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CEC docket 20-EVI-01 – CEDMC comments on Draft Solicitation Concept - Second Block Grant

The California Efficiency + Demand Management Council (“The Council”)¹ appreciates the California Energy Commission’s (“CEC”) efforts to promote the development of electric vehicle infrastructure development efforts. The Council is pleased to offer these comments on the CEC’s Draft Solicitation Concept – Second Block Grant which addresses issues related to Light-Duty Electric Vehicle Charger Incentive Projects.

I. Background

The Council is a statewide trade association of non-utility businesses that provide energy efficiency, demand response, and data analytics services and products in California.² Our member companies employ many thousands of Californians throughout the state. They include energy efficiency (“EE”), demand response (“DR”), and grid services technology providers, implementation and evaluation experts, energy service companies, engineering and architecture firms, contractors, financing experts, workforce training entities, and manufacturers of EE products and equipment. The Council’s mission is to support appropriate EE and DR policies, programs, and technologies to create sustainable jobs, long-term economic growth, stable and reasonably priced energy infrastructures, and environmental improvement.

II. Summary

¹ The views expressed by the California Efficiency + Demand Management Council are not necessarily those of its individual members

² Additional information about the Council, including the organization’s current membership, Board of Directors, antitrust guidelines and code of ethics for its members, can be found at <http://www.cedmc.org>. The views expressed by the Council are not necessarily those of its individual members.

The CEC states that the goal of this solicitation is to seek a block grant implementer to design and implement grants funds for various light-duty electric vehicle (EV) charger incentive projects throughout California as part of its Clean Transportation Program. This will build upon other CEC activities funded by Assembly Bill 118 (2007) and extended by Assembly Bill 8 (2013).

We commend the CEC's activities to date to support EV adoption. Thanks to these activities, thousands of charging stations are being deployed across the State and an increasing number of Californians are choosing EVs. And yet, more must be done to achieve the State's ambitious ZEV mandate and to ensure that EVs are a choice available to all Californians. The Second Block Grant holds the promise of expanding access and furthering equity, while also addressing some of the administrative challenges of past programs.

III. The Application Process - Second Block Grant Should Replace the First-Come, First-Served Approach

The first-come, first-served approach used by the California Electric Vehicle Infrastructure Project ("CALeVIP") programs have quickly allocated funding, but the outcomes are not efficient or equitable. Organizations with large resources can submit many, near-simultaneous applications at the opening of funding, where other less resourced parties would be fortunate to submit one before funding is exhausted. The well-resourced organizations who receive funding may well have been able to complete their project without grant funds. Or, in some cases, applications submitted on a speculative basis may fall through and lead to a reallocation procedure. We acknowledge the difficulty of designing a system that simultaneously achieves the objectives of speed, efficiency and equity. Yet, it's time to try a different approach.

Our recommendation is to establish two pools of funding for different types of charging and use a clear, points-based system for awarding funding from each pool. The system must remain fairly simple for transparency and ease of administration. The pools for types of charging can be DC fast charging and Level 1 or Level 2 charging, each meeting a different need in enabling EV adoption. Additionally, the Energy Commission should consider creating pools for multifamily, as well as equity and low-income. To award points, location and funding per port are two easy to measure criteria that would go a long way toward achieving goals of efficiency and equity. Using such criteria, all applicants would be invited to submit their projects by a specified deadline. Projects would be scored and ranked within their type of charging pool and funding allocated from the highest to lowest ranked projects until exhausted. This would

result in many more charge ports deployed and in more desired locations than the current first-come, first-served approach.

IV. The Draft Solicitation – Second Block Grant Should be Accessible to All Types of Organizations

The primary goal of this funding is “to develop and deploy innovative technologies that transform California’s fuel and vehicle types to help attain the state’s climate change policies.” The Council believes it benefits all Californians to have the second block grant administered by an organization that offers the best combination of price and capabilities to meet this ambitious goal. In addition to this primary goal, the Clean Transportation Program states complementary goals of improving air quality, investing in low-income and disadvantaged communities, promoting economic development, increasing alternative fuel use, and reducing petroleum dependence. Ensuring inclusion of a broad and diverse set of organizations in the solicitation process will increase the variation of ideas and approaches, increasing the likelihood of a proposal that delivers on these elements.

In the Draft Solicitation, the criteria for eligible applicants includes “all not-for-profit technology entities located in California. For the purpose of this solicitation, a not-for-profit technology entity is defined as an entity filing as and operating under the Internal Revenue Service’s requirements of a 501(c)(3) corporation and organized to advance transportation technologies.” We are aware of no reason that the solicitation’s objectives could only be met by a 501(c)3. In fact, many private for-profit firms (both within and outside of our membership) have extensive experience administering clean energy and clean transportation programs and have invested in considerable staff and technical capabilities to that end. If these firms are also permitted to compete for this solicitation, those investments can be productively brought to bear in helping to achieve California’s EV deployment goals. By not allowing for-profit firms to compete, the CEC is stifling innovation and giving a competitive edge to a limited pool of eligible organizations.

V. The Draft Solicitation – Administrative Costs Cap Should be Raised or Removed

The Draft Solicitation lists an administrative cap of 7%, and during the Pre-Solicitation Workshop the question was asked about appropriateness of such a cap.

While we agree that minimizing administrative costs are in the best interest of meeting the Program's objectives, the Council cautions against arbitrary caps which can stymie innovation and investment in California's clean energy programs. If a cap is nevertheless deemed necessary, we recommend raising it to 15%, while maintaining the emphasis for bidders to be as cost effective as possible.

VI. Conclusion

The Council appreciates the opportunity to provide comments on this important issue. Based on the arguments presented above, The Council recommends that the Energy Commission adopt the proposals and recommendations provided above.