RETAIL INDUSTRY LEADERS ASSOCIATION

99 M Street, SE
Suite 700
Washington, DC 20003

www.rila.org

January 28, 2022

The Honorable Stephanie Pollack
Deputy Administrator
Federal Highway Administration
U.S. Department of Transportation

Re: **Request for Public Input on Development of Guidance for Electric Vehicle Charging Infrastructure Deployment**

Dear Deputy Administrator Pollack:

The Retail Industry Leaders Association (RILA), on behalf of its members, is pleased to respond to the Federal Highway Administration (FHWA) and Department of Transportation (DOT)'s November 29, 2021 request for information on the Development of Guidance for Electric Vehicle Charging Infrastructure Deployment. By way of background, RILA's members include the largest and most innovative retailers. RILA members include more than 200 retailers, product manufacturers, and service suppliers, which together account for more than $1.5 trillion in annual sales, millions of American jobs, and more than 100,000 stores, manufacturing facilities, and distribution centers domestically and abroad.

RILA appreciates the opportunity to provide feedback on the FHWA and DOT RFI regarding development of guidance for electric vehicle charging and other eligible fueling infrastructure deployment. Advancements in sustainable transportation technology are a priority for the U.S. retail industry—especially for many large retailers, who have publicly committed to sustainability and emissions goals.

In the U.S., the transportation sector overall represents the largest source of greenhouse gas (GHG) emissions and is a source of other harmful air pollutants, like NOx. For the retail industry, transportation represents a universal GHG emissions category, whether these are Scope 1 or 3 emissions from product transportation and distribution or Scope 3 emissions associated with employee or customer travel.

Among leading retailers are companies who: have long been active in programs aiming to reduce emissions and improve efficiency like EPA SmartWay; have committed to transitioning their fleets to EVs and installing EV charging for employees and customers; have made specific clean fleet purchasing targets; and are setting GHG reduction targets that encompass transportation emissions. Through RILA's Supply Chain, Sustainability, and Energy Management communities, RILA members in these communities collaborate by sharing leading practices to drive transportation emissions reductions, and have done so for over a decade. A few examples of work RILA has also completed with key industry partners to help educate and support its members in these areas include a webinar series, Electric Vehicle Fleets and Customer Electric Vehicle

Charging suites of resources, as well as identifying Transportation as a top priority in our Retail Climate Priorities, released in April 2021. Leading retailers know climate change is a bigger threat than any one individual, company, industry, or government can address on its own. As the trade association of our country's leading retail companies, RILA believes effective public policy has a critical role to play in protecting communities and economies globally from climate change's most disruptive impacts.

Leading retailers welcome the opportunity to engage with U.S. federal and state lawmakers aiming to accelerate transportation GHG emissions reductions. RILA and its members will continue voluntary emissions reductions efforts underway in the retail industry and identify opportunities to support public policies and public private partnerships that achieve vital environmental outcomes while minimizing unintended consequences to the environment, consumers, and the economy.

Working towards widescale electrification, particularly for supply chain fleets, will require coordination and investment. Funding decisions around national charging infrastructure design and development, vehicle incentives, and transition fuel access must consider the requirements for maintaining well-functioning supply chains. These include not just truck capabilities and infrastructure needs, but also labor and workforce needs (including mechanics and technicians), as well as truck purchasing and manufacturing lead times, to avoid disruption to critical transportation and distribution capabilities. Retailers can also play an important role in supporting personal vehicle electrification as site hosts for public charging stations, offering charging opportunities across communities, especially for those who may not have access to home charging.

Such an ambitious but important undertaking will require proactive federal and state government engagement with logistics providers, utilities, energy regulators, truck manufacturers, and many other stakeholders – including shippers from the retail and other industries, whose contributions to a strong economy and workforce employment depend on reliable supply chains.

Responding to the economic and moral imperatives of addressing climate change requires thoughtful and meaningful action. Leading retailers know the intricacies of navigating complex relationships and operational realities in the pursuit of sustainability. The retail industry is an ally in the fight against climate change and stands ready to partner with policymakers and provide constructive insights as we work towards ambitious but achievable sustainable transportation goals.

Specifically, RILA's comments below provide a retail industry perspective around several key areas. We urge the FHWA and DOT to take into consideration the comments and considerations detailed below as it moves forward developing guidance for electric vehicle charging and other eligible fueling infrastructure deployment.

