

Electric Vehicle Charging Station Financing Program

California Energy Commission
California Pollution Control Finance Authority

Joint Workshop

November 7, 2014



Agenda

- **Welcome and Introductions**
- **Workshop Purpose**
- **Overview of Participating Agencies**
- **Overview of EVCS Financing Program**
- **Public Comment**
- **Adjourn**

Workshop Purpose

- The Electric Vehicle Charging Station (EVCS) Pilot Financing Program is a sustainable financing program that supports electric vehicle (EV) infrastructure in California.
- Solicit stakeholder input and public comment on the elements of the proposed EVCS Pilot Financing Program for eligible California businesses.

Stakeholders

Key Stakeholders

- **CEC:** Provides funding and policy direction
- **CPCFA:** Administers 100% of the program
- **Lenders:** Approve loans and submit program enrollments to benefit from credit enhancement
- **Borrowers:** Business owners seeking to finance the acquisition and installation of EVCS

California Energy Commission



Assembly Bill 8 (Perea, Chapter 401, Statutes of 2013)

- Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP)
- Extends ARFVTP funding through January 1, 2024
 - ✓ \$100 million per year
- To transform California's transportation market into a diverse collection of alternative fuels and technologies and reduce California's dependence on petroleum.
- ***“...develop and deploy innovative technologies that transform California’s fuel and vehicle types to help attain the state’s climate change policies.”*** (Health and Safety Code Section 44272(a))

Assembly Bill No. 8

CHAPTER 401

An act to amend Sections 41081, 44060.5, 44125, 44225, 44229, 44270.3, 44271, 44272, 44273, 44274, 44275, 44280, 44281, 44282, 44283, 44287, 44299.1, and 44299.2 of, to add and repeal Section 43018.9 of, and to repeal Section 44299 of, the Health and Safety Code, to amend Sections 42885 and 42889 of the Public Resources Code, and to amend Sections 9250.1, 9250.2, 9261.1, and 9853.6 of the Vehicle Code, relating to vehicular air pollution, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 28, 2013. Filed with Secretary of State September 28, 2013.]

LEGISLATIVE COUNSEL'S DIGEST

AB 8, Perea. Alternative fuel and vehicle technologies: funding programs.
 (1) Existing law establishes the Alternative and Renewable Fuel and Vehicle Technology Program, administered by the State Energy Resources Conservation and Development Commission, to provide to specified entities, upon appropriation by the Legislature, grants, loans, loan guarantees, and revolving loans, or other appropriate measures, for the development and deployment of innovative technologies that would transform California's fuel and vehicle types to help attain the state's climate change goals. Existing law specifies that only certain projects or programs are eligible for funding, including block grants administered by public entities or not-for-profit technology entities for multiple projects, education and program promotion within California, and development of alternative and renewable fuel and vehicle technology centers. Existing law requires the commission to develop and adopt an investment plan to determine priorities and opportunities for the program. Existing law also creates the Air Quality Improvement Program, administered by the State Air Resources Board, to fund air quality improvement projects related to fuel and vehicle technologies.
 This bill would provide that the state board has no authority to enforce any element of its existing clean fuels outlet regulation or other regulation that requires or has the effect of requiring any supplier, as defined, to construct, operate, or provide funding for the construction or operation of any publicly available hydrogen-fueling station. The bill would require the state board to aggregate and make available to the public, no later than June 30, 2014, and every year thereafter, the number of hydrogen-fueled vehicles that motor vehicle manufacturers project to be sold or leased over the next 3 years, as reported to the state board, and the number of hydrogen-fueled vehicles registered with the Department of Motor Vehicles through April 30. The bill would require the commission to allocate \$20 million annually, as specified, until there are at least 100 publicly available hydrogen-fueling

