

Transportation Electrification Executive Council January 18, 2012

In Attendance:

Council Members:

Jeff Cogen, Multnomah County
Charlie Allcock, PGE
Lisa Adatto, Climate Solutions
Stephen Saltzman, Intel Capital
Betsy Boyd (by phone)
Thomas Brookes (by phone)
Robert Waterhouse, Entek International (by phone)
Dan Bates, Thorn Run Partners

Ex Officio:

Adam Bless, OPUC
Scott Simms, BPA
George Beard, PSU

Council Support:

Warren Fish, Multnomah County
John MacArthur, OTREC
Art James, ODOT
Rick Wallace, ODOE
Mark Brady, Business Oregon
Adam Bless, Oregon PUC
Therese Hampton, Oregon Solutions

Other:

Dave Nordberg, Oregon DEQ
Mike Dutton, IBEW
Gabrielle Schiffer, Building Codes
Barry Woods, Drive Oregon
Jeff Allen, Drive Oregon

Meeting Overview

Meeting Objectives:

- Update on key issues in the regulatory environment.
- Update on the DOE PEV grant project.

Next Steps

- Deployment and Policy Subgroup to coordinate with Dave Nordberg on DEQ's involvement in zero emission vehicles.
- Attend the Auto Show January 26 - January 29!
- Charlie Allcock to send Therese new information coming from Edison Electric Institute and others.
- Mark Brady will coordinate with Betsy Boyd regarding engagement with Peter DeFazio's office.

Next Meeting

Next meeting will be scheduled in March. Therese will provide meeting information via e-mail.

Meeting Summary

Introduction/Objectives

Jeff Cogen opened the meeting with a round of introductions. He indicated we had a full agenda and we would get started.

EPA/CARB Regulatory Environment

Dave Nordberg briefed the group on the Low Emission Vehicle Program and how it relates to the work of the TEEC. Dave indicated that the Clean Air Act allows states to use EPA's nationwide vehicle emission standards or California's more stringent rules. Oregon cannot adopt or create its own rules. Oregon has adopted California's standards effective with the 2009 model year. The California standards constitute Oregon's Low Emission Vehicle (LEV) program.

California is in the process of adopting new Zero Emission Vehicle (ZEV) rules in addition to much more restrictive greenhouse gas emission limits for light duty vehicles. Oregon will also need to adopt California's new rules to be able to maintain enforceability of the program. Oregon's requirement for ZEVs is based on percentage of car sales. The requirement of the California *proposed* ZEV rules in Oregon is estimated to be:

2018: ~5,500 EVs, or 2,400 EVs plus 9,100 Plug-In Hybrids

2019: ~8,600 EVs, or 4,900 EVs plus 11,000 Plug-In Hybrids

2020 ~11,700 EVs, or 7,400 EVs plus 12,900 Plug-In Hybrids

(The actual requirements are to be adopted by the California Air Resources Friday, January 26 and are likely to be somewhat different.)

This prompted a discussion about how attainable the goal is. The following numbers were provided to the group for context:

- There are 100,000 new car sales/year in Oregon. DEQ's information indicates that before the recession, 165,000 cars and light duty trucks that are subject to the ZEV rules were sold per year in Oregon.
- The new rules will increase the % of new car sales that are PEV or Plug-In Hybrids, however, there is flexibility in the program designed to make it attainable.
- The average age of car in the U.S. is 10.8 years; highest it has ever been. This may influence replacement rates.

There were questions about both opposition and support to these rules. Dave indicated that the auto dealers are currently in discussions with California regarding the pace of implementation. Dave also indicated that the environmental groups are very supportive of the rules. Scott Simms raised a concern about whether this provides increased cost to all car sales in Oregon or a disincentive to sell in Oregon. Dave said DEQ is not interested in promulgating regulations that are not attainable. Ultimately, Oregon can opt out of the ZEV program.

Dave clarified in response to questions from that group that CAFE standards do not require zero emission vehicles. Federal standards do not include ZEV requirements only CA standards require ZEV.

