Center for Sustainable Energy®

9325 Sky Park Court
Suite 100
San Diego, CA 92123

main 858.244.1177
fax 858.244.1178
www.energycenter.org

DATE: **November 2nd, 2017 (*Revised February 20th, 2018*)**

TO: **Ms. Lisa Williams, Air Pollution Specialist,**
California Air Resources Board, Mailstop 5B
P.O. Box 2815
Sacramento, California 95812-2815
Submitted Electronically

FROM: **Center for Sustainable Energy®**

RE: **Response to CARB's Public Workshop on Developing a Beneficiary Mitigation Plan for California's Allocation of the Volkswagen Environmental Mitigation Trust**

Dear Ms. Williams:

The Center for Sustainable Energy® (CSE) is pleased to provide these comments in response to CARB's Public Workshop on Developing a Beneficiary Mitigation Plan for California's Allocation of the Volkswagen Environmental Mitigation Trust.

CSE provides these comments based on diverse experiences supporting the deployment of zero-emission and alternative-fuel vehicles and infrastructure, including administration of programs in New York, Massachusetts, and Connecticut. For California, CSE administers CARB's Clean Vehicle Rebate Project (CVRP) and the Energy Commission's Block Grant for Electric Vehicle Charger Incentive Projects. In addition, CSE manages a variety of Energy Commission-funded alternative-fuel vehicle projects, including Zero-Emission Vehicle (ZEV) readiness projects in the San Diego and San Joaquin Valley regions

CSE continues to praise CARB's leadership on VW settlement matters, and is appreciative of this workshop's transparent and public process. At this time, CSE provides comments in the following areas, consistent with CARB's September 20, 2017 public workshop announcement:

I) Guiding Principles for the Use of the Mitigation Trust Funds
II) A Proposed Action Category to Consider for Funding
III) Administration of Mitigation Action Projects
IV) Senate Bill 92 Goals for Disadvantaged Communities.

I) Guiding Principles for the Use of the Mitigation Trust Funds

Assure Eligibility Includes Impactful Fleets and Technologies

CSE believes both private and public fleets have an important role to play in achieving Consent Decree objectives and should be eligible for funds. Additionally, CSE recommends program eligibility focus on technologies capable of providing dramatic emissions reductions, but diverse enough to be impactful across a wide range of vehicle vocations and mission requirements.

Maximize Electric Vehicle Supply Equipment (EVSE) Investments

Appendix D of the Consent Decree has set a statutory maximum that permits 15% of these funds to be used for light-duty electric vehicle charging/fueling supply equipment. CSE recommends that the Beneficiary Mitigation Plan sets aside 15% of these funds for this purpose. These investments should include charging infrastructure and hydrogen fueling station investments, for fleets and highly trafficked areas, and support infrastructure within disadvantaged communities (see Section II).

Such investment priorities would support California's 2013 and 2015 ZEV Action Plans, as well as SB 350's policy framework, which encourages mass and widespread transportation electrification. Meeting these needs requires a substantial upswing from current PEV infrastructure availability. As such, earmarking 15% of these funds to support light-duty electric vehicle charging/fueling supply equipment in the Beneficiary Mitigation Plan is suitable.

Promote Multiagency Coordination

CSE encourages coordination efforts with sister agencies by designating collaborative agency partnerships in the Beneficiary Mitigation Plan. Effective coordination with key agencies will promote resource and knowledge sharing and will reduce duplicative processes, increasing the likelihood of program success. CSE encourages effective coordination with the following agencies:

- **California Energy Commission (Energy Commission).** CSE recommends investment and associated data collection are coordinated with the Energy Commission's EVSE investments. These include those funded via the Energy Commission's Block Grant for Electric Vehicle Charger Incentive Projects,[1] which will deploy up to $200 million in infrastructure grant funds through various incentive projects across California during the next five years.

- **California Public Utility Commission (CPUC)**. The Beneficiary Mitigation Plan will be one part of a rapidly-accelerating transportation electrification ecosystem. In addition to the

[1] *Energy Commission; Block Grant for Electric Vehicle Charger Incentive Projects; Website Access: http://www.energy.ca.gov/contracts/GFO-16-603/*

approved IOU investments,[2] there are collaborative opportunities emerging per SB 350, where the three large IOUs[3] and three smaller IOUs[4] have pending transportation electrification proposals.