EV - Related Solicitations

- **PON-10-602--\$2.0 M for 10 Regional Plug-in Electric Vehicle (PEV) Readiness Plans** - To develop regional strategic plans that support the deployment of PEVs.
- **PON-11-602--\$30.0 M for Alternative Fuels Infrastructure** - To cost share the installation of alternative fuels infrastructure including EV chargers for \$7.1 M.
- **PON-13-603--\$2.1 M for Alternative Fuel Readiness Plans** - To develop strategic plans for the increased use of alternative transportation fuels, including electricity, that support the deployment of alternative fuel vehicles.
- **PON-13-606--\$13.6 M for EV Charging Infrastructure** - To cost share the installation of EV chargers.
- **PON-14-603--\$3.3 M for Planning for Zero-Emission Vehicles** - To implement PEV Readiness Plan actions, PEV Readiness Plan Development, and Fuel-Cell Electric Vehicle Readiness. *Applications accepted until funds are exhausted or by December 2, 2014 by 3:00 p.m.*

California Pollution Control Finance Authority (CPCFA)

Promote access to capital through the delivery of diverse financing options to California businesses and environment industries.



1. CPCFA low-cost innovative financing since 1972
2. Conduit Issuer of Tax-exempt Private Activity Bonds
3. Managed small business enhancement programs with State and Federal money since 1994
 - Encourage banks/financial institutions to make loans by providing portfolio insurance
4. 20 years of experience administering loan loss reserve programs
5. 95 approved lenders

Eligible EVCS Lenders

- All lenders that are currently a CPCFA qualified lender are eligible.
- New EVCS Lenders with a California business presence may apply if they are one of the following:
 - * Federal-Chartered Bank
 - * State-Chartered Bank
 - * Credit Union
 - * Savings Association
 - * Federal Certified not-for-profit Community Development Financial Institutions
 - * Finance Lender / Leasing Companies
 - * Small Business Investment Company
 - * Consortium of the foregoing entities
 - * Microbusiness Lender
 - * Lending institution that has executed a participation agreement with SBA

EVCS Lender Enrollment

- To become a new EVCS Lender, submit one page application to CPCFA.
- Lender must be regulated by a third party and in good standing.
- Lender submits names of their Board of Directors with the application.



Eligible Borrowers

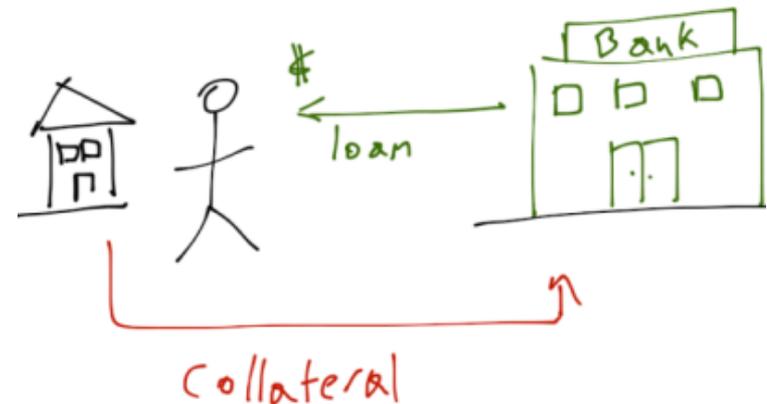
- Any company, corporation, partnership, firm, or other entity or group of entities, as defined within CPCFA statute, engaged in operations within the State of California who will be installing and operating EVCS.
- Borrower can enroll up to \$500,000
- Ineligible Borrowers:
 - Persons (individuals)
 - Public Entities



EVCS FINANCING PROGRAM

Loan Loss Reserve (LLR) Account

- LLR is a mechanism to provide financing to businesses.
- Pooled insurance fund.
- Reduces risk threshold.
- May recover up to 100% of the enrolled loan amount in case of loan charge-off.
- LLR Account may be held by the Participating Financial Institution or by the Program Trustee.



