Q2 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.

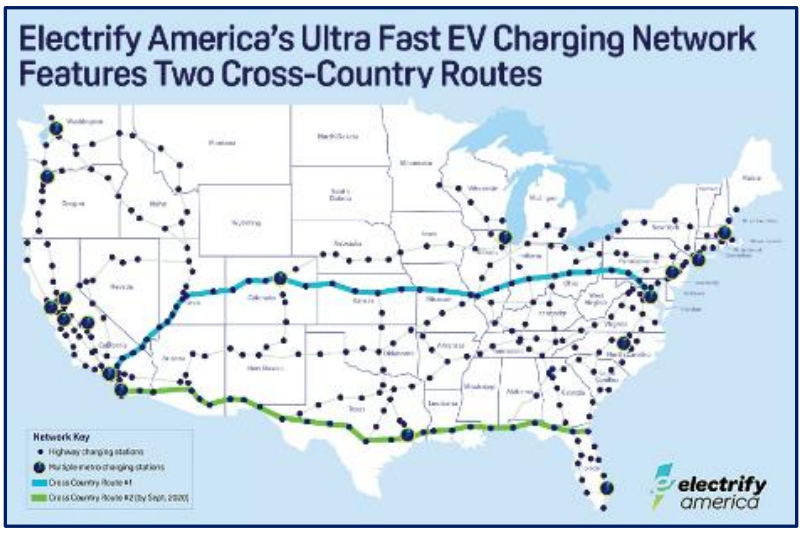
As detailed below, Electrify America's activities in Q2 2020 were focused on implementing the Cycle 2 California ZEV Investment Plan and adapting to the emergence of the COVID-19 pandemic.

During Q2 2020, Electrify America continued to operate and expand its network of ultra-fast, public charging station sites, opening a cross-country route from Los Angeles to Washington, DC, and opening stations in California where construction and commissioning activities were permitted.

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 launched two electric shuttle and bus services, while adapting services to meet customer needs during the pandemic.

Figure 1 - Electrify America Cross-Country Routes



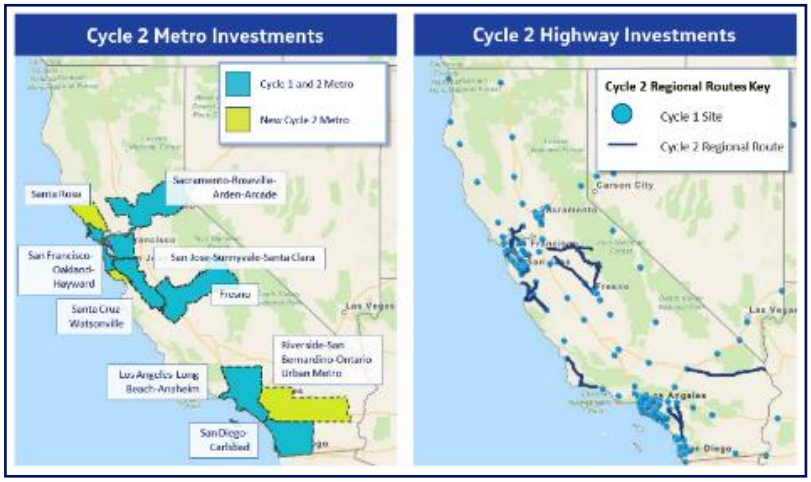
Electrify America continued making a limited set of Cycle 1 investments during Q2 in order to complete the commitments specified in the Cycle 1 California ZEV Investment Plan, as supplemented.

Electrify America publishes this quarterly report to share the progress and impact of its Cycle 2 investments in Q2 2020.

2. A Network of Electric Vehicle Charging Stations

2.1. Introduction

Figure 2 - 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 2). 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 43 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 Q2, Electrify America increased the number of Cycle 2 station sites under contract by 17%.

At the end of Q2, more than 35% of all lease-executed DC fast charging station sites in California were in low-income or disadvantaged communities.

