Q1 2020 Report to California Air Resources Board

Public Version

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1. Introduction

Electrify America, LLC, is investing $2 billion in financially sustainable business opportunities that advance the use of Zero Emission Vehicle (ZEV) technology, $800 million of which must be spent in California. From its inception in 2017, Electrify America has moved rapidly to implement its $2 billion ZEV Investment Commitment.

As detailed below, Electrify America's activities in Q1 2020 were focused on implementing the Cycle 2 California ZEV Investment Plan and adapting to the emergence of the COVID-19 global pandemic.

During Q1 2020, Electrify America opened 31 new public charging stations. Its network of ultra-fast, public charging station sites increased 40% and exceeded 100 station sites in operation, a major milestone.

The marketing team continued investing in the "Normal Now" brand-neutral education and awareness campaign, and it sponsored a number of activities of other organizations.

Finally, the Green City Initiative announced StorageShares, an innovative investment in battery storage with Sacramento Municipal Utility District. The Initiative also prepared for the launch of two shuttle and bus services in 2020 and marketed the programs through the "Sac-to-Zero" Campaign.

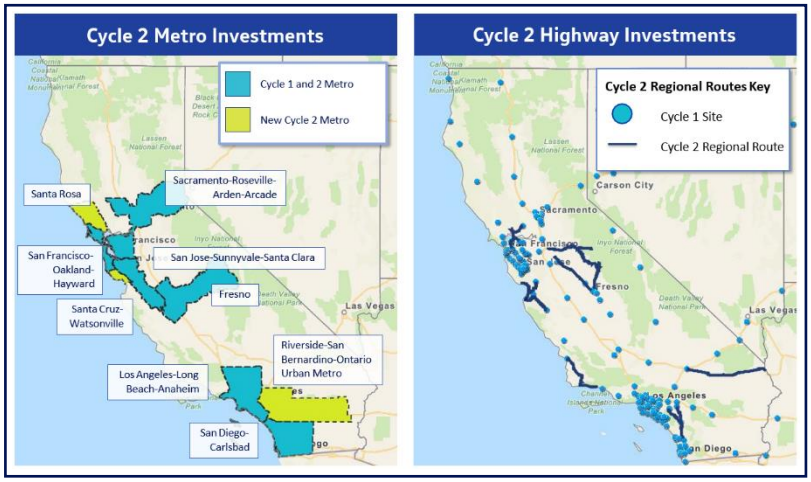
Electrify America continued making a limited set of Cycle 1 investments during Q1 in order to complete the commitments specified in the Cycle 1 California ZEV Investment Plan, as supplemented.

Electrify America publishes this quarterly report to share the progress and impact of its Cycle 2 investments in Q1 2020.

2. A Network of Electric Vehicle Charging Stations

2.1. Introduction

Figure 1 - California Cycle 2 Charging Infrastructure Maps



As laid out in the Cycle 2 California ZEV Investment Plan, Electrify America is developing a network of electric vehicle charging stations along highly traveled highway corridors, on critically important regional routes, and in nine carefully selected metropolitan areas (Figure 1). The planned network, when combined with investments made in Cycle 1, will consist of more than a thousand DC fast charging dispensers at hundreds of charging station sites built or under development in the state. The network deploys cutting-edge technology to deliver convenient, customer-centric charging. Electrify America anticipates that 35% of its business-driven investments within California will be in low-income or disadvantaged communities (LIC/DAC).[1]

2.2. Electrify America's DC Fast Charging Network

Electrify America is developing Cycle 2 DC fast charging along high-traffic regional routes and in nine targeted metro areas. Target locations (known as "target zones") for each station were identified using Electrify America's proprietary station siting methodology, which projected locations where DC fast charging stations will be most needed.

2.2.1. Acquiring Sites in Station Target Zones

Before Electrify America can build a DC fast charging station in any of its carefully selected target zones, it must acquire access to a site to host the station.

In each target zone, Electrify America considers multiple real estate leads, based on their unique attributes, such as the availability of three-phase power, site lighting, and access to customer amenities. Throughout the site acquisition process, Electrify America works closely with 17 electric utilities to identify efficient locations from a grid perspective and those with the lowest service connection costs for Electrify America. To acquire high-quality sites, Electrify America has also entered into master agreements with 38 large-scale real estate owners that provide access to sites nationwide,[2] as well as

[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

[2] Electrify America's announced real estate station site hosts with multiple stations include Bank of America, Brixmor Property Group, Casey's General Stores, DDR Corporation, Federal Realty Investment Trust, Fulcrum Property, Global Partners LP's Alltown, Jamestown, Kimco Realty Corporation, Kroger, The Macerich Company, Pan-Cal Corporation, the Save Mart Companies, Sheetz, Inc., ShopCore Properties, Simon Property Group, Target Corporation, ValueRock Realty Partners, Walmart, and Washington Prime Group.

site host agreements with owners of desirable individual properties across California. In Q1, Electrify America increased the total number of station sites under contract by 14%.

