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Coalition Announces New Funding Source for Electric Vehicle Charging From Carbon Credit Markets

New Methodology Will Increase Infrastructure Revenues and Encourage Further Investment to Address a Key Barrier to EV Adoption -- Lack of Charging Stations

Portland, OR (Sept. 18, 2018) -- A coalition of electric vehicle (EV) stakeholders has developed an innovative pathway to use the carbon credit markets to improve EV charging infrastructure revenues and thus help support continued EV sales growth.

The new method, pioneered by the Electric Vehicle Charging Carbon Coalition (EVCCC), provides a blueprint to certify the reduction in greenhouse gas (GHG) emissions that result when EVs are powered by electric vehicle charging stations compared with conventional vehicles and fossil fuels. These reductions translate into carbon credits that can be sold to help improve current EV infrastructure revenues and make future investments more attractive.

The EVCCC founding members include the Carbon Neutral Cities Alliance (CNCA), Connecticut Green Bank, Electrify America, EVgo, Exelon, and Siemens. Leading the project is the Climate Neutral Business Network (CNBN) which developed the methodology with the EVCCC and the voluntary carbon market's leading third-party certifier, the Verified Carbon Standard (VCS) program, managed by Verra.

EV charging stations represent the "fueling stations of the 21st century" as EVs grow in popularity and more EV models with longer ranges are introduced in the coming years. Not only is more widely available infrastructure needed to power these EVs outside of the home – where the majority of charging is typically done overnight -- but faster charging technology reduces the time drivers wait for their vehicles to charge.

The EVCCC was formed to open up access to the carbon credit markets for EV charging systems – specifically to strengthen the business case fundamentals and thus accelerate deployment potential. In the early stages of market development for any new infrastructure investment, securing new sources of capital helps accelerate critical mass and scale. New sources of capital are vital contributors to the success of U.S. clean tech innovation, but as experts at MIT[1] have pointed out, compared to IT software and medical sectors, "clean tech clearly does not fit the risk, return or time profiles of traditional venture capital investors… As a result, the sector requires a more diverse set of actors and innovation models…or, in other words, more "patient capital"." EV charging systems' access to carbon credit markets represents an innovative, new source of such "patient capital.

Sue Hall, founder and CEO of CNBN, explains "one of the original motivations for this project was to compensate for the higher costs of deploying and operating EV charging infrastructure. The new carbon credit revenues -- which are expected to yield an estimated 5 percent to 10 percent return on capital -- make these deployments more financially sustainable."

Here's how it will work: 1) EV charging systems will charge electric cars, reducing CO_2; 2) the eligible EV charging operator receives certified carbon credits based on this action; 3) those credits can then be sold to a voluntary credit purchaser such as a company, government, or other entity that is looking to go carbon neutral (e.g., cities, university campuses, utilities, and individuals), which in turn creates new capital to help companies fund more EV infrastructure.

The carbon credits available through this new voluntary capital market can only be issued once independently certified by Verra's VCS Program, including assessments by its qualified third-party validation and verification body. This provides the credible assurance needed for buyers to have credit purchase confidence.

"Verra's approval of this VCS carbon offset methodology provides another arrow in the quiver to reduce greenhouse gas emissions and confront climate change," states Bryan Garcia, President and CEO of the Connecticut Green Bank. "By valuing emission reductions we can increase private investment in EV infrastructure, which in turn will help increase consumer demand for EVs. By seeing more EV infrastructure, consumers will understand that EVs come with easy access to cheaper and cleaner fuel."

The newly developed *Methodology for Electric Vehicle Charging Systems* represents the culmination of nearly two years of collaboration that began with a carbon business case and concept paper. In a detailed report, the methodology provides the instructions and formulas for EV infrastructure operators and investors to develop precise project design descriptions. Projects whose descriptions are in accordance with VCS methodology requirements can become eligible to generate carbon credits after they are validated and verified.

