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May 9, 2022

NESCAUM
89 South Street, Suite 602
Boston, MA 02111

Re: Multi-State Medium- And Heavy-Duty Zero-Emission Vehicle Action Plan

To Whom It May Concern:

Please find attached comments by ChargePoint on the Draft for Public Comment in the above-referenced matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin Miller", written over a light gray rectangular background.

Kevin George Miller
Sr. Director, Public Policy
ChargePoint

Multi-State Medium- And Heavy-Duty Zero-Emission Vehicle Action Plan

Comments by ChargePoint

I. Introduction

ChargePoint is pleased to provide comments on the Multi-State Medium- and Heavy Duty (“MHD”) Zero-Emission Vehicle (“ZEV”) Action Plan Draft for Public Comment (“Draft Plan”). The Draft Plan provides insights into MHD ZEV market issues, regulatory barriers, and relevant stakeholders, and provides a series of policy recommendations to support the adoption of MHD ZEVs and the deployment of charging infrastructure at the local, state, regional, and national level in the United States.

The comments provided by ChargePoint are intended to expand upon key themes in the Draft Plan and clarify important draft policy recommendations before NESCAUM finalizes the Multi-State MHD ZEV Action Plan (“Final Plan”).

II. Comments

- A. The Final Plan should encourage states to engage a broad range of stakeholders to effectively implement each Policy Recommendation.

The most effective recommendations in the Draft Plan are those that are intended to be implemented collaboratively by a broad set of stakeholders. For example, the Draft Plan encourages states to design vehicle fleet education and outreach programs in collaboration with *“utilities, truck and bus manufacturers, charging and fueling providers, leading fleets, and other key partners.”*¹ Leveraging the expertise of a full range of stakeholders is important given the wide a range of policy areas involved with MHD electrification, from energy to transportation to economic and workforce development.

However, NESCAUM does not include similar widespread stakeholder engagement in all the Draft Plan recommendations. For example, a recommendation to convene *“regional and national forums”* to discuss issues and needs related to MHD electrification only identifies state agencies, utility regulators, and utilities as relevant parties.² We recommend that the Final Plan identify the broadest set of stakeholders that could be involved in each recommendation,³ which will make it easier for the Final Plan to be implemented at the local and state levels.

- B. The Final Plan should recommend separate pathways for deploying MHDV EV charging infrastructure irrespective of vehicle purchases.

ChargePoint agrees that the Infrastructure Investment and Jobs Act (IIJA) *“will spur market development and greater demand for zero-emission trucks and buses as state and local*

¹ Medium and Heavy Duty Zero-Emission Vehicle Draft Action Plan at 38.

² Id at 34-35.

³ e.g., public- and private-sector fleet operators, EV charging manufacturers and software providers, EV charging operators, independent site hosts and warehouse operators, industry associations, disproportionately impacted communities, and other stakeholders as relevant.

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*governments accelerate their fleet transition efforts.*⁴ If structured appropriately, incentives to mitigate capital costs will enable more rapid electrification of MHDV fleets.

Importantly, the Draft Plan recognizes how common design features in MHDV incentive programs can inadvertently undermine program goals. NESCAUM identifies how “*scrappage requirements*” can discourage participation in truck and bus incentive programs, particularly for smaller fleet operators that cannot retire older vehicles as a condition of receiving an incentive. We agree that states should reconsider scrappage requirements in MHDV incentive programs to ensure that programs achieve meaningful emissions reductions while also not inadvertently limiting access to smaller and independent fleets.

NESCAUM’s analysis of the unintended consequences of MHD incentive program design is an invaluable tool for policy development. ChargePoint recommends that NESCAUM build upon this foundation with further analysis of a wider range of incentive program design options.

One such example relates to the way that MHDV incentives programs address EV charging stations, which is typically as an add-on to an MHDV-replacement incentive. This design treats infrastructure as an afterthought, which is a lost opportunity for fleet operators to consider their specific infrastructure needs as the total EV share of the fleet changes over time, which can result in a more efficient deployment of charging stations

Rather than rebating the cost of one charger for every MHDV deployed, incentives could be designed to provide a dedicated source of funding to develop depot charging infrastructure for MHDVs, irrespective of the pace of vehicle acquisition. Encouraging fleet operators to deploy EV charging depots in advance of vehicle acquisition will support longer-term planning, incentivize EV charging installations that use the minimal power necessary to support operations, and help ensure that fleet operators have charging stations in place to plug in MHDVs as soon as the vehicles are delivered. This depot-focused incentive design, which was proposed in Congress in 2021, could be included as an example in the Final Plan.⁵

C. The Final Plan should identify the conditions necessary to achieve potential operating cost savings for fleet operators.

1. The Final Plan should provide additional detail about how states have been addressing the barrier of traditional, demand-based electricity rates.