At the end of Q1, more than 35% of all lease-executed DC fast charging station sites in California were in low-income or disadvantaged communities.

Figure 2 - Construction Contractors Lay Conduit under an Electrify America Equipment Pad

2.2.2. Constructing a Network of DC Fast Charging Stations

Electrify America continued to permit, construct, energize and commission ultra-fast charging stations at a rapid rate during Q1, opening 31 stations to the public, and expanding the station site count by 40%. The pace at which stations opened in Q1 was more rapid than the pace accomplished in 2019.

The opening of the 100th station was a major milestone jointly celebrated by Electrify America CEO Giovanni Palazzo, CARB Chair Mary Nichols, and California Energy Commission Chair David Hochschild.[3]

Electrify America has contracted with highly qualified and experienced engineering and construction firms to complete DC fast charging station permitting, design and installation work. These contracting firms, which together employ nearly 12,000 people nationwide, have managed the installation of thousands of DC fast chargers across the U.S., making them some of the most experienced engineering and construction companies in the industry.

Although ultra-fast charging stations opened at an unprecedented rate in California, Electrify America and its contractors continued to encounter challenges and issues, particularly with regard to permitting timeframes, utility station energization, and restrictions associated with the COVID-19 global pandemic.

At the end of Q1, the average time to complete the permitting process for DC fast charging station sites in California was 73 business days – nearly 60% longer than the national average. Permitting processes also result in station sites being redesigned 33% more frequently in California than in the rest of the nation (Figure 3), which increases both cost and delays.

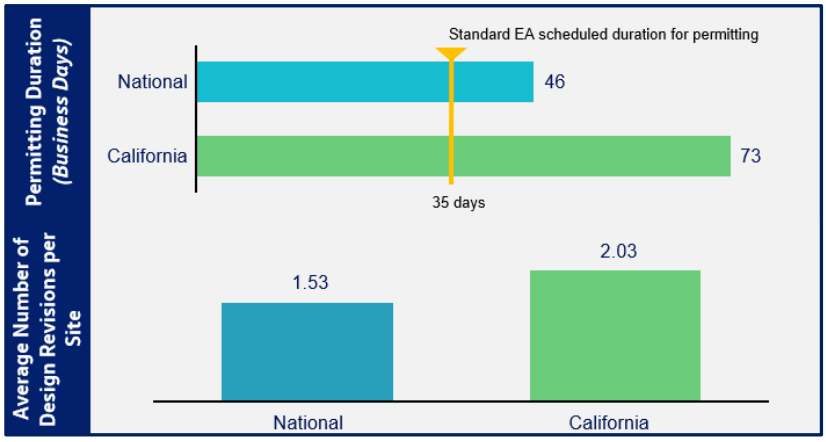
Specifically, it costs Electrify America 24% more, on average, to design and construct a station in California than it costs Electrify America to build a station with the same number of chargers in another state. The additional permitting burdens imposed in California – including costs to address aesthetic requests of local jurisdictions – appear to be the primary cause for this difference. This higher cost per

[3] "Electrify America Expands to 100 Electric Vehicle Charging Stations in California," March 4, 2020. https://media.electrifyamerica.com/en-us/releases/92

station ultimately means that California will receive fewer stations per dollar invested by Electrify America.

A review by Governor Newsom's administration has found that only 17% of California jurisdictions have streamlined their permitting as required by AB 1236.[4] The statute requires California cities and counties to expedite EV charging station permitting, to constrain review to health and safety matters, to limit comments to a single comprehensive deficiency notice, and to bypass zoning review. In Electrify America's experience, extended zoning review and multiple rounds of comments – both prohibited by AB 1236 – are the two most common causes of project delay.

Figure 3 - California Permitting Duration



Electrify America has engaged with the Newsom administration to encourage continued state-level oversight of AB 1236 compliance. The state's Electric Vehicle Charging Station Permitting Guidebook, staff-level dialogue with permitting officials, and state-level tracking of AB 1236 compliance are spreading best practices.