Financing Terms

- Lenders perform all loan underwriting, packaging, and servicing
- Lenders set and control all the terms and conditions on each loan/lease can:
 - be short- or long-term amortization
 - have fixed or variable interest rates
 - be secured or unsecured
- Lenders enroll all or a portion of the loan/lease in the EVCS Financing Program

EVCS Financing Program Elements

LLR with a Borrower Rebate

- 100% of the LLR contributions are funded by the CEC.
- Minimum of 20% or a maximum of 30% of the enrolled loan amount is contributed to the Lender's LLR.
- 48 months maximum LLR coverage.

Contributions

- **All** enrollments receive a base of 20% of the enrolled loan amount.
- **No** lender or borrower contributions.
- **Two** options to increase the contribution to 30%.
 - Multi-Unit Dwelling: 10%
 - Disadvantaged Community: 10%

10% for Multi-Unit Dwelling

Multi-Unit Dwelling (MUD) —

- Classification of housing where multiple housing units are contained within one building or multiple buildings within a complex or community.
- Common types of MUDs include condominiums, duplexes, townhomes, and apartments, mobile homes, and manufactured-home parks.



10% for Disadvantaged Communities

Disadvantaged Communities (DAC) –

- A community that is disproportionately affected by environmental pollution and has socioeconomic characteristics that make the populations more vulnerable to that pollution.
- Top 25% of DAC as identified by California Environmental Protection Agency's CalEnviroScreen 2.0 Tool (<http://oehha.ca.gov/ej/ces2.html>).
- DAC is the census tract where the EVCS is to be installed for the business.
- List of eligible DAC will be made available.

Rebate

- Equals 50% of the LLR Contribution for the enrolled loan amount.
 - \$7,500 contribution equals a \$3,750 rebate.
- Rebate paid directly to borrowers from CPCFA.
- No more than one (1) 30 day late payment.
- Borrower rebate is eligible when loan is retired or in month 49 whichever comes first.
- Paid from the lender's LLR account.

Maximum LLR Contribution is 30%

Example: \$25,000 Loan

Amount	Item
\$5,000	20% LLR Contribution Base
\$2,500	10% Contribution for MUD or DAC
\$7,500	Total LLR Contribution deposited into the lender's LLR account
\$3,750	Rebate (equal to 50% of the total LLR contribution)
\$3,750	Remains in lender's LLR account

Claims

If enrolled loan is charged-off:

- Lender has 120 days after charge-off to submit a claim to CPCFA
- Up to 100% of the enrolled loan amount is eligible (if funds are available in LLR Account)
- Future loan enrollments can compensate for shortfalls on previously paid claims



ELIGIBLE PROJECTS AND COSTS

Eligible Technology

Minimum EVCS Technical Requirements:

- AC Level 1 or 2: SAE J1772 connector
- Direct current fast chargers (DCFC):
 - ✓ CHAdeMO standard connector – Most Japanese vehicles (Nissan and Mitsubishi).
 - ✓ SAE Combo (CCS) standard connector - American and European vehicles.
 - ✓ Or Both Technologies.
- EVCS must use an Open Standard Protocol as a basic framework for purposes of network interoperability.



Eligible Costs

- Design and development of EVCS.
- Acquisition of EVCS, supply equipment, electric panel or grid improvements, materials and supplies (including conduit and construction materials), signage, and hardware and software necessary for fully operational charger(s).
- Labor to install fully operational EVCS.

