Unlocking Private Sector Financing for Alternative Fuel Vehicles and Fueling Infrastructure

Presentation to EIS 2013
April 8, 2013
Membership includes the 56 Governor-designated energy officials from each state and territory.

State Energy Offices were formed in response to the energy crisis of the early 1970s. SEOs are important agents of change that:

- Advance practical energy policies and support energy technology research, demonstration, and deployment
- Partner with the private sector to accelerate energy-related economic development and enhance environmental quality
- Administer $7 billion of funds derived from ratepayers and state appropriations annually

NASEO is organized through a committee and regional structure.
Objectives:

- Develop innovative vehicle and infrastructure financing models to make AFVs more accessible to consumers and fleet operators;
- Enable utilities and policy-makers to fund AFV and infrastructure incentives and investments with ratepayer dollars; and
- Assist states in developing comprehensive energy plans that support private sector investments in AFVs and associated infrastructure.

2 Years (February 2013 – January 2015)

- Funded by the U.S. Department of Energy’s Clean Cities program
- Electric, Natural Gas, Biofuels, and Hydrogen Vehicles and Infrastructure
Project Deliverables

- **NASEO**
  - Policy guidance for state governments to consider when creating or revising their state’s comprehensive energy plan that supports AFV and infrastructure deployment
  - Transportation Committee (✔) comprised of State Energy Officials to provide input into work products and dissemination of final products

- **VEIC**
  - Document the role of electric vehicles in utilities’ integrated resource plans
    - Quantifies the efficiencies of fuel-switching (gasoline to EV)
    - Quantifies the efficiencies of AC Level 1 and AC Level 2 charging relative to one another

- **C2ES**
  - Suite of innovative business models and implementation plans to support private sector vehicle and infrastructure financing pilot projects

- **TEP**
  - Presentations at the Energy Independence Summits in 2013 (✔) and 2014
  - 2 Regional Trainings for State and Local Stakeholders in Year 2
Thank you!

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Nick Nigro

Energy Independence Summit 2013
About Center for Climate and Energy Solutions

- Independent, nonpartisan, nonprofit organization
- Working to advance strong policy and action to address the twin challenges of energy and climate change
- Founded in 1998 as the Pew Center on Global Climate Change
- Became C2ES in 2011
Project Overview

- Develop new business models for financing alternative fuel vehicles and infrastructure
- Create strategic plans to try out new business models
- Work with NASEO, TEP, Clean Cities, and the Project Advisory Committee throughout on all project deliverables
Project Motivation

- Public benefits of alternative fuels not captured today
  - Energy efficiency
  - Greenhouse gas reductions
  - Energy security
  - Local air quality

- Lack of available public funds for deployment; need new private funding mechanisms

- Exciting finance models are accelerating deployment of building efficiency and renewable energy technology
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Project Timeline

Year 1

Identify Financial Barriers to Realizing Public Benefits
Energy efficiency improvements
Fuel savings
Operating cost savings
Environmental & energy security benefits

Prepare Case Studies
Existing AFVs or fueling infrastructure project
Apply mechanisms used to finance building energy efficiency to transportation

Develop Innovative Business Models
Fuel & vehicle value proposition
Target market
Cost structures & revenue streams
Implementation and/or demonstration guidance
Test model with hypothetical examples

Year 2

Create Strategic Plans for Implementation
Identify location or market-specific challenges & opportunities
Apply business model to a particular market
Develop guidance including key players, policy actions, cost & benefit, & anticipated results
Project Advisory Committee

- National, regional, and local stakeholders advisory group
  - Project Partners: NASEO, TEP, and Clean Cities
  - Public: state energy offices (New York, Colorado, Oklahoma) and California Governor’s Office
  - Private: finance sector, vehicle and infrastructure purchasers, installers, and providers, etc.

- Committee will provide project team direction and feedback on private investment in AFV and fueling infrastructure related to:
  - Barriers
  - Possible solutions
  - Outreach activities

- Committee will disseminate lessons learned, enhance findings, and implement recommendations (e.g., pilot new business models)

- Communication among committee members and project team will occur throughout project
  - 2-3 in-person meetings
  - Frequent conference calls and/or webinars
YOUR INPUT PLEASE

- Recommendations on entities for Project Advisory Committee

- What types of businesses or financial institutions not currently involved in financing AFV projects should we target?

- What financing issues or barriers have you faced in your efforts to deploy AFVs and infrastructure?

- Are there specific business models that could work for this sector?

- What type of pilots would you like to see come from this project?

- How would you like to be kept informed?