Figure 3 - Construction Contractors Lay Conduit under an Electrify America Equipment Pad

2.2.2. Constructing a Network of DC Fast Charging Stations

As detailed below, the permitting, construction, energization, and commissioning of ultra-fast charging stations during Q2 was greatly impacted by COVID-19 related restrictions. However, Electrify America was able to open nine stations to the public, and the pace of activity increased greatly towards the end of the quarter, highlighted by the opening of Electrify America's first cross-country route, from Los Angeles to Washington, DC, which was completed in June.[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. 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 Q2, the average time to complete the permitting process for DC fast charging station sites in California was 77 business days – nearly 60% longer than the national average. Permitting processes also resulted in station sites being redesigned 33% more frequently in California than in the rest of the nation during Electrify America's last comparison (**Error! Reference source not found.**), which increases both cost and delays.

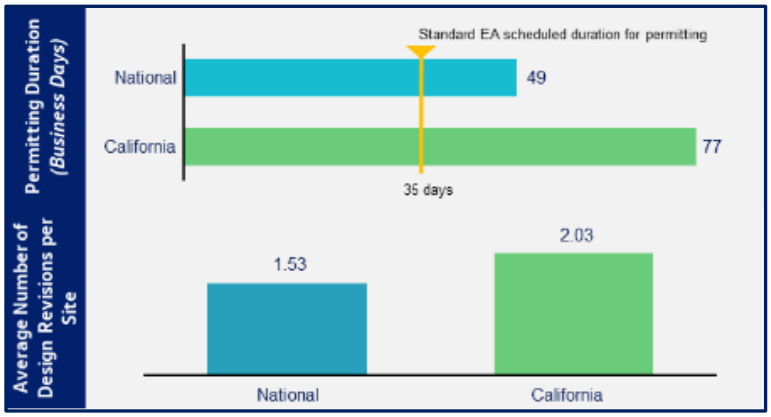
Specifically, it costs Electrify America 28% more, on average, to design and construct a station in California than it costs Electrify America to build a station with the same number of chargers in another state. The additional permitting burdens imposed in California – including costs to address aesthetic requests of local jurisdictions – appear to be the primary cause for this difference. This higher cost per

[3] "Electrify America Completes Its First of Two Electric Vehicle Fast Charging Cross-Country Routes with the Second Route Across the United States to be Completed by September," June 24, 2020. https://media.electrifyamerica.com/en-us/releases/100

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 19% 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 4 - California Permitting Duration



Electrify America has engaged with the Newsom administration, the California Legislature, and the Governor's Task Force on Business and Jobs Recovery to encourage actions to increase AB 1236 compliance. Specifically, Electrify America has communicated that strict adhesion to the AB 1236 compliance timelines established in the Governor's Electric Vehicle Charging Station Permitting Guidebook would be an effective way to put Californians to work constructing essential infrastructure.

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, but this work was substantially delayed due to COVID-19 related restrictions in Q2. As of the end of Q2, Electrify America had completed station construction at 25 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, 12 station sites had passed final utility inspection and were awaiting energization.