ChargePoint applauds NESCAUM for identifying traditional, demand-based electricity rates as one of the most significant barriers to deploying EV charging stations to support MHDVs.⁶ We also appreciate NESCAUM’s recognition that managed charging strategies, while incredibly

⁴ Draft Plan at 18

⁵ <https://www.merkley.senate.gov/news/press-releases/merkeley-colleagues-introduce-bill-to-boost-electrification-of-american-freight-fleets-2021>

⁶ Draft Plan at 22

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valuable for minimizing costs and maximizing benefits of MHDV charging, are “*not a substitute for improved rate design.*”⁷

We encourage NESCAUM to expand its list of demand charge alternative rate designs to provide policymakers and regulators with a more representative sample of the breadth of options that are already available or currently under consideration, such as those included in the Appendix to these comments. The Final Plan should also include examples of recently enacted state legislation requiring utilities to develop alternatives to traditional, demand-based electricity rates.⁸

2. The Final Plan should recognize that the favorable economics of MHD EVs are not a foregone conclusion and hinge on mitigating significant operating costs.

ChargePoint is supportive of references to potential operating cost savings from zero-emission buses and trucks in the Draft Plan. However, we respectfully encourage NESCAUM to clearly identify that realizing potential operating cost savings (e.g., “*the net lifetime operating savings at full electrification could be as high as \$140 billion*”⁹) is contingent on successfully overcoming significant sector-wide barriers.

NESCAUM should include practical examples in the Final Plan that provide policymakers and regulators with a clear understanding of the potentially daunting scale of operating cost barriers. For example, Denver, Colorado’s Regional Transportation District found that operating electric bus chargers through a traditional, demand-based electricity rate resulted in operating costs that were nearly 60% higher than diesel buses.¹⁰ Similarly, the Metropolitan Transit Agency identified that “at current [electricity] delivery rate structures and supply agreements the cost per mile of fueling an electric bus is in excess of \$2.00 per bus mile; this is more than twice as high as the cost of fueling a bus with diesel or CNG.”¹¹

- D. Recommendations related to appropriate roles for regulated electric utilities in the Final Plan should be competitively neutral

ChargePoint recognizes the need for deep collaboration between regulated electric utilities and competitive market stakeholders currently deploying EV charging infrastructure around North America. We appreciate that NESCAUM identified that it does not intend its Action Plan to be interpreted by states as a one-size-fits-all set of recommendations, in recognition “*that utilities*

⁷ Id.

⁸ See, e.g.: New York Chapter 168 of 2022 ([S7836/A8797](#)) and [Massachusetts Ch. 383 of the Acts of 2020](#) (Sec. 29)

⁹ Draft Plan at 12.

¹⁰ [Aguilar, John. “RTD’s electric 16th Street Mall buses cost nearly 60% more to operate than diesel coaches.” Denver Post. May 14, 2019.](#)

¹¹ [NYPSC Case No. 18-E-0138. Reply Comments by the Metropolitan Transportation Authority. Filed May 11, 2020](#)

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in the participating jurisdictions are subject to different regulatory frameworks that require flexible approaches to MHD vehicle electrification.”¹²

ChargePoint generally agrees with NESCAUM’s recommendation for regulators to encourage utilities to provide “*service-line extension and make ready electrical infrastructure.*”¹³ This recommendation is consistent with the emerging best practice for states to modernize line extension policies to support the deployment of EV charging infrastructure, as recently enacted in California¹⁴ and New Jersey.¹⁵

To ensure that recommendations can be widely adopted by states with different utility regulatory environments, ChargePoint suggests that Final recommendations omit language suggesting that all line extension and make ready costs would be covered “*at no cost to the customer.*”¹⁶ Given the wide variety of MHDV use cases and charging load profiles, regulators may not be able to consider a one-size-fits-all line extension policy.

Relatedly, ChargePoint suggests that the Final Plan should avoid blanket recommendations encouraging utilities to provide fleet operators with EV and EV charging products and services that are, in many cases, already available through competitive market providers.

For example, the Draft Plan recommends that regulators encourage utilities to provide advisory services on infrastructure deployment and to make “turnkey” financing options available to fleet operators for MHDVs and related infrastructure.¹⁷ Similarly, the Draft Report includes a blanket recommendation for utility regulators to broadly authorize utilities to own and operate EV charging stations “*to meet fleet needs.*”¹⁸

ChargePoint urges NESCAUM to amend recommendations regarding roles for regulated electric utilities consistent with the growing volume of utility regulatory determinations that generally require any expanded role for regulated utilities to be competitively neutral. For example, the New Jersey Board of Public Utilities has advanced a “shared responsibility model” that allows for utility ownership of EV charging stations as a last resort in hardest-to-reach market segments. Similarly, Connecticut’s Public Utilities Regulatory Authority focused on a make-ready ownership model to enable utility ownership of infrastructure up to, but not including, the EV charging station, which lowers barriers to deployment while still maintaining participation by and investment from private EV charging operators.¹⁹

¹² Draft Plan at 31

¹³ Id at 32

¹⁴ [California AB 841 \(2020\)](#)

¹⁵ [New Jersey Chapter 108 of 2020](#)

¹⁶ Id

¹⁷ Id

¹⁸ Id at 33

¹⁹ [State of Connecticut Public Utilities Regulatory Authority Docket No. 17-12-03RE4. Decision. July 14, 2021.](#)

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E. NESCAUM should revisit its recommendation related EV charging on the federal right-of-way.