Specifically, the methodology details how measurement of electricity (in kilowatt hours) dispensed at EV chargers corresponds to a net reduction of carbon emissions compared to equivalent fossil fueled vehicles in the light, medium and heavy-duty sectors, while it also adjusts for the carbon content of localized electricity as well as project emissions consumed by the EV charging equipment to provide charging services.

The resulting carbon credits create a new choice for a growing market of buyers seeking to offset their GHG emissions via transportation-focused investments and complements existing carbon offset sources like sustainable forestry management or methane gas reduction from landfills.

"Cities everywhere desperately need more EV fast charging. There's not enough to make a road-trip across this country or any country easy. This investment grows the options for everyday EV drivers, making electric charging simple and more efficient for everyone. Any business needing a new carbon offset should jump on board. This will be a game-changer for carbon markets, and a crowd-pleaser for EV drivers everywhere" said Jessie Denver, Energy Program Manager with the City and County of San Francisco's Department of the Environment, a member of CNCA.

Wayne Killen, Director for Charging Infrastructure Planning and Business Development at Electrify America, agrees: "There is an acute lack of charging infrastructure, especially more costly DC fast charging, in convenient public locations. More comprehensive and faster EV charging infrastructure have both been identified as key reasons drivers avoid EVs, according to several surveys, including Strategic Vision's *New Vehicle Experience Survey*. "

"EVgo has already built out the nation's largest public fast charging network in the U.S., with more than 1,000 DC fast chargers across the country," said Jonathan Levy, Vice President of Strategic Initiatives at EVgo. "We recognize the need to expand and accelerate the growth of public charging infrastructure to enable the deployment of electric vehicles, which is why EVgo supports innovative approaches like this that reduce the costs of building more DC fast charging infrastructure."

Suzanna Mora, Director of Utility Initiatives at Exelon, adds “as the nation’s largest utility company, we know that our customers want clean energy and new tools to help them reduce their carbon emissions. This new initiative will support our efforts to invest in EV charging infrastructure and make it easier and faster for our customers to adopt cleaner transportation options.”

Carbon credits from this new source will be available for sale in 2019 when the first inventories from Exelon, Electrify America and EVgo are offered. More importantly, this new investment alternative should help accelerate the adoption of private, shared, ride hail and fleet owned EVs, because their corresponding GHG reductions from higher sales volumes can be supported by more robust and financially viable charging infrastructure.

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Fact sheet available at http://climateneutral.com/index.php/evccc/

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Other EVCCC Stakeholder Quotes

FORTH, Jeff Allen, CEO

"Fueling up with electricity is one of the best things you can do to reduce carbon pollution. By capturing the monetary value of those carbon reductions, this exciting new project will help reduce the costs of charging and accelerate the switch to electric transportation."

Northeast States for Coordinated Air Use Management, Arthur Marin, Executive Director

"Robust and reliable charging networks are the key to providing drivers everywhere with the confidence to drive electric. Improving the business case for infrastructure investments, especially for fast charging, will make investing in electric vehicle charging projects more attractive and help to push the market forward."

Bonneville Environmental Foundation, Angus Duncan, President, Chair, Oregon Global Warming Commission

"Transportation greenhouse gas emissions are up across the country, and national public policy is hostile to arresting that trend. So we need all hands on deck in the states and the private sector, with every useful tool deployed. We know displacing internal combustion vehicles with electrics is one of our most important outcomes; that wide deployment of charging stations is a critical factor in enabling that displacement; and that getting access to carbon markets is one of the tools we need to accelerate the deployment of charging infrastructure. Thanks to EVCCC, the VCS program and the work of lots of committed, knowledgeable people, that access is about to open up."

EVCCC FOUNDING PARTNERS

ABOUT CARBON NEUTRAL CITIES ALLIANCE:
The Carbon Neutral Cities Alliance (CNCA) is a collaboration of leading global cities working to cut greenhouse gas emissions by 80-100% by 2050 or sooner — the most aggressive GHG reduction targets undertaken anywhere by any city. The Alliance aims to address what it will take for leading international cities to achieve these deep emissions reductions and how they can work together to meet their respective goals more efficiently and effectively. CNCA enables leading cities worldwide that are working aggressively toward a zero-carbon future to advance their own transformational efforts, collaborate with each other and key partners to overcome barriers, foster innovative approaches, and share lessons with other cities ready to pursue similar goals.