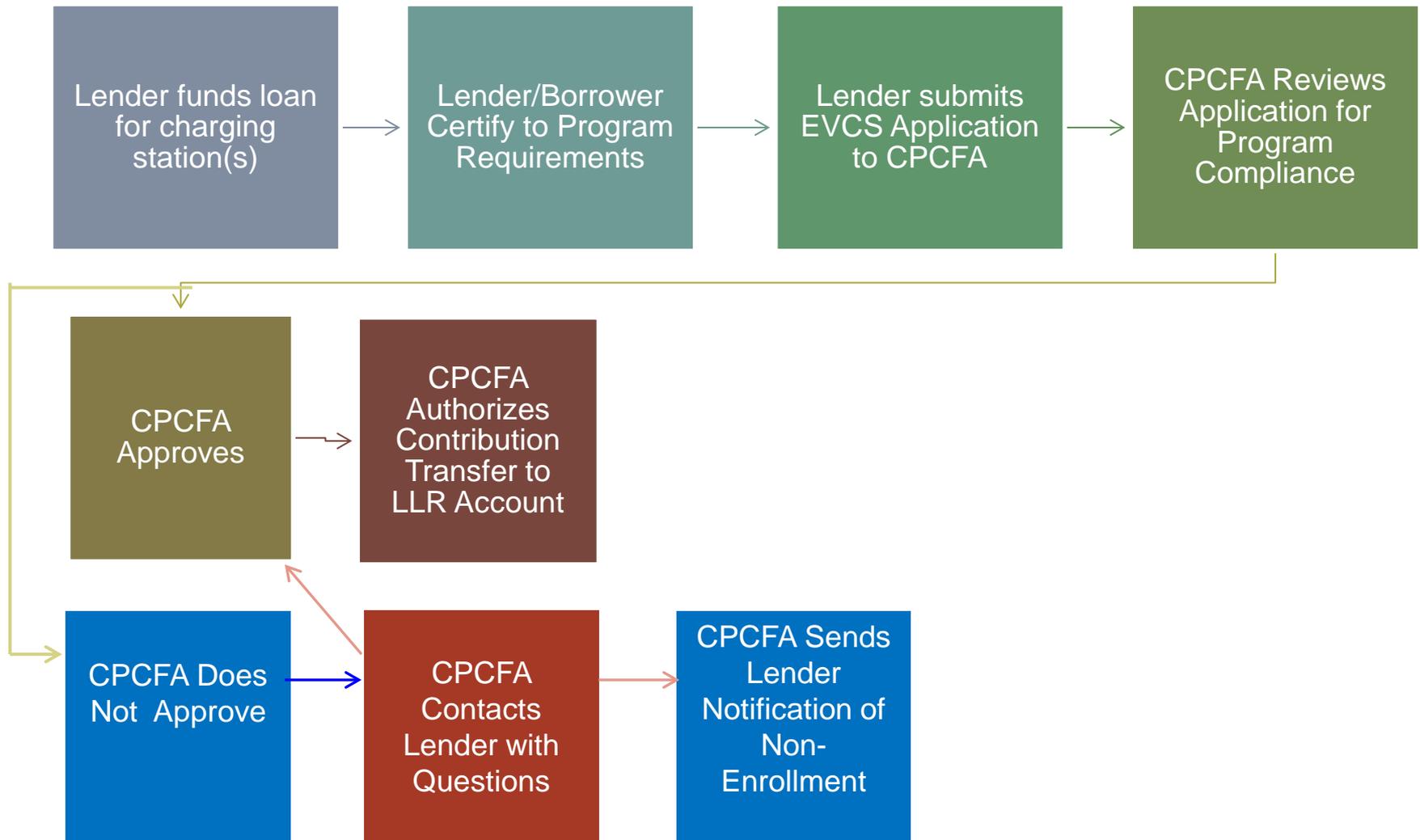
Estimated Commercial Equipment and Installation Costs

Type	Equipment Cost	Installation Cost
AC Level 1	\$300 - \$500	N/A
AC Level 2	\$700 - \$7,000	\$1,500 - \$4,000
DC Fast Charger	\$6,500 - \$35,000	\$8,500 - \$48,000

Sources: Electric Power Research Institute, ChargePoint Inc., Clean Fuel Connection, Inc

