

**DOCKETED**

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## **VGI and Funding Programs**

*Additional submitted attachment is included below.*

July 15, 2020

California Energy Commission  
1516 Ninth Street  
Sacramento, CA 95814-5512

**RE: Docket Number 20-IEPR-02**

Commissioner Monahan,

EVgo commends the California Energy Commission (Energy Commission) for its leadership in helping the state meet its climate and zero emission vehicle (ZEV) goals and appreciates the Energy Commission's partnership as EVgo continues to develop a robust public fast charging network across California.

Headquartered in California, EVgo owns and operates direct current fast chargers (DCFC) at over 800 locations across the United States. In California, where more than half of the EVs in the U.S. are currently located, EVgo's network of fast chargers grew by 40 percent in 2019<sup>1</sup>. EVgo manages more than 300 fast charging locations, connecting more than 80% of Californians to an EVgo fast charger within a 15-minute drive. In 2019, EVgo also became the first North American charging market to be powered by 100% renewable energy.

EVgo thanks the Energy Commission for including the EVgo team in its panel on June 24 as part of joint workshops between the Energy Commission and the California Public Utilities Commission (CPUC). EVgo has detailed its comments in follow-up to the workshops on June 22 and 24 and offers itself as a resource to the Energy Commission as it continues to iterate on future charging infrastructure programs.

Sincerely,



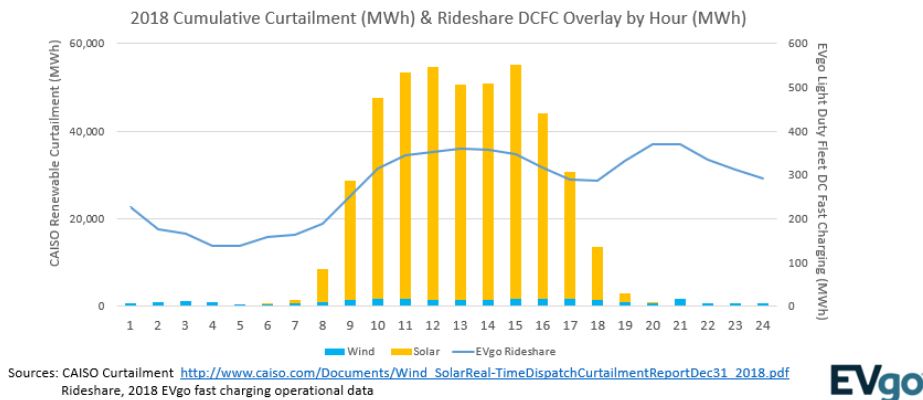
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<sup>1</sup> <https://www.evgo.com/about/news/evgo-announces-40-percent-growth-in-its-california-fast-charging-network/>

## 1. Fast charging provides grid benefits and helps to reduce solar curtailment.

As discussed during the June 24 workshop, historical operational data from EVgo's network demonstrates that fast charging can elevate midday demand for fast charging, mitigating solar curtailment. This is apparent both in terms of rideshare and fleet charging, as seen below, but also the EVgo public network, where approximately 45% of personal use charging takes place between 9AM-3PM solar hours and 75% takes place between 9am and 6pm. This occurs naturally without price signals, as fast charging naturally takes place during the day when EV drivers are running personal errands, such as grocery shopping. As such, DCFC offers one of the better use cases for renewables integration and VGI, especially solar.



## 2. EVgo supports the exploration of new program design structures such as TERPA but urges the Energy Commission to also prioritize near-term reforms to CALeVIP.

In comments filed earlier this summer<sup>2</sup>, EVgo encouraged the exploration of a formula-based, “always open” statewide program<sup>3</sup> to ensure statewide EV charging access. EVgo is interested in the Energy Commission’s idea of TERPA if it aligns with those principles but has several questions as it relates to its implementation and operationalization, timeline, and funding source which will warrant further discussion and possible workshops.

EVgo looks forward to further engagement with the Energy Commission on the future of program design for light duty charging infrastructure programs. In the meantime, EVgo suggests that the Energy Commission prioritize program design reforms to CALeVIP, its flagship infrastructure program which only launched in the DCFC space at the end of 2018. As it stands today, the current structure of CALeVIP has a number of opportunities for improvement to better leverage private investment in order to more expeditiously deploy charging infrastructure.

