VW Notice of Request for Written Comments

Summary and Responses

August 2021

Background

The Department of Energy and Environmental Protection (DEEP) issued a request for public comments on January 22, 2021 on certain aspects of the third round of funding under the VW Diesel Emission Mitigation Program (Vehicle Program) and the first round of funding under the VW Electric Vehicle Supply Equipment (EVSE) Program. The comment period closed February 16, 2021. Thirty-one (31) comments were received, two (2) of the comments received were identical. This document summarizes all comments received and is organized by questions outlined in the Notice of Request for Written Comments. All of the comments are attached in Appendix A.

Since DEEP issued the request for public comment, on July 14, 2021 the Public Utility Regulatory Authority (PURA) issued a final decision in Docket No. 17-12-03RE-04 PURA's Investigation into Distribution System Planning of the Electric Distribution Companies-Zero Emission Vehicles. PURA's decision outlines a nine-year program offering a combination of incentives for electric vehicle infrastructure including electric vehicle supply equipment (EVSE) and fast charging stations along with rate design structures to help advance Connecticut's efforts to deploy zero emission vehicles (ZEVs). PURA's EV Charging Program will offer incentives for the deployment of EVSE in five market segments including:

- Residential Single-Family Level 2 Charging
- Residential Multi-Unit Dwellings (MUDs) Level 2 Charging;
- Direct current fast charging (DCFC);
- Destination Level 2 Charging; and
- Workplace and Light-Duty Fleet Level 2 Charging

Summary of DEEP's VW Grant Program-Round 3 VW Emissions Mitigation and Round 1 Electric Vehicle Supply Equipment (EVSE)

As a result of PURA's final decision and the comprehensive nine-year plan including the establishment of EVSE deployment targets, DEEP has revised its strategy for investments of the VW funding to better leverage and augment anticipated ratepayer investments. DEEP intends to move forward to launch the VW Emissions Mitigation Grant Program as soon as possible with the focus on funding the transition of cleaner vehicles-both on-road and off-road. Round 3 will offer $10 million in available funding for eligible projects. For EVSE, DEEP intends to move forward with a government only competitive round for state agencies and municipalities. Available funding for Round 1 EVSE will be at $2 million. Of that $2 million, $1.2 million will be available state agencies over a 3-year period to fund state government EVSE infrastructure, and $800,000 will be available for municipalities. The anticipated timing for releasing Round 1 of the EVSE funding would be in September to align project implementation period with municipal budget planning.

RESPONSE TO COMMENTS DOCUMENT

DEEP has reviewed all of the comments submitted, and has considered stakeholder suggestions as part of DEEP's development of Round 3 VW Emissions Mitigation and Round 1 EVSE. The following provides a summary of the comments received and DEEP's consideration of the comments provided.

Vehicle Eligibility Under Round 3 of VW Comments

Question 1: Should the third round of the Vehicle Program should favor, or set aside certain quantity of funds, for eligible projects for replacement or repowering with electric vehicle, equipment or engines?

Comments on Vehicle Eligibility under Round 3 were submitted by the following individuals and organizations: Adelheid Koepfer, Center for Sustainable Energy (CSE), Clean Connecticut Cities Collaborative (CCCC), Daphne Dixon (Live Green), David Hager, Dawn Henry, Diana McCarthy-Bercury, Dusty Garland (Peterbilt), Eugene DeJoannis, EV Club of CT, Greenlots, Lion Electric, Matt Griswold (Judges Farm), Morrissey Consulting, LLC, Motor Transport Association of Connecticut (MTAC), Natural Gas Vehicles of America (NGVA), Rick Newtown, Save the Sound, Sierra Club, and VEIC

1. Majority of commenters recommended that DEEP prioritize electric vehicle/equipment replacements.
2. Three commenters believe that 65% - 75% should be set aside for electric vehicle/equipment replacements, while fourteen commenters believe the third round should only fund zero emissions projects.
3. Two commenters also believe further priority should be given to projects proposing to fuel their ZEV replacement with clean energy.
4. Eleven comments showed large-scale support to prioritize the electrification of school buses.
5. One industry commenter did not agree with favoring electric projects and believes that electric vehicle projects should not be given preferential treatment over vehicle projects powered by any other fuel.
6. Three commenters believe the VW program should continue and possibly broaden support for alternative fuel projects.