The proposed rules in California are scheduled to be adopted at the end of January. California will then have up to 1 calendar year to change them through a series of 15-day comment periods. However, we expect them to be done by this summer. Once California has finalized their rules, then Oregon can begin their adoption process.

A key connection between the ZEV rules and the TEEC is that ODEQ can now work on zero emission vehicles and want to work on that with us. They have ideas about encouraging voluntary Level 1 workplace charging and other ideas. Dave will connect with key subgroups to see how best to coordinate these ideas and opportunities.

Drive Oregon

Jeff Allen, the newly selected Executive Director of Drive Oregon, provided an overview of Drive Oregon efforts. He reminded the group that Drive Oregon received \$1.2 million in legislative funding for the biennium. The organization is focused on the following:

- Change in Board Composition to assure it represents all of the industry; all parts of the supply chain.
- Refining workplan and budget - to accomplish key actions in the next 8 months before the next legislative session.
- Helping members to connect with sales - this is key to attracting angel and venture capital.
- Members at the auto show - estimates that 6 to 7 members have booths at the show.
- Provide grant writing assistance to members.
- Provide matching funds to members for grants that require match
- Provide some individual grant funds
- Serve as a policy voice for the industry - what this actually means is still being decided, but what matters most is the growth of the industry
- Talking to stakeholders about what they think they should be doing.

Drive Oregon currently has 40 active participants, but a smaller number of dues paying members. The goal is to have 50 active, dues paying members by summer. Betsy Boyd asked if Drive Oregon was connected to the Research VPs at the Universities. Jeff said they are not coordinated at this time but would welcome introductions.

Joint Policy Advisory Committee on Transportation (JPACT)

Charlie presented to the JPACT last week. He provided an update on the state of the industry, TEEC activities, and the grant activities. Charlie feels there is unique opportunity to work closely with JPACT. They are looking for input on how to shape the program and create the right incentives.

Consistent with previous information, he indicated that \$500,000 of JPACT funding has been set aside for PEVs. Approximately, \$100,000 for consumer education and the remaining \$400,000 for the purchase of electric vehicles. The actual funding timeline is not known, but people are aware that they are trying to front end the funding. Deena Platman is the key point of contact at Metro for on this topic.

Auto Show

Mark Brady, Rick Wallace and George Brady provided a run-down of the events and activities going on during the Auto Show:

- **Eco Center** - will have charging stations, cars and numerous booths including a Clean Cities Booth. Clean Cities has developed 2 brochures that have really good information.
- **Fleet Managers** - Clean Cities meeting with fleet managers on Thursday, January 26th will include presentations by the OEMs regarding their plans and offerings.
- **Free Electric Weekend** - there are postcards being printed that provide a website to take a survey and be entered to win a free electric weekend.
- **Speakers Bureau/EV Briefing** - at least 2-4 times a day, a briefing will be provided to auto show participants regarding the 10 things you need to know about EVs.
- **VIP Night** - PGE has secured tickets to the opening night event and would like to invite community opinion leaders to attend at 6:00 pm to hear about electric vehicles.

Mark indicated that Merkley's office indicated that the Senator would be willing to attend some event linked to the auto show. Mark will see if he might be available for the VIP night. Betsy Boyd suggested reaching out to DeFazio. Mark and Betsy will follow-up.

DOE Grant Update

Mark Brady provided an project schedule that outlined interim milestones for a final report to U.S. DOE by September 30, 2012. The first major milestone is for subgroups to provide a 75% draft of their report to the TEEC by May 25th. The schedule requires a 2-week turnaround from the TEEC. That allows the subgroups time to finalize and for the TEEC to have a final review on September 5th.

Policy Work Group

Chair: Dan Bates

Task Lead: Mark Brady

Facilitator/Project Manager: Josh Skov

The Policy Workgroup has met twice. They are now meeting every month (on the 2nd Friday of the month). The workgroup has been developing criteria for evaluating policies and inducements and have begun cataloging different policies and inducements. The workgroup welcomes input from any team members about policies or inducements that should be considered. The workgroup's report will include recommendations and prioritization for different policies.