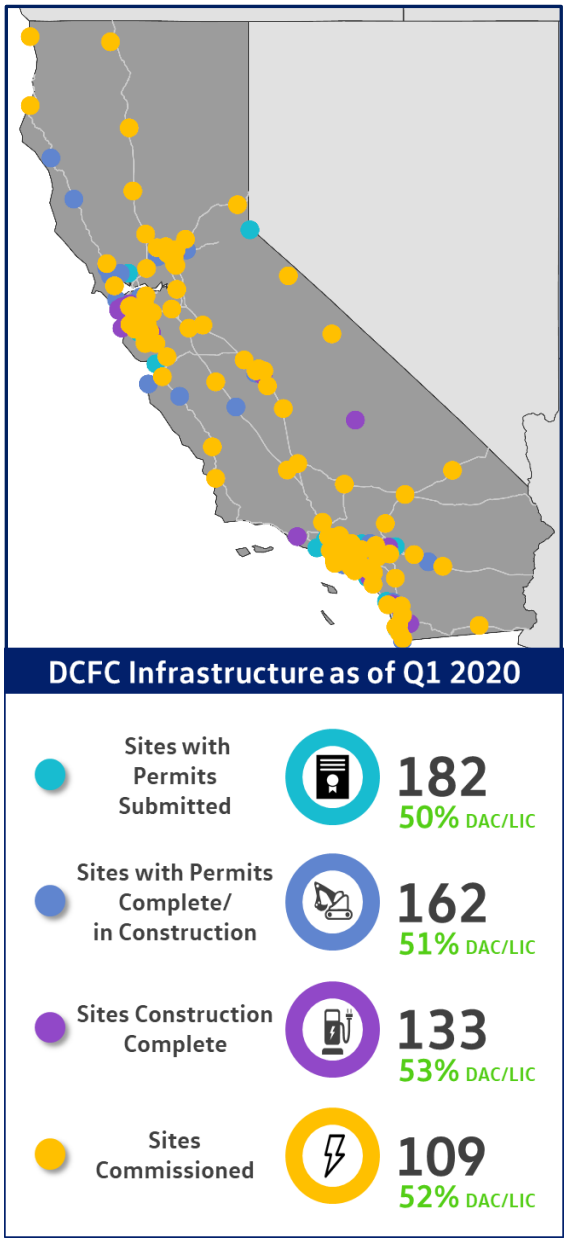
In addition to permitting, Electrify America also encountered challenges with utility new service interconnection processes across the state. The quantity of locations and magnitude of power required at Electrify America's ultra-fast charging station sites requires significant effort from utilities to validate power availability, design utility service, create easements, and schedule construction crews. In some, but not all, cases, adding an Electrify America station requires upgrades to the utility's distribution system. To support rapid deployment, in some areas Electrify America has taken on civil work to support upgrades to a utility's distribution system, termed "betterment work."

Electrify America's leadership continues to engage directly, frequently, and effectively with the leaders of California's largest utility companies to schedule energization. As of the end of Q1, Electrify America had completed station construction at 24 sites that were not yet open to the public because they were awaiting the addition of electrical equipment (e.g., transformers), utility inspection, utility energization and commissioning. Electrify America had requested but not received the final engineering design for interconnection from utility companies at 29 station sites. In addition, 10 station sites had passed final utility inspection and were awaiting energization.

[4] Governor's Office of Business and Economic Development (GO-Biz). "EV Charging Station Permitting Streamlining Map." https://business.ca.gov/industries/zero-emission-vehicles/plug-in-readiness/

Finally, in March the COVID-19 global pandemic emerged as a significant new challenge to charging station development and construction. Electrify America responded to this crisis by prioritizing the health and wellbeing of employees, vendors, and contractors, implementing mandatory telework and imposing travel restrictions. As a result of COVID-19 related restrictions by governments and station site hosts, 70% of Electrify America's permitted station sites nationwide had construction either delayed or demobilized by mid-April. Electrify America worked closely with California and local leaders to establish clarity on the requirements for construction of EV charging stations during the pandemic, and also coordinated closely with construction vendors to ensure continuing activities were done consistent with all rules, regulations, and expert guidance. Electrify America reviewed, evaluated, and assessed what activities could proceed, but the full magnitude of the global pandemic impact to construction deployment remained unknown at the end of the quarter.

Figure 4 - California Sites and Construction Status



2.2.3. Ultra-fast Electric Vehicle Charger Technology

Electrify America's customer-centric stations use the most advanced technology ever deployed for convenient, fast charging. Early in 2018, Electrify America's charging systems became the first 350 kW chargers with state-of-the-art liquid-cooled cables certified to UL standards.[5]

Highway and regional route stations are equipped with chargers capable of delivering maximum power levels from 150 kW to 350 kW. The chargers are also able to step down to lower power levels for vehicles equipped for lower powered DC fast charging. At maximum continuous power, 350 kW chargers are able to deliver approximately 20 miles of range per minute to a vehicle capable of receiving such power, vastly improving the customer experience.

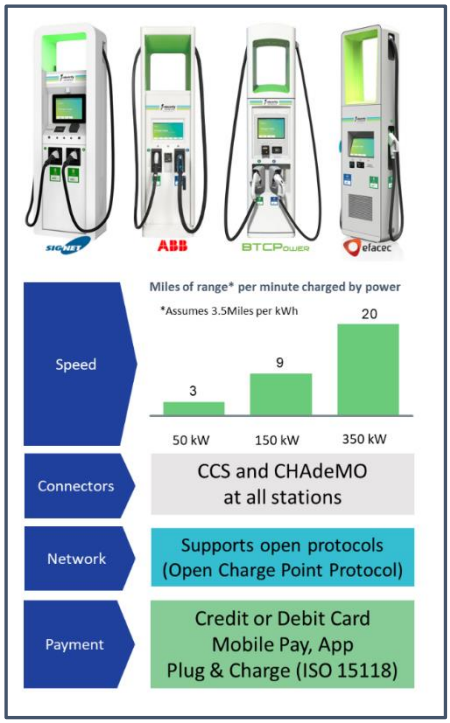
Metro charging stations feature configurations of either three, four or six DC fast chargers, reducing queuing times and providing redundancy in high-utilization urban areas. A significant fraction of metro

[5] Neither liquid-cooled cables nor 350 kW charging had been deployed commercially in the United States before the Electrify America network. As a result, Electrify America leases the Center of Excellence for equipment quality control and validation.

stations feature 150 kW chargers, and Electrify America plans to increase the power level of DC fast chargers with lower power levels where appropriate and when it is feasible.