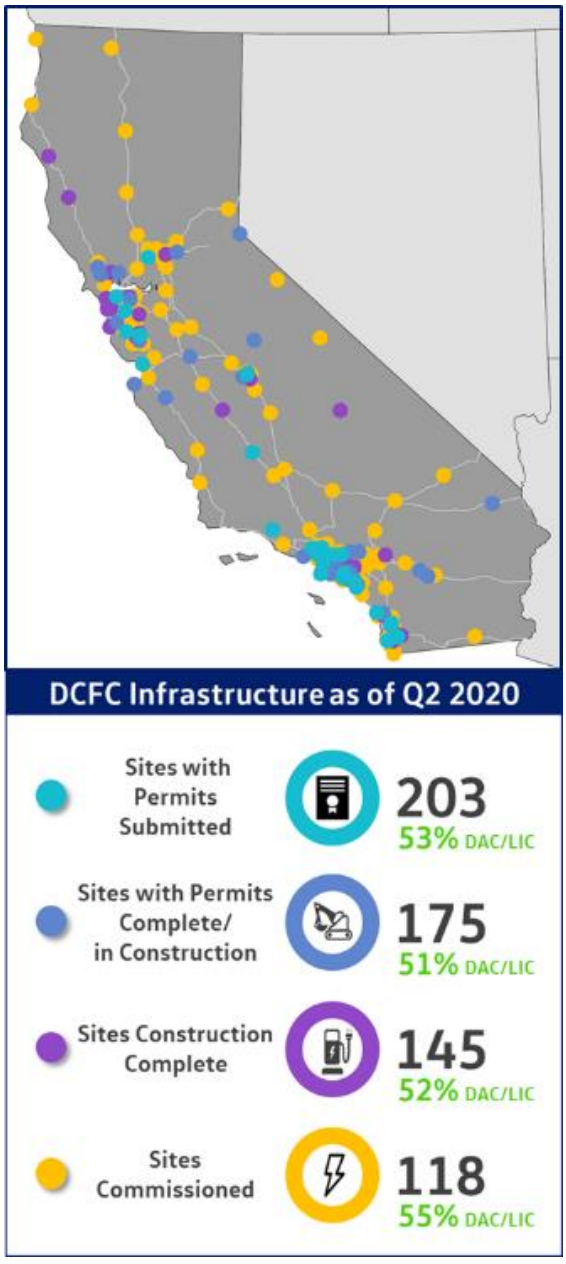
[4] Governor's Office of Business and Economic Development (GO-Biz). "EV Charging Station Permitting Streamlining Map." https://business.ca.gov/industries/zero-emission-vehicles/plug-in-readiness/

Finally, in March the COVID-19 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.

California's state-level stay-at-home order clarified that construction activities were essential services that could continue during the pandemic, but many California counties issued orders that initially prohibited all construction activities. Electrify America reviewed, evaluated, and assessed what activities could proceed. 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.

Figure 5 - 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

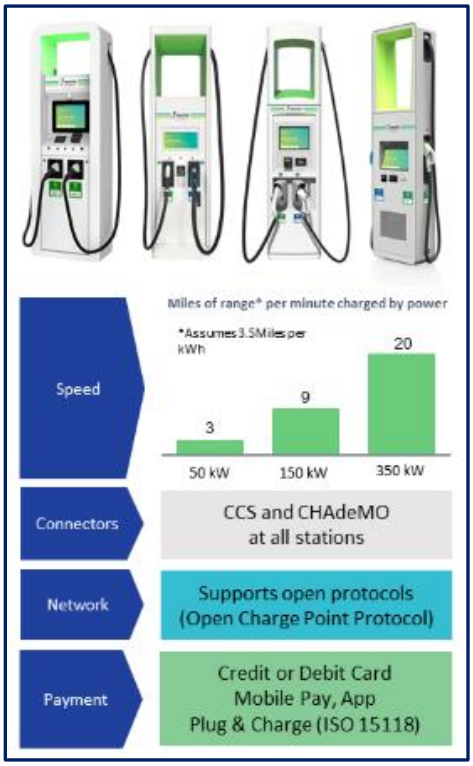
[5] Neither liquid-cooled cables nor 350 kW charging had been deployed commercially in the United States before the Electrify America network. As a result, Electrify America leases the Center of Excellence for equipment quality control and validation.

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 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 Q2, CHAdeMO chargers delivered 7% of the power dispensed at Electrify America stations in California.

Figure 6 - 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 its California stations being 100% powered by renewable energy during Q2.

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

[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.

Los Angeles.[9] Electrify America has also exchanged roaming specifications with most U.S. charging networks, and in Q2 Electrify America continued efforts to advance network-to-network interoperability with several of the nation's charging service providers.

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 Q2, 57 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 Q2, 64 of the 68 applications that Electrify America submitted to electric utilities for permission to connect battery systems had been approved, and 14 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.

Electrify America saw a substantial drop in customer activity and station utilization after the emergence of the COVID-19 global pandemic in March, with weekly charging sessions in California dropping nearly 60%. During the quarter, utilization steadily recovered, with customer charging sessions in the final week of Q2 reaching their highest levels in 2020.