First, given challenges with managing the queue of projects under CALeVIP, coupled with low barriers to entry, each solicitation has been fully subscribed within hours, and the queue is often clogged with largely speculative bids with a high cancellation rate. These issues create much uncertainty for private investment, as it is unclear when submitting an application if the site will receive an award. In the meantime, it is challenging for private market participants who must

<sup>2</sup> See Docket Number 20-FINANCE-01.

<sup>3</sup> One challenge with region-specific solicitations is a potential bottleneck at local utilities and permitting agencies that have to simultaneously accommodate a large one-time wave in applications.

communicate this uncertainty to site hosts and keep them interested in building out charging on the program’s elongated timetable.

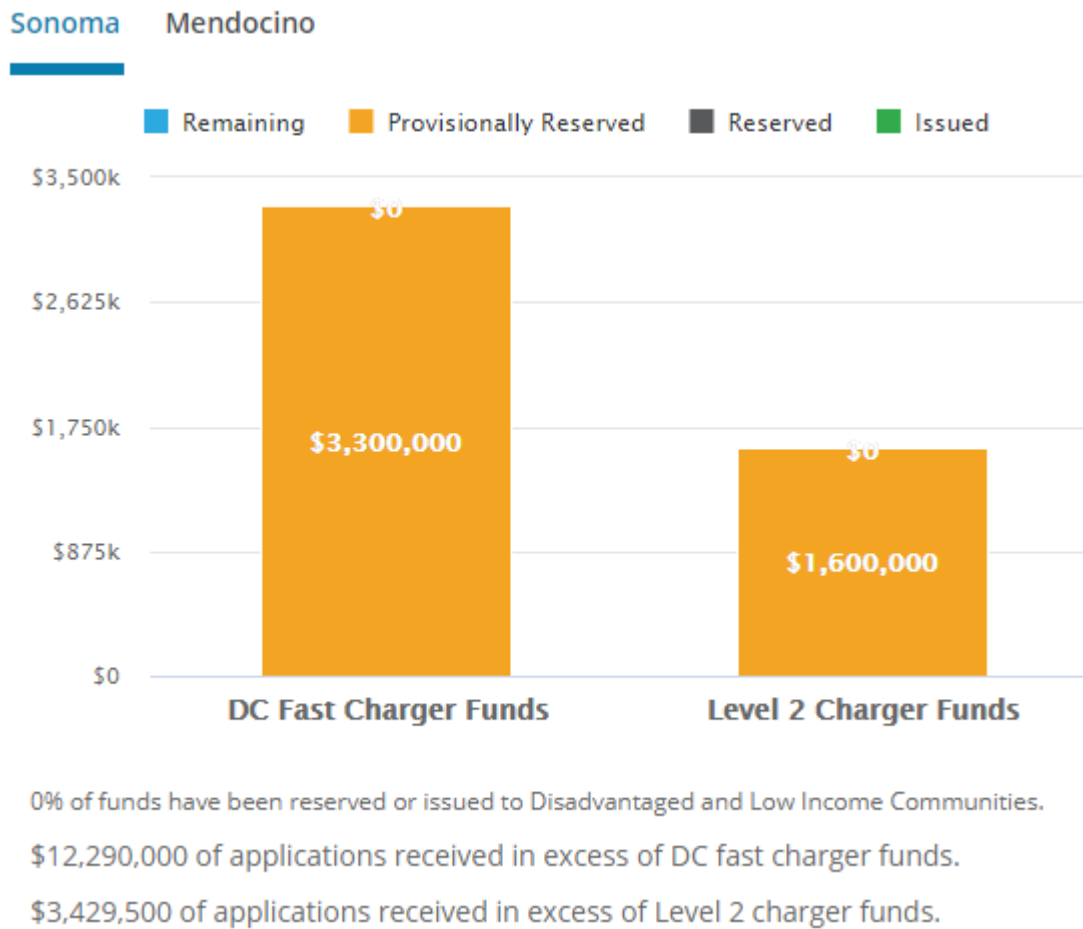


Figure 1 This screenshot, taken on July 15, 2020, shows that the Sonoma program is already oversubscribed by over \$12MM. Oversubscription and high cancellation rights can be rectified with program design changes. For up to date information, see: <https://calevip.org/incentive-project/sonoma-coast>