Electrify America's public DC fast charging stations support both the CCS Combo and CHAdeMO connectors, ensuring that all sites are universally compatible with today's electric vehicles.[6] In recent years, an increasing percentage of non-Tesla EVs sold in the U.S. have relied on the CCS standard, and CCS is increasingly the non-proprietary standard of choice for automakers in the U.S. market.[7] Increasing demand for CCS charging has resulted from these two trends. Electrify America's public ultra-fast stations all include both CCS and CHAdeMO capable chargers, but Electrify America typically deploys more CCS chargers per station site. In Q1, CHAdeMO chargers delivered 7% of the power dispensed at Electrify America stations in California.

Figure 5 - Electrify America's Transformational Ultra-fast EV Charging Technology



To maximize the ability of customers to use charging stations regardless of which charging network they have joined, Electrify America's networked public stations accept credit and debit card payments, creating an easy customer experience that is the primary goal of most interoperability efforts. Electrify America's mobile app, available for both Android and iPhone, allows users to locate a charger, pay for and start a charge, and track their charging session on their mobile phone.

Late in 2019, Electrify America conducted a renewable energy procurement that resulted in Electrify America's California stations being 100% powered by renewable energy during Q1.

Finally, all Electrify America DC fast charging stations support cellular connectivity and are networked, using open protocols compliant with Open Charge Point Protocol (OCPP) version 1.6 or higher.[8] These capabilities are managed for Electrify America by Greenlots, which is headquartered in Los Angeles.[9] Electrify America has also exchanged roaming specifications with most U.S. charging networks, and in Q1 Electrify America continued efforts to advance network-to-network interoperability with several of the nation's charging service providers.

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[6] Some models of vehicles utilizing proprietary charging systems must use an adapter at Electrify America stations.

[7] "Electrify America Comment regarding Staff Workshop on Future Equipment Requirements for CALeVIP." December 14, 2019. https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=17-EVI-01

[8] Electrify America's public stations will be equipped with back end systems that can use Open Charge Point Interface (OCPI) 2.1 to communicate with other networks and Open InterCharge Protocol (OICP) to be able to connect to roaming platforms, when a business agreement is secured, in a manner that does not require use of any particular firm's intellectual property.

[9] The network controls are hosted by Amazon Web Services (AWS), which allows a high security standard. Electrify America undertook intensive testing to approve AWS as a safe and secure environment, as well as security audits of Greenlots as part of the licensing of the network. Also, Electrify America selected a vendor to perform architecture reviews and penetration tests to provide data security.

2.2.3.1. Chargers and Equipment Ordered and Delivered

Electrify America ran a series of competitive solicitations in 2019 in order to procure the hardware needed to build Cycle 2 ultra-fast charging stations. Chargers are scheduled to be delivered to station sites upon commencement of construction. In Q1, 53 DC fast chargers were delivered to construction sites in California.

Electrify America has also ordered battery storage capacity to mitigate high demand charges, reduce on-peak energy charges, and ease grid loads for more than 100 station sites in California and nationwide, totaling more than 35 MWh of behind-the-meter energy storage.[10] Electrify America identified 75 California station sites for battery systems based on site-specific limitations, ongoing changes in utility rates, and utility grid needs. By the end of Q1, 64 of the 66 applications that Electrify America submitted to electric utilities for permission to connect battery systems had been approved, and four battery systems were operational.

Electrify America encountered numerous challenges while attempting to gain approval for these behind-the-meter systems, including utilities that considered the storage to be added load or generation. These battery systems are designed to reduce peak load and lower demands on the distribution system. Treating them as new load – in addition to the EV charging station load – serves as a barrier to rapid deployment efforts, and frequently leads to rigorous, time-intensive interconnection studies.

2.2.4. Electrify America Ultra-Fast Charging Station Operations

Electrify America is committed to increasing the reliability and quality of the charging experience. Internal goals are focused on increasing customer satisfaction and charging station uptime. During Q1, Electrify America improved on both of these metrics.

Electrify America saw a substantial increase in customer activity and station utilization in January and February, until the emergence of the COVID-19 global pandemic in March. In the final three weeks of March, weekly charging sessions in California dropped nearly 60%.