To provide the highest quality of charging experience, in Q2 Electrify America launched an effort to consolidate existing and develop new training materials, process flows, and curricula for the contact center, the network operations center, the station commissioning team, and service and maintenance field technicians. This comprehensive training approach will facilitate more seamless operation of Electrify America's ultra-fast charging station network.

[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.

[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 7 - EV ARC™ 2020 with Electrify America L2 Chargers

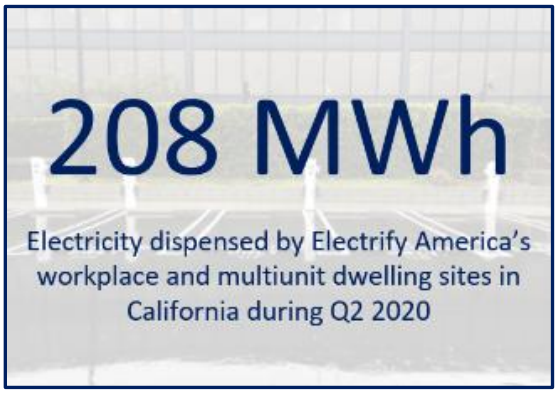
2.3. Level 2 Rural, Workplace, and Multiunit Dwelling Charging Stations

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. During Q2, Electrify America worked closely with potential station hosts to deploy these chargers.

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 Q2, 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 Q2, use of the program's L2 workplace and MUD stations, which delivered approximately 208 MWh to vehicles during the quarter, fell due to less charging at workplaces during a period when millions of Californians were working from home.

Figure 8 - 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 Q2 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 focus on four messaging pillars around ZEVs: performance, range, product spectrum, and charging infrastructure.

Figure 9 - "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.

In April 2020, Electrify America completed message sensitivity research around the Normal Now campaign to determine whether the key messages raised any concerns in the context of the COVID-19 pandemic. The research showed that respondents did not react negatively to the messaging, and Electrify America decided to keep the "Normal Now" tagline for the campaign.

Figure 10 - Example of "Normal Now" Digital Advertisement

Electrify America relaunched "Normal Now" advertising efforts in May 2020 across several channels. Since launch, the Normal Now message has been distributed across paid social, digital display, digital audio, digital video and paid search channels.

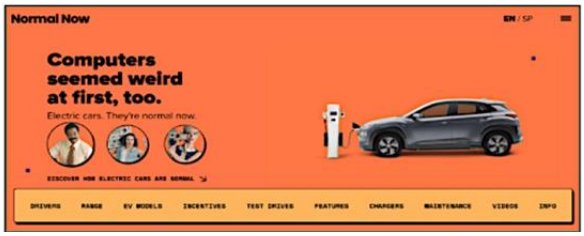
Table 1 - Normal Now Campaign Impressions in Q2 2020

Media Type	Non-LIC/DAC Impressions	LIC/DAC Impressions
Streaming Audio	4,640,257	2,348,180
Digital - Search	130,301	34,252
Digital - Social	5,049,744	3,774,294
Digital TV, Video & Display	8,276,866	5,314,321
TOTAL	**18,097,168**	**11,471,047**

Digital display and video was Electrify America's strongest-performing channel during Q2, followed by paid social. Digital display and video generated more than 13 million impressions during the second quarter, and of those who viewed our video ads, 84% of them watched the ad from start to finish. Paid social generated more than 8.8 million impressions during the quarter across Facebook, Instagram and Snapchat, with over 14,000 users clicking through to NormalNow.com to learn more. Paid search continues to be our strongest channel for driving traffic to the Normal Now website, driving more than 30,000 visits to the site. Once on the page, users most frequently engaged with the "Compare EV Models" feature, which accounted for 51% of all user actions.