1. **Accelerate fleet operational efficiency**
    a. Policymakers should recognize the environmental gains available through supply chain efficiency practices while fleet technology, adoption and infrastructure scale over the coming decades.[1] Programs like EPA SmartWay and other supply chain efficiency leading practice sharing platforms and communities point to the opportunities available through practices like intermodal shipping, headhaul and backhaul route optimization, optimal pairing, minimizing "empty miles," co-loading and other efficiency practices and technologies.[2] Mainstreaming use of these practices and technologies ensures that zero emissions fleets are also using energy and fuel as efficiently as possible.
    b. Studies suggest electrifying last mile delivery vehicles offers the best immediate opportunity for near-term wins and emissions reductions.[3] Technologies for these trucks and vans are available and adoption will have added positive impacts for local air quality. In comparison, long haul trucks are the bigger emitters in supply chain fleets, but their technologies are not as developed. Because of the long lead time to manufacture and transition so many trucks, policymakers should structure funding and incentive programs for trucks of all sizes accordingly. As long haul technologies mature and scale, the aforementioned efficiency practices for less emissions-intensive trucks will be critical to continue minimizing their emissions during the transition period.
    c. Recognize proposals that support technical assistance to fleets to operate more efficiently and those that bring resources to fleet owners to model and understand GHG emissions, air quality, and EJ impacts of current transport routes. Empowering fleet owners with data to make decisions informed with environmental and community impacts can support near term shifts.
    d. **For example,** imagine a mid-sized regional logistics provider whose fleet is primarily older medium- and heavy-duty trucks owned by their drivers. Larger, national or multi-national logistics providers may have developed fleet transition plans that incorporate vehicle incentive application strategies and/or leveraged their economies for scale to put in large orders for electric trucks, for which demand is already outpacing supply. Without these same resources or capabilities to enable their drivers to be early-adopters, the mid-sized regional logistics provider can still significantly reduce its transportation emissions through enabling driver efficiency practices or upgrades to more efficient diesel trucks.

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[1] International Energy Agency. (2021). *Global EV Outlook 2021: Accelerating ambitions despite the pandemic*. IEA. https://www.iea.org/reports/global-ev-outlook-2021/prospects-for-electric-vehicle-deployment.

[2] Mersky, A., and T. Langer. (2021). *Achieving Freight Transport GHG Emissions Reductions through Emerging Technologies*. American Council for an Energy-Efficient Economy. https://www.aceee.org/white-paper/2021/11/achieving-freight-transport-ghg-emissions-reductions-through-emerging.

[3] Moseman, A. (2021, September 2). *How can carbon emissions from freight be reduced?* MIT Climate Portal. https://climate.mit.edu/ask-mit/how-can-carbon-emissions-freight-be-reduced.

2. **Enable the role of fleet transition fuels and technologies**
    a. While state and federal fleet emissions reductions strategies nearly universally underscore the value of long-term electrification,[4] policymakers should recognize that there will be a significant transition period during which charging infrastructure is being built out and electric trucks are being manufactured. During this time, responsibly sourced and manufactured hydrogen and low-carbon biofuels will be among the energy sources and technologies that can enable significant, cost-effective emissions reduction potential in the short term, and may even be the most practical longer-term options in certain regions.
    b. **For example**, consider again a mid-sized regional logistics provider whose fleet is primarily older medium- and heavy-duty trucks owned by their drivers. Because this provider's fleet is again practically unlikely to be the first to transition to electric trucks, their ability to couple efficient operation practices with responsibly sourced compatible renewable fuels or fuel blends will further their ability to reduce emissions in the short-term while fleet technology and infrastructure scales. Moreover, if this provider operates in a remote area where electrification may face insurmountable practicality barriers, a transition to low emission fuels may even make sense over the long term.

3. **Adapt regulatory processes to meet the needs of a widescale charging infrastructure rollout**
    a. Policymakers should analyze current public utility commission (PUC) project approval processes that impact electrification infrastructure development and develop leading practices for how to advance vehicle electrification through utility engagement. Current processes often require project by project approval that will make private infrastructure development significantly slower than if greater flexibility were permitted for streamlined proposals or if the funding of some share of the infrastructure installation costs were incorporated into the everyday business operations of the utility. Program funds should incentivize and reward funding applications that point to permitting reforms that can expedite installation of charging assets.[5]
    b. **For example,** in recent years, state and federal regulators have made strides facilitating physical infrastructure modernization, attempting to reduce unnecessary bureaucracy and expediate permitting and other regulatory requirements. The current Administration's focus on our national infrastructure, and prioritization of historic levels of infrastructure investment, align with the

