

Electrify America Receives Go Ahead for its Second \$200 Million Investment in California

The approved ZEV Investment Plan covers the second of four investment cycles that will bring a total of \$800 million in ZEV projects to the state over ten years

Sacramento, CA (Dec. 13, 2018) – Electrify America's plan to invest its second \$200 million in California Zero Emission Vehicle (ZEV) infrastructure and education programs was approved by the California Air Resources Board (CARB) on Thursday, December 13.

In finding that Electrify America's Cycle 2 California ZEV Investment Plan meets or exceeds all requirements of the 2.0L Partial Consent Decree, CARB moved forward the company's plans for DC fast charging in more metro areas, adding charging for regional routes, and strengthening highway networks. The plan also includes investments for charging stations to support ZEV bus fleets and ride hail services, as well as residential and autonomous vehicle charging. The company also will invest in rural Level 2 charging. Implementation for Cycle 2 will begin on July 1, 2019, and continue through Dec. 31, 2021.

"Electrify America is pleased that CARB has approved the Cycle 2 California ZEV Investment Plan," said Giovanni Palazzo, president and chief executive officer of Electrify America. "We appreciate the guidance, collaboration and attention to detail provided by the CARB team."

The <u>Cycle 2 California ZEV Investment Plan</u> approved by CARB outlines Electrify America's second \$200 million investment in California. Electrify America is committed to investing \$800 million in ZEV projects through four investment cycles over a 10 year period.

"I am extremely proud of the Electrify America team as we are on track with our Cycle 1 infrastructure investments," Palazzo said. "We are excited to help expand California's EV charging network and begin implementation of the new technology plans outlined in Cycle 2."

The Cycle 2 plan builds on Electrify America's initial priorities and expands into new areas, where the need for electric vehicle charging stations and technology are greatest or are most likely to be used regularly. Consistent with the guidance of CARB, Electrify America will strive to ensure that 35 percent of Cycle 2 investments are in low-income or disadvantaged communities¹.

¹ Electrify America uses definitions for low-income and disadvantaged communities established by the State of California, which are published and mapped by CARB on its "Disadvantaged and Low-income Communities Investments" webpage: https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/communityinvestments.htm.

In situations where an investment is not made in a specific location, Electrify America strives to ensure that investments serve low-income and disadvantaged communities.

Highlights of the California Cycle 2 ZEV Investment Plan include:

- Metropolitan Areas: The central focus of electric vehicle charging infrastructure investment in Cycle 2 will shift to more DC Fast Charging (DCFC) stations within metro areas, where electric vehicle (EV) drivers are expected to charge most often. Electrify America will invest in these new metro areas added for Cycle 2:
 - Riverside-San Bernardino
 - Santa Cruz-Watsonville
 - Santa Rosa

In Cycle 2, Electrify America also will continue to invest in the six Cycle 1 metros:

- Fresno
- Los Angeles-Long Beach-Anaheim
- Sacramento-Roseville-Arden-Arcade
- San Diego-Carlsbad
- San Francisco-Oakland-Hayward
- San Jose-Sunnyvale-Santa Clara

These metro areas are expected to account for 89 percent of battery electric vehicles (BEVs) in operation through 2022, according to a 2017 Navigant report. The DC Fast Charging stations will be placed in retail locations but also consider the needs of adjacent multi-unit dwellings where Level 2 (L2) residential charging deployment is oftentimes challenging. Electrify America also will invest in DCFC stations specifically targeting shared mobility drivers - car share, taxis, and transportation networking company (TNC) drivers.

- Highways & Regional Routes: The new Cycle 2 investments announced today will continue
 to build out a highway network of DCFC stations featuring charging power up to 350
 kilowatts which can recharge a vehicle at up to 20 miles of range per minute. This will
 include building new sites connecting regional destinations, such as supporting travel to the
 Sierra Mountain communities and destinations like Lake Havasu.
- Residential: The primary, most convenient, and cost efficient option for many drivers is residential charging. The Office of Energy Efficiency & Renewable Energy at the Department of Energy reports that EV drivers conduct 'more than 80 percent of their charging at home.' However, the cost and complexity of installing home charging can be a barrier to ZEV adoption for some buyers, especially in low-income communities. To address this need, Electrify America will develop a comprehensive residential charging solution.
 - First, Electrify America will develop an online tool that promotes and connects EV buyers with the wide range of residential charging incentives and rebates already available in California and simplifies the application process. This program will be designed to integrate with CARB's recently announced 'onestop-shop,' which focuses on incentives for the ZEV purchase itself, and together these offerings will provide customers support throughout the entire purchase process.

