SENATE COMMITTEE ON ENERGY, UTILITIES AND COMMUNICATIONS
Senator Steven Bradford, Chair
2023 - 2024 Regular

Bill No:	SB 823	**Hearing Date:**	4/24/2023
Author:	Smallwood-Cuevas		
Version:	4/12/2023 Amended		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Sarah Smith		

SUBJECT: Discounted Electric Vehicle Charging Payment Card Programs

DIGEST: This bill requires the California Energy Commission (CEC) to establish a program to provide specified low-to-moderate income electric vehicle (EV) drivers with discounted EV charging rates.

ANALYSIS:

Existing law:

1) Requires the California Public Utilities Commission (CPUC) to maintain the California Alternative Rates for Energy (CARE) program to provide rate assistance to electrical and gas corporation customers with annual household incomes at or below 200 percent of the federal poverty level (FPL). For electrical corporations with 100,000 or more customers, existing law specifies that the discounted CARE rate must be between 30 and 35 percent of the charges that would have been billed for the same usage by a non-CARE customer. (Public Utilities Code §739.1)

2) Requires the CPUC to maintain the Family Electric Rate Assistance (FERA) program to provide an 18 percent line item discount on the electricity bills for residential customers of the state's three largest electrical corporations who have household incomes between 200 percent and 250 percent of the FPL. (Public Utilities Code §739.12)

3) Establishes the Low-Income Oversight Board (LIOB) to advise the CPUC on low-income utility customer issues and serve as a liaison for the CPUC to low-income ratepayers and representatives. (Public Utilities Code §382.1)

4) Establishes the Charge Ahead Initiative at the California Air Resources Board (CARB) to deploy at least one million zero-emission vehicles (ZEVs) and near-zero-emission vehicles by January 1, 2023, and expand the deployment of ZEVs to disadvantaged communities. (Health and Safety Code §44258 et. seq.)

5) Requires CARB to establish programs to increase disadvantaged and low income communities' access to EVs, including the following:

   a) Financing mechanisms to increase low- and moderate-income consumers' participation in the EV marketplace.
   b) Car sharing programs that serve disadvantaged communities using ZEVs and near-zero-emission vehicles.
   c) Deployment of charging infrastructure in multiunit dwellings in disadvantaged communities.
   d) Additional vehicle replacement incentives to help low-income consumers transition to cleaner vehicles. (Health and Safety Code §44258.4)

6) Establishes the Transit and Intercity Rail Capital Program (TIRCP) to fund projects to modernize transportation systems to meet specified goals, including reducing greenhouse gas (GHG) emissions reductions. Existing law requires the California State Transportation Agency (CalSTA) to evaluate and approve applications for these projects, and it requires the California Transportation Commission (CTC) to allocate funding for approved projects. (Public Resources Code §75220)

This bill:

1) Requires the CEC to direct each operator of a publicly accessible charging station to establish a program that enables eligible residents to use a payment card to obtain discounted EV charging at any of the operators publicly accessible EV charging stations in the state.

2) Establishes eligibility criteria for individuals to participate in an EV charging discount card program established under this bill, including specifying that individuals with a household income at or below 400 percent of the FPL who lack an EV charger at their residence are eligible for a discount card. This bill also specifies that a resident of a multiunit dwelling is deemed to not have access to an EV charger at home if that either of the following conditions are met:

   a) The complex does not have a sufficient ratio of chargers to units, as specified.
   b) The resident holds a valid disabled placard and none of the chargers are accessible to a disabled person.

3) Specifies the EV charging rates that an operator must provide participants with discounted charging at publicly accessible chargers based on whichever of the following rates is lowest:

   a) The residential EV rate.
   b) The lowest electricity rate offered to EV owners in the service territory.

4) Specifies that customers who qualify for CARE Program customer or FERA must receive EV charging at the discounted CARE or FERA rate.

5) Requires charger operators to prioritize uptime at publicly accessible EV charging stations in underserved communities.

6) Requires the CEC to annually submit a report to the Governor and Legislature on program outcomes starting March 1, 2025. This bill authorizes the CEC to require EV charging companies to submit information needed for this report.

