Electric Vehicle Charging Station Financing Program

California Energy Commission
California Pollution Control Financing 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 California businesses.
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 at their place of business
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))
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 Financing 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-Charted 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 at its place of business.

- 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 track 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

<table>
<thead>
<tr>
<th>Amount</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,000</td>
<td>20% LLR Contribution Base</td>
</tr>
<tr>
<td>$2,500</td>
<td>10% Contribution for MUD or DAC</td>
</tr>
<tr>
<td>$7,500</td>
<td>Total LLR Contribution deposited into the lender’s LLR account</td>
</tr>
<tr>
<td>$3,750</td>
<td>Rebate (equal to 50% of the total LLR contribution)</td>
</tr>
<tr>
<td>$3,750</td>
<td>Remains in lender’s LLR account</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Type</th>
<th>Equipment Cost</th>
<th>Installation Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>AC Level 1</td>
<td>$300 - $500</td>
<td>N/A</td>
</tr>
<tr>
<td>AC Level 2</td>
<td>$700 - $7,000</td>
<td>$1,500 - $4,000</td>
</tr>
<tr>
<td>DC Fast Charger</td>
<td>$6,500 - $35,000</td>
<td>$8,500 - $48,000</td>
</tr>
</tbody>
</table>

Sources: Electric Power Research Institute, ChargePoint Inc., Clean Fuel Connection, Inc
BUSINESS PROCESSES
LLR Enrollment Process

Lender funds loan for charging station(s) → Lender/Borrower Certify to Program Requirements → Lender submits EVCS Application to CPCFA → CPCFA Reviews Application for Program Compliance

CPCFA Approves → CPCFA Authorizes Contribution Transfer to LLR Account

CPCFA Does Not Approve → CPCFA Contacts Lender with Questions → CPCFA Sends Lender Notification of Non-Enrollment
Rebate Process

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

1. Lender/Borrower certify to rebate requirements
2. Lender submits Rebate Form to CPCFA
3. CPCFA reviews rebate for compliance
4. Upon approval CPCFA authorized rebate to be paid from lender’s LLR Account
5. Rebate check is mailed to borrower
Claim Process

Within 120 days of Enrolled Loan Charge-off

1. **Lender certifies claim has been processed in accordance to the lender’s charge-off policy**
2. **Lender submits claim to CPCFA**
3. **CPCFA reviews claim for compliance**
4. **CPCFA authorizes claim to be paid from lender’s LLR account**
5. **Lender receives funds from CPCFA**
6. **If any funds are recovered after claim has been paid, lender will reimburse CPCFA**
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