[4] McKenzie, L., Di Filippo, J., Rosenberg, J., & Nigro, N (2021). *U.S. Vehicle Electrification Infrastructure Assessment: Medium- and Heavy-Duty Truck Charging.* Atlas Public Policy. https://atlaspolicy.com/u-s-medium-and-heavy-duty-truck-electrification-infrastructure-assessment/.
[5] Nelder, C., & Rogers, E. (2019). *Reducing EV Charging Infrastructure Costs.* RMI. https://rmi.org/insight/reducing-ev-charging-infrastructure-costs/.

need to enable streamlined electrification infrastructure updates. One program that USDOT could look at is the DOE SolSmart program which rewarded and recognized communities that actively addressed the soft costs of rooftop solar installation.

4. **Pursue public-private partnerships**
    a. Public-private partnerships for EV infrastructure offer an opportunity for governments, utilities, industries, and communities to work together to develop transportation infrastructure redesign that supports the needs of all parties. Intentional collaboration will help parties to realize the full benefits of new and redeveloped infrastructure. These improvements can be accelerated through financial incentives for infrastructure build out.
    b. Programs in the Infrastructure Investment and Jobs Act (IIJA) offer several examples of promising cost sharing opportunities, including the National Electric Vehicle Formal Program, grants for charging and fueling infrastructure, and grants for the reduction of truck emissions and port facilities.

5. **Invest in infrastructure designed to surpass the equity, security, reliability, efficiency, long-term utilization, and accessibility of current transportation refueling networks and facilitate the collaboration necessary for their success**
    a. Policymakers have an opportunity to use infrastructure investment to not only optimize transportation emissions performance but also design networks in ways that more efficiently fit business and individual needs, including those of underserved communities. These infrastructure plans should not only think through resiliency planning for what happens in translatable scenarios (e.g., fuel shortages, extreme weather events, and power outages) but also for scenarios unique to electrification (e.g., the high power capacity critical for public charging sites). This plan should include the role of other no- and low-emission fuels for driving/fleets as well as purposefully connect with other intermodal forms of transportation and be adaptable to future technology improvements.
    b. For retail and other commercial fleets that operate around the clock, policymakers should work with industry, fuel infrastructure providers, and utilities to understand what information industry supply chains need for planning and smooth operations, including factors unique to these new fuels, to avoid the costs of transition disruption to the economy and overcome other potential risks that can slow adoption. For example, depot charging availability will be critically important to the cost competitiveness of EV truck operations. Proposals that highlight and embed the needs for strong coordination across service providers and utilities,

fleets, and other users are desirable.[6] [7] The role of domestic trucking in supply chain transportation should also not be viewed in isolation of the rail, ocean/waterway, and air modes that also compose commercial transportation networks. Freight networks are a system of systems, and as such, there may be opportunities to enable multimodal low-carbon commercial supply chain corridors with a wholistic approach, rather than only try to closely translate the existing system exactly as it currently functions, but just to greener technologies.

c. Many households that purchase personally-owned EVs will be able to use home charging to meet much of their day-to-day charging needs. However, NREL estimates many households (up to 40% in some areas) do not have access to a garage or off-street parking space to enable home charging or may lack the necessary electrical equipment.[8] Those living in multifamily dwellings may also lack EV charger access. Retailers and shopping centers can help to fill this charging access gap by offering publicly available charging stations at their locations. Retailers and shopping centers often manage parking facilities where longer charging events could logically occur while EV owners shop and work, vastly expanding the national charging network. Creating certainty and confidence in a national system, akin to the federal highway system, should be a paramount goal for the deployment of funding. Programs should reward proposals that directly tackle range anxiety and not strictly on volumetric install of chargers, but also strategically deploying different types of charging, factoring in density and other criteria that reflect different geographic and community needs. In this sense, retail locations which are widespread in rural, urban, and suburban areas can be a crucial land asset for charging and proposals that show an appreciation for the role and integration of retail locations should be recognized. For example, longer charging events at retail locations also enhance customer safety by allowing charging to take place in well-lit, trafficked areas. Additionally, the charging needs of rural, urban, underserved, or disadvantaged communities are different and proposals that thoughtfully recognize (e.g., engagement plans, mapping, etc.) and leverage private sector partners, like incumbent retailers, should also be highlighted. Retailers have already leaned into their role as a provider of personally-owned EV opportunity charging where EV owners work, shop, and play, to provide supplemental charging while cars are already parked, and should be actively engaged in all personal vehicle charging infrastructure conversations.