During Q2 2020, Electrify America also conducted testing around Normal Now website design, having noticed that the site had a higher than industry average bounce rate. In keeping with the campaign's focus on new technologies reaching maturity, the splash page for the original design emulated early Internet webpages, but Electrify America suspected that some visitors might have believed they had visited the incorrect site due to the visual presentation. During Flight 2 ad campaign, Electrify America directed half of visitors to the original design, and half to a new, modern design.

Figure 11 - Original (Left) and Modern (Right) Site Design



Electrify America found that the new website design significantly reduced the bounce rate and improved the click-through rate for the website. All Normal Now traffic is now routed to the modern design. The new website will continue to drive awareness of the Normal Now message throughout 2020, and Electrify America expects to see increased performance over the course of that timeframe.

3.1.3. Low-Income and Disadvantaged Community Outreach Investments

In Q2, Electrify America continued collaborating with Valley Clean Air Now (Valley CAN), with a focus on building capacity and sustaining customer interactions despite statewide COVID-19 restrictions. Once social distancing requirements took effect, Valley CAN immediately adapted by switching from frequent

in-person clinics to a new system based around texting, social media, email, telephone and video chats. These new platforms have allowed Valley CAN to sustain personalized customer support and continue to build trusted personal relationships despite the lack of face-to-face contact.

By the end of Q2, program application rates had recovered to nearly pre-COVID levels, as customers grew comfortable with submitting qualification documents through multiple channels, including smartphones, tablets, scanners and the U.S. Mail. Highlights from Q2 are shown in Table 2 below.

Table 2 - Community Based Organization Accomplishments

Organization	Description	Q2 Accomplishments
valley CAN "clean air now" 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.	• Completed 158 Clean Cars 4 All transactions • Effectively targeted potential customers through Spanish-language radio and targeted social media • Emphasized message that ZEVs are affordable, reliable transportation to help people keep their jobs and access health care • Launched a home EVSE installation program for qualified customers with technical support from Electrify America

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."

During Q2 2020, Electrify America awarded funding to Plug In America to support six events around Drive Electric Earth Day (DEED) 2020 in California. Drive Electric Earth Day was scheduled to occur from April 18-26, but was postponed due to COVID-19 concerns. Due to ongoing social distancing restrictions, Electrify America and Plug In America are working with City Captains to develop online events that will occur before the end of 2020, and which will maximize the education and awareness impacts on participants. These sponsorship efforts are summarized in Table 3.

Table 3 - Sponsorships

Organization	Description	Q2 Accomplishments
Plug In America Plug In America	Drive Electric Earth Day (DEED) 2020 events	• Funding awarded for six California events in support of Drive Electric Earth Day (DEED) 2020 • Events have been postponed due to COVID-19 concerns and will take place at a later date • Electrify America and Plug In America working with cities to develop online/virtual events in light of social distancing requirements

3.2. Branded Marketing

In Q2, Electrify America focused exclusively on paid search to support its branded marketing campaign. Other media channels – including paid social, streaming audio/podcasts, online video and digital display – will launch as planned in Q3. Electrify America finalized its concept for messaging, centering on the notion of "Hello, freedom." This core message speaks to the freedom Electrify America is bringing to electric vehicle drivers via our nationwide network of DC fast chargers, and the freedom they can now experience on the road.

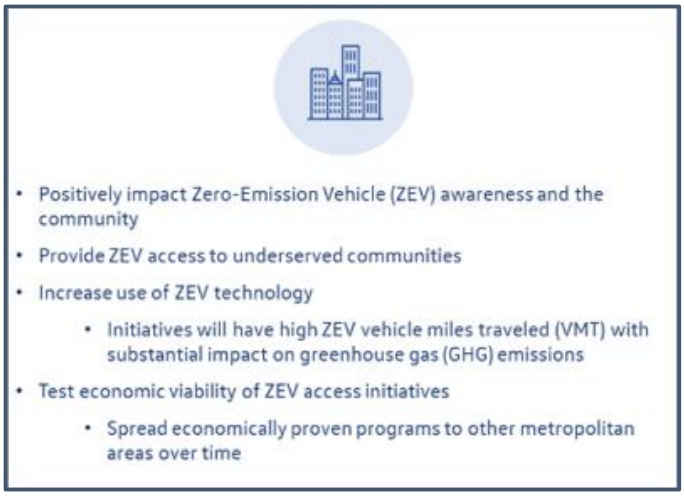
Figure 12 - Example Branded Marketing Paid Search Result

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 13 - 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 Q2.