Based on the comments and the feedback received DEEP intends to:

a. Allocate 75% (up to $7.5M) for electric projects, 25% (up to $2.5M) for all other fuels.
b. Include preferred criteria in the final RFP for electrified projects using clean energy as power source.
c. Consider dedicating a future funding round to electric school buses only.

Funding Levels for Round 3 of the Vehicle Program Comments

Question 2: Should the overall level of funding proposed for Round 3 of the Vehicle Program, ($10 million), remain as proposed, be increased or lowered?

Comments on funding levels for Round 3 were received from Adelheid Koepfer, CCCC, CSE, David Hager, Daphne Dixon (Live Green), Dusty Garland (Peterbilt), Eugene DeJoannis, EV Club of CT, KEW Consultants, Lion Electric, Matt Griswold (Judges Farm), Ryan, LLC, Save the Sound, and Student Transportation of America (STA).

1. Four commenters indicated that the proposed $10 million is reasonable and believe this commitment will make meaningful progress toward emissions reductions.

2. Ten comments favored increasing the amount of funding for Round 3 of the Program. One commenter suggested increasing the Round 3 funding amount to $16-$18 million, while some other commenters recommended awarding the remaining balance in the VW settlement during Round 3.
3. Two comments recommended that Round 3 be augmented with other funding sources, although DERA funds cannot be used to leverage VW funding. One commenter suggested that Round 3 be coupled with DERA funding to make the projects more viable.
4. One comment suggested splitting the remaining CT VW funds in half for two more rounds, Rounds 3 and 4. Once the remaining amount in the VW Settlement is divided in half, if the amount per round is over $10 million then the funding for Round 3 should be increased.

   After reviewing the feedback received DEEP will utilize up to $10 million for Round 3. Utilizing all remaining funds in this and the next round of funding is not recommended. Reserving funding for later rounds will maximize the benefits of EV technology advances and potentially allow DEEP to leverage VW with other funding sources (e.g., federal infrastructure or PURA make ready).

Funding for Round 1 of the VW EVSE Program and RFP Process

Question 3a: Is the proposed level of EVSE funding adequate to make meaningful progress to support the EVSE needs for EV deployment under the ZEV MOU?

Comments on the Funding for Round 1 of the EVSE Program were submitted by Adelheid Koepfer, CCCC, ChargePoint, CSE, Daphne Dixon (Live Green), Eugene DeJoannis, EV Club of CT, EVgo, FreeWire Technologies (FreeWire), Greenlots, Plug In America, Rick Newtown, Save the Sound, and the Sierra Club.

1. Six commenters assert that the proposed level of funding for the EVSE Program is adequate for supporting greater deployment of EVSE and make progress towards EV adoption targets.
2. Four commenters believe more funding is needed to achieve a meaningful increase in electric vehicles.
3. One commenter preferred prioritizing funding for clean vehicles rather than fueling infrastructure.
4. The comments offered a variety of recommendations on the focus of the EVSE program with the suggestions ranging from multi-unit dwellings (MUDs), private city fleets, DCFC or Level 2 for public charging, and locations that provide direct access to Interstate infrastructure (i.e. Rest stops).
5. One comment did not favor funding for DCFC since the private market (including major players such as Electrify America, Chargepoint and EVgo) is managing this situation and has momentum.
6. One comment suggested limiting future EV charging additions at train stations and communing lots to AC Level 1 options.
7. Another comment urged DEEP to <u>not</u> make investments in DC fast chargers at travel stops.
8. One commenter believes that funding should focus on DC Fast Charger infrastructure along evacuation routes that are powered by a resilient hybrid gaseous fuel (propane or natural gas with buried fuel lines) generators and batteries systems that are off the grid. As the number of personally owned EV POVs grow, there will be a requirement for DCFC EVSE for people evacuating the coastline in response to storm.
9. Two comments urged that EVSE funding be used to support the electrification of school buses.

   Most comments received called for increased funding. However, as a result of PURA's final decision to establish a comprehensive nine-year plan for EVSE deployment, DEEP has revised its strategy for investments of the VW funding to better leverage and augment anticipated ratepayer investments.

DEEP intends to initiate a government-only Round for EVSE funding open to state agencies and municipalities in the September timeframe.

Question 3b: Are the funding amounts specified for each allocation (level 2, DCFC, hydrogen refueling) adequate, taking into account the cost of each installation type?

