

December 11, 2018

President Michael Picker & Commissioner Carla Peterman
California Public Utilities Commission
505 Van Ness Ave
San Francisco, California 94102

Re: Draft Order Instituting Rulemaking to Continue the Development of Rates and Infrastructure for Vehicle Electrification and Closing Rulemaking 13-11-007

Dear President Picker and Commissioner Peterman,

Advanced Energy Economy and the undersigned companies respectfully submit this letter to the California Public Utilities Commission to express significant concern over the timing of the above Draft Order Instituting Rulemaking (OIR) and closing R13-11-007. Given the criticality of transportation electrification in meeting the state's greenhouse gas (GHG) reduction goals, we request that the Commission withdraw this item from the agenda of the Commission meeting slated on December 13, 2018. We have outlined the following detailed concerns below in support of our request:

- The proposed language in the OIR would effectively put a freeze on all new utility transportation electrification applications for at least two years. Adding another 18-24 months for applications to come forward and the Commission to review the new applications means this action will likely freeze the market for up to four years. Such a strategic decision pre-judges several key issues, has far-reaching market impacts, and should not be made without input from the public or the incoming administration.
- The Draft OIR directly contradicts the role of the Commission as laid out in SB 350. The law asked the Commission to order the utilities "to file applications for programs and investments to accelerate widespread transportation electrification" to meet California's goals. SB 350 places the onus on the utilities to develop the right mix of programs to achieve those ends, while the Commission is required to evaluate those program proposals based on the standard of review codified by SB 350.
- The Draft OIR was introduced with little notice prior to the Commission voting meeting and without being sent to any service lists, to our knowledge, including any of the transportation electrification service lists. In fact, we know many parties to the transportation service lists that only became aware of the Draft OIR days after the fact.

- Given the significance of the policy direction contained in the Draft OIR, public stakeholders and all relevant state agencies should have the opportunity to weigh in on the Draft OIR before it is adopted. Therefore, the Draft OIR should be withdrawn or at the very least delayed to a subsequent Commission meeting to allow for a public comment period to take place first.
- Approving the Draft OIR denies the incoming administration an opportunity to provide its guidance to the Commission on a critical state priority.
- Approving the Draft OIR creates tremendous regulatory uncertainty for the business community looking to invest in the state as well as in terms of employment, including both keeping existing and creating new jobs. We saw how similar policy uncertainty negatively impacted energy efficiency before the Commission committed to consistent, predictable long-term regulatory direction and investment in programs.
- California is well behind when it comes to charging infrastructure with the California Energy Commission (CEC) estimating that the state has to expand charging infrastructure from less than 16,000 non-residential chargers (AC and DC combined) to over 155,000 chargers (again combined) by 2025 to support the goal of 1.5 million vehicles on the road. It is clear that California has a long way to go in 6 years.¹ This shortage of infrastructure is currently undercutting the sales of electric vehicles. A recent study found that among individuals who are aware of EVs, 85% cited a lack of charging infrastructure as a reason they are not buying the vehicles.²
- Approving the Draft OIR would exacerbate the situation facing California since the state is already not on track to meet GHG reductions expected under SB375 for 2020.³

Long range strategy lies at the heart of any viable initiative and transportation electrification is no exception. It is imperative that California have a strategic roadmap to reach the 2030 goals and beyond – however this should not impede the work already underway, including at this Commission. It is with this vision that AEE sponsored and supported AB 2127 which requires the CEC to create a state-wide assessment of the EV charging infrastructure needed to meet the 2030 goals, both on and off road. The Draft OIR must align with this work as well as the wide range of other transportation electrification initiatives underway at CARB, CEC, and other state supported entities.

Advanced Energy Economy is a national association of business leaders who are making the global energy system more secure, clean, and affordable. Advanced energy encompasses a broad range of products and services that constitute the best available technologies for meeting energy needs today and tomorrow.

¹ CEC Staff Report – California Plug-In Electric Vehicle Infrastructure Projections: 2017-2025, March 2018, report CEC-600-2018-001

² Altman Vilandrie & Co. Private Study. 2017. The findings are summarized at <https://ngtnews.com/survey-lack-of-awareness-high-costs-hamper-ev-adoption>.

³ 2018 Progress Report, California's Sustainable Communities and Climate Protection Act, CARB November 2018



BYD is the world's largest manufacturer of electric vehicles and batteries, and the global leader in battery-electric heavy-duty vehicles with more than 45,000 buses and 2,000 trucks in service across 300 cities, 50 countries and six continents. The firm has delivered more than 280 buses in North America; and sold and/or leased in excess of 600 buses in total to more than 50 municipal, transit agency, university, airport, federal and other commercial and private sector clients in 14 states, and across 4 provinces in Canada. BYD has nearly 200 vehicles on the road in California, across more than 30 different customers. BYD currently has more than 800 employees working at its Coach & Bus manufacturing plant in Lancaster, California

eMotorWerks is a California-based leader in the EV charging market with more than 40,000 units of residential and commercial EV supply equipment (EVSE) products installed worldwide. The company's cloud-based software platform, JuiceNet, enables EVs to become part of the smart grid ecosystem. JuiceNet is embedded in a number of manufacturers' hardware devices, including eMotorWerks' JuiceBox Level 2 EVSE, the best-selling EV charger on Amazon, manufactured locally in Fremont, CA.

Greenlots is a leading provider of electric vehicle (EV) charging software and services based in Los Angeles that is committed to accelerating transportation electrification in California. The Greenlots network supports a significant percentage of the DC fast charging infrastructure in North America, and an increasing percentage of the Level 2 infrastructure. Greenlots' smart charging solutions are built around an open standards-based focus on future-proofing while helping site hosts, utilities, and grid operators manage dynamic EV charging loads and respond to local and system conditions.

Proterra is the leading US manufacturer of zero emission electric buses with manufacturing facilities in Northern and Southern California employing over 200 personnel. Proterra moved its corporate HQ and established manufacturing in part because of the strong electrification policy in CA including legislation like SB 350. The Draft OIR is in direct conflict with the policies that brought Proterra to California and damages confidence in the market.

Siemens is a global leader in transport electrification and has 350,000 employees in 180 countries and is the first corporation of our size to commit to a zero-carbon footprint including electrifying our own fleets. We have 5,000 workers in California, generating two billion dollars of in-state sales. We sell the EV chargers and electrical gear that we manufacture in two facilities in Southern California directly to government, consumers, workplaces, cities, transit agencies and utilities.

We strongly encourage the Commission to consider our arguments and withdraw the Draft OIR or at least delay its consideration so that a public comment process can take place first.



Sincerely,



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Cc: The Honorable Jerry Brown, Governor of California
The Honorable Gavin Newsom, Governor-elect of California
The Honorable Toni Atkins, California State Senate
The Honorable Anthony Rendon, California State Assembly
The Honorable Ben Hueso, California State Senate
The Honorable Chris Holden, California State Assembly
Commissioner Martha Guzman-Aceves, CPUC
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Commissioner Clifford Rechtschaffen, CPUC
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Commissioner Janea Scott, California Energy Commission
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