The Draft Plan recommends amending U.S. federal law to allow user-pay charging and fueling on the federal right-of way.²⁰ The Draft Plan does not include sufficient discussion of or rationale for such a significant change in policy and market structure. NESCAUM should exclude this recommendation from its Final Plan, given the range of unforeseen consequences that could stem from such a sudden departure from such a long-standing legal standard. At a minimum, NESCAUM should convene a working group to thoroughly explore this idea and develop a thorough analysis of costs and benefits to be included in the Final Plan.

ChargePoint is concerned that this recommendation does not take into consideration the factors that drive a successful, lasting deployment of EV charging infrastructure. The EV charging market is growing rapidly and is inherently competitive. On-site amenities and facilities, such as a convenience store, food and drink options, and other services, are essential to a positive and safe customer experience. Targeting rest stops where commercial activities are otherwise excluded will not provide these critical on-site services for MHD charging facilities along highway corridors, which will result in a negative customer experience and ultimately hold back transportation electrification.

ChargePoint is also concerned that this recommendation would lead to deploying stations that are economically unsustainable. Many states still restrict how site hosts can set pricing for EV charging services, which would limit the options for site hosts to recover operating costs even if the federal ban on commercial activity were lifted for EV charging. These fundamental challenges could result in costs that would be unnecessarily shouldered by taxpayers or ratepayers, which could have otherwise been absorbed by competitive market providers.

Finally, this recommendation is unnecessary to deploy charging at park-and-rides that are not on the interstate right-of-way. The Federal Highway Administration has already clarified in writing that Section 111 does not necessarily prohibit commercial, fee-based deployments at park-and-ride facilities that are sited adjacent to an interstate right-of-way. As such, state departments of transportation can already, through competitive procurement or partnership with charging network providers and state public utilities, develop these sites for EV charging, without the need of a special statutory dispensation.

III. Conclusion

ChargePoint appreciates the opportunity to provide comments on the Multi-State MHD ZEV Action Plan Draft for Public Comment. We look forward to partnering with NESCAUM and the full range of MHD ZEV stakeholders in finalizing, and implementing, the Action Plan.

²⁰ Draft Plan at 45, 46, and iii.

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Appendix

Table 1. Additional Examples of Alternatives to Traditional, Demand-Based Electricity Rates			
EDC	State	Tariff/Rate description	Reference
Southern California Edison	CA	10-year- all volumetric TOU; Demand charges phase in	<ul style="list-style-type: none"> • CPUC Decision 18-05-040, Ordering Paragraph 45 • SCE Advice Letter 3853-E: See EV-8 rate
Xcel Energy	CO	Low Load Factor Rate	See file page 56, book page 44.
Eversource (Connecticut Light and Power)	CT	EV Rider – Volumetric Rate (No Demand)	
Xcel Energy	MN	Demand Limiter (100kW)	
Pacific Power (under PacifiCorp)	OR	Phased Demand Charge Discounts until 5/15/2026 with increased Energy Charges.	
PECO	PA	50% Demand Discount, 36 months on General Service rate	<ul style="list-style-type: none"> • Rate: File page 86, book page 84. • One-page summary available here.
National Grid	RI	100% Demand Discount (Y1, Y2) 3-year/36-month	
Dominion	VA	Low Load Factor Rate (below 200kWh per kW)	
Pacific Power (under PacifiCorp)	WA	Phased Demand Charge Discount w/ increased Energy Charges.	
Tacoma Power	WA	Phased Demand Charge Discounts with increased Energy Charges	Discount Tables: Schedule FC combined with either Schedule B (small) or Schedule G (general) rates
Madison Gas & Electric	WI	Low Load Factor Rate (50% Demand Reduction)	
Sierra Pacific Power Company dba NV Energy	NV	10-year Demand charge reduction; incremental volumetric transition rate adder	
Florida Power and Light	FL	Demand charge limiter 75hrs	Rate Riders GSD-1EV and GSLD-1EV
Exelon Utilities	MD	50% Demand Charge Discount expanded to public DCFC	Approved by the Commission on January 9, 2020 30 months or until the end of 2023