Comments were submitted regarding funding amounts for EVSE installation types by Adelheid Koepfer, CCCC, ChargePoint, CSE, David Hager, Eugene DeJoannis,, EV Club of CT, EVgo, EVSE LLC, Fuel Cell and Hydrogen Energy Association (FCHEA), FuelCell Energy (FCE), FreeWire, Greenlots, Matt Griswold (Judges Farm), Plug In America, Rick Newtown, Save the Sound, and Vincent Giordano.

1. One commenter recommended increasing the EVSE funding to expand the current infrastructure and preferred publicly available charging stations to increase tourism.
2. Another comment believes that the funding amounts specified for Level 2 charging infrastructure, DCFC, and hydrogen refueling infrastructure are appropriate
3. Two commenters request that the current funding round support BEV and FCEV at least equally if not giving preference to BEV.
4. One comment suggests that the share for Level 2 charging funding be at least equal if not much larger than for DCFC funding since it seems that the Fast Charging corridor in CT already exists while public charging in municipalities, farther off those highways, is still lacking.
5. A commenter recommends a coordinated approach that provides sufficient charging infrastructure across a variety of public needs, from DCFC "on the go" charging, to destination and workplace Level 2 charging, will be necessary for sustained growth in transportation electrification.
6. A commenter advocated for limited additional investments in publicly available, AC Level 2, charging stations and chargers should be free to use initially and converted to a pay for use system.

<u>State Agency</u>

Three commenters support the $1.2 million allocation to publicly available EVSE at state government sites to support public fleet electrification and promote general EV awareness.

<u>Public DCFC</u>

Four commenters appreciate the funding allocated for public DCFC, with one supporter emphasizing the focus on supporting DCFC projects not only in transit corridors but also in areas with a high density of MUDs to support neighborhood charging for MUD residents.

One commenter recommends that $1,500,000 be allocated to Public DCFC to incentivize EV use.

<u>Public Level 2 Charging</u>

Five commenters feel that Level 2 is the most important category and supported increasing the funding amount to designate between $500,000 - $1,300,000 for Public Level 2 charging.

<u>Hydrogen</u>

1. Eight commenters did not feel that hydrogen should be a priority and suggested reallocating the funding to EVSE to focus on electrification until there is more interest in hydrogen vehicles.
2. On the other hand, four commenters support hydrogen infrastructure and recommended increasing funding for a hydrogen fueling station located centrally in Connecticut that is powered using green hydrogen produced through renewable electricity sources.
3. Three commenters believe that hydrogen infrastructure development should go beyond merely constructing hydrogen dispensing stations but should also incentivize clean and sustainable methods

of producing, storing, and transporting hydrogen. An industry commenter urged DEEP to recognize and increase incentives for use of green hydrogen infrastructure (e.g., reversible solid-oxide fuel cell) including hydrogen produced. Another comment recommends increasing the size and scale of hydrogen infrastructure (i.e., 1000 Kg/day service) to serve large fleets.

4. A commenter proposed that the State of Connecticut fund the use of fuel cell systems to DC fast charge electric vehicles and recommended funding a demonstration project at $4,000,000.
5. One commenter urges CT DEEP to be inclusive of all ZEVs by providing equal funding for both hydrogen refueling infrastructure to support FCEVs and electric charging infrastructure for BEVs.
6. A comment suggests that any funding dedicated to hydrogen fueling infrastructure be eligible to be rolled into the EVSE funding category and used for EVSE projects in the event that it is not otherwise subscribed for hydrogen fueling projects.

<u>Municipal</u>

1. Four comments received support providing funding to expand municipal EV infrastructure including installation of publicly accessible charging stations at town owned properties. One commenter recommended that $1.5 million dollars be allocated towards this effort.

   DEEP intends to develop a government-only round for EVSE funding and maintain the state agency allocation at $1.2 million dispersed over 3 years to fund state government EVSE infrastructure, and:

   i. Leverage with Congestion Mitigation for Air Quality (CMAQ) funds,
   ii. Leverage with any PURA EVSE programs (or potential federal infrastructure funding),
   iii. Require all EV charging stations to be smart, networked equipment.

Structure of the EVSE Program Comments

Question 4: Please provide feedback on whether or the public-private partnership approach should be limited to the fast charging portion of the program or should this be the approach that governs all of the EVSE Program, level 2, fast charging and hydrogen refueling?

Comments on the structure of the EVSE program were received from Adelheid Koepfer, CCCC, CSE, EV Club of CT, EVgo, EVSE LLC, Greenlots, NGVA, Plug In America, and Save the Sound.