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[6] Satterfield, C., & Nigro, N. (2020). *Assessing Financial Barriers to Adoption of Electric Trucks: A Total Cost of Ownership Analysis*. Atlas Public Policy. https://atlaspolicy.com/assessing-financial-barriers-to-the-adoption-of-electric-trucks/.

[7] North American Council for Freight Efficiency (2022). Run on Less – Electric Report. NACFE. https://nacfe.org/run-on-less-electric-report/.

[8] Ge, Y., Simeone, C., Duvall, A., & Wood, E. (2021). *There's No Place Like Home: Residential Parking, Electrical Access, and Implications for the Future of Electric Vehicle Charging Infrastructure*. National Renewable Energy Laboratory. https://www.nrel.gov/docs/fy22osti/81065.pdf.

d. The programs in the IIJA require a cost-share for operators of EV infrastructure with baked in credit for maintenance partially reducing the cost-share. It is important to ensure that charging assets are designed with a long-term perspective and avoid the problem of "stranded assets." Funding should be designed to ensure against these risks and incentivize longer-term investments and systems that are anticipating the potential growth of personally-owned EV usage.
e. Programs to fund new infrastructure should prioritize projects developed in close collaboration with stakeholders in the community with the overall objective of surpassing the equity, security, reliability, efficiency, and accessibility of current transportation refueling networks. If new infrastructure were developed without deliberate collaboration and careful planning, well-intended programs could not only fail to help the country meet necessary climate reductions goals but could also damage public and private sector confidence in the viability of transportation electrification, impairing the success of future attempts.

6. **Expedite adoption and availability of medium- and heavy-duty low and zero emissions vehicles (ZEVs) by lowering upfront costs**
    a. Policymakers can greatly accelerate the adoption of low and zero emission vehicles in retail fleets by reducing the upfront and recurring costs associated with their purchase and use. Widespread procurement beyond early adopters will be highly dependent on available infrastructure but also total cost of ownership comparisons with diesel trucks. Whether a retail owns its fleet or contracts for shipping, the feasibility of more proactive truck replacement will depend greatly on comparative upfront costs.
    b. This more guaranteed demand can also help EV and other transition fuel/technology truck manufacturers better predict and prepare for increased demand, helping them justify increased manufacturing and production capacity.
    c. Larger fleets tend to have shorter duty cycles and will transition off vehicles faster. Getting more vehicles available will also open up the secondary markets for smaller suppliers and retailers that aren't as capitalized as national firms (but also use older trucks for longer periods of time). USDOT should consider how to develop resources and incentive structures for secondary markets for medium and small fleets.
    d. Example: Consider a medium-sized retailer who contracts out most of its trucking to third-party shipping providers. In some cases, the retailer works with national shipping providers but in other cases it works with smaller shipping providers. If upfront and total cost of ownership calculations lead the national shipping providers to only proactively replace some of their fleet, those low and zero emission vehicles may only be available to shippers holding the largest contracts, preventing the retailer from having them be a greater part of its fleet. In the case of the other smaller shipping providers, upfront costs may prevent them from

buying more than a few or any low and zero emission vehicles. However, policies can help both types of shipping providers access low and zero emission vehicles. For example, financial incentives for purchasing or operating low and zero emission vehicles can encourage large shipping providers to purchase more vehicles than they might have without the incentives, which would in turn create a larger secondary market for these vehicles to the benefit of smaller shipping provider. In addition, a larger market from financial incentives for low or zero emission vehicles can also help drive down costs and expand offerings in the primary market to the benefit of smaller shipping providers.

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In conclusion, RILA and its members support FHWA and DOT efforts to develop guidance for electric vehicle charging and other eligible fueling infrastructure deployment. Responding to the economic and moral imperatives of climate change requires thoughtful and meaningful action and we look forward to working with FHWA and DOT to enable sustainable transportation fueling networks that are equitable, accessible, secure, reliable, efficient, and well-utilized.

If you have any questions or need any additional information, please contact Jess Dankert, VP Supply chain at Jess.Dankert@rila.org 202-866-8756 or Erin Hiatt at Erin.Hiatt@rila.org 202-869-0283.

Sincerely,

Jess Dankert
VP Supply Chain
Retail Industry Leaders Association

Erin Hiatt
VP Corporate Social Responsibility
Retail Industry Leaders Association