- In addition, Electrify America will offer 'no-money-down' residential chargers and installation, enabling buyers who cannot or choose not to pay for the L2 charger installation at home. The cost of installation will be incorporated into a monthly fee.
- Finally, Electrify America will develop a platform that will allow drivers with a home charger to potentially offset their electric bills by plugging in and supporting a demand response platform for grid electric power stability.
- **Bus and Shuttle Charging:** To help spur adoption in this sector, Electrify America plans to collaborate with transit operators to provide charging infrastructure at depots, layover points, and on key routes. This approach offers another means of serving disadvantaged and low-income populations that rely on public transportation.
- Rural: To further support the adoption of ZEVs in rural communities in California, Electrify
 America will deploy L2 chargers in rural areas with a potential focus on health care facilities
 and education institutions located in the Central, Coachella and Imperial Valleys.
- Autonomous: To support the growth of autonomous ZEVs, Electrify America will build up to two commercial deployments of charging stations for autonomous electric vehicles where this need is emerging.
- Renewable Generation: Electrify America will invest in renewable generation for select stations to help to reduce station operating costs and reduce the carbon content for EV recharging which is consistent with California's broader air quality goals.
- Education and Awareness: In Cycle 2, Electrify America will invest in additional education, awareness, and outreach activities to help drive ZEV adoption. Efforts will primarily focus on boosting awareness and consideration by informing the general public on the benefits of ZEVs through traditional media advertising, similar to Electrify America's Cycle 1 "JetStones" TV/radio campaign. Electrify America's marketing outreach will continue to coordinate with ZEV awareness initiatives by collaborating with key non-profit organizations like Veloz.

Electrify America also will work to generate awareness of its charging network to promote station utilization through digital activations and targeted digital media interactions such as paid search and web banners for specific groups most likely to be able to utilize the Electrify America charging network.

Electrify America will continue to support the Green City Initiative in Sacramento called Sac-to-Zero. This initiative, which includes two ZEV car share programs, two BEV bus/shuttle services, and substantial investments in associated charging infrastructure, will showcase new uses of ZEV technology while promoting increased ZEV usage across many channels serving low-income or disadvantaged communities. While these programs are funded in Cycle 1, the services — and benefits — of this \$44 million Cycle 1 investment will launch and be fully operational during Cycle 2. Electrify America will provide strategic guidance and operational support for these services over the course of Cycle 2.

The Cycle 2 California ZEV Investment Plan benefited from collaboration with the California Air Resources Board and Staff and a comprehensive national outreach period, during which Electrify America received more than 800 submissions and spoke with more than 100 individual submitters. The company held community meetings across California focused on local government and community-based organizations, and engaged with California's leading academics at UC Davis, UCLA and the National Laboratories.

The public version of the <u>California Cycle 2 ZEV Investment Plan</u> is available at: https://www.electrifyamerica.com/news-updates

Editor's Note Electrify America 30-month Investment Cycles:

Cycle 1	Jan. 1, 2017 - June 30, 2019
Cycle 2	July 1, 2019 – Dec. 31, 2021
Cycle 3	Jan. 1, 2022 – June 30, 2024
Cycle 4	July 1, 2024 – Dec. 31, 2026

About Electrify America

Electrify America LLC, a wholly-owned subsidiary of Volkswagen Group of America headquartered in Reston, VA and with an office in Pasadena, CA, is investing \$2 billion over 10 years in Zero Emission Vehicle (ZEV) infrastructure, education and access. The investment will enable millions of Americans to discover the benefits of electric driving and support the build-out of a nationwide network of workplace, community and highway chargers that are convenient and reliable. For more information, visit www.electrifyamerica.com.

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