1. Seven commenters were supportive of a public/private model and recognized that the partnership can leverage funds.
2. Five commenters expressed concern that a public/private model could slow down the Level 2 deployment, particularly for MUD installs and suggested alternative models such as block grants or a rebate style approach for Level 2 EVSE similar to NYSERDA's Charge Ready NY Program and that a public-private partnership between the state and charging network providers approach be limited to the fast charging portion of the EVSE Program.
3. One commenter promotes keeping the EVSE funding application window continuous to accommodate a dynamic market.
4. One commenter believes that a future funding opportunity should *either* include a holistic role for the state as owner-operator of charging infrastructure *or* offer significant flexibility for the private market to identify individual sites and site hosts.
5. Two commenters support partnering with local network providers in Connecticut to keep jobs and dollars in the state.
6. Four commenters recommend coordination of deployment of the VW funds with the utility programs being developed in Docket No. 17-12-03RE04. In the case of VTG, one commenter recommends

the language for this part of the grant should be closely coordinated with representatives of CT's two major utilities.

7. The majority of comments agree with the EVSE selection criteria to ensure that proposals are consistent with the policies and goals outlined in Connecticut's EV Roadmap.
8. One commenter stressed the need for interoperability, and preference given to smart-charging software or upgrade-readiness of projects, especially V2G/ V2B readiness to help with grid load management.
9. To leverage funds, one comment advised that the next VW round of funding be released to coincide with funding opportunities from various federal agencies in the new administration. The commenter mentioned there may be funding through the US Department of Transportation-FWHA Corridor Program and the Clean Cities Program, in addition to the CMAQ funding.

Based on the comments and the feedback, DEEP will factor these considerations into the design of future funding opportunities for EVSE. DEEP agrees that the program design should favor public-private model for fast charging only and utilize reimbursement grants consistent with VW grant program design for L2 EVSE and hydrogen refueling. DEEP is deferring this effort until 2022 to enable PURA to fully develop its plans, which will allow DEEP to further leverage the VW funding to address funding gaps identified as part of PURA's ZEV Docket 17-12-03-RE04.

Question 5: Other suggestions or comments on the draft RFPs and/or Applicants are welcomed.

Additional comments were received from Adelheid Koepfer, CCCC, CSE, Diana McCarthy-Bercury, EVgo, KEW Consultants, Lion Electric, Matt Griswold (Judges Farm), NGVA, Ryan, LLC, Save the Sound, Sierra Club, STA, and Vincent Giordano.

<u>Funding and Eligibility</u>

1. One comment addressed the 'eligibility' of Class 7 trucks to zero emissions BEVs powered by on-site solar replacements. For the case of electric replacement, the commenter asked that the stipulation that Class 7 trucks only be replaced with Class 7 trucks or smaller be expanded to allow for Class 8 truck replacements as well.
2. A comment advocates for VW being applicable to lighter vehicles including police cars and vans.
3. One commenter requested rail car movers be included under the locomotive category.
4. Two commenters believe that all-electric replacements should be eligible for a higher percentage of funding compared to the other alternative fuels and the minimum funding percentage per project should not be lower than 75% of the total project cost.
5. Six commenters requested that school bus eligible engine model years be extended past the cap of 2009 and requested increasing the engine model year eligibility to at least 2012.

<u>Evaluation Criteria, Scoring and Ranking Methodology</u>

1. There were three comments on scoring. One commenter requested incorporation of a scoring rubric to develop balanced, quantifiable scoring criteria to score EVSE proposals, while another comment recommended a ranking methodology to prioritize projects that include EVs.
2. One commenter favored adding a weighted line item specifically for projects that plan on conversion to BEV under 'Part III: Preferential Criteria' on the Round 3 Application Form. Also, adding a scoring criteria for proposed generation source for BEV conversion.
3. One commenter urged DEEP to reconsider including previous experience as an evaluation criteria since it is unfair to EJ communities and other first-time applicants.

4. Two commenters encourage prioritization of project proposals from EJ community by earmarking a percentage of available funding to be directed to those communities and increasing the grant award by 10 percent for EJ communities.
5. One commenter advised that only electric replacements be eligible in high pollution (non-attainment) areas. The commenter favored a calculation tool for not only emissions reductions, but also number of people affected both directly (one operator vs up to 70 school kids plus driver) and indirectly (operating area; population density; age/ ethnicity/ other group markers).