[10] "Electrify America Adds Tesla Battery Storage To More Than 100 New Charging Stations." February 4, 2019. https://media.electrifyamerica.com/en-us/releases/48

Figure 6 - EV ARC™ 2020 with Electrify America L2 Chargers

2.3. Level 2 Rural, Workplace, and Multiunit Dwelling Charging Stations

In Q1, Electrify America announced that it is investing $2 million in solar-powered charging stations in rural California that are not tied to the electrical grid.[11] The investment will expand access to sustainable EV charging to drivers in rural areas, including the Central, Coachella, and Imperial Valleys.

Electrify America is sourcing the chargers from Envision Solar, a San Diego-based sustainable technology company. Envision Solar's EV ARC™ 2020 is a transportable, solar-powered electric vehicle-charging infrastructure product. Each stand-alone station is equipped with a 4.28 kW sun-tracking solar array, 32 kWh of on-board battery storage, and two Electrify America L2 EV chargers capable of charging at power levels up to 6 kW. This combination allows for two customers to charge their vehicles at the same time using 100 percent renewable electricity – regardless of the weather or the time of day.

In Q1, Electrify America also continued to work with its turnkey vendors (EV Connect, Greenlots, and SemaConnect) to provide charging services at workplace and multiunit dwelling charging stations built during Cycle 1. More than 1,500 charging ports across 241 sites were operational, with 42% of these station sites in low-income and disadvantaged communities. In Q1, Electrify America saw a continuing increase in the use of the program's L2 workplace and MUD stations, which delivered approximately 509 MWh to vehicles during the quarter.

Figure 7 - EV Charging at Workplace/MUD Sites

[11] "Electrify America Invests $2 Million in Envision Solar Infrastructure, Further Increasing Rural Californians' Access to Sustainable Electric Vehicle Charging," February 27, 2020. https://media.electrifyamerica.com/en-us/releases/91

3. Education, Awareness, and Marketing

3.1. Brand-Neutral ZEV Education and Awareness Media Campaign

In Q1 2020, Electrify America continued its "Normal Now" education and awareness campaign in California to educate consumers about the reasons to purchase a ZEV. As stated in the Cycle 2 California ZEV Investment Plan, Electrify America committed to "boost ZEV adoption through informing mainstream car buyers on the key benefits offered by ZEVs in a brand-neutral manner." Based on the 2017 New Vehicle Experience Study that found that drivers identify performance (handling and cornering) and comfort (ride quality and quiet interior) as two of the top four "Extremely Important" characteristics when shopping for a vehicle, the Cycle 2 efforts to drive ZEV adoption will focus on four messaging pillars around ZEVs: performance, range, product spectrum, and charging infrastructure.

Figure 8 - "Normal Now" Spanish-Language Mobile Landing Page

The Normal Now campaign, developed by San Francisco-based communications firm Eleven, aims to introduce and normalize zero-emission vehicles for the vast majority of Americans who are not aware of or have never considered switching to a ZEV. The education and awareness efforts include brand-neutral digital and paid search campaigns and a bilingual landing page (www.NormalNow.com) that – through a humorous presentation that shows how technology matures and becomes mainstream – provides an overview of the benefits of both battery electric and hydrogen fuel cell electric ZEVs, with links to third-party websites containing robust content for users.

Through comical 15-second videos, GIFs and still images, the Normal Now campaign draws comparisons between "new technology" of the past – including cell phones, smart watches and online dating – and what is assuredly the transportation method of the future. The campaign explores how scary previous forms of new technology were at first and reinforces that – just like EVs – they're normal now.

Consistent with the Cycle 2 California ZEV Investment Plan, the Normal Now campaign is built around three "flights" of marketing media spend. Periods between flights allow Electrify America to pause activity in some media channels to analyze and respond to data collected during the previous flight.

Figure 9 - Example of "Normal Now" Digital Advertisement

Flight 1 was completed in 2019, and during Q1 2020, Electrify America prepared for Flight 2.

In January, the team focused on strategic, creative and production planning for the next flight, as well as beginning work on updates to the landing page. In February, the team began working on modifications to

creative assets based on feedback from Flight 1, and in March, the team finalized creative concepts and production timelines for new assets.

While most media channels were paused during Q1, Electrify America continued paid search advertising. Because Electrify America was focused on paid search during the quarter, the only impressions generated over this time period were in the search category.[12] Results for Q1 are shown in Table 1 below.

Table 1 - Normal Now Campaign Impressions in 2019

Media Type	Impressions
Search	466,591
TOTAL	**466,591**

In March, as the COVID-19 global pandemic took hold in the U.S., Electrify America paused all advertising related to the brand-neutral campaign in order to conduct a message sensitivity analysis around Normal Now advertising materials. This analysis was meant to determine whether the Normal Now campaign messages were still appropriate and well-received by the target audience in the context of the pandemic. The results of this analysis were not received before the end of Q1, and so Electrify America's brand-neutral media efforts remained on hold at the end of the Q1 reporting period.