- **Strategic Growth Council's (SGC's) TCC Program.[5]** Through the TCC Program, three geographic areas, including Fresno, Los Angeles, and another to be determined, will soon be the center of investment for $140 million in program funding.[6] It is highly likely that this high-profile program will be oversubscribed with a diverse array of 'shovel ready' community-level projects. Many of the unfunded projects will have clean technology touchpoints related to green infrastructure, ZEV transportation, smart grid technologies, and energy storage.[7] The TCC Program also addresses air pollution and GHG emissions reductions directly in disadvantaged communities (DACs), thus presenting a "win-win" investment. As such, CSE encourages CARB to prioritize collaboration with the SGC, the lead agency of the TCC Program.

Maximize learning from anonymized data

CSE encourages CARB to establish a guiding principle to maximize learning from the Beneficiary Mitigation Plan. To do this, CARB should establish a policy that seeks to ensure that data from the Beneficiary Mitigation Plan will be made publicly-facing, and will be updated with predictable frequency to encourage independent stakeholder analysis. CARB has already requested similar data transparency from Electrify America, [8] and has previously stated that data should be provided "through a public website for members of the public."[9]
To inform and develop a competitive marketplace, and to maximize learning from Beneficiary Mitigation Plan activities, anonymous and aggregated data should be made public, while ensuring confidentiality and privacy. Data gathered under the Beneficiary Mitigation Plan will be beneficial to regulators, academics, and a diverse array of clean transportation stakeholders.

---

[2] The IOUs have authorization to install the infrastructure to support up to 12,500 charging stations with total budgets up to $197 million; CPUC_Website,Zero_Emission_Vehicles,_Infrastructure_Programs; Website_Access:_ http://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/Utilities_and_Industries/Energy/Energy_Programs/Infrastructure/RDD_and_Emerging_Programs/Alternative_Fuel_Vehicles/IOUInfrastructurePrograms.pdf
[3] The CPUC is currently considering several charging infrastructure programs proposed by the state's investor-owned utilities as required under Senate Bill 350; Website Access: http://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/Utilities_and_Industries/Energy/Energy_Programs/Infrastructure/RDD_and_Emerging_Programs/Alternative_Fuel_Vehicles/SB350Applications.pdf
[4] Consistent with CPUC directive, the three smaller IOUs (Liberty Utilities (Calpeco Electric) LLC, Pacificorp, and Bear Valley Electric Service) have filed their respective TE Applications.
[5] Strategic Growth Council; Transformative Climate Communities Program; Website Access: http://sgc.ca.gov/Grant-Programs/Transformative-Climate-Communities-Program.html
[6] Ibid.
[7] Transformative Climate Communities Draft Scoping Guidelines, page 6. Website Access: http://sgc.ca.gov/resource%20files/20161123-TCCDraftScopingGuidelines.pdf

As administrator of the CARB's CVRP, CSE has worked closely with CARB and other stakeholders to provide both comprehensive and easily-accessible data. It has been CSE's experience that public-facing data – among other benefits – provides key indicators of program success and opportunities for program improvement, informs program planning and policy-making, and empowers synergistic efforts by a wide variety of stakeholders. As such, CSE encourages CARB to prioritize the release of:

- monthly or quarterly data;
- uniform data to facilitate use and integration into related activities;
- locational/geographical data, as deeply granular as possible (e.g., census-tract level);
- categorical data;
- easily-disseminated and digested data; and
- data-based analysis.

Moreover, CARB should encourage data sharing across relevant state agencies (e.g., CEC, CPUC, SGC, etc.). This coordination will create advanced awareness and expanded insight into the Beneficiary Mitigation Plan's investments.

II) A Proposed Action Category to Consider for Funding

Prioritize EVSE deployment in high-density, highly-trafficked, intermodal areas

As one of the action categories for the EVSE/hydrogen infrastructure funds, CSE suggests that CARB consider prioritizing deployment of light-duty charging/fueling supply equipment for fleets and in high-density, highly-trafficked areas (such as airports, park-and-rides, transit depots, passenger rail stations, and other intermodal hubs). CSE recommends this action category include measures to effectively support deployment within disadvantaged communities.