EVSE Project Selection Criteria

1. A commenter recommended prioritizing projects that include partnerships that provide a match such as a CNG or LNG station being built in locations that will receive the VW funding.
2. Commenters encourage the allocation of a portion of the $2.3 million budget specifically to proposals that offer innovative technologies and solutions and projects that will be completed timely with expeditious deployment.
3. One commenter strongly disagreed with demonstrated experience being a criteria and argued the deciding criteria should be how well the project is planned and explained in the application, not how many previous projects the applicant completed.
4. A commenter notes that networking is an additional cost factor; therefore, it should be only optional and not influence evaluation for funding.

Equipment

1. One comment recommended Combined Charging System (CCS) station technology.
2. A commenter warned **not** to purchase auto manufacturer specific chargers (e.g. Tesla or Lucid) or CHAdeMO chargers.
3. One commenter encourages the requirement of CHAdeMO per site, not per charger, in line with evolving charger technology and trends in the automaker space.
4. One commenter recommended contacting Tesla to see if communities that have Tesla EVSE sites can piggyback on the connection for the site for other DCFCs on the same site plan.
5. A commenter recommends that multiple charger EVSE projects be prioritized over single-port proposals, with higher charger per site configurations being prioritized over lower port proposals.
6. A comment requested that any analysis be performed for new State buildings include EV level 2 charging infrastructure.
7. One commenter recommended locating DCFC to support all drivers by installing EV charging in community locations and not restricting program eligibility to the corridor use.

Training and Outreach

1. Two comments addressed training and outreach. One comment expressed the need to reserve some funding for a training program for both municipal fleet and public work employees who are responsible for maintaining electric vehicles and infrastructure. Another commenter recommends broadening outreach effort to provide administrative help to communities who want to apply, but struggle with the paperwork since they do not have the resources to devote to preparing a proposal.

Miscellaneous

1. A commenter offered to share a cost-calculator to determine a project's cost-benefit to use cost/ton of emissions reduced to prioritize project submissions.
2. One commenter requests clarification on the option for EVSE operators (e.g. municipalities) to charge not for access to the station but for the electricity consumed, in accordance with PA 16-135.
3. One commenter suggested that DEEP clarify the issue of municipal budgets and the grant implementation timeframe.

4. Three commenters advised use of vehicle emissions measurement tools such as Argonne National Laboratory's AFLEET and DHVEC tools.
5. A commenter suggested that DEEP incorporate lessons learned from the LMI Customer Electrified Mobility Study that will be undertaken in Docket No. 17-12-03RE04 to determine future priorities.
6. One comment recommends a turnkey model to entice more applicants to apply.
7. One commenter prefers funding for private fleet pilot projects monitored by a third-party firm.

Based on the comments received, DEEP intends to retain EVSE selection criteria as proposed with two additional preferential criteria suggested below that will be utilized in Round 1 for Government Entities:

i. Include a preference for projects that use of local charging manufacturer or labor contractors (labor, installation etc.) to promote economic recovery in the state.
ii. Provide selection preference for EVSE powered by clean renewable energy (i.e., solar) to promote long term GHG reduction goals.

Outside the Scope

The following comments were received and are considered to be outside of the scope of the requested comments in DEEP's Request for Comments.

The out of scope comments received were from the following commenters: CCCC, FreeWire, NGVA, Save the Sound, VEIC, and Vincent Giordano.

1. One comment suggested changing electricity rates to time of day rate system to promote conservation during high demand. Also, allow for bidirectional vehicle to grid flow to promote charging at night at home and stabilize the grid during the day.
2. One comment advised consideration be given to using the Climate Mayors collaborative purchasing agreements for discount pricing on EV chargers.
3. One commenter affirmed that there should be some consideration for small grants to upgrade home electrical panels to handle home L2 charging since smart meters are going to be essential part of homeowner's ability to track their electrical usage especially if the homeowner has installed a L2 EVSE.
4. One commenter encourages PURA to release its initial round of funding as soon as possible as part of the rollout of the statewide utility programs proposed by PURA in its EV investigation (Docket 17-12-03RE04). One commenter asked DEEP to encourage Eversource to become more actively involved in the acquisition of EV's.
5. One commenter asked DEEP to determine what electric medium- and heavy-duty vehicles are commercially available today since electric trucks have not been available in a reasonable timeframe.