3.1.3. Low-Income and Disadvantaged Community Outreach Investments

In Q1, Electrify America continued collaborating with Valley Clean Air Now (Valley CAN) on Clean Car Community Clinics, which help attendees secure rebates and other incentives for electric vehicle purchases. These events target residents of low-income and disadvantaged communities as well as Central and South American subgroups, Hmong, Sikh, and African-American communities.

The Valley CAN program was effective in promoting and tracking follow-up actions due to direct engagement with the ZEV purchase process, providing hands-on support in filling out forms required to qualify for incentives, evaluating a driver's current vehicle for repair or trade-in, and informing event attendees of vehicle offerings at local EV dealerships. Results from Q1 are shown in Table 2 below.

[12] "Paid Search" is advertising in which Electrify America buys specific search terms from search engines. An impression results when a person searches for the specific term and sees a sponsored advertisement. Electrify America buys the terms, but it does not control the number of searches or the geography from which searches originate. As such, Electrify America cannot target a specific portion of the paid search advertising budget towards low-income and disadvantaged communities.

Table 2 - Community Based Organization Accomplishments

Organization	Description	Q1 Accomplishments
Valley Clean Air Now (Valley CAN)	Valley Clean Air Now, based in Sacramento, is a public charity committed to quantifiably improving air quality in California's San Joaquin Valley, a region with some of the worst air quality in the nation.	• Conducted 29 Community Clean Car Clinics, with 926 customers from 372 households in attendance. • Completed 305 Clean Cars 4 All transactions in Q1, up from 285 in Q3 and 280 in Q4 2019. • Spanish-language radio and targeted social media have proved effective replacements for in-person events.

3.1.4. Sponsorships

The Cycle 2 California ZEV Investment Plan states that "there may be occasions where it would be reasonable for Electrify America to further education and awareness of ZEVs … by supporting the programs, activities, or events of an industry or non-profit organization."

In Q1, Electrify America continued its partnership with Veloz, sponsoring a public forum focused on "Electric Transportation 2030: Policy, Power and Plugs" that took place in Sacramento on March 4. Electrify America also sponsored a summit hosted by the California Hydrogen Business Council (CHBC), raising awareness of technologies and policies related to fuel cell electric vehicles (FCEVs), via the Normal Now brand-neutral education and awareness campaign. Electrify America's Q1 2020 sponsorship activities are shown in Table 3.

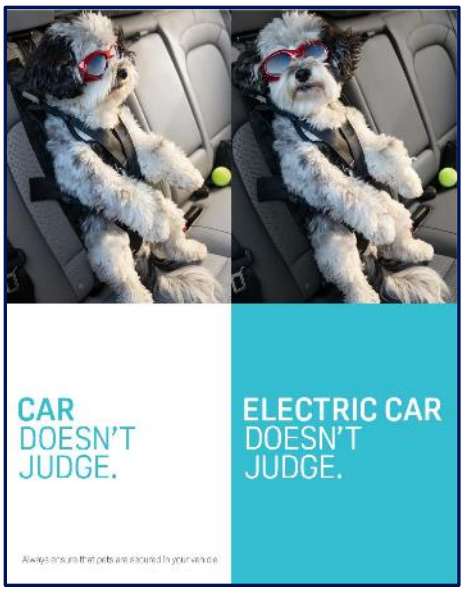
Table 3 - Sponsorships

Organization	Description	Q1 Accomplishments
Veloz	Electrify America sponsored the March 4, 2020, Veloz forum in Sacramento.	• Sponsored a forum focused on "Electric Transportation 2030: Policy, Power and Plugs" • The public forum included panels and presentations on successful EV marketing and policy topics, including a presentation on the launch of Ford's Mustang Mach-e, a panel on the effectiveness of outreach in low-income and disadvantaged communities, and a speech by Mayor Steinberg on ZEV and climate policy. • Electrify America was recognized as an event sponsor on event communications
California Hydrogen Business Council	Electrify America showcased its brand-neutral "Normal Now" campaign at the California Hydrogen and Fuel Cell Summit from March 4-6 in Sacramento.	• CHBC summit was sponsored through Electrify America's brand-neutral Normal Now campaign to raise awareness of fuel cell electric vehicles • Sponsorship included Normal Now marketing materials in event collateral

3.2. Branded Marketing

In Q1, Electrify America continued to run paid social, paid search, digital banners, and digital video from its Flight 1 branded marketing effort. The key messages of the campaign included building range confidence and showing both EV drivers and those considering an EV purchase that Electrify America's extensive DC fast charging network provides them with the same freedom to travel as those who drive gasoline vehicles. The campaign emphasized range confidence by highlighting that Electrify America's ultra-fast chargers are located every 70 miles on average along major highway corridors, in close proximity to amenities, and are highly visible and well-lit. Leveraging support from Electrify America's media agency, the primary target audience was EV drivers and the secondary target audience was EV intenders, drivers who are in the market for an EV.

