



RESOLUTION NO. _____

BOARD LETTER APPROVAL

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Aram Benyamini (Apr 10, 2024 08:07 PDT)

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DATE: March 12, 2024

SUBJECT: Increase in Funding for Electric Transportation Customer Rebate Programs

SUMMARY

The proposed Resolution increases the annual funding for the Charge Up LA! Electric Transportation Customer Rebate Programs (Charge Up LA!) to better align with California's more aggressive electric vehicle (EV) and charging infrastructure goals. Charge Up LA! is currently authorized to offer up to \$40,000,000 in rebates annually, utilizing the proceeds from the California Air Resources Board (CARB) greenhouse gas (GHG) reduction programs. This action will authorize LADWP to use budgeted funds to offer additional incentives; thereby accelerating Angelenos' adoption of zero-emission vehicles and facilitating the installation of electric charging infrastructure.

LADWP anticipates 750,000 EVs will be registered in Los Angeles by 2030, requiring 120,000 commercial EV chargers to power them. While rebates are one part of our solution, LADWP is also implementing LA Connect E-Hubs, which will be centrally located in Disadvantaged Communities (DACs) and along the freeway corridors. Each LA Connect E-Hub will be designed to charge vehicles within ten minutes and have clean and comfortable waiting areas to fit the needs of the community. This will augment our ability to support increased EV adoption.

City Council approval is not required.

RECOMMENDATION

It is recommended that the Board of Water and Power Commissioners (Board) adopt the attached Resolution authorizing additional funding for Charge Up LA!

ALTERNATIVES CONSIDERED

The Board could not adopt the Resolution and make no changes to Charge Up LA!'s annual funding. Lack of additional investment in Charge Up LA! would limit LADWP's ability to meet Power Strategic Long-Term Resource Plan goals, State of California (California/State) initiatives, and the City of Los Angeles' (City) adopted electrification targets.

FINANCIAL INFORMATION

The proposed Board action will authorize funding for Charge Up LA! subject to annual Board approval and appropriations in LADWP's annual budget cycle.

BACKGROUND

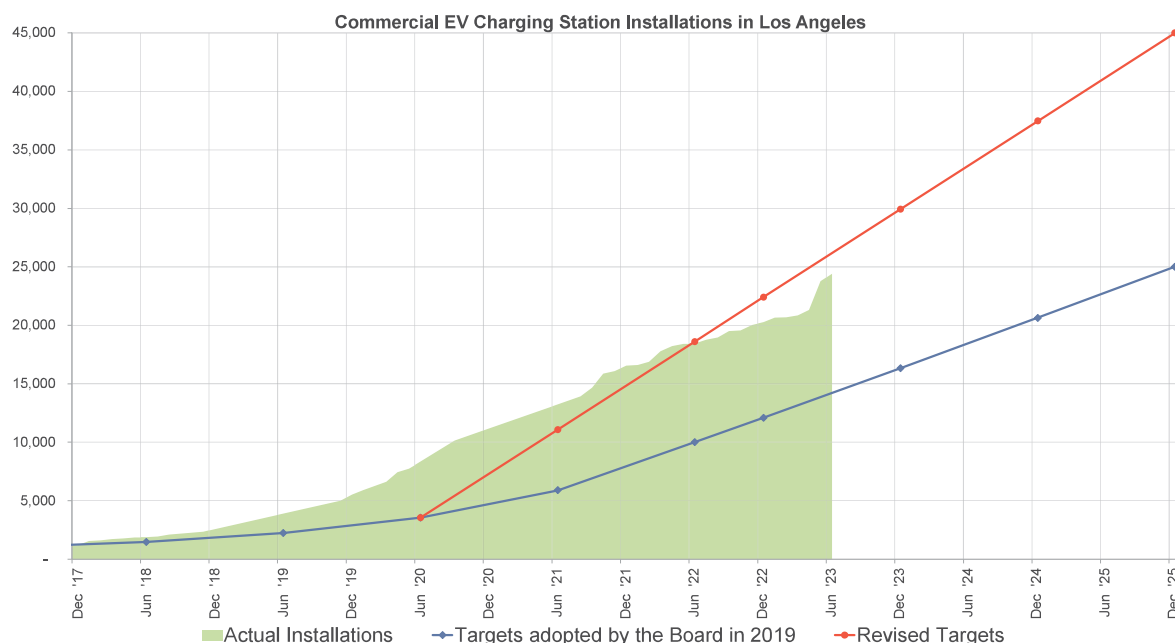
The transportation sector is the source of more climate change-causing greenhouse gas emissions in California than any other sector¹. As such, LADWP has committed to accelerate the adoption of EVs and the associated charging infrastructure.