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 more than 300,000 miles over more than 16,000 separate trips during the quarter.

In response to the COVID-19 pandemic, GIG enhanced its cleaning regimens to ensure surfaces of the cars are disinfected in accordance with CDC recommendations. GIG has also introduced multiday rentals in order to serve customers who wish to use GIG vehicles but prefer to reserve the vehicle for exclusive use. 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 continued to provide service with updated health and safety precautions.

4.2.2. Envoy

Envoy expanded the footprint of its all-electric, residential, community-based car-share service to 45 properties in Q2, reaching full deployment of its 90 EV fleet. Customers used the vehicles for more than 17,000 hours during the quarter.

Envoy continued operations as an essential service during the COVID-19 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. Electrify America anticipates announcing an additional initiative serving the Sacramento region in Q3.

Figure 14 - 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 invested in the vehicles and charging infrastructure necessary to launch two ZEV transit services, which both launched during Q2.

The "Causeway Connection," an electric bus service from Davis to Sacramento jointly provided by Sacramento Regional Transit (SacRT) and Yolo County Transportation District (YCTD), provided its first 14,000 miles of revenue service in Q2. 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 – to make this service a reality.

The highly innovative "SmaRT Ride" on-demand, micro-shuttle service in the Franklin Boulevard community, proposed by Franklin Neighborhood Development Corporation and operated by SacRT, provided its first 859 miles of revenue service to more than 250 riders during Q2. Electrify America fully funded the purchase and retrofit of three GreenPower EV Star shuttles, which were assembled in Porterville, California, and which went into service during the quarter.

Figure 15 - Causeway Connection Electric Bus

4.4. Problems, Concerns and Lessons Learned

In Q2, the COVID-19 pandemic emerged as the greatest challenge to Green City activities. The pandemic has impacted car-share service utilization and fleet management, and it led to a significant drop in public transit ridership during the launch period for both 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. Vendor Survey

Electrify America surveys its vendors semi-annually regarding the economic impact of its investment in California. The survey for the first half of 2020 was conducted over a three-week period, and respondents were repeatedly notified of its importance to Electrify America's reporting requirements.

Electrify America appreciates the time and effort its vendors put into completing the survey. Sixty firms voluntarily responded – 63.2% of Electrify America's vendors. Twenty-eight of the respondents are headquartered in California, five more than responded to the 2019 annual survey.

Approximately 11% of the total workforce reported by survey respondents worked in California, sprinkled across 73 offices and vendor-controlled facilities. Over 700 workers were employed by vendors and subcontractors to work on Electrify America projects in California from January to June 2020 – a 45% increase from 2018 levels.

Figure 16 - Construction Workers are among the 1,027 Californians who worked on Electrify America projects

In addition, Electrify America is creating new jobs and sustaining existing jobs. Survey respondents indicated that nearly 600 jobs were either created or sustained because of work with Electrify America during the first half of 2020. More than 30% of these jobs were based in California.

The survey is designed to highlight the impact of Electrify America's investment on job creation and economic development in California's disadvantaged and low-income communities. However, vendors cannot require their employees to provide demographic information, and Electrify America cannot verify it.

California-based vendors reported that 39% of their employees and subcontractors who worked on Electrify America projects reside in low-income and disadvantaged communities, about the same level as in the first half of 2019. They also reported that 52% of their offices and facilities (including home offices) were located in low-income and disadvantaged communities.[12] Two percent of the employees covered by the survey self-identified as veterans.

Fifteen vendors qualify as small businesses, while four vendors reported qualifying as either woman- or minority-owned entities.[13] Several vendors, especially those based in California, also noted their efforts to recruit prospective workers from low-income or disadvantaged communities. For example, Valley CAN's primary focus is to serve disadvantaged communities, and since its inception, it has drawn heavily from these communities for employees.