7) Requires the LIOB to annually submit information to the CEC, starting on January 1, 2025, on the participation rate for this bill's discounted EV charging program and recommendations to improve participation in the program. This bill specifies that the CEC must include this information in its annual report to the Legislature and Governor on this program.

Background

Bill attempts to address EV charging barriers for lower income, multifamily residents. Residents of multiunit buildings face a number of structural barriers to EV charging. While some of these buildings may have an insufficient number of chargers for EV-owning residents, other buildings lack any off-street parking where EV chargers can be installed. Californians who lack access to residential and workplace charging largely rely on publicly accessible chargers. However, publicly accessible chargers do not offer charging at residential rates, including any of the EV incentive rates or discounted rates for low-income Californians. Multiple programs, including CARB's Clean Mobility Options and California Integrated Travel Project (CalITP) have supported demonstration projects that help offset the cost of driving EVs. In 2022, CalITP and the Governor's Office of Business and Economic Development (GO-Biz) partnered with Valley Clean Air Now to provide contactless, reloadable debit cards for EV charging to 100 low-income EV owners in the San Joaquin Valley. This bill would establish a new statewide discounted EV charging program for low-to-moderate income EV drivers that rely on public charging. This discount program is aimed at providing a specified discounted rate for charging accessed through a card at EV chargers' point-of-sale card readers.

Bill's charging discount mechanism may be infeasible as currently written. This bill would require EV charging operators to provide program participants with EV charging rates based on the lowest EV charging rate available to residents of an electric utility's service territory. This bill also specifies that program participants eligible for CARE or FERA must receive the CARE or FERA discount for EV charging, regardless of whether those participants are enrolled in CARE or FERA. Existing law establishes the CARE and FERA programs to provide rate assistance to customers of electrical corporations. CARE provides rate assistance to electric and natural gas corporation customers with annual household incomes at or below 200 percent of the FPL. CARE's electrical discount fluctuates between 30 and 35 percent of billed usage, depending on the rates charged to non-CARE customers within the same service territory. For those electrical corporation customers with annual household incomes between 200 and 250 percent of the FPL, FERA provides an 18 percent discount on electricity bills. Both CARE and FERA are funded by surcharges paid by other utility customers.

This bill attempts to ensure that lower income customers can capitalize on their residential and discounted CARE or FERA rates at public chargers when they cannot charge at a residence; however, CARE and FERA rates differ between utility service territories, and any given utility rate is only offered within that specific utility's service territory. While local publicly owned electric utilities (POUs) generally operate their own rate assistance programs, POUs do not participate in CARE and FERA.

This bill's reliance on existing residential rates to establish discounts may result in a cost-shift between rate classes. Under existing law, there are generally four main electrical corporation customer rate classes: residential, commercial/industrial, agricultural, and street lighting rates. The CPUC reviews and approves rates for each customer class, which must be proportionate to the costs of serving that class. As a result, residential rates reflect the costs of serving residential customers, including special discounts for those customers. By requiring commercial customers to pay differences between the commercial EV rates and residential EV rates and any CARE or FERA discounts, this bill may indirectly contribute to a cost shift between customer rate classes.

Who pays? Unlike electricity rates, EV charging costs are not strictly regulated. Charging companies and site hosts can determine the mechanism and price to charge. Chargers have different bases for determining the cost of charging; public chargers may offer free charging, pay-as-you-go charging, and others are part of a subscription service that provides discounted charging for a regular fee. Certain car manufacturers provide complimentary charging for their customers at certain chargers.

While this bill is silent on a funding source for its discount, this bill implies that any difference between the cost of the electricity used for charging and the amount of revenue collected from the use of the chargers would be borne by the property owner paying the electric bill for those chargers. While charging companies may be responsible for some of this cost, site hosts who pay commercial electric rates and are forced to offer the use of their chargers at lower residential rates may also be impacted. It is unclear if requiring EV charging companies and site hosts to pay for these rate differences would conflict with limitations on regulatory takings.

