 Ninth Street
Sacramento, CA 95814-5512

Docket No: 09-ALT-1

Subject: 2010-2011 Investment Plan for the Alternative and Renewable Fuel and Vehicle Technology Program – SECOND REVISED Draft Staff Report

Dear Commissioners:

The California Electric Transportation Coalition (CalEETC) appreciates the opportunity to comment on the *2010-2011 Investment Plan for the Alternative and Renewable Fuel and Vehicle Technology Program—SECOND REVISED Draft Staff Report*. CalEETC is a non-profit association with a board of directors that includes: the Los Angeles Department of Water and Power, Pacific Gas & Electric, Sacramento Municipal Utility District, San Diego Gas & Electric and Southern California Edison. California will be a major focus of initial mass marketing of a new generation of plug-in electric vehicles (PEVs). PEVs provide significant environmental and economic benefits. For the purposes of our comments PEVs include both battery electric vehicles and plug-in hybrid electric vehicles. The following comments are additions to our previously submitted comments on the first version of the Draft Staff Report and pertain to the *Electric Drive* section:

The current allotment of \$3 million for Infrastructure and Related Activities is not consistent with the anticipated fast-growing market for PEVs in California or the CEC’s projected need for PEV infrastructure from the September 2009 workshop. We recommend increasing the amount allotted to infrastructure to a minimum of \$7.5 million in the 2010/11 to at least match what was allocated in the 2009-2010 timeframe.

CalEETC expects that the number of PEVs coming to California will dramatically increase in the next 5 years. Our estimates for PEVs in California are based on information from the major auto makers and twelve external studies by entities including Tiax, Charles River Associates, Electric Power Research Institute and the California Air Resources Board. It should be noted that California is considered a key market for PEVs as hybrid vehicles have sold very well in California relative to other states. Although only about 10 percent of the new vehicles sold in the U.S. are sold in California, California represents approximately 18 percent of the new vehicle market for hybrid vehicles. This factor, along with the impacts of the economic slowdown, was considered in CalEETC’s projections for PEV sales. In the 2015 timeframe, CalEETC PEV projections range from a low of 125,000, mid-range of 250,000-275,000 and high of approximately 450,000. These



estimates represent cumulative numbers of vehicles sold between 2010 and 2015 and CalEETC believes the mid-range projection to be the most likely.

There is consensus on the benefits of residential charging from the perspective of improving grid reliability, safety and efficiency. Residential recharging also has many benefits for consumers and we are pleased that the CEC is supportive of funding for residential recharging in addition to the needed workplace and public charging. Clean Fuels Connection has estimates for the cost of charging Level II infrastructure based on their own installation efforts. Their data indicates that a single residential recharger, on average, will cost the consumer \$1,500-\$1,700 depending on the need for panel upgrades. A single commercial recharging unit, on average, will cost about \$2,500.

To come up with a conservative estimate of dollars needed to for the Electric Drive Infrastructure category of the 2010/11 Investment Plan CalEETC considered what it would cost to provide incentives for desirable residential charging units for the minimum number of vehicles projected in the 2015 timeframe. For the purposes of this exercise, CalEETC assumed that \$400 would help defray about 25 percent of the cost of a residential charging unit. CEC provided approximately \$6 million in infrastructure incentives in the 2009/10 period, \$3 million per year. If CEC were to ramp up the amount of incentive dollars dedicated to infrastructure for just home charging for each year 2010-2014, then approximately \$8 million would be needed each year just to meet the lowest estimates for vehicles (125,000) and just for home recharging. If CEC committed to funding additional workplace and/or public charging as well, than either less home recharging incentives would be available or more dollars would need to be allocated to infrastructure for the Electric Drive Infrastructure category.

CalEETC recommends at least \$7.5 million be allocated for infrastructure for the 2010/11 Investment Plan with the understanding that the investment will need to increase to at least \$12 million in the following year This level of funding is, in our opinion, the minimum needed to help with the early market and increase the likelihood of successful large-scale deployment of plug-in electric vehicles in the state.

Thank you for the opportunity to provide these comments. Please call should you have any questions.

Sincerely,

Eileen Wenger Tutt
Executive Director
California Electric Transportation Coalition

EWT/kmg