EVgo was encouraged by new requirements for utility design submission within 60 days of the program and is interested to see how this new requirement will affect the oversubscription rates after 60 days. However, even if several speculative applications fall through after 60 days, the clock will begin on another set of applications to go through the 60-day process, and this “churn” will continue every 2 months until the queue is resolved. Therefore, while this was an important first step, given that each tranche of applications in the queue will each need to go through their own 60-day period, the time from application date to funds issued will still not meet the pace necessary to ensure timely deployments under this program. Therefore, more upfront requirements are necessary to ensure that only the most serious applications are received by the Energy Commission, and that speculative applications do not clog the queue for others. Other DC fast charging programs with less funding than CALeVIP have been able to overcome these challenges through program design elements, and as discussed in the workshop, EVgo encourages the Energy Commission to

explore these best practices.<sup>4</sup>

Second, lack of flexibility in siting criteria unnecessarily limits eligibility to specific use cases and areas (e.g. excluding house of worship even in commercial districts, or prohibiting night gates, which can impede construction in downtown, urban locations where stand-alone parking garages and night gates for security are more common and fast charging demand is highest). Again, EVgo encourages the Energy Commission to look at best practices from other established programs and to prioritize flexibility in a rapidly evolving market.<sup>5</sup>

Third, applicant caps inherently disfavor the owner-operator model, the most prevalent model in the DCFC space.<sup>6</sup> Owner-operators like EVgo develop, own, and operate charging networks, provide network management services to others who own charging assets, work with hardware vendors to specify equipment, and develop bespoke software to meet its network needs. One key advantage of the owner/operator model is sustained alignment with driver interests in maximizing reliability and convenience of charging. In this way, the owner-operator model is well aligned with the customer, as owner-operators are incentivized to locate EV chargers in places where there is the highest consumer demand.

Owner-operators install at a variety of site locations, including national grocery store chains, small businesses, town centers, and other locations that are convenient to where EV drivers live, shop, and run their essential errands. However, applicant caps in CALeVIP limit the business model of the owner-operator in favor of manufacturers or networking service providers who are not subject to applicant caps because they can sell their equipment to an *unlimited* number of applicants to CALeVIP. As such, EVgo recommends that the applicant cap in the DCFC space be applied at the site host level rather than applicant level. This will still ensure that a diversity of site hosts are served by CALeVIP, and additionally, owner-operators often use a variety of equipment providers, which will also encourage the diversity that the Energy Commission seeks.

EVgo appreciates staff's willingness to listen to constructive ways to improve the current iteration of CALeVIP and looks forward to continued engagement in the coming years as the program.

## Conclusion

EVgo thanks the Energy Commission for its leadership role in accelerating charging infrastructure investments throughout California. Private sector innovation accompanied by public sector investment will significantly accelerate maturation in the EV charging space, especially in DC fast charging<sup>7</sup> given the

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<sup>4</sup>The LADWP program LADWP requires that the applicant "complete the EV Charging Station Request Forum found at [ladwp.com/ev](http://ladwp.com/ev) and work with LADWP to ensure that the utility infrastructure is sized for the incremental load resulting from your planned deployment. You will need to obtain a Service Commitment Letter or EV Service Design Engineering Review Confirmation issued by LADWP in connection with the planned deployment before applying." Washington Department of Ecology had a similar requirement in their recent Appendix D solicitation.

<sup>5</sup> During the June 24 workshop, EVgo shared the example of the Bay Area Air Quality Management District, an experienced program administrator whose program has evolved with time and requires that "all funded charging stations must be available for use by the general public at least 250 days per year, for at least 8 hours per day during normal business hours with the exception of MDU facilities which are subject to case-by-case projects."

<sup>6</sup>According to AFDC data from February 2020, approximately 80% of DCFC connectors in the U.S. were built under the owner-operator model.

<sup>7</sup> For more information on the cost stack of installing and operating DC fast chargers, EVgo recommends its recently-issued whitepaper at [https://www.evgo.com/wp-content/uploads/2020/05/2020.05.18\\_EVgo-Whitepaper\\_DCFC-cost-and-policy.pdf](https://www.evgo.com/wp-content/uploads/2020/05/2020.05.18_EVgo-Whitepaper_DCFC-cost-and-policy.pdf).

complexities of the cost stack<sup>8</sup>. Additionally, DC fast charging also provides opportunities to unlock grid benefits and reduce solar curtailment. EVgo looks forward to working in collaboration with the Energy Commission to usher in a new era of ZEV adoption in California.

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<sup>8</sup>In addition to the whitepaper cited earlier, EVgo filed additional comments on this topic in Docket Number 20-FINANCE-01: *Strategies to Attract Private Investment in Zero Emission Vehicle Charging Infrastructure and Other Clean Transportation Projects*.