

December 16, 2016

Honorable Mary Nichols

Chair, California Air Resources Board

1001 I Street

Sacramento, CA 95814

**RE: Electric Vehicle Charging Association Comments regarding the VW Settlement Investment**

Dear Chairwoman Nichols:

The Electric Vehicle Charging Association (“EVCA”), the state-level trade association representing companies that manufacture, install and manage EV charging equipment, infrastructure and services, appreciates the opportunity to provide these comments regarding the VW Settlement Investment (“Settlement”). EVCA previously presented at the California Air Resources Board’s Workshop on the VW Settlement investment on December 2, 2016.

The VW settlement establishes a California zero-emission vehicle (“ZEV”) investment plan separated into four separate investment tranches over ten years, including a Green City Commitment, investments in infrastructure including disadvantaged communities, and a Mitigation Program California investment of more than $381 million, of which 15% can be directed to ZEV infrastructure.

The consent decree provides the Air Board with broad discretion to approve or reject each of the VW investment plans. As set forth on page 19 of the consent decree, CARB may (a) approve the Submission; (b) approve the Submission upon specified conditions; (c) approve part of the Submission and disapprove the remainder; or (d) disapprove the Submission.

As such CARB has the opportunity and responsibility to ensure that VW’s investments are harmonized in intent and implementation with California’s policies governing EV investments generally, such as SB 350 and AB 118, which uphold an approach favoring continuing innovation and promotion of a competitive marketplace.

In reviewing these investments *in toto*, EVCA offers these high level principles that should help guide the California Air Resources Board’s approach. The investments should:

* Promote collaboration with the private sector, utilities, other state agencies, drivers and other stakeholders to ensure that investments are well-coordinated.
* Leverage innovation and competition and provide customers with choices to improve the EV charging experience for consumers and make it accessible to all and affordable.
* Support expeditious deployment with a goal of reducing regulatory barriers generally.
* Promote innovative, sustainable models so that other sources of potential funding -- such as other private sector investment are maximized -- and infrastructure can be updated and maintained.

We address these principles in further detail as follows:

1. **Collaboration** To reach 1.5 million zero emission vehicles in California, we are going to need to smartly allocate every investment dollar we can find.
   1. Our companies have already deployed tens of thousands of charging outlets in California.
   2. In addition, the major investor-owned utilities are on track with plans to deploy another 40,000 charging outlets, including 30,000 in SCE [check - this is a Phase 2 #], 3500 by SDG&E and 7,500 likely in PG&E. These plans in total, including the proposed decision in PG&E, successfully emphasize and support partnerships between utilities and non-utility players, maximizing the number of stations, protecting competition and innovation and protecting ratepayers.
   3. Additional local publicly-owned utilities like LADWP, Burbank, SMUD, the Energy Commission, air districts and organizations like NEDO are deploying thousands more.
   4. The Air Resources Board will need to coordinate carefully with all of these entities to ensure that stations are deployed in a manner that does not duplicate existing efforts or frustrate other critical state policy objectives, such as avoiding harm to the competitive market or overlooking underserved communities.
   5. EVCA’s members are very interested in working with the Air Resources Board as it works with VW to invest the funds for California in both Appendix C and D, and with the proposed Green City.
2. Investments should support **innovation, competition and customer choice**.
   1. The VW plan should include conditions that promote overall competition within the industry.
   2. Currently, the industry is providing competitive pricing and market rates for EV users. Market participants are offering a variety of products, technologies and business plans, diversifying the market and promoting innovative solutions to charging needs. The EV industry is innovating daily on storage capacity, battery life and technologies to support charging stations.
   3. The plan that is adopted by CARB and VW should maintain the integrity of this competition and allow for multiple bids for service across the contemplated investments. New innovations should be fostered as they come to market.
   4. Charging stations are also being developed to draw upon power from a variety of sources, including solar panels. The investment should not be limited to one type of charger, but rather be open to systems that address a variety of circumstances and needs and possess the potential to improve the driver experience
3. **Streamline** the approval process for all EV charging.
   1. While AB 1236 streamlined the regulatory process in larger cities, our members continue to experience regulatory delays in those jurisdictions not governed by that law. EVCA recommends that VW EV charging investments be prioritized to those communities that have adopted streamlined regulatory procedures set forth in AB 1236. The point is to ensure that investment funds are used as efficiently as possible and progress is not hindered by red tape.
4. **Promote innovative, sustainable models** so that other sources of potential funding are maximized and infrastructure is updated and maintained.
   1. EVCA urges the Air Board to consider models such as rebate-based approaches or the “make-ready” approach -- widely used by public and investor-owned utilities -- under which costs are significantly reduced and consumers are given a choice of charging equipment. This partnership approach encourages competition, innovation and the continuing growth of California’s clean energy sector.
   2. An approach that leverages partnership also frees up funding for maintenance. The ZEV Investment Plan provides for 10 years of investment funding that can be used for both construction, operation and maintenance of ZEV infrastructure. EVCA stresses the need to ensure that equipment that is installed is maintained. All EVCA members who provide charging also provide servicing options and we believe that it is important to ensure that stations, once installed, are maintained and operational at high service levels.
   3. EVCA suggests that partnerships with site hosts should be structured to ensure that stations are maintained over the lifetime of the equipment, a timeframe that typically extends well beyond each two and half year commitment period set forth in the consent decree. We suggest that investment plans provide for maintenance. In particular, we observed at a recent Energy Commission workshop that many publicly owned utilities and municipalities remain short of investment capital and are considering use of low carbon fuel standard credits to pay for infrastructure costs.
   4. The challenge with this outcome is that these credits are often needed to provide the income stream needed to maintain stations. For this reason, we would recommend that VW coordinate closely with publicly owned utilities and municipalities desiring to install infrastructure and support these local investments.

On behalf of our member companies, EVCA appreciates the opportunity to submit these comments.

We look forward to working with the Board, our utility friends and other stakeholders to make EVs the vehicle of choice for Californians -- and deliver a clean, sustainable transportation future.

Sincerely,

Lauren Suedkamp

Electric Vehicle Charging Association

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