ABOUT CLIMATE NEUTRAL BUSINESS NETWORK:
Climate Neutral Business Network (CNBN) brings unparalleled experience to deliver measurable competitive advantage for clients from their climate leadership. Our clients have forged some of the most creative and compelling carbon innovations – spanning the US's first ever carbon neutral introductions in 2000, through Chevrolet's 2010 $40m 8m ton carbon investment strategy – to EVCCC's opening of the carbon capital markets to help accelerate leading-edge EV transportation solutions. CNBN is dedicated to identifying how the carbon capital markets can best drive our progress towards a 21st century low carbon future.

ABOUT CONNECTICUT GREEN BANK:
The Connecticut Green Bank was established by the Connecticut General Assembly on July 1, 2011 as a part of Public Act 11-80. As the nation's first full-scale green bank, it is leading the clean energy finance movement by leveraging public and private funds to scale-up renewable energy deployment and energy efficiency projects across Connecticut. The Green Bank's success in accelerating private investment in clean energy is helping Connecticut create jobs, increase economic prosperity, promote energy security and address climate change. In 2017, the Connecticut Green Bank received the Innovations in American Government Award from the Harvard Kennedy School Ash Center for Democratic Governance and innovation for their "Sparking the Green Bank Movement" entry. For more information about the Connecticut Green Bank, please visit www.ctgreenbank.com.

ABOUT ELECTRIFY AMERICA:
Electrify America LLC, which is headquartered in Reston, Virginia, is investing $2 billion over a 10-year period in Zero Emission Vehicle (ZEV) infrastructure and awareness. The investment will enable millions of Americans to discover the benefits of electric driving and support the build-out of a nationwide network of workplace, community and highway chargers that are convenient and reliable. For more information, visit www.electrifyamerica.com.

ABOUT EVGO:
EVgo is America's Largest Public Fast Charging Network. EVgo's fast chargers deliver convenient, fast charges to EV drivers on the go, at a rate approximately eight times faster than conventional Level 2 charging. EVgo's fast chargers are compatible with all EV models currently on the market that accept DC Fast Charging. With more than 1,000 fast chargers and more than 1,000 Level 2 chargers in 66 metropolitan markets, EVgo's network in 34 U.S. states allows EV drivers to travel further while providing exemplary service by maintaining and operating its charging stations. EVgo offers a variety of flexible pricing options for drivers including Pay As You Go and low-cost Membership options, as well as complimentary charging plans for buyers of new vehicles from partner automakers, including BMW and Nissan.

EVgo's chargers are in convenient, high-traffic locations where demand for EV fast charging is highest. To find out more, or to join the EVgo network, visit EVgo.com. Connect with EVgo on Facebook and follow us on Twitter and LinkedIn.

ABOUT EXELON CORPORATION:
Exelon Corporation (NYSE: EXC) is a Fortune 100 energy company with the largest number of utility customers in the U.S. Exelon does business in 48 states, the District of Columbia and Canada and had 2017 revenue of $33.5 billion. Exelon's six utilities deliver electricity and natural gas to approximately 10 million customers in Delaware, the District of Columbia, Illinois, Maryland, New Jersey and Pennsylvania through its Atlantic City Electric, BGE, ComEd, Delmarva Power, PECO and Pepco subsidiaries. Exelon is one of the largest competitive U.S. power generators, with more than 35,168 megawatts of nuclear, gas, wind, solar and hydroelectric generating capacity comprising one of the nation's cleanest and lowest-cost power generation fleets. The company's Constellation business unit provides energy products and services to approximately 2 million residential, public sector and business customers, including more than two-thirds of the Fortune 100. Follow Exelon on Twitter @Exelon.

[1] https://energy.mit.edu/wp-content/uploads/2016/07/MITEI-WP-2016-06.pdf