[12] In addition to these permanent locations, vendors also provided services, such as ride-and-drive events or car-sharing programs, in many locations across the state, which are not part of this dataset.

[13] Non-profit organizations qualify as minority-owned or women-owned based on Board of Directors composition.

6. Corporate Citizenship

Electrify America has an unprecedented opportunity to make business-driven investments that promote ZEV adoption, improving the quality of life for all Californians. The company is committed to making a difference through its investments. The impact of this commitment takes many forms.

Electrify America's investments are an engine of job creation in and around the EV charging industry. The firm's vendors range from multi-national corporations to passion-driven, community-based non-profits, each of which is bringing on new workers and building new expertise because of their relationship with Electrify America. According to a survey of Electrify America's California-based vendors, 39% of their employees who worked on Electrify America projects reside in low-income or disadvantaged communities.

In 2020, Electrify America designated its first Corporate Social Responsibility (CSR) Manager, who is responsible for coordinating the firm's many corporate citizenship efforts, as well as tracking and measuring impact. The initial corporate social responsibility activities include implementing brand-neutral ZEV awareness and education programs focused on low-income and disadvantaged communities; supporting Science, Technology, Engineering and Math (STEM) programs focused on ZEV technology; and creating an online platform that aggregates incentive information regarding Level 2 home-use charging stations to provide up to date information for consumers. Additionally the CSR Manager is participating in efforts focused on diversity, inclusion, and environmental justice.

6.1. 50x50 Commission

In 2017, the Alliance to Save Energy chartered the Commission on U.S. Transportation Sector Efficiency (the "50x50 Commission") to identify ways to reduce energy use in the U.S. transportation sector by 50% by 2050. Electrify America's President and CEO Giovanni Palazzo serves on the Commission along with several other business executives, elected officials, utility representatives, and other key transportation sector stakeholders.

The 50x50 Commission released its initial policy recommendations, "Reinventing U.S. Mobility," in 2018, and in 2019 it followed with a package of practical recommendations designed to inform Congress' deliberations regarding infrastructure investment. In Q2 of 2020 Electrify America joined the 50x50 Action Network, an outgrowth of the 50x50 Commission. This group is advocating for the Commission's recommendations and providing continued thought leadership on emerging transportation policy issues.

6.2. Living Diversity

Electrify America's team comes from a diverse set of backgrounds. Inclusion and mutual respect are woven into the fabric of the company's culture, and it provides us with an advantage as we seek to drive ZEV adoption for all Americans.

In June Electrify America created an internal Diversity & Inclusion Committee to drive meaningful change and ensure equality within Electrify America. Its self-generated mission statement is as follows:

> *We are committed to the focus, support, and advocacy for better and equal outcomes for all areas of diversity and inclusion, including but not limited to gender, race, sexual orientation,*

religion, and age. We recognize the intersections of environmental impact and how we might incorporate action for environmental justice in our work as well. We hold ourselves accountable to provide a safe platform to share information, experiences, and ideas that will drive towards actionable results that propagate change within our organization and outside of it.

The Committee has initially decided to focus on four key areas: talent acquisition and retention, professional development, corporate social responsibility, and marketing insights. Regarding the latter, it has already created a new layer of review for all of Electrify America's advertisements, and it is developing a review process to ensure that the company's values are reflected in its sponsorship decisions.

6.3. Supplier Diversity

Diversity and Inclusion are not just business imperatives for Electrify America. They are core values. The company recognizes that in the same way its employees and customers come from diverse backgrounds, so too should its suppliers.

In 2020 Electrify America continued to work with the VWGoA Supplier Diversity Manager to ensure a diversity of vendors. As standard policy, Electrify America asked RFP respondents to identify as minority, women, and veteran owned businesses, and Electrify America continued its practice of engaging with potential new vendors identified through the National Outreach Process in order to expand the diversity of its supplier base.

7. 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 its 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.

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.