Figure 10 - Example Branded Marketing Banner Ad

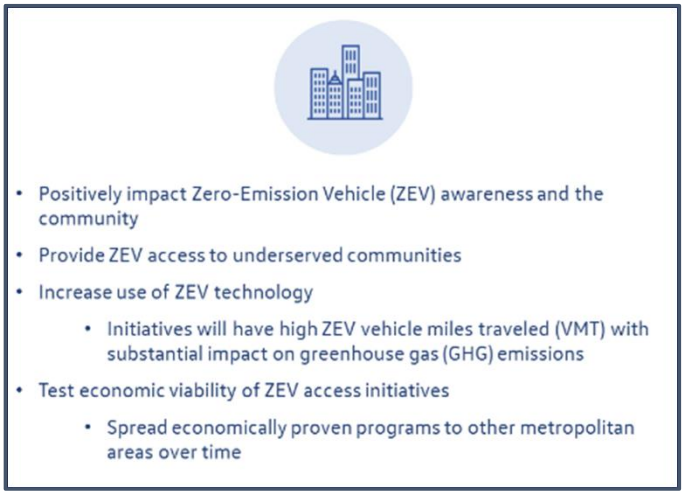


4. Green City Initiative

4.1. Introduction

The goals of Electrify America's Green City Initiative are to increase ZEV awareness; provide ZEV access to underserved, low-income and disadvantaged communities; increase use of ZEV technology to maximize ZEV miles traveled while reducing greenhouse gas emissions; and test the economic viability of ZEV access initiatives. In 2019, Electrify America completed its investments in pursuit of these goals.

Figure 11 - Green City Goals and Impacts



4.2. Car-Sharing Services

Two car-share service vendors – GIG Car Share, a wholly-owned subsidiary of the American Automobile Association (AAA), and Envoy Technology, Inc., a California-based startup – provided innovative and successful electric vehicle car-share services in Sacramento in Q1.

4.2.1. GIG Car Share

Electrify America provided GIG Car Share with the capital required to launch the largest all-electric car-share program in the U.S. The fleet of 260 long-range battery-electric Chevy Bolts, funded entirely by Electrify America, may be picked up or dropped off in any legal parking spot within the 18 square mile "home zone." The fleet travelled nearly 300,000 miles over more than 30,000 separate trips during the quarter.

In response to the COVID-19 global pandemic, in March GIG voluntarily and temporarily suspended service in the Sacramento HomeZone for less than three days in order to fully sanitize the fleet. GIG enhanced its cleaning regimens to ensure surfaces of the cars are disinfected in accordance with CDC recommendations. As car-sharing services are an essential service, allowing essential workers to travel and the public to access essential services, such as groceries and medical care, GIG operations restarted with updated health and safety precautions.

4.2.2. Envoy

Envoy expanded the footprint of its all-electric, residential, community-based car-share service from 40 to 44 properties in Q1. By the end of the quarter, Envoy was operating 88 EVs and 89 L2 charging stations. The launch of Envoy service at the final location under contract was delayed due to challenges related to COVID-19.

In March, Envoy continued operations as an essential service during the global pandemic, but with additional sanitization and safety measures including using an industrial-strength cleaning solution for the interior/exterior hard surfaces of Envoy vehicles. Envoy also trained their staff and promoted

additional healthy hygiene and safety practices within the team that works behind the scenes to care for vehicles.

4.2.3. Additional Car-share and Ride-hail Activities

In 2019, Electrify America requested proposals for additional car-share or ride-hail service activities and investments in the Sacramento region that would be consistent with the goals and requirements of the Green City Initiative. While a contract was not finalized in Q1, Electrify America anticipates announcing an additional initiative serving the Sacramento region in 2020.

Figure 12 - SacRT Franklin Boulevard Shuttle

Additional information on the utilization of car-sharing services is presented in the appendix.

4.3. ZEV Shuttle / Bus

Through the Green City Initiative, Electrify America is investing in the vehicles and charging infrastructure necessary to launch two ZEV transit services: the "Causeway Connection" bus service from Davis to Sacramento jointly provided by Sacramento Regional Transit (SacRT) and Yolo County Transportation District (YCTD); and the "SmaRT Ride" on-demand, micro-shuttle service in the Franklin Boulevard region proposed by Franklin Neighborhood Development Corporation and operated by SacRT.

For the Causeway Connection, Electrify America fully-funded the purchase and delivery of 12 Proterra E2 Catalyst electric buses assembled at Proterra's factory in Southern California. Electrify America also designed and built ultra-fast charging stations at four sites – the SacRT depot, the YCTD depot, and two on-route locations in Davis and Sacramento. By the end of Q1, the stations at the SacRT depot, YCTD depot, and on-route in Sacramento were commissioned, enabling vehicle on-route testing and training.