Outreach Work Group

Chair: Lisa Adatto

Task Leads: John MacArthur and Rick Wallace

Facilitator/Project Manager: Therese Hampton

The outreach workgroup has a couple of different strands of effort. One key area is preparation for the auto show which has already been discussed. Another key area is preparing and engaging in outreach. In support of that effort, the workgroup is recommending hiring 2 different areas of contract support. One area would be to help develop collateral materials and finalize the workgroup's report. The second area would be as an outreach coordinator. The coordinator

would lead outreach efforts, manage social media, and test our outreach strategies and materials. It is the workgroup's goal to have an outreach strategy with collateral materials developed and tested by summer.

The auto show provides a good starting point for collateral materials. Other collateral materials may focus on the business case for EVs. Lisa presented that the workgroup has recommended using an existing name and logo: EV Roadmap. However, Art James suggested that the group focus on content first and not worry as much about the branding portion of the effort. He would prefer that we develop off the shelf messaging, that any of our partner entities can use. Another TEEC member suggested that a module of information targeted towards legislators should be considered.

John MacArthur indicated that research being used to support the workgroup's efforts include the PSU Capstone Student project and all other existing material. This information will be supported by the survey being conducted at the auto show. John expects that by March we will have a good sense of where we have gaps in our data.

Someone asked the question as to whether the workgroup's plan would make recommendations for how to assure continued funding for consumer education. Lisa indicated that this issue should be addressed.

Utility Work Group

Chair: Scott Simms

Task Leads: Rick Wallace and Adam Bless

Facilitator/Project Manager: Therese Hampton

Scott indicated that the utility group has met twice and has really strong and broad representation from the utility community. The workgroup has an outline for its final report and is focusing on the following key activities in support of the report:

1. **Utility Outreach** - this effort will be both qualitative and quantitative. The workgroup will provide information to the utilities and then ask questions about what is important to them. The goal is to do a survey of the state and utility interests and concerns.
2. **Peak Demand Subgroup** - Adam Bless is the chair of this subgroup that includes operational and rates analysts from several utilities. They will be exploring issues related to impacts to peak demand and any associated rate effects.
3. **Western Electric Industry Leaders (WEIL) Meeting** - WEIL includes a workgroup focused on vehicle readiness and includes utility representatives from across the west coast. BPA and PGE will coordinate to host the WEIL meeting in early spring and provide an opportunity to share experiences and learning.

Scott highlighted that one piece of outreach that will be developed is an executive summary of what has taken place in the state relative to electric vehicles to date. Scott will coordinate with PGE on the potential for PGE to help develop this summary.

Charlie indicated that there are new materials from Electric Edison and Electric Drive that might be helpful. Charlie was asked to send those to Therese so that she could get them out to the group.

Deployment Work Group

Chair: Charlie Allcock

Task Leads: John MacArthur, Art James, and Ashley Horvat

Facilitator/Project Manager: Josh Proudfoot

Charlie indicated that the workgroup's first effort reach out to the OEMs to understand their plans and impression of the market. They are almost complete. Once they are complete, the group may do the same thing with the charging station companies.

The main themes that have been gleaned from the OEM interviews include:

- Consumer education is essential
- 30,000 PEVs in Oregon by 2015 is ambitious
- Interested in fleet purchases/bulk buy
- They won't have quota/limitations in future, they have worked through the production limitations.
- Additional incentives (beyond federal incentive) increase sales tremendously. An additional incentive can cause a 200% lift in the number of sales that occur. And the incentives don't have to be money - parking, HOV lane
- The OEMs are still looking at only the next most likely segment

The workgroup will synthesize the information and put it in a form that they can share with the other workgroups.

Charlie also highlighted that there are 20 electric trucks in use in the Portland area. Staples as 4 trucks and Frito Lay has 16 trucks. We have a great opportunity through one of the workgroups to reach out and understand their experience.

Next Steps

Jeff thanked the group for coming. Jeff suggested that the next TEEC meeting would be in March. There will follow-up via e-mail regarding the next meeting.