In 2011, LADWP launched Charge Up LA! to provide financial incentives to LADWP customers who adopt EVs and install EV charging stations. On August 27, 2019, the Board approved Resolution No. 020 023, authorizing Charge Up LA! funding not to exceed \$40,000,000 annually per fiscal year for Fiscal Years 2019-2020 through 2028-2029, provided sufficient proceeds from the sale of Low Carbon Fuel Standard credits and California Carbon Allowances are available.

LADWP's efforts regarding EV adoption and EV charging infrastructure installation have outpaced and are ahead of schedule on the goals that were approved and set by the Board in 2019.

¹ Current California GHG Emission Inventory Data, California Air Resources Board (<https://ww2.arb.ca.gov/ghg-inventory-data>)

As a result, Los Angeles is now home to over 125,000 EVs and nearly 25,000 EV chargers, the most of any city in the United States:



In 2021, LADWP partnered with the Electric Power Research Institute to conduct the Electric Transportation Infrastructure Program Support (ETIPS) study. The results of the ETIPS study showed EV charging load in LADWP service territory through 2035 has the potential to increase energy sales by 20 percent. This would offset the expected decline in energy consumption due to LADWP's adopted goal of 15 percent energy efficiency by 2030. To help achieve escalating State and local goals, LADWP will likely need additional funding support, over-and-above maximizing existing Federal and State incentives and grants. Rebate-type programs are the preferred LADWP mechanism to continue expanding cost-effective infrastructure deployment in the service territory.

By 2025, an estimated 45,000 commercial EV charging stations will be needed in the City to support an estimated fleet of 250,000 EVs. In 2022, CARB adopted the Advanced Clean Cars II regulation, requiring an increasing percentage of vehicles sold in California to be zero-emission, starting with the 2026 model year. EV adoption is forecasted to accelerate accordingly in the second half of this decade, requiring an estimated 120,000 EV charging stations to be installed in the City to support the 750,000 vehicles estimated to be registered in the City by 2030.

Despite the tremendous success of Charge Up LA!, the current rate of charger installation is not expected to meet LADWP's new ambitious EV targets. Interest in the program has far exceeded the \$40 million annual budget, resulting in the implementation of a lottery system to decide which projects will receive funding, and which ones are put on hold until funding can be secured. With additional funding, this pipeline of shovel-ready projects can move forward without unnecessary delays due to lack of funding.

At the current rebate amounts, an estimated \$80 million per fiscal year is required to support the charging infrastructure installation throughout the City. Changes to Charge Up LA! will be steered by the LA100 Equity Strategies study and guided by input from the community. Additional funding will enable LADWP to maintain successful elements of Charge Up LA!, while increasing investment in programs that target the needs of disadvantaged and underserved communities (such as the current \$2,500 rebate adder for low-income applicants to the Used EV rebate program, \$1,000 rebate adder for commercial EV chargers in DACs, and \$500 rebate adder for low-income applicants who install EV chargers at their residences).

On June 16, 2023, the City Council adopted a motion (Council File No. 21-0890-S4) recognizing LADWP's "excellent job of processing permitting and incentive applications for EV charging installations", while acknowledging the increased demand from residents and installers. The City Council action requested that LADWP report within 90 days on a potential plan to increase its annual funding authorization for EV charging rebate programs to better align with recently adopted and more aggressive EV and charging infrastructure goals. LADWP submitted a report to City Council's Energy and Environment Committee on September 22, 2023, referencing the attached Resolution, now presented to the Board for consideration as the potential plan.

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15060 (c)(3). In accordance with this section, an activity is not subject to CEQA if it does not meet the definition of a project. Section 15378 (b)(4) states that the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment do not meet that definition. Therefore, the approval of increased funding for Charge Up LA! is not an action subject to CEQA.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Resolution as to form and legality.

ATTACHMENTS

- Resolution
- Resolution No. 020 023
- Motion (Council File No. 21-0890-S4)