Figure 13 - Causeway Connection Electric Bus

For the highly innovative SmaRT Ride on-demand shuttle service in the Franklin Boulevard community, Electrify America fully funded the purchase and retrofit of three GreenPower EV Star shuttles, which were assembled in Porterville, California and delivered to SacRT. During Q1, the shuttles were being retrofitted with side ADA-compliant doors and wrap applications. This work was completed on one shuttle, but completion of the two other shuttles was unexpectedly delayed due to a COVID-19 related shutdown of the facility. In 2019, the SmaRT Ride shuttle service launched using traditional diesel vehicles, and SacRT reports the service is highly successful and heavily utilized. SacRT plans to transition the service to the GreenPower EV Star shuttles in 2020.

4.4. Infrastructure

In Q1, Electrify America announced a $1.3 million investment in the Energy StorageShares program developed by the Sacramento Municipal Utility District (SMUD).[13] The investment will help Electrify America reduce its overall energy-related costs and lower the company's impact on Sacramento's electrical grid.

Through SMUD's innovative Energy StorageShares program, Electrify America has purchased an interest in energy storage. The investment will serve a similar purpose to the onsite battery storage systems that Electrify America has installed nationwide, reducing Electrify America's demand charges. Demand charges are presently the largest operating cost barrier to public EV infrastructure deployment, representing up to 80 percent of a given electricity bill.

The program enables SMUD to place energy storage in grid-stressed locations in Sacramento while providing Electrify America with potential reductions in demand charges for its SMUD service territory-located sites. SMUD plans to site the utility battery in a location where significant load growth is expected over the next five years.

Under this agreement, Electrify America will receive recurring credits for the demand reduction needs at the company's 12 electric vehicle charging stations powered by SMUD in the Sacramento area.

4.5. Green City Marketing

In collaboration with 3fold Communications, a Sacramento-based, women-owned business, Electrify America launched the "Sac-to-Zero" education and awareness campaign in 2019. The campaign is an umbrella of all Electrify America services in the Sacramento Region, and it deploys events and media, including social media channels under the Sac-to-Zero tagline.

Figure 14 - Green City Outreach Event

During Q1, 3fold focused its work on the upcoming launch of the Causeway Connection and Franklin Boulevard shuttle services. 3Fold hosted separate meetings with stakeholders of each service to align on community marketing and messaging. The end result was a list of deliverables to be developed for an online toolkit that each stakeholder can access to market the two transportation options within their communities.

[13] "Electrify America Invests in the SMUD Energy StorageShares Program to Reduce Overall Energy Costs and Lower Company's Draw on Sacramento's Electrical Grid," January 15, 2020. https://media.electrifyamerica.com/en-us/releases/89

4.6. Problems, Concerns and Lessons Learned

In Q1, the COVID-19 global pandemic emerged as the greatest challenge to Green City activities. The pandemic has impacted car-share service utilization and fleet management, and it has delayed launch of both bus and shuttle services. Electrify America and its Green City partners have prioritized employee and customer health, and continue to coordinate closely in order to ensure that essential services are provided to those who need them during the national emergency.

5. Update on Cycle 2 Spending Forecasted to be Incurred during Cycle 3

Electrify America is making all possible efforts to fulfill its Appendix C ZEV Investment Commitment to incur $200 million in creditable Cycle 2 costs by the end of Cycle 2. However, as of the drafting of this document, Electrify America anticipates a potential shortfall in Cycle 2 spending through December 2021 due to delays in charging station investments and marketing spending resulting from the COVID-19 global pandemic.

Electrify America acted aggressively to address the COVID-19 emergency early in 2020. With the health of our employees a top priority, a moratorium on employee travel and meeting attendance went into effect in the first week of March, and mandatory telework and employee stay-at-home policies took effect during the second week of March. The Electrify America team has continued to work remotely in an extraordinarily dedicated fashion. Electrify America charging stations have also remained open and available during the pandemic, consistent with guidance from the U.S. Department of Homeland Security and the California Energy Commission that EV charging stations are critical infrastructure providing an essential service.

Due to forces beyond its control, Electrify America's investment is substantially delayed. The national emergency and stay-at-home orders implemented across most of the U.S. slowed or stopped ultra-fast charging station site evaluation, site selection, permitting, construction, utility interconnection, inspection and commissioning activities. Some site hosts – especially those that provide essential services – have also prohibited construction activities during the emergency. And Electrify America has required our suppliers, vendors, and contractors to follow the applicable regulations and guidance regarding the health and safety of their employees during this global pandemic. Dozens of active construction sites have been demobilized. While there are regional differences, approximately 70% of permitted charging station sites in Electrify America's portfolio were delayed by mid-April.

Electrify America has also halted spending on our brand-neutral "Normal Now" media campaign while the appropriateness of its message in these unprecedented times is evaluated.

While the full magnitude and impact of the delays associated with the COVID-19 global pandemic cannot be known at this time, Electrify America will take measures to help mitigate these significant and material delays. Electrify America plans to make the investments to which it committed in its Cycle 2 California ZEV Investment Plan, but the pandemic could adversely affect whether Electrify America is able to make ZEV Investments consistent with the Cycle 2 California ZEV Investment Plan's schedule.