This category has the potential to encourage seamless connections between ZEVs and public transit infrastructure, support PEV drivers that may not have access to home charging, addresses range anxiety concerns, and promote the deployment of public charging that can be used by complementary service providers—such as ZEV taxis and Transportation Network Company (TNC) operators—in and around public transportation facilities. This is consistent with existing policy, including the development of "mobility hubs",[10] the prioritization of "infrastructure co-location opportunities,"[11] and the prioritization of more compact

[10] *As outlined in California Transportation Plan 2040; California Transportation Plan 2040; Website Access:http://www.dot.ca.gov/hq/tpp/californiatransportationplan2040/Final%20CTP/FINALCTP2040-Report-WebReady.pdf*

[11] *2016 ZEV Action Plan, Goal to: "Consider infrastructure co-location opportunities that can support light-duty, medium-duty and heavy-duty electric vehicle charging and hydrogen fueling station applications in connector site stations (stations along major routes that connect distinct areas of high potential for PEV and FCEV adoption)." page 29; Website Access:*

development patterns that reduce Vehicle-Miles-Traveled (VMT) and demand less energy per capita.[12]

III) Administration of Mitigation Action Projects

Recommendations for all investment areas

To ensure program success, CSE highlights five components of successful program administration:

- **Transparency & Evaluation:** As described above, publicly and readily accessible program data, including comprehensive reporting and user-friendly dashboards, are now considered to be best practices for ensuring program transparency. These types of offerings give the general public, stakeholders, and policymakers confidence that programs are meeting intended goals and, if not, can be adjusted accordingly. This confidence further builds stakeholder support for said programs. Further, data collection and data management support internal evaluation efforts aimed at program improvement and planning, which should also be considered program priorities.

- **Equity:** Existing programs to promote clean transportation technologies have been critiqued for their uneven impacts on diverse geographies, communities, and stakeholders. A strong focus on outreach to historically underserved communities and a diversity of fleets builds broader support for clean transportation incentive programs. In addition to outreach, program design has, in many cases, evolved to increase access for DACs, individuals, and agencies.

- **Consistent, Integrated, and Centralized Application & Processing:** Overly fragmented administration of incentive funds can pose challenges. It can lead to duplication of effort, increased overhead costs and fraction impacts. The lack of a consistent point of contact, application processes and requirements, and brand identity can overwhelm and confuse many potential applicants. Sufficiently centralized administration creates economies of scale and integration, and provides larger programmatic opportunities, for example enabled by more-impactful data management and analysis, state-wide education and outreach strategies, and flexibility to scale or adapt to changing conditions. When implemented in collaboration with community-based organizations that provide local expertise, these features make it easier for administrators to address different phases and aspects of market transformation.

- **Technical Assistance:** Experience has shown that third-party technical assistance is a key element of successful clean transportation incentive programs. Fleet managers,

https://www.gov.ca.gov/docs/2016_ZEV_Action_Plan.pdf

[12] Discussion Draft, 2030 Target Scoping Plan, Table IV-1. Cross-Sector Relationships, January 20, 2017, Website Access: https://www.arb.ca.gov/cc/scopingplan/2030sp_pp_final.pdf

planners and other decision-makers are generally overwhelmed by advanced vehicle technology options and the infrastructure or facilities modifications that they require. Third-party technical assistance offerings provide fleets with a necessary understanding of the advanced vehicle eco-system (i.e., vehicle options, infrastructure, incentives) frequently otherwise unavailable.

We recommend incorporation of these components into program design. We also encourage CARB to leverage the experience of existing market-development partners, including but not limited to, Clean Cities Coalitions, university extension services, Advanced Transportation Centers, and nonprofits. Leveraging such implementation expertise will help guarantee that funds are targeted and spent with maximum impact.

IV) Senate Bill 92 Goals for Disadvantaged Communities

Support the realization of benefits to low-income and disadvantaged communities

CSE supports legislative direction in SB 92 to direct 35 percent of California's allocation to benefit low-income or disadvantaged communities. This threshold is consistent with California's other efforts to impactfully target emissions reductions.[13] In addition, CSE urges CARB to consider ways to exceed this 35% threshold, while maintaining suitable flexibility for demand-based programs.

Conclusion

CSE appreciates the opportunity to provide these comments in response to the Beneficiary Mitigation Plan for California's Allocation of the Volkswagen Environmental Mitigation Trust. Please continue to consider CSE a resource on these and other matters. Feel free to contact Paul D. Hernandez, CSE's Sustainable Transportation Infrastructure Policy Manager to clarify these comments or with any questions you may have.

Respectfully Submitted,

Paul D. Hernandez
Sustainable Transportation Infrastructure Policy Manager
Center for Sustainable Energy®
paul.hernandez@energycenter.org

[13] *As referenced in policies, including AB 197, SB 1204, SB 1275, SB 535, and AB 1550.*