Need for amendments. As currently written, this bill's discount EV charging mechanism using electric utility rates is likely infeasible and may inadvertently result in rate shifting between different rate classes. Additionally, the scope of entities that may have to provide charging discounts under this bill is likely broader than EV charging companies. *As a result, the author and committee may wish to amend this bill to do the following:*

- *Re-cast this bill to establish a grant program at the CEC to provide funding opportunities for the establishment of EV charging discounts to low-to-moderate income EV drivers using publicly accessible chargers.*
- *Specify that the implementation of the grant program is contingent upon the CEC receiving funding for the program.*

Prior/Related Legislation

SB 529 (Gonzalez, 2023) would require the CEC to establish a program to fund EV car share sites at affordable housing facilities. The bill specifies that subsidized fares for use of EVs are an eligible use of grant funding under the bill. The bill is currently pending in the Senate.

AB 2703 (Muratsuchi, 2022) would have required CARB to establish a program to provide financial assistance for EV charging by low-income drivers and drivers who reside in disadvantaged communities. The bill also would have required the CEC to establish reliability standards for EV chargers that receive state funds. The bill was held in the Senate Appropriations Committee.

AB 2061 (Ting, Chapter 345, Statutes of 2022) required the CEC to establish definitions to calculate the "uptime" during which an EV charger is operational. The bill also required the CEC to adopt reporting and recordkeeping requirements for public and ratepayer-funded chargers to assess the uptime and accessibility of these chargers. The bill authorized the CEC to adopt certain tools to encourage EV charger reliability.

SB 1135 (Bradford, Chapter 413, Statutes of 2018) codified FERA and increased the FERA line item discount on a customer's utility bill from 12 percent to 18 percent.

SB 862 (Budget and Fiscal Review Committee, Chapter 36, Statutes of 2014) and SB 9 (Beall, Chapter 710, Statutes of 2015) created the framework for CalITP by establishing and modifying TIRCP to fund transformative transportation capital improvements to achieve specified goals, including GHG emission reductions.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

SUPPORT:

Let's Green CA!, Sponsor
1000 Grandmothers for Future Generations
350 Bay Area Action
350 Ventura County Climate Hub
Active San Gabriel Valley
Atmos Financial
BAN SUP
Center for Community Action and Environmental Justice
Clean Earth 4 Kids
Community Environmental Council
Dolores Huerta Foundation
Earth Ethics, Inc.
Ecology Action
Elders Climate Action, NorCal Chapter
Elders Climate Action, SoCal Chapter
Equity Transit
Extinction Rebellion San Francisco Bay Area
GreenLatinos
Greenpeace USA
Jobs to Move America
Labor Network for Sustainability
Lakota People's Law Project
Media Alliance
Mynt Systems
Pajaro Valley Pride
Rewiring America

Santa Cruz Climate Action Network
Santa Cruz Works
SLO Climate Coalition
SoCal 350 Climate Action
Sunflower Alliance
Sustainable Mill Valley
Sustainable Silicon Valley
Terra Advocati
The Climate Center
UNITE HERE Local 30

OPPOSITION:

Electric Vehicle Charging Association, unless amended

ARGUMENTS IN SUPPORT: According to the author:

> Existing state incentives for at-home lower EV charging rates overwhelmingly benefit a small portion of state residents. We have a responsibility to make these programs accessible to all Californians – particularly at a time when the burden of fossil fuels is disproportionately impacting low-income communities of color. To address the disparity in EV charging options for underserved Californians, SB 823 will direct utilities to offer certain consumers a "Discounted EV Charging Payment Card" that will function as a virtual electric meter. This will help ease this burden by expanding access to the benefits of an existing, successful program.

ARGUMENTS IN OPPOSITION: Opponents argue that this bill is duplicative of existing programs and may increase overall costs for EV charging. The Electric Vehicle Charging Association (EVCA) is opposed to this bill unless it is amended to codify the existing CalITP program. In opposition, EVCA states:

> EVCA appreciates that the author has prioritized increasing access to electric vehicle (EV) charging for low-income individuals in her bill, however, in its current form, SB 823 duplicates an existing state program and will lead to higher overhead costs, resulting in the installation of fewer EV charging stations in California.

-- END --