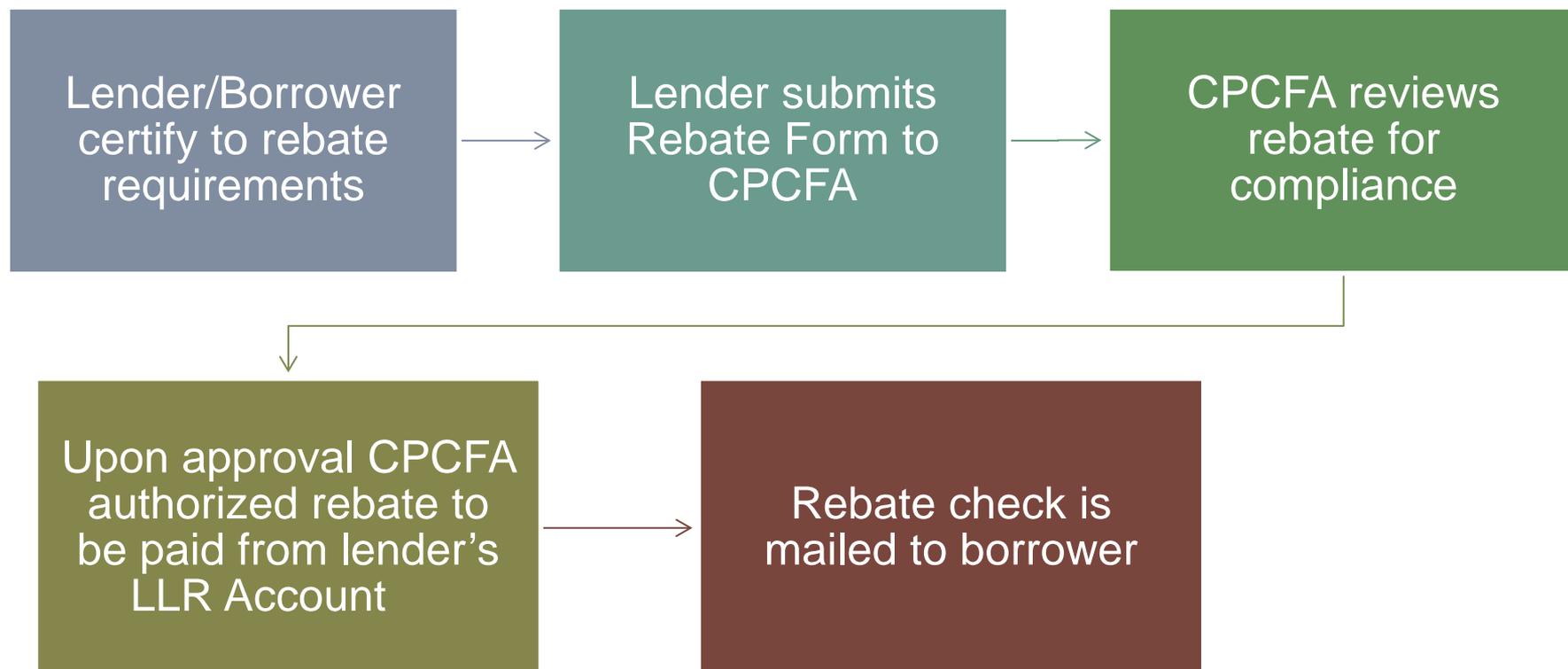
BUSINESS PROCESSES

LLR Enrollment Process



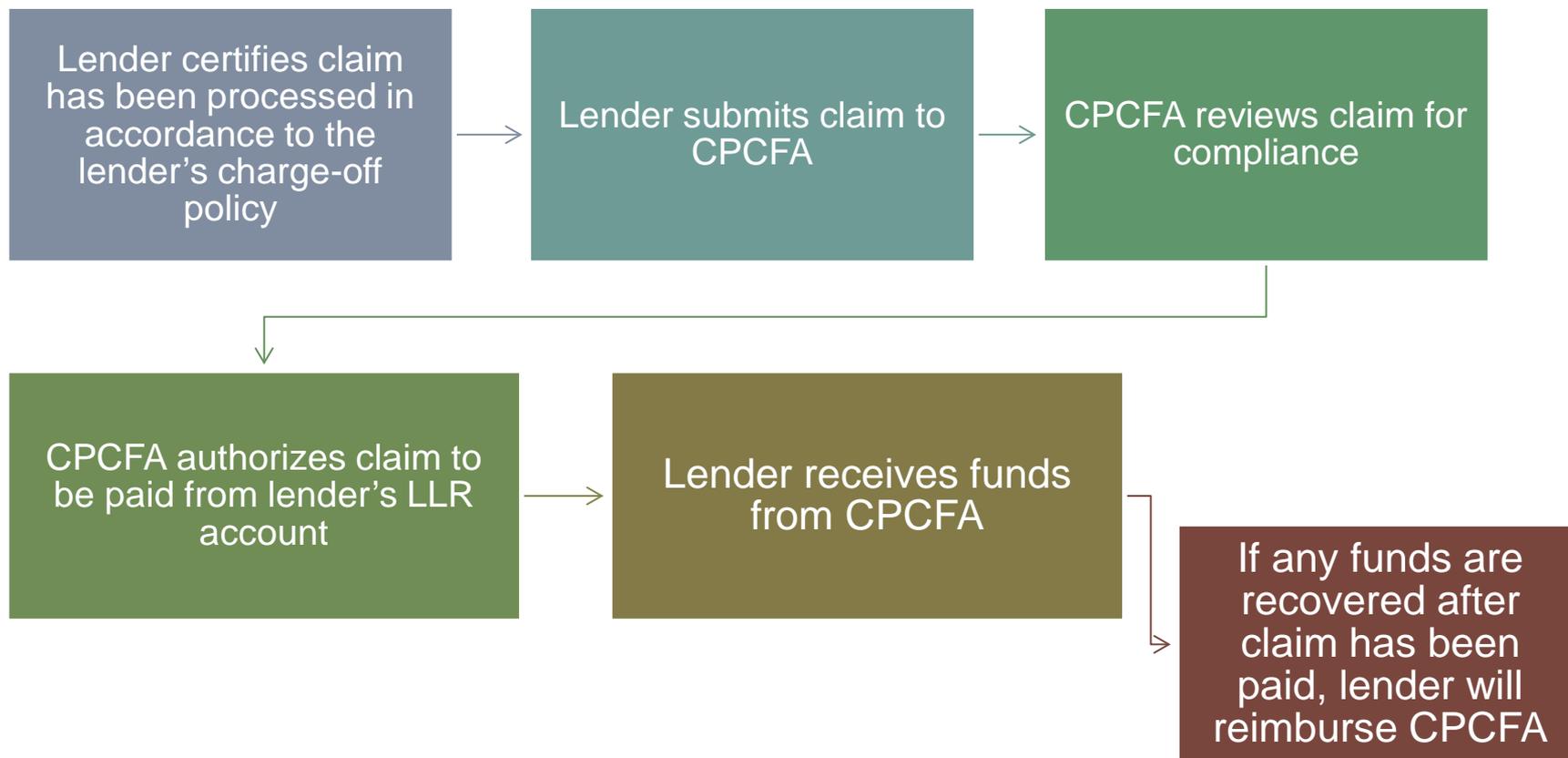
Rebate Process

Within 90 days after loan/lease is retired or in Month 49



Claim Process

Within 120 days of Enrolled Loan Charge-off



IMPLEMENTATION

Schedule

- Comments due December 8, 2014
- Training for EVCS Lenders 1st Quarter 2015
- EVCS Financing Program launch 1st Quarter 2015



PUBLIC COMMENT

Public Comment

- Public Comment Open
- Written comments by **3:00 p.m. on December 8, 2014.**

Email to: EVCS@treasurer.ca.gov

Mail to:

California Pollution Control Financing Authority
“EVCS Financing Program”
915 Capitol Mall, Room 457
Sacramento, CA 95814

EVCS Financing Program

Thank You!

California Energy Commission
and
California Pollution Control Financing Authority